2020 Universal Registration Document

GROUPE Casino
NOURISHING A WORLD OF DIVERSITY

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AUTORITÉ DES MARCHÉS FINANCIERS AMF

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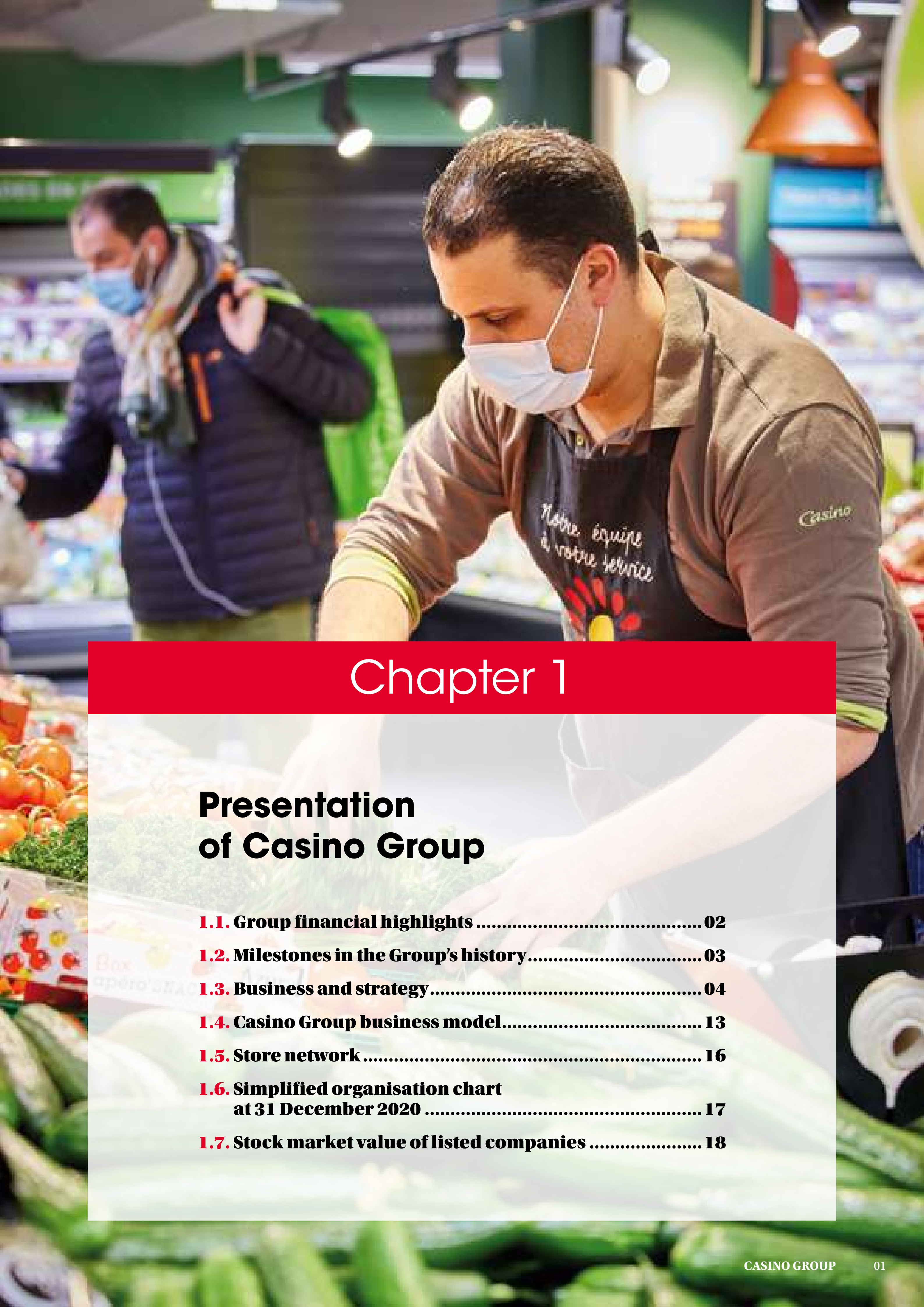

Chapter 1

Presentation of Casino Group

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1.1. GROUP FINANCIAL HIGHLIGHTS

The Group's financial performance in 2020

Continuing operations *(€ millions)*	2020	2019 (restated)	2020/2019 reported change	2020/2019 CER change[1]
Net sales	31,912	34,645	-7.9%	+9.0%
EBITDA[2]	2,742	2,640	+3.9%	+17.0%
Trading profit	1,426	1,321	+7.9%	+25.2%
Net profit (loss) from continuing operations (Group share)	(370)	(396)	n.m.	n.m.
Net profit (loss) from discontinued operations (Group share)	(516)	(1,048)	n.m.	n.m.
Consolidated net profit (loss) (Group share)	(886)	(1,444)	n.m.	n.m.
Underlying net profit[3] (Group share)	268	196	+37.0%	+61.9%
Underlying diluted earnings per share	2.17	1.47	+48.2%	+79.1%

(1) CER: 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 68.
(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)	2020	2019 (restated)
Equity (before appropriation)	6,118	8,256
Net debt[1] after IFRS 5	3,914	4,055
Net debt to EBITDA ratio	1.4 x	1.5 x

(1) See Note 11 Financial structure and finance costs, page 101.

Gross capital expenditure

(€ millions, continuing operations, excl. disposal plan)	2020	2019 (restated)
Capital expenditure		
▪ of which France	(425)	(354)
▪ of which Latam Retail	(422)	(671)
▪ of which E-commerce (Cdiscount)	(80)	(83)
TOTAL	**(927)**	**(1,107)**

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 nine 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 (now Floa Bank) 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.

Casino Group, which already held half of Monoprix's share capital, took full control of the banner in 2013.

2015-2020 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 2018, the Group decided to strengthen its positioning in buoyant formats, categories and geographies in France. 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. In Latin America, the Group concluded its project to simplify its structure and also announced the completion of the sale of Via Varejo in Brazil.

In 2020, the strengthened positioning of the business in E-commerce and premium and convenience banners intensified with the Covid-19 pandemic, which accelerated the transition towards a new consumption model. The Group's banners are developing their E-commerce solutions by expanding their home delivery offering through stepped up partnerships with Ocado and Amazon, and new cooperative undertakings with delivery specialists such as Deliveroo and Uber Eats.

In France, the Group pursued its non-strategic asset disposal plan with the completion of the sale of Leader Price at the end of November 2020 and focused on reducing its debt through a new refinancing plan completed in December 2020.

In Latin America, GPA announced a project to spin off Assaí in order to optimise the potential of the cash & carry business and the more traditional food retailing businesses.

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 10,794 stores at 31 December 2020. 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, Assaí, Éxito, Disco Uruguay and Libertad food banners).

In 2020, the Group recorded consolidated net sales of €31.9 billion, down 7.9% as reported and up 9.0% on an organic basis(1) or 7.8% on a same-store basis(1). Underlying profit attributable to equity holders of the parent came to €268 million for the year, up 37% as reported and 62% at constant exchange rates.

In 2020, the key macro indicators in the Group's main markets changed as follows:

	Change in household consumption	Change in the consumer price index
France	-7.1%	+0.5%
Brazil	-7.0%	+3.2%

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 2020, Casino Group comprised 7,634 stores in France, including 5,422 franchises.

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 and reducing its exposure to discount stores. At end-November 2020, the Group completed the sale to Aldi France of 545 Leader Price stores, two Casino supermarkets and three warehouses.

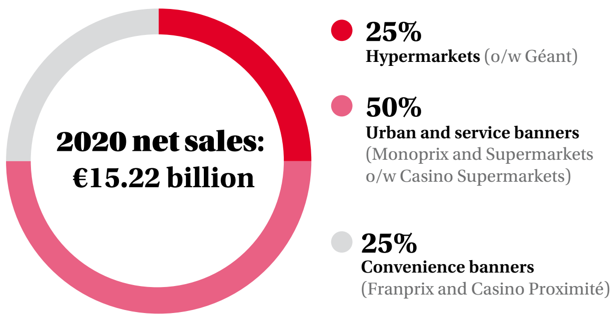
Casino Group is now the leader in urban convenience and premium formats through its banners Monoprix, Naturalia and Franprix. It is also a leading player in Paris, the Greater Paris region and in other major French cities.

France Retail recorded net sales of €15,219 million in 2020 and trading profit of €625 million, of which €562 million derived from food retailing.

The France Retail segment accounts for 48% of the Group's net sales and 44% of its trading profit.

Casino Group has a market share of 8.3%(2) in its domestic market.

Breakdown of France Retail net sales(3) by format (at 31 December 2020)



(1) Excluding petrol and calendar effects.
(2) Value of Kantar P13 2020 market share, cumulative annual average.
(3) Leader Price is no longer included in the net sales breakdown following its reclassification as a discontinued operation, and its sale in November 2020.

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 799 stores in France and abroad at end-2020.

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 216 stores offering up around 8,500 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 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 sq.m., 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 was able to launch its Monoprix Plus service, leveraging disruptive technology for next-day delivery. The new O'Logistique warehouse, which has been in operation since May 2020, offers a top-quality service which can prepare a basket of 50 items in only six minutes. It boasts an extensive product range and shortages are rare.

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 service has been running in Lyon and Bordeaux since 2020. Monop' also signed a partnership with Deliveroo this year to satisfy growing demand relating to the Covid-19 pandemic.

Furthermore, Monoprix continued to focus on innovation during the year, opening a new store concept in Paris Montparnasse station in 2020 and unveiling its fully-autonomous "Blackbox" store, which is accessible 24/7 and is potentially intended for hospitals, train stations and airports.

In 2020, Monoprix's net sales reached €4,537 million, driven by double-digit growth in organic products and 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-2020, Franprix operated a total of 872 stores, including 479 franchises, with an average retail space of 400 sq.m.

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, Cdiscount and Decathlon.

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

The banner also enhanced its E-commerce solutions with click & collect and home delivery services, notably through the development of its partnership with Deliveroo in 2020.

In 2020, Franprix's net sales totalled €1,579 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 419 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 1,600 sq.m. and offer mainly food products.

Innovation is 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. The banner also continued to deploy autonomous solutions, with 199 stores equipped at the end of the year. 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 banners.

Casino Supermarkets also developed its E-commerce initiatives with the drive, click & collect and home delivery services. In 2020, the banner signed partnerships with Deliveroo and Uber Eats and launched Casino Plus in partnership with Ocado in order to offer next-day delivery of Casino Supermarket products from the O'Logistique warehouse using the Monoprix Plus model.

In 2020, Casino Supermarkets' net sales amounted to €3,069 million, driven by triple-digit growth in E-commerce and 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. Their selection emphasises local producers, scoop-and-weigh services, organic produce and private-label products. The network comprises 5,206 convenience outlets.

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 4,450, 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.

E-commerce solutions were deployed within the different networks, with click & collect services and the signing of a partnership with Deliveroo in 2020.

The Convenience & Other segment[(1)] reported net sales of €2,199 million in 2020, while convenience retailers alone recorded €1,416 million, led by triple-digit growth in E-commerce and double-digit growth in organic products.

Hypermarkets

Géant hypermarkets

Géant Casino is a hypermarket banner on a human scale (average retail space of around 7,000 sq.m.), 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 banner accelerated its "shop-in-shop" strategy in 2020, signing new partnerships with specialist retailers C&A, Claire's and Hema. Digital solutions continue to enhance consumers' purchasing experience, particularly through the Casino Max mobile app.

As with the Group's other banners, 2020 triggered accelerated development of the E-commerce offering. In addition to its Drive and click & collect services, Géant Casino expanded its home delivery offering by signing agreements with Deliveroo and Uber Eats and launching the Casino Plus service for next-day delivery of Casino products from the O'Logistique warehouse.

Géant had 105 stores at end-2020, including four affiliates in France and seven affiliates abroad.

Hypermarkets[(2)] generated net sales of €3,836 million in 2020, of which €3,620 million from Géant.

Cameroon

Cash & carry: 2 stores

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.

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 €1.3 billion at the end of 2020, including transfer duties, compared with €1.4 billion at the end of 2019 (€1.2 billion and €1.3 billion respectively excluding transfer duties), mainly due to disposals of real estate assets by the Group (Casino, Monoprix and Leader Price stores, non-food retail areas, property and other assets).

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.

Internationally, the Group is continuing to develop its commercial property, mainly with GPA Malls in Brazil (261,000 sq.m. of gross leasable area – GLA), Viva Malls in Colombia (763,000 sq.m. of GLA) and Paseo Libertad in Argentina (169,000 sq.m. of GLA).

(1) Mainly includes cafeterias (until 30 June 2020) and Geimex.
(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)	2020	2019
France	**2.1**	**2.3**
▪ of which store properties	1.1	1.3
▪ of which Mercialys[2]	0.7	0.9
▪ of which other[4]	0.2	0.2
International[3]	**0.6**	**0.9**
Total Group assets	**2.7**	**3.2**
▪ of which store properties	1.4	1.8
▪ of which Mercialys[2]	0.7	0.9
▪ of which other[4]	0.5	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 20.3% 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.

Floa Bank (formerly Banque Casino)

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

Floa Bank also develops innovative payment and financing solutions, such as the 100% online mini-loan service Coup de Pouce (directly or through its partnership with Lydia) and a 10-instalment payment solution guaranteeing a reply in under two minutes.

Floa Bank had 3 million customers in 2020.

Casino Restauration

Casino Restauration was historically positioned in the fast-food segment through its chain of cafeterias (Casino cafeterias, now À la Bonne Heure and Cœur de Blé).

The Company also operates in various market segments through its catering service (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 À la Bonne Heure and Cœur de Blé restaurants to the Crescendo Restauration group.

Indian Ocean region (business sold in June 2020)

At the end of June 2020, Casino Group announced that it had completed the sale of Vindémia, its subsidiary in the Indian Ocean region, to the GBH family group, for an enterprise value of €219 million.

Business reclassified as a discontinued operation

Leader Price (business sold in November 2020)

In November 2020, Casino Group announced that it had completed the sale to Aldi France of 545 Leader Price stores, two Casino supermarkets and three warehouses, for an enterprise value of €717 million (including an earn-out of up to €35 million). The Group may sell additional Leader Price stores to Aldi in the near future. Casino Group remains the owner of the Leader Price brand and can continue to operate it within and outside France under certain conditions agreed with Aldi.

In light of the decision made in 2019, this business is presented as a discontinued operation in 2019 and 2020, in accordance with IFRS 5.

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 7,634 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 Casino O'Logistique warehouse, automated with Ocado technology, has been fully operational since May 2020, following an initial test phase in March. It is designed to prepare and provide next-day delivery of Monoprix shopping baskets in Paris and Île-de-France. 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. It also displays expiry dates. Building on this success, the service operated by the O'Logistique warehouse for Monoprix (Monoprix Plus) was extended to Casino Supermarkets and Géant Casino through Casino Plus at the end of September 2020.

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 7,000 items, of which 2,000 are private-label products, an offering of around 2,000 products from Naturalia and a wide range of Casino-brand items. The solution was up-and-running in Paris, the Greater Paris region and the Côte d'Azur (Nice and surrounding towns) by end-2019, and was expanded to Lyon and Bordeaux in 2020.

In addition to these two market segments, the Group enhanced its offering in 2020 by forming partnerships with home delivery specialists Deliveroo and Uber Eats to meet growing demand caused by the health situation. With the lockdowns currently in place, this solution offers consumers an easy alternative, guaranteeing contactless delivery within 30 minutes to an hour from the time the order is placed.

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

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 2020, Cdiscount's GMV reached €4,207 million, with net sales of €2,225 million[(1)]. The sharp increase was attributable to the health crisis and the considerable restrictions on movement it has entailed.

Cdiscount features a wide array of products in the home appliances, day-to-day, IT, sporting goods, gardening, DIY and culture categories, with a total of 100 million items available on its website. The Cdiscount marketplace now represents 43.6% 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 27 European countries. An alliance of four European marketplaces, the International Marketplace Network (IMN) was deployed in 2019 to synchronise merchant offers and strengthen expansion abroad. Buoyed by its expertise, Cdiscount launched a turnkey marketplace solution in early 2021 for retailers in France and international markets. This solution is intended to be deployed on a priority basis in Europe, Africa and the Middle East, representing an E-commerce market of more than €600 billion.

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 GPA holds 34.0%. Lastly, 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.

At the end of the year, total installed capacity came to 335 MWc and the photovoltaic pipeline was 565 MWc[1].

GreenYellow is positioned in France and abroad, in Latin America, Asia, Africa and the Indian Ocean region.

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 in Africa[2], 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, was set up to specialise in three areas: analysing purchasing behaviours, activating advertising campaigns, and measuring the impact of offline campaigns. The company's operations have been 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.

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 2019 in the Greater Paris region (Réau, Seine-et-Marne), in a Cdiscount warehouse, and a second in November 2020 in the Saint-Etienne region (Verpilleux). Computing power totalled 27,000 processing cores at end-2020.

(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.

1.3.4. Significant shareholding in major retailers in Latin America

Casino Group operates in Brazil, Colombia, Argentina and Uruguay through 3,158 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.

In September 2020, GPA announced the upcoming spin-off of its activities in Brazil in order to optimise the potential of the cash & carry business (Assaí) and the more traditional food retailing businesses of GPA and Éxito. The aim of the operation is to enable them to operate autonomously and to focus on their respective business models and market opportunities. The spin-off plan was approved by GPA shareholders at the General Meeting on 31 December 2020 and the Assaí shares were admitted to trading on 1 March 2021.

The Group's Latin American subsidiaries are combined in the Latam Retail segment (GPA, Assaí, Grupo Éxito, Grupo Disco Uruguay and Libertad Argentina), which accounted for 46% of consolidated net sales and 53% of trading profit in 2020.

Food retailing net sales in Latin America came to €14,656 million in 2020, a decrease of 10.4% in total and an increase of 17.3% on an organic basis[(1)] or 11.6% on a same-store basis[(1)]. Trading profit came to €748 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's multi-format, multi-banner store portfolio allows it 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.

Casino also operates in the cash & carry segment in Brazil through its Assaí banner, which represented 55% of sales in Brazil in 2020.

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-2020, GPA operated a total of 880 food stores[(3)]. Including drugstores and service stations, it had 1,057 stores overall. GPA also manages 126 shopping malls covering a total of around 285,000 sq.m.

In 2020, the GPA food banners contributed €11,019 million to Casino's consolidated net sales. E-commerce delivered annual growth of over 200%[(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: 103 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.

Supermarkets

- ***Pão de Açúcar: 182 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.

- ***Mercado Extra: 147 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.

(1) Excluding petrol and calendar effects.
(2) Information available at www.gpari.com.br and www.ri.assai.com.
(3) Excluding service stations and drugstores.
(4) Data published by the subsidiary GPA.

Convenience

■ ***Mini Extra/Minuto Pão de Açúcar: 236 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.

Launched in June 2014, Minuto Pão de Açúcar is a premium convenience format. With an average selling area of 300 sq.m. 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: 103 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: 184 stores(1)***

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 2020 and now accounts for 55% of sales in Brazil.

Colombia(2)

Casino has operated in Colombia since 1999 through its Éxito subsidiary, Colombia's leading food retailer. At 31 December 2020, Éxito had 513 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. 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 over 513,000 sq.m. 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 2020, Grupo Éxito (Colombia, Uruguay and Argentina; excluding Brazil) contributed €3,637 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). The banner continued to develop its Éxito WOW hypermarkets, offering an even more digital customer experience in a remodelled store.

Supermarkets: 153 stores

■ ***Éxito Super and Vecino: 73 stores***

The Éxito brand also includes two different supermarket banners: 29 Éxito Super stores, offering a range of primarily food products and 44 Éxito Vecino stores, offering a wider assortment of non-food products.

■ ***Carulla: 80 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. The banner continued to develop its new Carulla Fresh Market format, offering an expanded offering of fresh produce and more premium service counters.

Convenience: 91 stores

■ ***Éxito Express: 76 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: 15 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: 1,647 stores (incl. 1,470 Aliados stores)

■ ***Surtimax: 74 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 has a network of Aliados independent franchises, with a total of 1,470 franchised stores at the end of 2020.

■ ***Super Inter: 69 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: 34 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.

(1) Company information available at www.ri.assai.com.
(2) Company information available at www.grupoexito.com.co.

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 93 stores at end-2020.

Supermarkets

- ***Disco: 30 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: 35 stores***

Since 2015, Devoto has been showcasing a new convenience format. With an average selling area of 180 sq.m. 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 2020, 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 sq.m. 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, and (ii) a €2.0 billion phase announced in 2019 as part of a programme to identify additional assets for disposal. The Group has also further strengthened its financial structure through two refinancing plans completed in November 2019 and December 2020.

Asset disposal plan

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

The €1.5 billion plan launched in June 2018 was raised to €2.5 billion in March 2019 and completed with an additional €2.0 billion plan, as announced in August 2019, bringing the plan total to €4.5 billion.

Disposals mainly cover store properties (Hypermarkets, Supermarkets and Monoprix), the Vindémia subsidiary in the Indian Ocean region, its catering services subsidiary R2C, part of the capital of Mercialys, and Leader Price.

With the completion of the sale of Leader Price to Aldi France at the end of November 2020, the total amount of non-strategic asset disposals since July 2018 came to €2.8 billion.

Refinancing plan

With a view to further strengthening its liquidity and financial structure, in November 2019 Casino Group finalised a refinancing plan that consisted in raising €1.8 billion in new financing through a term loan ("Term Loan B") for €1.0 billion 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.

In 2020, the Group continued to strengthen its financial structure, by carrying out several transactions aimed at strengthening its liquidity until end-2023, reducing bond debt and extending its average maturity.

In December, Casino Group completed a large scale transaction that consisted of (i) tapping the 2024 Secured Term Loan B initially issued in November 2019 for an amount of €225 million, (ii) the launch of an unsecured debt instrument maturing in January 2026 for €400 million and (iii) a tender offer on Casino's unsecured notes maturing between 2021 and 2025.

The cumulative amount of bonds bought back in 2020 on the market or through public tender offers thereby totalled €1.4 billion. On completion of these transactions, the segregated account dedicated to the redemption of bonds had a balance of €487 million.

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.

Casino Group business model

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

2020 KEY FIGURES

€31.9bn
in net sales

More than 120 years
of history

205,769
employees

No. 2
in E-commerce in France

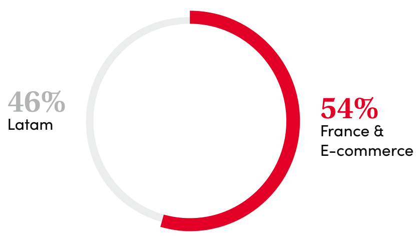
No. 1
in convenience stores in France

No. 2
retailer in Brazil

No. 1
retailer in Colombia

Rated 72/100
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

10,794 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: **50%** 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/ Cash & carry

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:
55% 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.
- next-day or express home **delivery**

NON-FOOD E-COMMERCE

No. 2 in E-commerce in France
€4.2bn in gross merchandise volume (GMV)
100 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 (333 photovoltaic plants and 2,612 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 Floa Bank and Puntos Colombia.

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

** End 2020.*

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

€31.9bn in net sales across our banners

€598m in revenue from other activities (property, energy, etc.)

€16m in income on financial investments

Offer more responsible products

- **More than 32,800 products** certified as responsible
- **2,700** private-label organic products
- **€1.3bn** in sales of organic products in France

REVENUE DISTRIBUTED

SUPPLIERS

€26bn in purchases of goods and services

Improve the supply chain

- Around **90%** of plants producing private-label brands in countries at risk are audited
- **More than 1,200** supplier audits
- **More than 90%** of buyers were trained in social ethics processes over the 2018-2020 period
- Local production chains supported: **more than 80%** of the fruit and vegetables sold by Éxito in Colombia purchased directly from local farmers

EMPLOYEES

€3.7bn in gross wages, payroll taxes and benefits paid

Support employment

- **205,769** employees
- **6,291** work/study trainees
- **95%** employees on permanent contracts

Advance professional equality

- **40.4%** of managers are women

Promote diversity

- **8,460** employees with recognised disabilities

LOCAL COMMUNITIES, NGOS AND NON-PROFIT ASSOCIATIONS

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

Help the most disadvantaged

- **More than 37 million** meal equivalents contributed to food bank networks

STATE AND TERRITORY

€157m in taxes paid

Reduce the environmental impact

- **540 kWh** of electricity consumed per sq.m. of retail space, i.e., a reduction of approximately 10% compared with 2015
- **1,481 kt CO_2eq** in Scope 1 and 2 GHG emissions in 2020, i.e., a 10% reduction compared with 2015

FINANCIAL INSTITUTIONS

€717m in interest paid

Maintain stable governance and shareholding

- Women account for **46%** of the Board of Directors
- **46,314** (compared with 43,487 in 2019) identified individual shareholders hold **19.52%** (17.32% in 2019) of the Company's share capital

1.5. STORE NETWORK

	Number of stores at 31 December			Sales area *(in thousands of sq.m)*		
	2018	2019	2020	2018	2019	2020
Géant Casino hypermarkets	**122**	**109**	**105**	**848**	**772**	**740**
o/w French franchises/affiliates	7	4	4			
o/w International affiliates	5	6	7			
Casino Supermarkets	**442**	**411**	**419**	**726**	**667**	**668**
o/w French franchised affiliates	104	83	71			
o/w International franchised affiliates	19	22	24			
Monoprix	**795**	**784**	**799**	**737**	**741**	**746**
o/w franchises/affiliates	203	186	192			
o/w Naturalia integrated stores	175	182	184			
o/w Naturalia franchises	13	23	32			
Franprix	**894**	**877**	**872**	**364**	**352**	**347**
o/w franchises	433	459	479			
Convenience stores	**5,153**	**5,139**	**5,206**	**700**	**701**	**710**
Other businesses	**591**	**367**	**233**	**n/a**	**n/a**	**n/a**
Indian Ocean region	**239**	**259**	**0**	**118**	**122**	**0**
TOTAL FRANCE[(1)]	**8,236**	**7,946**	**7,634**	**3,493**	**3,355**	**3,211**
Argentina	**27**	**25**	**25**	**106**	**106**	**106**
Libertad hypermarkets	15	15	15	104	104	104
Mini Libertad and Petit Libertad mini-supermarkets	12	10	10	2	2	2
Uruguay	**89**	**91**	**93**	**89**	**90**	**92**
Géant hypermarkets	2	2	2	16	16	16
Disco supermarkets	29	29	30	33	33	35
Möte (Disco textile)	0	0	2	0	0	0.4
Devoto supermarkets	24	24	24	34	34	34
Devoto Express mini-supermarkets	34	36	35	6	7	6
Brazil	**1,057**	**1,076**	**1,057**	**1,860**	**1,963**	**2,005**
Extra hypermarkets	112	112	103	687	683	638
Pão de Açúcar supermarkets	186	185	182	240	237	234
Extra and Mercado Extra supermarkets	173	153	147	193	172	165
Compre Bem supermarkets	13	28	28	18	33	33
Assaí (discount)	144	166	184	598	713	809
Mini Mercado Extra and Minuto Pão de Açúcar mini-supermarkets	235	237	236	58	58	58
Drugstores	123	123	103	9	9	9
+ Service stations	71	72	74	58	58	58
Colombia	**1,973**	**2,033**	**1,983**	**1,033**	**1,030**	**1,010**
Éxito hypermarkets	92	92	92	486	485	485
Éxito and Carulla supermarkets	161	158	153	212	210	204
Super Inter supermarkets	73	70	69	67	66	66
Surtimax (discount)	1,531	1,588	1,544	229	221	205
o/w Aliados	*1,419*	*1,496*	*1,470*			
Cash & carry	18	30	34	22	31	34
Éxito Express and Carulla Express	98	95	91	18	17	16
Cameroon	**1**	**1**	**2**	**2**	**2**	**2**
Cash & carry	1	1	2	2	2	2
TOTAL INTERNATIONAL	**3,147**	**3,226**	**3,160**	**3,091**	**3,191**	**3,215**

(1) French network: excluding Leader Price.

1.6. SIMPLIFIED ORGANISATION CHART AT 31 DECEMBER 2020

Casino, Guichard-Perrachon

% control/% interest

EUROPE

France	100%/100% Distribution Casino France	100%/100% Codim 2	100%/100% Casino Carburants	100%/100% Floréal
	100%/100% Franprix Holding	100%/100% Monoprix	100%/100% Monoprix Online (ex-Sarenza)	100%/100% Naturalia France
	100%/78.99% Cdiscount	100%/100% RelevanC		
	100%/100% Easydis	100%/100% Achats Marchandises Casino (AMC)	44%/44% Horizon Achats	50%/50% Mano-A
	100%/100% L'Immobilière Casino Group	100%/100% Sudéco	72.51%/72.51% GreenYellow	
	100%/100% Casino Agro	100%/100% Geimex	50%/50% FLOA Bank (formerly Banque du groupe Casino)	
Luxembourg	100%/100% Casino Re			
Netherlands	99.48%/78.92% Cnova		Poland	100%/100% Mayland Real Estate

LATIN AND CENTRAL AMERICA

Argentina	100%/39.79% Libertad SA		
Brazil	41.21%/41.21% Compania Brasileira de Distribuiçao	100%/72.51% GreenYellow do Brasil Energia e Servicios	41.21%/41.21% Sendas Distribuidora SA
Colombia	96.57%/39.79% Almacenes Éxito S.A.	100%/72.51% GreenYellow Energia de Colombia	
Uruguay	100%/39.79% Devoto Hermanos SA	75.10%/24.87% Grupo Disco del Uruguay	

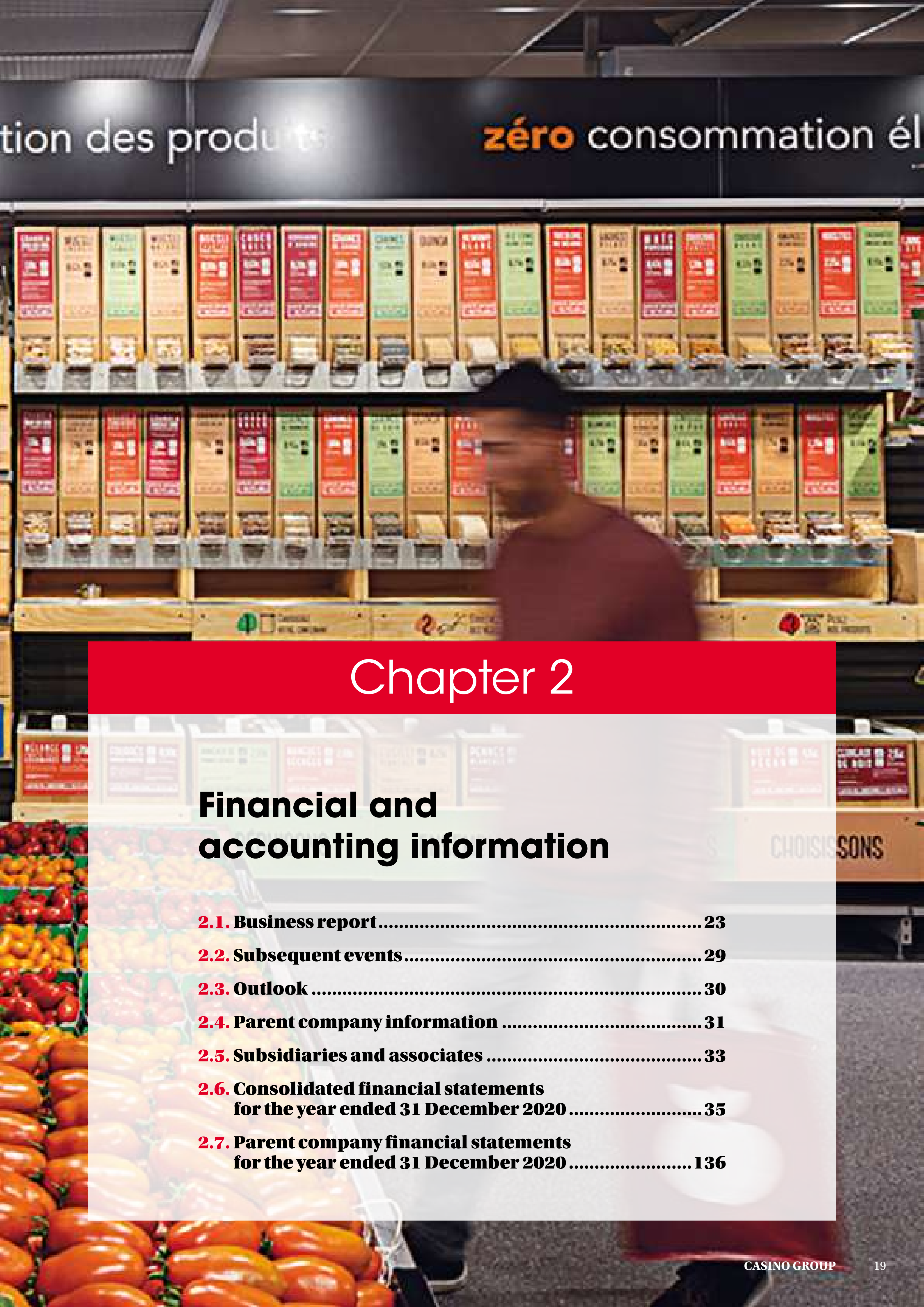
Listed company

1.7. STOCK MARKET VALUE OF LISTED COMPANIES

At 31 December 2020, Casino's interests in its listed companies had an aggregate value of €2.1 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. 2020	Market capitalisation *(100%, € millions)*	% direct interest[1]	Casino's share *(€ millions)*
GPA (Brazil)	BRL 75.05	3,160	41.2%	1,302
Cnova (France)	EUR 3.00	1,036	64.8%	671
TOTAL (EXCLUDING MERCIALYS)				**1,973**
Mercialys	EUR 7.22	664	20.3%	135
TOTAL				**2,108**

(1) At 31 December 2020.



Chapter 2

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FINANCIAL HIGHLIGHTS

The Group has implemented the AMF recommendation to present the costs related to the pandemic in EBITDA and trading profit, including the exceptional employee bonus paid in the first half of 2020 (€37 million in France, €47 million at Group level).

Casino Group's key consolidated figures for 2020 were as follows:

(€ millions)	**2020**	2019 (restated)*	Reported change	Change at CER[1]
Consolidated net sales	31,912	34,645	-7.9%	+9.0%
Gross margin	8,195	8,765	-6.5%	
EBITDA[2]	2,742	2,640	+3.9%	+17.0%[3]
Net depreciation and amortisation	(1,316)	(1,318)	+0.2%	
Trading profit	1,426	1,321	+7.9%	+25.2%[3]
Other operating income and expenses	(797)	(713)	-11.9%	
Net financial expense, o/w:	(748)	(806)	+7.2%	
Net finance costs	*(357)*	*(356)*	*-0.1%*	
Other financial income and expenses	*(392)*	*(450)*	*+12.9%*	
Profit (loss) before tax	(120)	(198)	+39.3%	
Income tax benefit (expense)	(82)	(132)	+38.1%	
Share of profit of equity-accounted investees	50	46	+8.2%	
Net profit (loss) from continuing operations	(152)	(283)	+46.4%	
o/w Group share	*(370)*	*(396)*	*+6.4%*	
o/w attributable to non-controlling interests	*218*	*112*	*+94.6%*	
Net profit (loss) from discontinued operations	(508)	(1,054)	+51.8%	
o/w Group share	*(516)*	*(1,048)*	*+50.8%*	
o/w attributable to non-controlling interests	*7*	*(6)*	*n.m.*	
Consolidated net profit (loss)	(660)	(1,338)	+50.7%	
o/w Group share	*(886)*	*(1,444)*	*+38.6%*	
o/w attributable to non-controlling interests	*225*	*106*	*n.m.*	
Underlying net profit, Group share[4]	268	196	+37.0%	+61.9%
Underlying diluted earnings per share	2.17	1.47	+48.2%	+79.1%

(1) At constant exchange rates. The change in net sales is shown on an organic basis, excluding fuel and calendar effects.
(2) EBITDA = Trading profit + recurring 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, non-recurring financial items, income tax expense/benefits related to these adjustments, and the application of IFRIC 23. See section on alternative performance indicators on page 28.
Note: Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation from 1 January to 30 June 2019, in accordance with IFRS 5. Similarly, Leader Price, which was sold on 30 November 2020, is presented as a discontinued operation in the 2019 and 2020 financial statements.
** The 2019 financial statements have been restated to permit meaningful comparisons with 2020. See Note 1.3 to the consolidated financial statements.*

SIGNIFICANT EVENTS OF THE YEAR

Casino and its banners hard at work during the Covid-19 pandemic

The first quarter of 2020 was marked by the Covid-19 epidemic, which impacted all geographies and activities, with an upsurge in demand directed towards food retailing.

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. The banners mobilised 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 were implemented in stores, along with community-minded initiatives to help the most vulnerable and at-risk populations. In the first half of the year, the Group incurred additional costs as a result of maintaining its operations under challenging conditions, including additional logistics, staff, protection and security costs, along with the exceptional employee bonus. These costs were down sharply in the second half.

The Group also made a contribution in Latin America through Instituto GPA, which expanded its outreach activities by donating food, hygiene and cleaning products to thousands of Brazilian families. Instituto GPA also supported emergency social and microcredit funds to aid small local businesses, business owners and communities in socially vulnerable communities.

Asset disposal plan in France

The Group launched a large-scale €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 12).

At 31 December 2020, the Group had completed €2.8 billion in asset sales since July 2018. The disposals carried out by the Group in 2020 are detailed below.

- On 30 June 2020, Casino Group announced that it had completed the sale of Vindémia, the leading retailer in the Indian Ocean region, to GBH, collecting €186 million for an enterprise value of €219 million. Vindémia has 22 Jumbo and Score stores in Reunion, along with operations in Mauritius, Mayotte and Madagascar.
- On 21 August 2020, the Group announced the additional and definitive disposal of 5% of Mercialys equity through the Mercialys total return swap (TRS) for €26 million. This disposal reduced Casino Group's stake in Mercialys in terms of voting rights from 25.3% to 20.3%.
- On 30 November 2020, Casino Group announced that it had completed the sale to Aldi France of three warehouses, 545 Leader Price stores and two Casino supermarkets for a maximum consideration of €683 million, of which (i) €648 million was collected at closing, and (ii) up to €35 million relates to an earn-out contingent on compliance with certain operating indicators during the transition period. The disposal agreement provides for a transition period during which Casino Group will continue to manage day-to-day operations while the stores are gradually converted to the Aldi banner throughout 2021. Casino Group remains the owner of the Leader Price brand and can continue to operate it within and outside France under certain conditions agreed with Aldi. The Group thereby keeps its wholesale activity for 200 Leader Price franchised stores as well as internal and external customers (Franprix, Casino Géant and Casino supermarkets).
- The Group also sold real estate assets for approximately €100 million in 2020.

In view of the successful development of its broad portfolio of activities in France, the Group has greater flexibility in implementing its disposal plan, for which the €4.5 billion objective is confirmed.

Restructuring of the Group's operations in Latin America

After streamlining its structure in Latin America in 2019, Casino Group announced a plan during the year to restructure GPA's activities in Brazil.

On 10 September 2020, GPA's Board of Directors approved the initiation of a study to spin off its cash & carry business (Assaí) from its other businesses. The aim of this operation was to unleash the full potential of Assaí and of GPA and Éxito's more traditional food retailing business.

The operation will enable them to operate autonomously and to focus on their respective business models and market opportunities. They will benefit from direct access to the capital markets and to different financing sources, thereby creating more value for their shareholders.

The spin-off plan was approved by GPA shareholders at the General Meeting on 31 December 2020 and the Assaí shares will be admitted to trading on 1 March 2021.

Assaí shares will be distributed to GPA shareholders at a ratio of one Assaí share for each GPA share. As a result of this operation, Casino Group, which currently holds a 41% stake in GPA, will hold 41% of GPA and an identical stake in the new entity, Sendas Distribuidora SA. (Assaí).

Strengthening the Group's financial structure

With a view to further strengthening its liquidity and financial structure, in November 2019 Casino Group finalised a refinancing plan that consisted in raising €1.8 billion in new financing through a term loan ("Term Loan B") for €1.0 billion 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.

In 2020, the Group continued to strengthen its financial structure, by carrying out several transactions aimed at strengthening its liquidity until end-2023, reducing bond debt and extending its average maturity.

In October and November, the Group redeemed bonds on the market and launched a public tender offer on its 2021-2024 bond issues.

In December, Casino Group completed a large scale transaction that consisted of (i) tapping the 2024 Secured Term Loan B initially issued in November 2019 for an amount of €225 million, (ii) the launch of an unsecured debt instrument maturing in January 2026 for €400 million and (iii) a tender offer on Casino's unsecured notes maturing between 2021 and 2025.

The cumulative amount of bonds bought back in 2020 on the market or through public tender offers thereby totalled €1.4 billion. On completion of these transactions, the segregated account dedicated to the redemption of bonds had a balance of €487 million.

Between June and December 2020, the amount payable on bonds maturing between 2021 and 2023 was reduced by €1.5 billion, from €1.8 billion to €0.2 billion, taking into account the amounts held in the segregated account.

Development of the food E-commerce offering

The Covid-19 pandemic led to a ramp-up in the Group's food E-commerce offering in 2020.

May 2020 saw the official launch of the Monoprix Plus service in partnership with Ocado, allowing Monoprix to develop its online offering for next-day delivery from its O'logistique automated warehouse in Fleury-Mérogis. Following the success of this initiative, the service was extended to Casino Supermarkets and Géant Casino at the end of September 2020.

The Group also continues to expand its partnership with Amazon. Launched in September 2018, this commercial partnership brings a selection of items sourced from Monoprix, Casino and Naturalia to Amazon Prime Now customers in Paris, Nice and their surrounding areas. The initiative was extended to customers residing in Lyon and Bordeaux in 2020.

During the first lockdown in spring 2020, the Group also signed partnerships with Deliveroo and Uber Eats.

Rallye safeguard plan

On 2 March 2020, the Group was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye, its subsidiaries and their parent companies.

2.1. BUSINESS REPORT

The comments in the Annual Financial Report reflect comparisons with 2019 results from continuing operations. Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation from 1 January to 30 June 2019, in accordance with IFRS 5. Similarly, Leader Price, which was sold on 30 November 2020, is presented as a discontinued operation in the 2019 and 2020 financial statements.

The 2019 financial statements have been restated to permit meaningful comparisons with 2020. These restatements mainly result from the retrospective application of the IFRS IC decision with regard to the enforceable period of a lease and the useful life of non-removable leasehold improvements under IFRS 16.

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 in 2020

- Completion of the disposal of Vindémia on 30 June 2020.
- Completion of the disposal of Leader Price on 30 November 2020.
- Sale of all Mercialys TRS shares.

Currency effects

Currency effects were unfavourable in 2020, with the Brazilian real losing an average 25.1% against the euro compared with 2019.

Continuing operations *(€ millions)*	2020	2019 (restated)	Reported change	Change at CER[1]
Net sales	31,912	34,645	-7.9%	+9.0%
EBITDA	2,742	2,640	+3.9%	+17.0%
Trading profit	1,426	1,321	+7.9%	+25.2%
Underlying net profit, Group share	268	196	+37.0%	+61.9%

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

2.1.1. Casino Group 2020 highlights

In France

- Retail banners: following the Group's repositioning, all banners achieved a level of profitability including the hypermarkets, with a very satisfactory level for the other banners;
- Cdiscount: very strong profitability growth, with 2020 EBITDA up 63% to €133 million[1] and accelerated growth in marketplace revenues to €182 million (up 23% for the year, up 40% in the fourth quarter);
- GreenYellow: excellent business momentum with accelerated growth in installed capacity to 335 MWp (up 56%) and a 25% increase in the pipeline to 565 MWp at end-2020;
- RelevanC: data monetisation services for the Group and external retailers, with EBITDA growth of nearly 50% to €18 million in 2020;
- Continued progress in paying down debt, with a €1.3 billion reduction in gross debt to €4.8 billion[2], below the target of €5 billion. Reduction in gross debt (including the TRS and Forward) represents €2.8 billion since the disposal plan launch. Free cash flow in 2020 amounted to €288 million (up 30%) before asset disposals and Rocade plan.

In Latin America

- Strong 17% organic sales growth, led by vigorous trading at Assaí (up 29%);
- EBITDA up 36% at constant exchange rates and free cash flow before disposal proceeds up by €238 million;
- Digital transformation and strong growth in food E-commerce of more than 200%[3] in Brazil;
- The spin-off of Assaí was approved by GPA's shareholders at the General Meeting held in December 2020. The listing of Assaí is scheduled for 1 March 2021.

(1) Data published by the subsidiary. Contribution to consolidated EBITDA: €129 million, EBITDA after lease payments of €101 million.
(2) Gross debt included in the scope defined in the November 2019 refinancing documentation (mainly France Retail, Cdiscount and Segisor).
(3) Data published by the subsidiary.

2.1.2. France Retail

(€ millions)	2020	2019 (restated)
Net sales	15,219	16,322
EBITDA	1,451	1,467
EBITDA margin	*9.5%*	*9.0%*
Trading profit	625	689
Trading margin	*4.1%*	*4.2%*

France Retail net sales totalled €15,219 million in 2020 versus €16,322 million in 2019, up 3.0% on a same-store basis excluding fuel and calendar effects. Including Cdiscount, gross sales under banner were up 4.9% on a same-store basis in 2020.

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

- Net sales at Monoprix came in at €4,537 million for 2020, a rise of 1.6% on a same-store basis. Strong momentum in the E-commerce and organic segments drove this good performance and helped offset (i) the downturn in consumption in Paris resulting from the drop in tourist and office customers, (ii) the negative impact of the closure of sections selling "non-essential" goods and the curfew in the fourth quarter. E-commerce was boosted by the successful partnership with Amazon Prime Now, which was expanded to Lyon and Bordeaux in the year, and by the ramp-up of Monoprix Plus spurred by the next-day delivery service offered by O'logistique, the cutting-edge automated warehouse that has been operating since May 2020. Monoprix continued to focus on innovation during the period, opening a new concept store in Montparnasse (Paris) in September, and unveiling its fully-autonomous "Blackbox" store, accessible 24/7.
- Franprix reported further growth, with net sales up 7.1% on a same-store basis in 2020, at €1,579 million. Robust sales in the Paris suburbs and other French regions helped offset lower levels of consumption in the capital city, while the buoyant E-commerce and organic segments supported growth. The banner enhanced its E-commerce solutions with click & collect and home delivery services, notably through the development of its partnership with Deliveroo. In parallel, Franprix continued to roll out its autonomous stores and develop its non-food offering – primarily through its new partnership with Décathlon signed this year, and its ongoing partnership with Hema signed in 2019.
- Casino Supermarkets delivered €3,069 million in sales in 2020, or same-store growth of 5.4%, led by food sales which were lifted by the roll-out of the Cave à Bières beer cellar, along with select produce from Italy and Portugal. Sales of organic produce enjoyed double-digit growth in the year. E-commerce saw triple-digit growth, powered by the acceleration in drive & collect and click & collect solutions, as well as the ramp-up in home deliveries. The banner signed partnerships with Deliveroo and Uber Eats in 2020, and launched Casino Plus in partnership with Ocado. It continued to develop its autonomous solutions enabling it to offer extended opening hours, with more than two out of three stores offering this service. In line with further efforts to improve services and cut waiting times at checkouts, Casino Supermarkets rolled out express checkouts along with the "scan express" solution on the Casino Max app, guaranteeing an innovative customer experience.
- Consolidated net sales for the Convenience & Other segment climbed 9.1% on a same-store basis to €2,199 million, lifted by its nationwide presence, strong sales momentum (advertising and events) and extended opening hours. The deployment of click & collect services in the various networks and the signing of a new partnership with Deliveroo fuelled strong growth in E-commerce sales. The segment also ramped up the development of these fast-growing formats, opening new points of sale in the year.
- Hypermarket sales were €3,836 million in 2020, a 2.3% contraction in net sales on a same-store basis versus 2019, hit by the negative impact of lockdowns and by the closure of sections selling "non-essential" goods and the curfew in the fourth quarter. E-commerce continued to enjoy good momentum thanks mainly to partnerships signed with Deliveroo and Uber Eats. The banner accelerated its "shop-in-shop" strategy in 2020, signing new partnership with specialist retailers C&A, Claire's and Hema. The digitalisation strategy picked up pace, with 22% of net sales in supermarkets and hypermarkets now generated on the Casino Max app (versus 20% in 2019). Lastly, autonomous solutions enabling the banner to offer extended opening hours were ramped up, with the solutions deployed in 44 more hypermarkets in 2020. Autonomous solutions are now available across 70% of the store base.

France Retail EBITDA declined by 1.1% to €1,451 million, with a 55 basis-point increase in the EBITDA margin up to 9.5% of net sales. Retail EBITDA (excluding GreenYellow, Vindémia and special Covid-19 bonuses) was up 4.9%, in acceleration in the second half (up 5.3%). Property development EBITDA(1) came to €64 million.

France Retail trading profit came to €625 million, down 9.4% on 2019. Retail trading profit (excluding GreenYellow, Vindémia and special Covid-19 bonuses) was up 3.8%, in acceleration in the second half (up 4.2%). Property development trading profit(1) came to €63 million.

(1) Mainly related to the recognition of previously neutralised EBITDA on real estate development operations conducted with Mercialys. Real estate development operations with Mercialys are neutralised in EBITDA based on the Group's percentage interest in Mercialys. A reduction in Casino's stake in Mercialys or an asset disposal by Mercialys of those assets therefore results in the recognition of EBITDA that was previously neutralised.

2.1.3. New businesses

GreenYellow

Growth of the photovoltaic business accelerated, with total installed capacity rising by 56% in 2020 to 335 MWp and a photovoltaic pipeline increasing by 25% to represent 565 MWp[(1)] as of end-2020.

Total energy savings delivered to customers have increased by 8% to €85 million per year.

The number of energy contracts for B2C customers sold in partnership with Cdiscount doubled over the year.

In 2020, GreenYellow also continued to expand its geographic reach and the service offering:

- On an international scale, by consolidating its positions in its geographies and by penetrating new markets such as Vietnam (pipeline of 32 MWp at 31 December) and South Africa, a fast-growing market where GreenYellow has set up a new subsidiary;
- By enhancing the service offering:
  - with the launch of Utilities as a Service solutions (service-based business model covering heating and cooling), a new business model for GreenYellow (17 initial Éxito stores in Colombia),
  - in the area of electric mobility, an avenue for growth in which GreenYellow has invested heavily as a signatory of the "100,000 charging points" charter and has already installed 130 electric vehicle charging stations, including the first ultra-fast charging platforms in 2020,
  - through innovative solutions, such as the first floating solar farm delivered in Thailand.

Considering its current installed capacity and its projects to date, GreenYellow expects to report €90 million in EBITDA in 2021 (versus €64 million in 2020[(2)]).

Data and Data Centers

After developing its solutions for the Group banners, RelevanC now offers external customers the opportunity to accelerate the monetisation of their data:

- The first contracts were signed with retailers in early 2021 (including one with a network of over 10,000 stores and 14 million loyalty programme members);
- RelevanC offers specialised customer relationship management services, covering (i) optimised customer targeting for supplier advertising or marketing spend, and (ii) digital and in-store advertising space management.

Net sales for 2020 came to €55 million[(3)], while EBITDA rose almost 50% in the year to total €18 million.

The subsidiary, which has over 100 employees, offers:

- A platform that enables a banner and its suppliers to personalise their promotional campaigns (promotional offers, optimised contact method, etc.);
- A Retail Media platform that enables suppliers and marketplace vendors to buy advertising space on the Group sites or elsewhere, using RelevanC's expertise to target their customers.

In the Data Centers business, ScaleMax pursued its growth strategy in 2020:

- Computing capacity was increased, with a new site opened in Cdiscount's warehouse in Verpilleux as well as the Réau warehouse (cumulative computing power of over 27,000 processing cores versus 20,000 at end-2019);
- Its customer portfolio was diversified among banks (Société Générale, BNP Paribas, Natixis) and 3D animation studios (Illumination McGuff, Iconem), and in data and artificial intelligence (RelevanC, Cdiscount).

2.1.4. E-commerce (Cdiscount)

(€ millions)	**2020**	2019 (restated)
GMV (Gross Merchandise Volume) as published by Cnova	4,207	3,899
EBITDA	129	69
o/w Cdiscount group	*129*	*68*
o/w Holding companies	*0*	*1*

In E-commerce, gross merchandising volume ("GMV") totalled €4.2 billion in 2020, representing organic growth of 8.6%[(4)] led by the marketplace, which accounted for 43.6% of GMV, a rise of 5.3 points.

Cdiscount consolidated its status as the number two player in France, with over 10 million customers (up 12%) and an average of more than 20 million unique visitors per month, peaking at 26 million unique visitors in December 2020.

The international platform continued to expand, delivering a two-fold increase in GMV over the year and a 90% rise in the fourth quarter. The banner had 206 connected websites at 31 December 2020 and offered delivery in 27 European countries.

E-commerce (Cdiscount) EBITDA margin improved by 285 basis points, with EBITDA of €129 million (6.4% of net sales), an increase of €60 million driven primarily by the marketplace, the development of digital marketing services, and the strategic adjustment in the product mix towards higher margin and higher repeat purchase categories (home, leisure, beauty).

(1) MWp, Mega-Watt peak: maximum electrical power that can be supplied by a photovoltaic system under standard conditions.
(2) €64 million based on GreenYellow's accounts, €57 million contribution to consolidated EBITDA.
(3) Post-3W spin-off sales.
(4) Data published by the subsidiary.

2.1.5. Latam Retail

(€ millions)	2020	2019 (restated)
Net sales	14,656	16,358
EBITDA	1,161	1,104
EBITDA margin	*7.9%*	*6.8%*
Trading profit	748	628
Trading margin	*5.1%*	*3.8%*

Latam Retail net sales were €14,656 million in 2020, up 17.3% on an organic basis and 11.6% on a same-store basis excluding fuel and calendar effects.

Sales by GPA Food in Brazil rose 21.2% on an organic basis and 12.8% on a same-store basis, excluding fuel and calendar effects.

- Assaí (cash & carry) sales were up 29.3% on an organic basis, buoyed by the excellent results of the 19 stores opened in the year and store expansions in previous years, as well as by a good same-store performance. Assaí now represents 55% of GPA's sales in Brazil, underlining the pertinence of its business model.
- Multivarejo continues to optimise its store portfolio with the conversion of Extra Super stores, increasing the Mercado Extra portfolio to 147 stores. Pão de Açúcar benefited from the growth of its 46 new-generation G7 stores, the acceleration in E-commerce and the customised sales initiatives in each store. The Convenience segment delivered double-digit sales growth in fourth-quarter 2020, its tenth consecutive quarterly double-digit increase. Extra Hypermarkets also continued with their renovation programme designed to boost the appeal of the stores (more competitive pricing, enhanced customer service and a streamlined non-food offering).

GPA continued to pursue its omnichannel strategy. The food E-commerce format reported annual growth of 203%[(1)], led by expansion of express delivery and click & collect services. James Delivery is now up and running in 32 towns and cities.

Éxito group net sales were up by 6.2% based on organic figures and by 7.9% on a same-store basis, buoyed by the success of the Éxito Wow and Carulla Fresh Market formats. Growth in E-commerce in Colombia picked up pace, representing 166%[(1)].

In Latin America, EBITDA rose by 36.1% excluding currency effects and including tax credits received by GPA for €139 million. EBITDA excluding tax credits was up 19.4% at constant exchange rates.

Trading profit totalled €748 million, an increase of 19.1% (25.2% excluding tax credits and currency effects) that reflected an improvement in the margin to 5.1% (vs 3.8% in 2019). In Brazil, trading profit, excluding tax credits and currency effects, rose by 70% at Multivarejo, driven by commercial strategy and operational efficiency plans, and 28% for Assaí. At Grupo Éxito, trading profit excluding the currency effect was almost stable (down 0.3%) in the context of the pandemic.

2.1.6. Overview of the consolidated financial statements

Pursuant to European Commission Regulation No. 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 2020.

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.

The above 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 €31,912 million in 2020, versus €34,645 million in 2019, representing an overall contraction of 7.9%, organic growth of 9.0%[(2)] and same-store growth of 7.8%[(2)].

Currency and hyperinflation effects on net sales were negative at -12.6%, as were scope and fuel effects at -2.4% and -1.8%, respectively.

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.

EBITDA

Consolidated EBITDA came to €2,742 million, an increase of 3.9% including currency effects and 17.0% at constant exchange rates.

A more detailed review of changes in EBITDA 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 €1,426 million in 2020 (€1,287 million excluding tax credits), an increase of 7.9% versus €1,321 million in 2019 and of 25.2% at constant exchange rates (or 14.8% excluding tax credits).

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.

Net financial expense

Net financial expense totalled €748 million in 2020 (€806 million in 2019), reflecting:

- Net finance costs of €357 million versus €356 million in 2019;
- Other net financial expenses of €392 million, compared with other net financial expenses of €450 million in 2019.

Underlying net financial expense for the period came to €681 million (€361 million excluding interest expense on lease liabilities) versus €772 million in 2019 (€448 million excluding interest expense on lease liabilities). In France, net financial expense excluding interest on lease liabilities was affected by an increase in finance costs following the November 2019 refinancing transaction. E-commerce net financial expense was virtually stable compared with 2019. In Latin America, financial expense was down.

Other operating income and expenses amounted to a net expense of €797 million in 2020 versus a net expense of €713 million in 2019. In France, other operating income and expenses represented a net expense of €694 million (versus a net expense of €630 million in 2019), including €233 million in exceptional cash costs (€316 million in 2019), with a reduction of nearly €90 million (or 40%) in the second half. Exceptional non-cash costs were €461 million (versus €314 million in 2019), mainly related to asset impairments.

Net profit (loss), Group share

Income tax was €82 million versus €132 million in 2019.

The Group's share of profit of equity-accounted investees was €50 million (€46 million in 2019).

Non-controlling interests in profit from continuing operations came to €218 million compared to €112 million in 2019. Excluding non-recurring items, underlying non-controlling interests were €265 million in 2020 versus €154 million in 2019.

Net profit (loss) from continuing operations, Group share came to €370 million, compared with €396 million in 2019, mainly due to asset impairments and non-recurring accounting costs in the context of the Group's transformation and the disposal plan.

Net profit (loss) from discontinued operations, Group share represented €516 million, versus €1,048 million in 2019.

Consolidated net profit (loss), Group share amounted to €886 million, versus €1,444 million in 2019.

Underlying net profit[(1)] from continuing operations, Group share totalled €268 million, compared with €196 million in 2019, an increase of 37% that was attributable to solid growth in trading profit and a reduction in finance costs.

Diluted underlying earnings per share[(2)] stood at €2.17, versus €1.47 in 2019, and at €3.38 in the second half, an acceleration of 88%.

Financial position

Casino Group consolidated gross debt at 31 December 2020 amounted to €7.4 billion (€9.2 billion at end-2019), including €4.8 billion in France on the covenant scope[(3)] (versus €6.1 billion at end-2019).

Consolidated net debt after IFRS 5 stood at €3.9 billion versus €4.1 billion at 31 December 2019. In Latin America, the €0.7 billion debt reduction was attributable to cash flow generation and the currency effect. In France, net debt was mainly affected by the settlement of GPA TRS (settled in H1 2020 for €248 million), as disposals were offset by a reduction in assets in IFRS 5. Excluding the effect of IFRS 5, and including the impact of unwinding the GPA TRS[(4)], net debt was €556 million lower.

At 31 December 2020, the Group's liquidity in France (including Cdiscount) was €3.15 billion, with €819 million in cash and cash equivalents and €2.3 billion in confirmed undrawn lines of credit, available at any time. The Group also has €487 million in a segregated account for gross debt redemptions.

Additional financial information relating to the 2019 refinancing documentation

At 31 December 2020, the Group complied with the covenants. The gross debt/adjusted[(5)] EBITDA ratio[(6)] was 5.03x, below the 5.75x[(7)] limit, with headroom of €679 million in gross debt. The adjusted EBITDA/net finance costs ratio was 4.01x, above the required 2.25x, representing headroom of €416 million in EBITDA.

(1) See section on alternative performance indicators on following page.
(2) Underlying diluted EPS includes the dilutive effect of TSSDI deeply-subordinated bond distributions.
(3) Scope defined in the refinancing documentation dated November 2019 (France, E-commerce, Segisor).
(4) The GPA TRS is not included within debt. The instrument was unwound in 2020 for simplification purposes.
(5) Borrowings by the companies included in the scope defined in the refinancing documentation dated November 2019 (France, E-commerce, Segisor).
(6) EBITDA after lease payments (i.e. repayments of principal and interest on lease liabilities).
(7) 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.

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 (i) the impact of other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, as well as (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)	2019 (restated)	Restated items	2019 underlying	**2020**	Restated items	2020 underlying
Trading profit	1,321	0	1,321	1,426	0	1,426
Other operating income and expenses	(713)	713	0	(797)	797	0
Operating profit	609	713	1,321	628	797	1,426
Net finance costs	(356)	0	(356)	(357)	0	(357)
Other financial income and expenses[(1)]	(450)	34	(416)	(392)	67	(324)
Income tax[(2)]	(132)	(114)	(246)	(82)	(180)	(261)
Share of profit of equity-accounted investees	46	0	46	50	0	50
Net profit (loss) from continuing operations	(283)	633	349	(152)	685	533
o/w attributable to minority interests[(3)]	112	41	154	218	47	265
o/w Group share	**(396)**	**591**	**196**	**(370)**	**638**	**268**

(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.

2.2. SUBSEQUENT EVENTS

Casino banners create their new "Casino.fr" low-cost E-commerce network

In keeping with the fast-paced development of E-commerce services in 2020, Casino banners have reached a new milestone in their roll-out of E-commerce solutions in France, setting up a low-cost website with almost 300 pick-up points in France (excluding the Île-de-France region and Corsica) and up to 18,000 listed food products as well as a comprehensive range of associated services.

This new phase will place Casino.fr as the first food E-commerce retailer in France to offer an extensive range of product and services across the country (excluding the Île-de-France region) at the lowest prices on the market. Casino.fr will facilitate the day-to-day lives of French consumers, who are increasingly going online to complete their everyday purchases.

Cdiscount launches a new strategic activity for businesses to accelerate European E-commerce

Leveraging its expertise as a leader in E-commerce, on 18 January 2021 Cdiscount announced a new phase in its development with the launch of a B2B activity: a complete turnkey marketplace solution (technology, products, logistics) that enables both physical and pure-player retailers to develop their E-commerce activity. This major initiative strengthens Cdiscount's profitability and international growth strategy. It is unique on the market due to its comprehensive nature, is designed for all retail players and offers solutions adapted to their activity, growth ambitions and digital maturity to enable them to scale up. This solution is intended to be deployed on a priority basis in Europe, Africa and the Middle East, representing an E-commerce market of more than €600 billion.

Casino Group announces approval for the listing of Assaí

On 19 February 2021, Casino's Brazilian subsidiary Companhia Brasileira de Distribuição (GPA) announced that it had received (i) on 10 February 2021, approval to list the shares issued by Sendas Distribuidora SA (Assaí) on the Novo Mercado, and (ii) on 12 February 2021, approval to list the American Depositary Securities (ADSs) of Assaí on the New York Stock Exchange.

These listings take place in the context of previously announced transactions to restructure and spin off certain GPA assets. The trading of Assaí shares and ADSs began on 1 March 2021. Assaí shares were distributed to GPA shareholders at the end of February, at a ratio of one Assaí share for each GPA share.

Casino Group now holds 41% of GPA and an identical stake in Assaí.

2.3. OUTLOOK

The Group's priorities in France for 2021 are:

- Sharply improved profitability, continuing the trend established in the second half of 2020;
- Having completed its refocusing on buoyant formats, the Group is now giving priority to growth:
  - expansion in the urban, semi-urban and rural convenience formats (100 stores to be opened in the first quarter and 200 in the second),
  - development of E-commerce based on structurally profitable models (O'logistique automated warehouse, partnership with Amazon, click & collect and home delivery service offered by urban formats);
- Ongoing development of Cdiscount, GreenYellow and RelevanC;
- Ongoing growth in cash flow from continuing operations and free cash flow[1]:
  - continued EBITDA growth,
  - continued reduction in non-recurring costs,
  - expansion on convenience and food E-commerce formats, which require low Capex;
- Ongoing deleveraging:
  - in view of the successful development of its broad portfolio of activities in France, the Group has a greater flexibility in implementing its disposal plan for which the €4.5 billion objective is confirmed,
  - in light of the priority given to the deleveraging plan, the Board of Directors will recommend to the 2021 Annual General Meeting not to pay a dividend in 2021 in respect of 2020.

(1) France scope excluding GreenYellow for which development and transition to a company-owned asset model is ensured by its own resources.

2.4. PARENT COMPANY INFORMATION

2.4.1. 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 2020 parent company financial statements (see section 2.6 of Chapter 2).

In 2020, the Company reported net sales (excluding taxes) of €159.1 million, versus €166.2 million in 2019, 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.

2.4.2. 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 2020 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 2020, the Company had total assets of €18,996.8 million and equity of €8,487 million.

Non-current assets amounted to €17,816.3 million, mainly corresponding to long-term investments.

Total liabilities stood at €8,993.5 million, versus €10,364.6 million at 31 December 2019. A breakdown of loans and other borrowings as well as net debt is provided in Note 13 to the parent company financial statements.

At 31 December 2020, the Casino, Guichard-Perrachon's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,218 million, of which €2,020 million is due in more than one year;
- available cash totalling €489 million, of which €487 million held in a segregated account in connection with the refinancing of the revolving credit facility (RCF) and able to be used at any time to pay down debt.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2020:

- unsecured bonds for €2,622 million;
- Term Loan B for €1,225 million.

Casino, Guichard-Perrachon may also raise financing through the Negotiable European Commercial Paper programme (NEU CP). Amounts outstanding under this programme totalled €179 million at 31 December 2020. These issues are made under a programme capped at €2,000 million, with the availability of funds depending on market conditions and investor appetite.

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:

		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°)					
(€ thousands)		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**					**230**	**0**					**58**
	o/w Group	*0*					*3*	*0*					*53*
	o/w non-Group	*0*					*227*	*0*					*5*
Total value including taxes of the invoices concerned	**Total**	**0**	**2,357**	**(281)**	**43**	**1,734**	**3,853**	**0**	**2,164**	**787**	**657**	**(1,593)**	**2,015**
	o/w Group	*0*	*24*	*24*	*0*	*24*	*73*	*0*	*2,158*	*787*	*657*	*(1,598)*	*2,005*
	o/w non-Group	*0*	*2,333*	*(306)*	*43*	*1,709*	*3,780*	*0*	*6*	*0*	*0*	*5*	*11*
Percentage of total purchases excluding taxes for the year	**Total**	**0%**	**4%**	**0%**	**0%**	**3%**	**6%**						
	o/w Group	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*						
	o/w non-Group	*0%*	*4%*	*-1%*	*0%*	*3%*	*6%*						
Percentage of net sales (excluding taxes) for the year	**Total**							**0%**	**23%**	**0%**	**0%**	**19%**	**43%**
	o/w Group							*0%*	*22%*	*0%*	*0%*	*20%*	*42%*
	o/w non-Group							*0%*	*1%*	*0%*	*0%*	*-1%*	*1%*
(B) Invoices excluded from (A) because they are disputed or not recognised in the financial statements													
Number of invoices excluded	**Total**						**2**						**6**
	o/w Group						*0*						*0*
	o/w non-Group						*1*						*6*
Total value including taxes of the invoices excluded	**Total**						**54**						**131**
	o/w Group						*0*						*0*
	o/w non-Group						*54*						*131*
(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					

In 2020, the Company reported an operating profit of €20.4 million, versus €3.8 million in 2019.

Net financial expense came in at €146.0 million, versus net financial expense of €465.3 million in 2019. The main movements in provisions in 2020 were as follows:

- amortisation of bond redemption premiums for €26 million;
- the recognition of impairment losses against the shares of Distribution Casino France in an amount of €59 million;
- reversal of the provision for losses on the total return swap (TRS) on GPA shares for €179 million;
- reversal of the provision for losses on the total return swap (TRS) on Mercialys shares for €15 million.

The recurring loss before tax came in at €125.6 million, versus €461.5 million the previous year..

Non-recurring expense amounted to €121.3 million, versus €214.8 million in 2019, mainly comprising:

- a €10 million loss on the disposal of Vindémia shares, of which €8 million in expenses;
- a provision for losses corresponding to the adjusted net worth of Casino Restauration for €58 million;
- costs relating to litigation and measures to defend the Group's interests for €31 million;
- restructuring costs for €15 million.

The loss before tax was €246.9 million, versus €676.3 million in 2019.

The net loss for the year came to €2.5 million, versus €321.2 million in 2019.

2.4.3. Non-deductible expenses

In accordance with the disclosures required by Article 223 *quater* of the French General Tax Code (*Code général des impôts*), the 2020 parent company financial statements include an amount of €19,786 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 €5,621.

2.5. SUBSIDIARIES AND ASSOCIATES

The business performance of the main subsidiaries and controlled companies is described on pages 21 to 26.

A list of consolidated companies is provided on pages 132 to 134.

Information on Casino, Guichard-Perrachon's subsidiaries and associates is provided on pages 163 and 164.

2.5.1. Investments made and control acquired in 2020

The direct interests and direct or indirect control acquired as a result of company formations, acquisitions and merger-related asset transfers in France in 2020 were as follows:

Casino Participations France group

Lugh (95%).

GreenYellow sub-group

Acsol 3 (100%), Acsol 4 (100%), Acsol 5 (100%), Irsol 3 (100%), Irsol 4 (100%), Irsol 5 (100%), Green Yellow Participations 26 (100%), Greenisol (100%), Ksil Plan d'Orgon (100%), Opus Platform (100%), SPV PV 24 (100%), SPV PV 25 (100%), SPV PV 26 (100%) and SPV PV 27 (100%).

Cdiscount group

CLR (84%).

Distribution Casino France group

Garona 3600 (100%), SAS Ruoms & Alimentation (100%) and Sumacas Villiers Le Bel (100%).

Franprix-Leader Price Holding sub-group

Amsterdam Distribution (100%), Annadis (100%), Antodis (100%), Auberdis (100%), Barbedis (100%), Barbudis (100%), Belleville Alimentaire (100%), Belriv Distre (100%), Belriv Olonne (100%), Bertanne (100%), Bilkin (100%), Blafind (100%), CA Dis Saint Genis Laval (100%), Cadoudal (100%), Campadis (100%), Cannet Distribution (100%), Capdis (100%), Charonnedis (100%), Chevadis (100%), Clichydis (100%), Codis (100%), Crozonez Distribution (100%), DBA (100%), DBA Angers (100%), Distri 26 (100%), Distribac (100%), Distridom (100%), Distrifonds 20 (100%), Distrifonds 25 (100%), Distrifonds 35 (100%), Distrifonds 40 (100%), Distrifonds 41 (100%), Distrifonds 42 (100%), Distrifonds 45 (100%), Distrileader 13 (100%), Distrileader Arles (100%), Distrileader Marseille (100%), Distrileader Salaise (100%), Distrileader Toulon (100%), Distrilim (100%), Distrinaire (100%), Distririn (100%), Distriverd (100%), Emmadis (100%), Empereur Distribution (100%), Filoma (100%), Fleurydis (100%), Fontadis (100%), Fratem (100%), Gamdis (100%), Gesdis (100%), HLP Ouest (100%), Holdimag (100%), Holding Grand Ouest (100%), Holding Grand Ouest Équilibre (100%), Holding Ile de France (100%), Holding Ile de France Équilibre (100%), Holding Mag de Développement (100%), Holding Mag d'investissements Immobiliers (HM2I) (100%), Holding Mag Spring (100%), Holding Sud Est (100%), Holding Sud Est Equilible (100%), Holding Sud Ouest (100%), Holding Sud Ouest Équilibre (100%), Hyères Distribution (100%), Impérial Distribution (100%), Jadasad Finance (100%), Jondis Hard Discount (100%), Kemper (100%), Kerlann Distribution (100%), Kernours Distribution (100%), LCA Holding (100%), Leadalis (100%), Leader Achères (100%), Leader Arbent (100%), Leader Aubeans (100%), Leader Bresse (100%), Leader Cais (100%), Leader Dabeau (100%), Leader Distribution Basse Marche (100%), Leader Distribution Gueret (100%), Leader Ferté Gaucher (100%), Leader Fontainebleau (100%), Leader Cannes Bocca (100%), Leader Grillon (100%), Leader Nanteuil (100%), Leader Niort (100%), Leader Price Argentière, Leader Price Beauzelle (100%), Leader Price Betting (100%), Leader Price Cap de Bos (100%), Leader Price Chars (100%), Leader Price Ernée (100%), Leader Price Esterel (100%), Leader Price Fleming (100%), Leader Price Gratentour (100%), Leader Price Lagnieu (100%), Leader Price Limours (100%), Leader Price Lunel (100%), Leader Price Lyon Lafayette (100%), Leader Price Montanimes (100%), Leader Price Pezenas (100%), Leader Price Tremblay (100%), Leader Saint Étienne (100%), Leader Sainte Foy (100%), Leader Seynod (100%), Leader Armor (100%), Lioradis (100%), Lirnat (100%), LMA Distribution (100%), Lomdis (100%), LP Bellerive (100%), LP Bergerac (100%), LP Boucau (100%), LP Chasseneuil (100%), LP Le Mans (100%), LP Miramont (100%), LP MIirebeau (100%), LP Renaze (100%), LP Reze (100%), LP Sarlat (100%), LP Solesmes (100%), Ludis (100%), Mag Parnasse Maillette Distribution (100%), Mantes Distribution (100%), Marché d'Adamville (100%), Massydis (100%), MID – Montreuil Rouget de l'Isle Distribution (100%), Mini LP 1 (100%), Mini LP 10 (100%), Mini LP 12 (100%), Mini LP 15 (100%), Mini LP 16 (100%), Mini LP 2 (100%), Mini LP 25 (100%), Mini LP 26 (100%), Mini LP 27 (100%), Mini LP 28 (100%), Mini LP 33 (100%), Mini LP 38 (100%), Mini LP 39 (100%), Mini LP 40 (100%), Mini LP 41 (100%), Mini LP 45 (100%), Mini LP 46 (100%), Mini LP 47 (100%), Mini LP 5 (100%), Mini LP 56 (100%), Mini LP 57 (100%), Mini LP 6 (100%), Mini LP 7 (100%), Minimarché Asnières (100%), Minimarché Magasin 4 (100%), Minimarché Malakoff (100%), Minimarché Yvelines (100%), Montdis (100%), Nano Bernard (100%), Nano Boutique 4 (100%), Nano Boutique 6 (100%), Nano Temple (100%), Neyridis (100%), Newdnera 11 (100%), Patdis (100%), Pedis (100%), Pleneno Distribution (100%), Polygondis Hard Discount (100%), Pomalin (100%), Puidis (100%), PVC Distribution (100%), Raspail Distribution (100%), Renedis (100%), RLPG Barbezieux (100%), RLPG Confolens (100%), RLPG Gemozac (100%), RLPG Jardres (100%), Sakfj Invest (100%), Sanodis (100%), SASU Daumedis (100%), SCI Toucan (100%), Senap (100%), Société de Distribution de Tournefeuille – SODITO (100%), Société de Distribution Paname (100%), Société Financière de Distribution (100%), Sodiasnes (100%), Sodesbals Hard Discount (100%), Sodip (100%), Sodivincennes (100%), Sogeville (100%), Sogedam (100%), Sogicergy (100%), Sogilouvre (100%), Solimoux Hard Discount (100%), Spring IDF (100%), Spring IDF 2 (100%), Spring IDF Équilibre (100%), Spring IDF Équilibre 2 (100%), Spring Sud Est (100%), Spring Sud Est Équilibre (100%), Spring Sud Ouest (100%), Spring Sud Ouest Équilibre (100%), Thionville Distribution (100%), Turbigo Distribution (100%), Verdier Distribution (100%), Voisindis (100%), Yonez (100%) and 2RD (100%).

Monoprix group

Monoprix (100%).

2.5.2. 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).

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 ("Éxito") and Casino, which had governed the control of Brazilian subsidiary GPA since the summer of 2015 through Segisor, is no longer valid and has been terminated, since Casino now holds the entire share capital of Segisor. 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.

2.5.3. 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 €145 million). The amount of €145 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).

2.5.4. 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 32.

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 2020 was €1,030,000 excluding taxes, versus €870,000 excluding taxes in 2019.

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 2020, 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 341 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. 22-10-12, 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 341 of this document.

2.6. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2.6.1. Statutory Auditors' report on the consolidated financial statements

Year ended 31 December 2020

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.

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 2020.

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 2020 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 the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors, for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

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 implementation and the impacts of the first-time application of the IFRS IC's decision on the determination of the enforceable period of leases and the depreciation period of leasehold improvements. Our opinion is not modified in respect of this matter.

Justification of assessments - Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on their internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, 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 and in forming our opinion thereon, and we do not provide a separate opinion on specific items of 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 2020, the net carrying amounts of goodwill and brands with an indefinite useful life recorded in the consolidated statement of financial position amount to €6,656 million and €1,262 million respectively, i.e. approximately 26% of total consolidated assets. Within the context of the valuation of these assets, the Group performs impairment tests on its goodwill and brands at least once a year and whenever an indication of 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 the values in use applied in determining the recoverable amount of goodwill and brands to be a key audit matter due to: ▪ Their materiality in the consolidated financial statements; ▪ The significance of the estimates notably used as a basis for the determination of their value in use, including turnover and margin rate forecasts, the perpetual growth rates used to determine terminal value, and discount rates; ▪ The sensitivity of the valuation of these values in use 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 rate forecasts 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.

Compliance with bank ratios

Risk identified	Our response
See Note 2 "Significant events of the year" 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 Company and certain subsidiaries to comply with bank ratios in respect of the bank covenants. 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, the liquidity position 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 and corroborated our understanding through interviews with Group Management; ▪ 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 2020; ▪ We assessed the level of banking ratios calculated with regard to contractual provisions. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, notably the information on 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 "Analysis 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 €431 million as at 31 December 2020. These tax credits were recognised insofar as GPA considers their recoverability to be probable. 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 €1,792 million as at 31 December 2020, were analysed as contingent liabilities and no provisions were recognised as at 31 December 2020, as stated in Note 13.3 to the consolidated financial statements.	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 credits over the year.

Recognition of tax credits and monitoring of contingent tax liabilities at GPA (continued)

Risk identified	Our response
See Note 5.1 "Key indicators by reportable sector", Note 6.8 "Other current assets", Note 6.9.1 "Analysis of other non-current assets" and Note 13.3 "Contingent assets and liabilities" to the consolidated financial statements (cont'd.)	
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 and the amount of contingent tax liabilities as at 31 December 2020, (ii) the complexity of the Brazilian tax legislation 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.	Concerning the contingent liabilities, with the assistance of our specialists in Brazilian taxation: ▪ 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' law firms that we contacted in order to assess the existence, completeness and amounts of tax proceedings and any necessary provisions, where applicable; ▪ We examined the information on the legal or technical proceedings and/or opinions provided by the main law firms or external experts chosen by Management, in order to assess the correct recognition of the various disputes or the relevance of their classification 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 process of monitoring 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, (i) the year-end rebates estimates used by Management to determine the percentage of rebates by product family for each supplier (ii) and the amounts of the invoices to be issued at year-end relating to this sampling; ▪ We reconciled the receivables recognised in the consolidated statement of financial position 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.

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 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.

Other legal and regulatory Verification or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

Pursuant to paragraph III of Article 222-3 of the AMF General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* with this format.

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 2020, our audit firms were both in their 11th 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, 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 whether the consolidated financial 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 and in the French Code of Ethics for Statutory Auditors. 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, 2 March 2021

The Statutory Auditors

French original signed by:

Ernst & Young et Autres		Deloitte & Associés	
Yvon Salaün	Alexis Hurtrel	Frédéric Moulin	Patrice Choquet

2.6.2. Consolidated financial statements

2.6.2.1. Consolidated income statement

(€ millions)	Notes	2020	2019 (restated)[1]
CONTINUING OPERATIONS			
Net sales	5/6.1	31,912	34,645
Other revenue	6.1	598	665
Total revenue	**6.1**	**32,510**	**35,310**
Cost of goods sold	6.2	(24,314)	(26,546)
Gross margin	**5.1**	**8,195**	**8,765**
Selling expenses	6.3	(5,504)	(6,073)
General and administrative expenses	6.3	(1,265)	(1,371)
Trading profit	**5.1**	**1,426**	**1,321**
As a % of net sales		*4.5%*	*3.8%*
Other operating income	6.5	306	63
Other operating expenses	6.5	(1,103)	(776)
Operating profit		**628**	**609**
As a % of net sales		*2.0%*	*1.8%*
Income from cash and cash equivalents	11.3.1	16	39
Finance costs	11.3.1	(373)	(396)
Net finance costs	**11.3.1**	**(357)**	**(356)**
Other financial income	11.3.2	210	265
Other financial expenses	11.3.2	(602)	(715)
Profit (loss) before tax		**(120)**	**(198)**
As a % of net sales		*-0.4%*	*-0.6%*
Income tax benefit (expense)	9.1	(82)	(132)
Share of profit of equity-accounted investees	3.2.3	50	46
Net profit (loss) from continuing operations		**(152)**	**(283)**
As a % of net sales		*-0.5%*	*-0.8%*
Attributable to owners of the parent		(370)	(396)
Attributable to non-controlling interests		218	112
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations	**3.4.2**	**(508)**	**(1,054)**
Attributable to owners of the parent	3.4.2	(516)	(1,048)
Attributable to non-controlling interests	3.4.2	7	(6)
CONTINUING AND DISCONTINUED OPERATIONS			
Consolidated net profit (loss)		**(660)**	**(1,338)**
Attributable to owners of the parent		(886)	(1,444)
Attributable to non-controlling interests	12.8	225	106

Earnings per share

(€)	Notes	2020	2019 (restated)[1]
From continuing operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		(3.75)	(4.01)
▪ Diluted		(3.75)	(4.01)
From continuing and discontinued operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		(8.54)	(13.72)
▪ Diluted		(8.54)	(13.72)

(1) Previously published comparative information has been restated (Note 1.3).

2.6.2.2. Consolidated statement of comprehensive income

(€ millions)	2020	2019 (restated)[1]
Consolidated net profit (loss)	**(660)**	**(1,338)**
Items that may subsequently be reclassified to profit or loss	**(1,367)**	**(128)**
Cash flow hedges and cash flow hedge reserve[2]	(17)	(27)
Foreign currency translation adjustments[3]	(1,328)	(110)
Debt instruments at fair value through other comprehensive income (OCI)	1	6
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	(27)	(4)
Income tax effects	5	6
Items that will never be reclassified to profit or loss	**(10)**	**(14)**
Equity instruments at fair value through other comprehensive income	-	(1)
Actuarial gains and losses	(14)	(18)
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	-	(1)
Income tax effects	5	6
Other comprehensive income (loss) for the year, net of tax	**(1,377)**	**(142)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**(2,037)**	**(1,480)**
Attributable to owners of the parent	*(1,455)*	*(1,537)*
Attributable to non-controlling interests	*(581)*	*58*

(1) Previously published comparative information has been restated (Note 1.3).
(2) The change in the cash flow hedge reserve was not material in either 2020 or 2019.
(3) The €1,328 million negative net translation adjustment in 2020 arose primarily from the depreciation of the Brazilian and Colombian currencies for €957 million and €235 million, respectively. The €110 million negative net translation adjustment in 2019 mainly concerned 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.

Changes in other comprehensive income are presented in Note 12.7.2.

2.6.2.3. Consolidated statement of financial position

Assets

(€ millions)	Notes	31 December 2020	31 December 2019 (restated)[1]	1 January 2019 (restated)[1]
Goodwill	10.1	6,656	7,489	8,682
Intangible assets	10.2	2,061	2,296	2,265
Property, plant and equipment	10.3	4,279	5,113	5,843
Investment property	10.4	428	493	497
Right-of-use assets	7.1.1	4,888	5,602	5,312
Investments in equity-accounted investees	3.2.3	191	341	500
Other non-current assets	6.9	1,217	1,183	1,151
Deferred tax assets	9.2.1	1,035	784	666
Total non-current assets		**20,754**	**23,300**	**24,916**
Inventories	6.6	3,209	3,775	3,834
Trade receivables	6.7	941	836	905
Other current assets	6.8	1,770	1,536	1,383
Current tax assets		167	111	165
Cash and cash equivalents	11.1	2,744	3,572	3,730
Assets held for sale	3.4.1	932	2,818	8,464
Total current assets		**9,763**	**12,647**	**18,481**
TOTAL ASSETS		**30,517**	**35,948**	**43,397**

Equity and liabilities

(in € millions)	Notes	31 December 2020	31 December 2019 (restated)(1)	1 January 2019 (restated)(1)
Share capital	12.2	166	166	168
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit (loss)		3,097	4,603	6,312
Equity attributable to owners of the parent		**3,263**	**4,769**	**6,480**
Non-controlling interests	**12.8**	**2,856**	**3,488**	**5,203**
Total equity	**12**	**6,118**	**8,256**	**11,682**
Non-current provisions for employee benefits	8.2	351	357	366
Other non-current provisions	13.1	374	458	475
Non-current borrowings and debt, gross	11.2	6,701	8,100	6,782
Non-current lease liabilities	7.1.1	4,281	4,761	4,327
Non-current put options granted to owners of non-controlling interests	3.3.1	45	61	63
Other non-current liabilities	6.10	201	181	469
Deferred tax liabilities	9.2.2	508	566	667
Total non-current liabilities		**12,461**	**14,485**	**13,150**
Current provisions for employee benefits	8.2	12	11	11
Other current provisions	13.1	189	153	157
Trade payables		6,190	6,580	6,668
Current borrowings and debt, gross	11.2	1,355	1,549	2,199
Current lease liabilities	7.1.1	705	723	657
Current put options granted to owners of non-controlling interests	3.3.1	119	105	126
Current tax liabilities		98	48	127
Other current liabilities	6.10	3,059	2,839	2,613
Liabilities associated with assets held for sale	3.4.1	210	1,197	6,008
Total current liabilities		**11,937**	**13,206**	**18,565**
TOTAL EQUITY AND LIABILITIES		**30,517**	**35,948**	**43,397**

(1) Previously published comparative information has been restated (Note 1.3).

2.6.2.4. Consolidated statement of cash flows

(€ millions)	Notes	2020	2019 (restated)[1]
Profit (loss) before tax from continuing operations		(120)	(198)
Profit (loss) before tax from discontinued operations	3.4.2	(462)	(979)
Consolidated profit (loss) before tax		**(581)**	**(1,177)**
Depreciation and amortisation for the year	6.4	1,316	1,318
Provision and impairment expense	4.1	390	240
Losses (gains) arising from changes in fair value	11.3.2	78	40
Expenses (income) on share-based payment plans	8.3.1	12	13
Other non-cash items		(56)	(62)
(Gains) losses on disposals of non-current assets	4.4	(88)	9
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		58	11
Dividends received from equity-accounted investees	3.2.1/3.2.2	17	43
Net finance costs	11.3.1	357	356
Interest paid on leases, net	11.3.2	320	324
Non-recourse factoring and associated transaction costs	11.3.2	60	77
Disposal gains and losses and adjustments related to discontinued operations		258	977
Net cash from operating activities before change in working capital, net finance costs and income tax		**2,142**	**2,170**
Income tax paid		(157)	(259)
Change in operating working capital	4.2	26	92
Income tax paid and change in operating working capital: discontinued operations		211	(882)
Net cash from operating activities		**2,222**	**1,120**
of which continuing operations		*2,215*	*2,004*
Cash outflows related to acquisitions of:			
▪ Property, plant and equipment, intangible assets and investment property	4.3	(927)	(1,107)
▪ Non-current financial assets	4.11	(942)	(440)
Cash inflows related to disposals of:			
▪ Property, plant and equipment, intangible assets and investment property	4.4	423	890
▪ Non-current financial assets	4.11	461	68
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.5	157	218
Effect of changes in scope of consolidation related to equity-accounted investees	4.6	(63)	(39)
Change in loans and advances granted		(28)	(42)
Net cash from investing activities of discontinued operations		453	422
Net cash used in investing activities		**(466)**	**(32)**
of which continuing operations		*(920)*	*(453)*

(€ millions)	Notes	2020	2019 (restated)[1]
Dividends paid:			
▪ to owners of the parent	12.9	-	(169)
▪ to non-controlling interests	4.7	(45)	(83)
▪ to holders of deeply-subordinated perpetual bonds	12.9	(36)	(46)
Increase (decrease) in the parent's share capital		-	-
Transactions between the Group and owners of non-controlling interests	4.8	(55)	(971)
(Purchases) sales of treasury shares	12.4	(1)	(40)
Additions to loans and borrowings	4.9	2,066	4,542
Repayments of loans and borrowings	4.9	(2,632)	(3,694)
Repayments of lease liabilities		(603)	(649)
Interest paid, net	4.10	(717)	(670)
Other repayments		(23)	(12)
Net cash used in financing activities of discontinued operations		(73)	(297)
Net cash used in financing activities		**(2,117)**	**(2,088)**
of which continuing operations		*(2,044)*	*(1,792)*
Effect of changes in exchange rates on cash and cash equivalents of continuing operations		(494)	(3)
Effect of changes in exchange rates on cash and cash equivalents of discontinued operations		-	19
CHANGE IN CASH AND CASH EQUIVALENTS	**4.9**	**(856)**	**(984)**
Net cash and cash equivalents at beginning 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
Net cash and cash equivalents at end of period		**2,675**	**3,530**
▪ of which net cash and cash equivalents of continuing operations	11.1	2,675	3,471
▪ of which net cash and cash equivalents of discontinued operations		(1)	59

(1) Previously published comparative information has been restated (Note 1.3).

2.6.2.5. Consolidated statement of changes in equity

(€ millions) (before allocation of profit)	Share capital	Additional paid-in capital[1]	Treasury shares
AT 1 JANUARY 2019 (REPORTED)	**168**	**3,939**	**(33)**
Effects of applying IFRS 16 (Note 1.3)	-	-	-
AT 1 JANUARY 2019 (RESTATED)[*]	**168**	**3,939**	**(33)**
Other comprehensive income (loss) for the period (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[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 (RESTATED)[*]	**166**	**3,901**	**(28)**
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]	-	-	6
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	-	-	-
Other movements	-	-	-
AT 31 DECEMBER 2020	**166**	**3,901**	**(22)**

(*) Previously published comparative information has been restated (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 €49 million and Éxito for €22 million (2019: GPA for €44 million, Éxito for €24 million and Franprix-Leader Price for €19 million).

(7) The negative amount of €725 million in 2019 mainly corresponded to the loss of control in Via Varejo.

(8) The negative amount of €959 million in 2019 mainly related to the project to simplify the Group's structure in Latin America, representing a €931 million negative impact.

Deeply-subordinated perpetual bonds (TSSDI)	Retained earnings and profit for the period	Other reserves[2]	Equity attributable to owners of the parent[3]	Non-controlling interests[4]	Total equity
1,350	**3,516**	**(2,446)**	**6,494**	**5,208**	**11,702**
-	(15)	-	(14)	(5)	(19)
1,350	**3,502**	**(2,446)**	**6,480**	**5,203**	**11,682**
-	-	(93)	(93)	(48)	(142)
-	(1,444)	-	(1,444)	106	(1,338)
-	**(1,444)**	**(93)**	**(1,537)**	**58**	**(1,480)**
-	-	-	-	-	-
-	(5)	-	(40)	-	(40)
-	(169)	-	(169)	(92)	(261)
-	(37)	-	(37)		(37)
-	6	-	6	16	22
-	-	-	-	(725)	(725)
-	48	-	48	(1,007)	(959)
-	19	-	19	35	54
1,350	**1,919**	**(2,539)**	**4,769**	**3,488**	**8,256**
-	-	(570)	(570)	(807)	(1,377)
-	(886)	-	(886)	225	(660)
-	**(886)**	**(570)**	**(1,455)**	**(581)**	**(2,037)**
-	-	-	-	-	-
-	(7)	-	(1)	-	(1)
-	-	-	-	(80)	(80)
-	(34)	-	(34)	-	(34)
-	7	-	7	7	14
-	-	-	-	1	1
-	(38)	-	(38)	(1)	(38)
-	15	-	15	22	37
1,350	**976**	**(3,109)**	**3,263**	**2,856**	**6,118**

2.6.3. Notes to the consolidated financial statements

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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 2020 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2020 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 24 February 2021.

Note 1 Significant accounting policies

1.1. Accounting standards

Pursuant to European Commission Regulation No. 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 2020.

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 2020

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 2020 and do not have a material impact on its consolidated financial statements:

- 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.
- Amendments to IFRS 3 – Definition of a Business:

  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.
- Amendment to IFRS 16 – Covid-19-Related Rent Concessions:

  This amendment is applicable on a retrospective basis as from 1 June 2020 at the latest for financial years beginning on or after 1 January 2020.

  The amendment offers a practical expedient available for a limited period, under which lessees can choose not to apply IFRS 16 lease modification principles and instead account for rent concessions as though they were not lease modifications. This expedient is available for all Covid-19-related rent concessions that result in a reduction in lease payments originally due on or before 30 June 2021. The amendment must be applied consistently to all leases with similar characteristics and in similar circumstances.

IFRS IC decision on the enforceable period of a lease and the useful life of leasehold improvements

The effects of applying the IFRS IC decision on IFRS 16 are presented in Note 1.3.

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

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 – 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.

  The phase II amendments published on 27 August 2020, mandatory for financial years beginning on or after 1 January 2021, were early adopted by the Group as of 1 January 2020.

  These amendments address issues that might affect the financial statements when an existing interest rate benchmark is replaced with an alternative benchmark as part of an interest rate benchmark reform, and offer practical expedients for recognising changes in contractual cash flows.

  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 France Retail segment assets in accordance with IFRS 5 (Note 3.4);
- 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 application 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 cash flows and consolidated statement of financial position of the retrospective application of the IFRS IC decision on the enforceable period of a lease and the useful life of non-removable leasehold improvements under IFRS 16 – Leases (Note 1.3.2).

Impact on the main consolidated income statement indicators in 2019

(€ millions)	31 December 2019 (reported)	Impact of the IFRS IC decision	31 December 2019 (restated)
Net sales	34,645	-	34,645
Other revenue	665	-	665
TOTAL REVENUE	**35,310**	**-**	**35,310**
Cost of goods sold	(26,547)	1	(26,546)
Selling expenses	(6,100)	28	(6,073)
General and administrative expenses	(1,371)	-	(1,371)
Trading profit	**1,292**	**29**(1)	**1,321**
Operating profit	**574**	**35**	**609**
Net finance costs	(356)	-	(356)
Other financial income and expenses	(394)	(56)(2)	(450)
Profit (loss) before tax	**(176)**	**(21)**	**(198)**
Income tax benefit (expense)	(137)	6	(132)
Share of profit of equity-accounted investees	46	-	46
Net profit (loss) from continuing operations	**(268)**	**(15)**	**(283)**
Attributable to owners of the parent	*(384)*	*(12)*	*(396)*
Attributable to non-controlling interests	*116*	*(4)*	*112*
Net profit (loss) from discontinued operations	**(1,054)**	**-**	**(1,054)**
Attributable to owners of the parent	*(1,048)*	-	*(1,048)*
Attributable to non-controlling interests	*(6)*	-	*(6)*
CONSOLIDATED NET PROFIT (LOSS)	**(1,322)**	**(15)**	**(1,338)**
Attributable to owners of the parent	*(1,432)*	*(12)*	*(1,444)*
Attributable to non-controlling interests	*110*	*(4)*	*106*

(1) Of which €13 million relating to the French Retail segment and €16 million to the Latam Retail segment.
(2) Of which €31 million relating to the French Retail segment and €25 million to the Latam Retail segment.

Impact on the main consolidated statement of cash flow indicators in 2019

(€ millions)	31 December 2019 (reported)	Impact of the IFRS IC decision	31 December 2019 (restated)
Net cash from operating activities	**1,120**	**-**	**1,120**
of which consolidated profit (loss) before tax	*(1,156)*	*(21)*	*(1,177)*
of which other components of cash flow	*3,325*	*21*	*3,346*
of which change in operating working capital and income tax paid	*(168)*	-	*(168)*
of which income taxes paid and change in operating working capital: discontinued operations	*(882)*	-	*(882)*
Net cash used in investing activities	**(32)**	**-**	**(32)**
Net cash used in financing activities	**(2,088)**	**-**	**(2,088)**
of which repayments of lease liabilities	*(701)*	*53*	*(649)*
of which interest paid, net	*(617)*	*(53)*	*(670)*
of which cash from (used in) discontinued operations	*(297)*	-	*(297)*
Effect of changes in exchange rates on cash and cash equivalents	16	-	16
Change in cash and cash equivalents	**(984)**	**-**	**(984)**
Net cash and cash equivalents at beginning of period	4,514	-	4,514
Net cash and cash equivalents at end of period	3,530	-	3,530

Impact on the main consolidated statement of financial position indicators at 1 January 2019

(€ millions)	1 January 2019 (reported)	Impact of the IFRS IC decision	1 January 2019 (restated)
Total non-current assets	**24,189**	**727**	**24,916**
of which right-of-use assets	*4,592*	*720*	*5,312*
of which deferred tax assets	*659*	*7*	*666*
Total current assets	**18,450**	**31**	**18,481**
of which assets held for sale	*8,433*	*31*	*8,464*
TOTAL ASSETS	**42,639**	**758**	**43,397**
Total equity	**11,702**	**(19)**	**11,682**
of which attributable to owners of the parent	*6,494*	*(14)*	*6,480*
of which attributable to non-controlling interests	*5,208*	*(5)*	*5,203*
Total non-current liabilities	**12,384**	**766**	**13,150**
of which non-current lease liabilities	*3,560*	*766*	*4,327*
Total current liabilities	**18,554**	**11**	**18,565**
of which current lease liabilities	*677*	*(21)*	*657*
of which liabilities associated with assets held for sale	*5,977*	*31*	*6,008*
TOTAL EQUITY AND LIABILITIES	**42,639**	**758**	**43,397**

Impact on the main consolidated statement of financial position indicators at 31 December 2019

(€ millions)	31 December 2019 (reported)	Impact of the IFRS IC decision and other restatements	31 December 2019 (restated)
Total non-current assets	**22,524**	**776**	**23,300**
of which right-of-use assets	4,837	764	5,602
of which deferred tax assets	772	12	784
Total current assets	**12,320**	**328**	**12,647**
of which assets held for sale(1)	2,491	328	2,818
TOTAL ASSETS	**34,844**	**1,104**	**35,948**
Total equity	**8,291**	**(34)**	**8,256**
Attributable to owners of the parent(2)	4,767	1	4,769
Attributable to non-controlling interests(2)	3,523	(36)	3,488
Total non-current liabilities	**13,661**	**825**	**14,485**
of which non-current lease liabilities	3,937	825	4,761
Total current liabilities	**12,892**	**314**	**13,206**
of which current lease liabilities	740	(16)	723
of which liabilities associated with assets held for sale(1)	867	330	1,197
TOTAL EQUITY AND LIABILITIES	**34,844**	**1,104**	**35,948**

(1) A de-netting between right-of-use assets and lease liabilities was done on the "Assets held for sale" and "Liabilities associated with assets held for sale" lines in the consolidated statement of financial position at 31 December 2019 in an amount of €283 million.

(2) An amount of €28 million was reclassified from "Attributable to owners of the parent" to "Attributable to non-controlling interests" in connection with the Group's loss of control of Via Varejo in June 2019 (see the consolidated statement of changes in equity).

1.3.2. Impact of the first-time application of the IFRS IC decision on IFRS 16 – Leases

On 16 December 2019, the IFRS IC published its decision on (i) determining the enforceable period of an automatically renewable lease or a lease that can be terminated by either of the parties with no contractual penalty, and (ii) the link between the useful life of non-removable leasehold improvements and the IFRS 16 lease term. This decision provides clarifications that may impact the term of leases other than the particular cases mentioned.

The French accounting standards-setter (*Autorité des Normes Comptables* – ANC) issued a new position statement regarding "3-6-9"-type commercial leases in France in its 3 July 2020 statement of conclusions, superseding its previous position statement of 16 February 2018. The ANC confirms that:

- the initial lease term to be adopted is generally nine years. This period can be reduced to the contractual non-cancellable period of three or six years, at the lessee's discretion. The lease term may also be longer if provided for in the lease contract;
- an automatically renewable period may also be taken into account in determining the initial term of the lease if the lessee is reasonably certain that it will renew the lease and/or the lessor cannot terminate the lease without incurring a significant penalty; any such period represents an extension of the initial term of the lease;
- if an automatically renewable period is not taken into account when determining the initial term of the lease, the lease term is to be re-estimated and the initial amount of the right-of-use asset and lease liability is modified to reflect the additional period during which the lessee is reasonably certain to continue the lease;
- the assumptions used to determine the lease term must be consistent with those used to determine the useful life of non-removable leasehold improvements.

The Group has finished analysing its leases in order to identify contracts whose initial accounting under IFRS 16 could be affected by this decision.

Based on its analyses, the Group revised upwards the term of the following leases:

- automatically renewable leases or leases that can be terminated at any time;
- underlying assets under lease (stores, warehouses), including non-removable leasehold improvements, whose residual net carrying amount at the end of the lease term as estimated under IFRS 16 could give rise to a significant penalty (within the meaning of the IFRS IC decision) for the Group.

Note 2 Significant events of the year

Significant events of the year are the following:

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, its subsidiaries and their parent companies.

Impact of the Covid-19 global pandemic on the consolidated financial statements

The Covid-19 pandemic affected all segments in which the Group operates, and retail was no exception. As an essential industry, the Group's banners were able to continue operating during the unprecedented health crisis and ramped up efforts to continue supplying customers in the best possible conditions.

All of the Group's sites worldwide were affected by Covid-19 and by the measures taken by governments to curb the spread of the virus. Covid-19 had a significant impact on our operations: we were required to reduce the number of customers in our stores at any one time, shorten the operating hours of certain stores in line with government guidelines and measures, invest in protective and other safety equipment, accelerate the deployment of self-service checkouts, increase our home delivery capabilities and our click & collect service, stockpile consumer staples and transition to remote working for head office functions. Many safety requirements that had been initially introduced by governments in the different regions in which we operate were reintroduced as from the autumn in response to the growing number of infections in various countries. The tighter restrictions followed a relaxation in the strict containment measures that had been imposed from the start of the pandemic through to summer 2020.

In first-half 2020, the Group recorded strong growth in net sales, as well as additional costs related to maintaining its operations under challenging conditions. These additional temporary costs fell sharply in the second half of the year. Since the third quarter, our entire organisation has adapted to the various Covid-19 restrictions with minimal additional cost.

However, the long-term impact of Covid-19 on inputs such as household spending, gross domestic product and exchange rates is not yet known. If the pandemic continues to spread, it could further (i) reduce our customers' purchasing power, (ii) reduce the number of tourists who generally contribute to revenues for certain stores in the summer months, (iii) harm our operations by disrupting or delaying the preparation or delivery of products in our stores, (iv) affect the availability and cost of transport, (v) impact the financial stability of our suppliers and franchisees, and (vi) affect the value of our real estate assets. Although we have observed a sharp rise in the volume of home deliveries, click & collect and drive & collect purchases, and despite having adapted our distribution networks to meet this upsurge in demand, we cannot predict whether Covid-19 (including future waves of the virus) will have a long-term impact on consumers' purchasing behaviour and how this could affect our business strategies and future outlook.

The assumptions and estimates used as a basis for certain statement of financial position and income statement items were reviewed in order to take account of the crisis. The assumptions and estimates reviewed mainly concerned the value of goodwill and other intangible assets; the fair value measurement of certain assets, particularly those classified as held for sale in accordance with IFRS 5; financial asset impairment; derivatives hedging sales transactions; and deferred tax assets arising on tax losses. Those reviews did not lead to any material impacts for the 2020 consolidated financial statements.

Disposal plan for non-strategic assets

In mid-2018, the Group initiated a plan to dispose of certain non-strategic assets, under which a total of €1.8 billion in assets had been sold at end-2019 (excluding Vindémia). The Group carried out further disposals under this plan in 2020, involving mainly the sale of Vindémia on 30 June 2020 (Note 3.1.2), the sale of Leader Price to Aldi France (Note 3.1.3), the sale of a 5% stake in Mercialys during the second half of the year (Note 3.1.1), and the sale of real estate assets. As a result, the Group had sold a total of €2.8 billion in non-strategic assets at 31 December 2020 out of an announced €4.5 billion disposal plan.

Assaí spin-off in Brazil

On 31 December 2020, the Group's Brazilian subsidiary GPA spun off its cash and carry business (Assaí) from the rest of its businesses (MultiVarejo and Éxito, with subsidiaries in Uruguay and Argentina). The aim of this operation was to optimise Assaí's potential on the one hand, and the potential of GPA and Éxito's more traditional food retailing business on the other. The operation will enable them to operate autonomously and to focus on their respective business models and market opportunities. They will benefit from direct access to the capital markets and to different financing sources, thereby creating more value for their shareholders. As a result of this operation, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assaí), whose shares are due to be admitted to trading on 1 March 2021 (Note 15).

This operation does not have a material impact on the consolidated financial statements as it classifies as an intragroup transaction and therefore only generates expenses and fees inherent to such operations. These are included in "Other operating expenses" in an amount of €25 million (Note 6.5). A tax impact was also recognised for €12 million (Note 9.1.2).

Operations carried out to strengthen the Group's financial structure

In 2020, the Group continued to strengthen its financial structure by carrying out several transactions.

It redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November and December 2020. In all, the redemptions represented a nominal amount of €1,400 million, of which €467 million was due to mature in May 2021, €122 million in June 2022, €448 million in January 2023, €289 million in March 2024, and €74 million in February 2025.

The December 2020 buyback offer was accompanied by two new sources of financing:

- issue of €400 million worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the gross leverage ratio is less than 3.5x following the payout;
- Term Loan B tap of €225 million maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

The accounting impact of these operations can be summarised as follows at 31 December 2020:

- reduction of €858 million in debt, (Note 11.2.2), including fair value hedges with a negative fair value, of which a reduction of €1,481 million relating to bond buybacks and an increase of €623 million (including fees) relating to the new bond issue and the Term Loan B tap;
- decrease in hedging derivatives and collection of a net cash balance of €5 million;
- gain of €42 million included in "Net finance costs" (Note 11.3.1).

At 31 December 2020, amounts held in a segregated account to repay debt totalled €487 million (Note 6.8.1).

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 2020

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 and a debt was recorded in respect of the shares not yet sold on the market.

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 stood at €102 million. The remaining portion of the shares unsold under the TRS were classified as "Assets held for sale" in accordance with IFRS 5 in an amount of €46 million.

On 21 August 2020, the Group transferred a 5% stake in Mercialys to the TRS, allowing it to immediately collect €26 million held in a segregated account in connection with the repayment of gross debt. At 31 December 2020, all of the shares underlying the TRS had been sold and Mercialys was accounted for by the equity method based on a percentage interest of 20.3% (30.6% at 31 December 2019).

Upon unwinding the TRS, the Group recognised a loss of €72 million in "Other operating expenses" (Note 6.5).

In all, the Group paid out €47 million in 2020 in respect of the TRS, net of the €26 million collected from the 5% stake transferred (Note 4.6).

3.1.2. Sale of Vindémia

Casino Group sold Vindémia to the GBH group on 30 June 2020 as part of its plan to dispose of non-strategic assets, and collected €186 million based on an enterprise value of €219 million. This transaction generated a disposal loss of €23 million, including a loss of €13 million on reclassifying foreign currency translation adjustments within gains and losses on disposals.

If the transaction had been completed on 1 January 2020, the sale would have had a negative €405 million impact on the Group's consolidated net sales, a negative €22 million impact on trading profit and a negative €9 million impact on net profit.

3.1.3. Sale of Leader Price stores and warehouses to Aldi France

On 30 November 2020, Casino Group finalised the sale to Aldi France of three warehouses, 545 Leader Price stores and two Casino supermarkets for a maximum consideration of €683 million, of which (i) €648 million was collected at closing (Note 3.4.2), and (ii) up to €35 million relates to an earn-out contingent on compliance with certain operating indicators during the transition period.

The disposal agreement provides for a transition period during which Casino Group will continue to manage day-to-day operations in its capacity as "parent" while the stores are gradually converted to the Aldi banner throughout 2021.

Under the disposal agreement, Casino (the seller) also grants to Aldi (the buyer) the customary representations and warranties. These include a specific seller's warranty for €100 million (Note 6.11.1).

Casino Group remains the owner of the Leader Price brand and can continue to operate it within and outside France under certain conditions agreed with Aldi. The Group thereby keeps its wholesale activity for 200 Leader Price franchised stores as well as internal and external customers (Franprix, Casino Géant and Casino supermarkets).

The sale was completed following information and consultation with the employee representative bodies and clearance from the French competition authorities, which was granted on 17 November 2020. At closing, the Group had relinquished control of Leader Price by transferring its voting rights and other attached rights in the entities sold to Aldi. Aldi may terminate, at any time and without any notice, Casino's current mandate to manage and operate the stores during the transition period.

In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (Notes 3.4.1 and 3.4.2), assets held for sale and associated liabilities have been shown on a separate line of the statement of financial position since 31 December 2019. The post-tax net profit and cash flows for 2020 and 2019 are reported on separate lines of the consolidated income statement under "Net profit (loss) from discontinued operations".

This transaction led to the recognition of a disposal loss before tax of €206 million, presented under "Net profit/(loss) from discontinued operations" (Note 3.4.2).

3.2. Investments in equity-accounted investees

3.2.1. 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:

	2020				2019			
(in € millions)	Mercialys	Tuya[2]	Floa Bank (formerly Banque du Groupe Casino)	FIC[3]	Mercialys	Tuya[2]	Floa Bank (formerly 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]	20%[1]	50%	50%	36%	31%[1]	50%	50%	36%
Total revenue	231	276	224	168	252	321	195	273
Net profit (loss) from continuing operations	61	6	9	56	104	(3)	11	60
Other comprehensive income (loss)	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	**61**	**6**	**9**	**56**	**104**	**(3)**	**11**	**60**
Non-current assets	2,858	31	35	8	2,855	22	33	11
Current assets[5]	541	747	1,798	1,057	130	878	1,411	1,569
Non-current liabilities	(1,403)	(403)	(35)	(3)	(1,280)	(473)	(35)	(4)
Current liabilities	(423)	(252)	(1,614)	(880)	(315)	(314)	(1,241)	(1,370)
of which credit activities related liabilities	-	*(579)*	*(1,591)*	*(241)*	-	*(675)*	*(1,236)*	*(470)*
Net assets	**1,573**	**124**	**184**	**182**	**1,389**	**113**	**168**	**206**
Dividends received from associates or joint ventures	**11**	**-**	**-**	**3**	**34**	**-**	**-**	**6**

(1) At 31 December 2020, the Group held 20% (25% at 31 December 2019) of the capital of Mercialys and considers it exercises significant influence over the financial and operating policies of the Mercialys group (Note 3.1.1). 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 20% and 31% respectively at 31 December 2020 and 2019.

(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 has held 36% of FIC's share capital and voting rights since June 2019.

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

3.2.2. 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 2020 (unchanged from end December 2019)

3.2.3. Changes in investments in equity-accounted investees

(€ millions)	
At 1 January 2019	**500**
Share of profit for the year(1)	(18)
Dividends	(43)
Other movements	(99)
At 31 December 2019	**341**
Share of profit for the year	50
Dividends	(20)
Other movements	(179)
AT 31 DECEMBER 2020	**191**

(1) Including a negative €63 million share relating to the loss from the discontinued operations of Leader Price in 2019.

3.2.4. Impairment losses on investments in equity-accounted investees

The fair value of the investment in Mercialys at the reporting date was €134 million for 20.3% of net assets, determined using the share price on 31 December 2020 (31 December 2019: €346 million for 30.6% of net assets), resulting in a loss in value of €77 million included in "Other operating expenses".

No material loss in value was identified for other equity-accounted investees and joint ventures which are not listed.

3.2.5. Share of contingent liabilities of equity-accounted investees

At 31 December 2020 and 31 December 2019, none of the Group's associates or joint ventures had any material contingent liabilities.

3.2.6. 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.

	2020		2019 (restated)	
(€ millions)	Associates	Joint ventures	Associates	Joint ventures
Loans	60	7	31	11
o/w impairment	*(2)*	-	*(1)*	-
Receivables	20	22	41	44
o/w impairment	-	*(1)*	-	-
Payables	160(1)	143	184(1)	283
Expenses	60(2)	798(3)	57(2)	1,520(3)
Income	288(4)	44	312(4)	51

(1) Including lease liabilities in favour of Mercialys for property assets amounting to €150 million at 31 December 2020, of which €32 million due within one year (31 December 2019: €169 million, of which €41 million due within one year).

(2) Following the application of IFRS 16, the above amounts do not include the lease payments associated with the 57 leases signed with Mercialys. These payments represented €50 million in 2020 (2019: 63 leases for €49 million).

(3) Including €764 million in fuel purchases from Distridyn (2019: €1,234 million) and €235 million in goods purchases from CD Supply Innovation (the partnership with CDSI was unwound during first-half 2019).

(4) Income of €288 million in 2020 includes sales of goods by Franprix-Leader Price to master franchisees accounted for by the equity method amounting to €115 million (2019: income of €312 million which includes sales of goods by Franprix-Leader Price and Distribution Casino France to master franchisees accounted for by the equity method amounting to €145 million). The income figure also includes proceeds from property development transactions with Mercialys reported under "Other revenue" for €116 million, including an EBITDA impact of €65 million (Note 5.1), compared to €95 million reported under "Other revenue" in 2019 including an EBITDA impact of €48 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.
- Property management agreement: Casino provides rental management services for nearly all Mercialys properties. In 2020, the related management fees amounted to €5 million (2019: €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 total projected rental revenues from signed leases.

  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 the Casino Group's food stores. At the end of January 2017, the partnership agreement was extended by three years, until end-2020. The partnership agreement expired in December 2020 as it was not extended by either of the parties.
- Support services agreement: the Group provides administrative, finance/accounting, IT and real estate support services to Mercialys. In 2020, the related fees amounted to €1 million (2019: €2 million).
- Consulting services agreement: Mercialys makes available to Casino the services of its team of real estate portfolio enhancement specialists. No services were provided under this agreement in 2020.

  The parties decided to terminate the agreement on 31 December 2018. A new fixed-term agreement was 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. This agreement expired at the end of 2020 since it was not renewed by either of the parties.
- Sale mandate: Casino seeks buyers for real estate assets on behalf of Mercialys. This agreement lapsed in 2020.
- 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. An addendum to the agreement was signed in December 2019, reducing the cash advance limit to €35 million and extending its maturity to 31 December 2021. An addendum to the agreement was signed in December 2020 to extend its maturity to 31 December 2022. No cash advances had been granted to Mercialys at end-December 2020.

On 23 December 2020, Mercialys sold five real estate assets to SCI AMR (an equity-accounted company in Mercialys' books) for a net selling price representing 100% of €198 million. On 21 December 2020, Mercialys also sold another real estate asset to a company outside the Group for a net selling price of €31 million.

In the Group's consolidated financial statements, these two transactions led to the recognition of income totalling €37 million in "Other revenue" and an EBITDA contribution of €19 million resulting from the recognition of previously eliminated margins on real estate development transactions involving Casino and Mercialys (Note 5.1).

3.2.7. Commitments to joint ventures

The Group had given guarantees to Distridyn (also presented in Note 6.11.1) for an amount of €68 million at 31 December 2020 (unchanged from end-December 2019).

3.3. Commitments related to the scope of consolidation

3.3.1. 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 2020:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities[(3)]	Current liabilities[(3)]
Franprix[(1)]	70.00%	30.00%	V	34	-
Éxito (Disco)[(2)]	62.49%	29.82%	V	-	100
Other				11	19
TOTAL NCI PUT LIABILITIES				**45**	**119**

(1) The value of the NCI put on subsidiaries of the Franprix sub-group is based on net profit and a multiple of net sales. A 10% increase or decrease in these indicators would not have a material impact. The put option expires between 2022 and 2025.

(2) It is exercisable at any time until 30 June 2021; in the event the put is not exercised, the agreement will be automatically rolled over until 30 June 2025. The exercise price is the highest amount obtained using different calculation formulas or a minimum price. At 31 December 2020, the exercise price represents the minimum price.

(3) At 31 December 2019, NCI put liabilities amounted to €166 million, including current liabilities of €105 million.

3.3.2. 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.

At 31 December 2020, there were no outstanding puts relating to non-controlling interests. At 31 December 2019, put options represented €5 million and concerned companies within the Monoprix sub-group.

Call options granted to the Group on shares in non-controlled companies stood at €316 million at 31 December 2020 (31 December 2019: €339 million), the most important of which were granted in connection with transactions involving 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.

3.4. 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, intangible assets and right-of-use assets classified as held for sale are no longer depreciated or amortised.

If a disposal plan changes, and/or when the criteria for classification as held for sale are no longer met, assets can no longer be presented in this category. In this case, the asset (or disposal group) is to be carried at the lower of:

- its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision not to sell.

The impact of these adjustments, which primarily relate to the catching-up of depreciation and/or amortisation not recognised in the period during which the assets were classified as held for sale, is included in "Other operating expenses".

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.

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

		2020		2019 (restated)[1]	
(€ millions)	Notes	Assets	Liabilities	Assets	Liabilities
Leader Price sub-group	3.1.3/3.4.2	-	-	1,362	706
Other France Retail[2]		914	210	1,405	491
Other Latam Retail[3]		19	-	51	-
TOTAL		**932**	**210**	**2,818**	**1,197**
Net assets		722		1,621	
of which attributable to owners of the parent of the selling subsidiary	*11.2*	*720*		*1,602*	

(1) Right-of-use assets were offset against lease liabilities on the "Assets held for sale" and "Liabilities associated with assets held for sale" lines in the consolidated statement of financial position at 31 December 2019 in an amount of €283 million.
(2) At 31 December 2020 and 2019, this line corresponds mainly to stores and property assets relating to asset disposal plans and plans to optimise the store base.
(3) In 2020, GPA also completed the sale of land for BRL 200 million. This sale generated a disposal gain of BRL 134 million (€23 million) which was recorded within other operating income (Note 6.5).

3.4.2. Discontinued operations

In 2020, net profit (loss) from discontinued operations primarily reflects the contribution of Leader Price to the Group's earnings up to the date of its sale, the loss on its disposal, and commitments undertaken in connection with the transition period (Note 3.1.3). In 2019, net profit (loss) from discontinued operations primarily reflected (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, representing a negative €1,046 million. Net profit (loss) from discontinued operations can be analysed as follows:

(€ millions)	**2020**	2019
Net sales	1,528	4,376
Net expenses[(1)]	(1,784)	(4,681)
Gains (losses) on disposals of non-current assets[(2)]	(206)	29
Disposal proceeds collected	*648*	*615*
Disposal costs	*(4)*	*(39)*
Adjusted carrying amount of net assets sold[(3)]	*(850)*	*(543)*
Other items of comprehensive income (loss) reclassified to profit or loss, net of tax[(4)]	*-*	*(4)*
Impairment loss resulting from the measurement of Leader Price at fair value less costs to sell[(5)]	-	(704)
NET PROFIT (LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS	**(462)**	**(979)**
Income tax benefit (expense)	15	(16)
Share of profit of equity-accounted investees	(62)	(60)
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**(508)**	**(1,054)**
Attributable to owners of the parent	*(516)*	*(1,048)*
Attributable to non-controlling interests	*7*	*(6)*

(1) Including a gross amount of BRL 231 million (€39 million) in 2020, corresponding to GPA's right to receive a portion of the profit resulting from the exclusion of ICMS tax from the PIS/COFINS tax base of its former subsidiary Globex, following the court ruling handed down in respect of Via Varejo for the 2007-2010 period. Pending substantiating legal documentation from Via Varejo regarding tax credits for fiscal years 2003 to 2007, GPA's right to receive tax credits is considered a contingent asset estimated at around BRL 277 million, or €43 million (Note 13.3).

(2) The 2020 disposal loss relates to the sale of Leader Price on 30 November 2020 (Note 3.1.3). In 2019, the disposal gain related to the 14 June 2019 sale of Via Varejo.

(3) The carrying amount of net assets sold is adjusted in order to bring the assets into line with the contractual provisions relative to the transition period.

(4) The sale of Via Varejo in 2019 did not lead to any related foreign currency translation adjustments being reclassified to profit or loss.

(5) 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 had been 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.

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	2020	2019 (restated)
Goodwill impairment	10.1.2	(15)	(17)
Impairment of intangible assets	10.2.2	(20)	(8)
Impairment of property, plant and equipment	10.3.2	(121)	(70)
Impairment of investment property	10.4.2	(2)	(4)
Impairment of right-of-use assets	7.1.1	(78)	(12)
Impairment of other assets		(90)	(140)
Net (additions to)/reversals of provisions for risks and charges	13.1	(78)	5
TOTAL PROVISION EXPENSE		**(404)**	**(247)**
Provision expense reported within discontinued operations		14	6
PROVISION EXPENSE ADJUSTMENT IN THE STATEMENT OF CASH FLOWS		**(390)**	**(240)**

4.2. Reconciliation of changes in working capital to the statement of financial position

(€ millions)	Notes	31 December 2019	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	Reclassifications and other[2]	31 December 2020
Goods inventories	6.6	(3,485)	(44)	-	-	(8)	483	(5)	(3,059)
Property development work in progress	6.6	(290)	(29)	(8)	-	11	27	140	(150)
Trade payables	B/S	6,580	51	(24)	-	69	(743)	257	6,190
Trade receivables	6.7	(836)	(122)	-	-	(3)	39	(18)	(941)
Other (receivables)/payables	6.8.1/6.9.1/6.10	302	171	1	(621)[1]	106	143	172	274
TOTAL		**2,272**	**26**	**(32)**	**(621)**	**173**	**(50)**	**546**	**2,314**

(€ millions)	Notes	1 January 2019	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	Reclassifications 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)	-	(10)	(290)
Trade payables	B/S	6,668	328	(83)	-	33	(46)	(321)	6,580
Trade receivables	6.7	(905)	(64)	(134)	-	62	11	195	(836)
Other (receivables)/payables	6.8.1/6.9.1/6.10	542	(74)	(2)	(463)[1]	134	5	160	302
TOTAL		**2,471**	**92**	**(254)**	**(463)**	**213**	**8**	**204**	**2,272**

(1) In 2020 and 2019, these amounts primarily reflect cash inflows and outflows relating to financial assets (Note 4.11).

(2) Primarily reflecting the transfer of Green Yellow assets in connection with the shift in the subsidiary's strategy (Note 10.3.2), the impacts of classifying assets and liabilities as held for sale in accordance with IFRS 5, and the change in the fair value of the GPA TRS.

4.3. Reconciliation of acquisitions of non-current assets

(€ millions)	Notes	2020	2019
Additions to and acquisitions of intangible assets	10.2.2	(239)	(269)
Additions to and acquisitions of property, plant and equipment	10.3.2	(660)	(868)
Additions to and acquisitions of investment property	10.4.2	(3)	(14)
Additions to and acquisitions of lease premiums included in right-of-use assets	7.1.1	(3)	(8)
Changes in amounts due to suppliers of non-current assets		(26)	21
Neutralisation of capitalised borrowing costs (IAS 23)[1]	10.3.3	3	5
Effect of discontinued operations		1	26
CASH USED IN ACQUISITIONS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY		**(927)**	**(1,107)**

(1) Non-cash movements.

4.4. Reconciliation of disposals of non-current assets

(€ millions)	Notes	2020	2019
Disposals of intangible assets	10.2.2	5	7
Disposals of property, plant and equipment	10.3.2	236	188
Disposals of investment property	10.4.2	-	-
Disposals of lease premiums included in right-of-use assets	7.1.1	6	8
Gains on disposals of non-current assets[1]		141	61
Changes in receivables related to non-current assets		(27)	(32)
Reclassification of non-current assets as "Assets held for sale"		61	664
Effect of discontinued operations		-	(7)
CASH FROM DISPOSALS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY		**423**	**890**

(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)	2020	2019
Amount paid for acquisitions of control	(20)	(12)
Cash acquired/(bank overdrafts assumed) in acquisitions of control	9	6
Proceeds from losses of control	211	227
(Cash sold)/bank overdrafts transferred in losses of control	(43)	(4)
EFFECT OF CHANGES IN SCOPE OF CONSOLIDATION RESULTING IN ACQUISITION OR LOSS OF CONTROL	**157**	**218**

In 2020, the net impact of these transactions on the Group's cash and cash equivalents was mainly due to the loss of control of Vindémia (Note 3.1.2).

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;
- the sale of the contract catering services business and of restaurants.

4.6. Effect of changes in scope of consolidation related to equity-accounted investees

(€ millions)	2020	2019
Amount paid for the acquisition of shares in equity-accounted investees	(16)	(35)
Net outflow relating to the Mercialys TRS (Note 3.1.1)	(47)	(4)
EFFECT OF CHANGES IN SCOPE OF CONSOLIDATION RELATED TO EQUITY-ACCOUNTED INVESTEES	**(63)**	**(39)**

4.7. Reconciliation of dividends paid to non-controlling interests

(€ millions)	Notes	2020	2019
Dividends paid and payable to non-controlling interests	12.8	(80)	(92)
Change in the liability for dividends payable to non-controlling interests		35	9
Effect of movements in exchange rates		-	(1)
Effect of discontinued operations		-	-
DIVIDENDS PAID TO NON-CONTROLLING INTERESTS AS PRESENTED IN THE STATEMENT OF CASH FLOWS		**(45)**	**(83)**

4.8. Effect on cash and cash equivalents of transactions with non-controlling interests

(€ millions)	Notes	2020	2019
GPA – acquisition of 41.27% of Éxito shares in 2019		(21)	(917)
Vindémia – purchase of the non-controlling interests in the Mayotte subsidiary in 2019		-	(18)
Other		(33)	(36)
EFFECT ON CASH AND CASH EQUIVALENTS OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS		**(55)**	**(971)**

4.9. Reconciliation between change in cash and cash equivalents and change in net debt

(€ millions)	Notes	2020	2019 (restated)
Change in cash and cash equivalents		**(856)**	**(984)**
Additions to loans and borrowings[(1)]		(2,066)	(4,542)
Repayments of loans and borrowings[(1)]		2,632	3,694
Allocation to/(use of) segregated account	4.11	295	193
Outflows/(inflows) of financial assets		(55)	(38)
Non-cash changes in debt[(1)]		(719)	(27)
Change in net assets held for sale attributable to owners of the parent		*(817)*	*(161)*
Change in other financial assets		*7*	*118*
Effect of changes in scope of consolidation		*102*	*95*
Change in fair value hedges		*(27)*	*(85)*
Change in accrued interest		*(32)*	*(26)*
Other		*49*	*32*
Effect of movements in exchange rates[(1)]		896	55
Change in loans and borrowings of discontinued operations		14	974
CHANGE IN NET DEBT		**142**	**(677)**
Net debt at beginning of period[(2)]		4,055	3,378
Net debt at end of period	11.2	3,914	4,055

(1) These impacts relate exclusively to continuing operations.
(2) After taking into account the impact of applying the IFRS IC decision on IFRS 16, representing €2 million at 1 January 2020 (zero at 1 January 2019).

4.10. Reconciliation of net interest paid

(€ millions)	Notes	2020	2019 (restated)
Net finance costs reported in the income statement	**11.3.1**	**(357)**	**(356)**
Neutralisation of unrealised exchange gains and losses		(6)	13
Neutralisation of amortisation of debt issuance/redemption costs and premiums		53	41
Capitalised borrowing costs	10.3.3	(3)	(5)
Change in accrued interest and in fair value hedges of borrowings		(27)	40
Interest paid on lease liabilities	11.3.2	(317)	(324)
Non-recourse factoring and associated transaction costs	11.3.2	(60)	(77)
INTEREST PAID, NET AS PRESENTED IN THE STATEMENT OF CASH FLOWS		**(717)**	**(670)**

4.11. Cash flows in investing activities related to financial assets

In 2020, cash outflows and inflows related to financial assets amounted to €942 million and €461 million, respectively, representing a net cash outflow of €481 million. This primarily relates to the outflow of €248 million upon unwinding the TRS on GPA shares (Note 11.3.2) and the net outflow relating to the segregated account held in connection with the refinancing of the rollover credit facility (RCF) for €295 million. Changes in the segregated account reflect the transfer to this account of disposal proceeds from the sale of (i) Vindémia (Note 3.1.2), Leader Price (Note 3.1.3), and the 5% stake in Mercialys (Note 3.1.1), and (ii) the use of funds to repay the residual amount outstanding on bonds maturing in 2020 (Note 11.2.2) and a portion of the bond buybacks (Note 2).

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 a segregated 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 sub-group banners Casino, Monoprix, Franprix and Vindémia – the latter until its sale on 30 June 2020);
- 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.

In 2019, 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 (GreenYellow).

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	2020
External net sales (Note 6.1)	15,219	14,656	2,037	31,912
EBITDA	1,451[(1)]	1,161[(2)]	129	2,742
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	(826)	(413)	(77)	(1,316)
Trading profit	625[(1)]	748[(2)]	53	1,426

(1) Of which €64 million in respect of property deals carried out in France, corresponding mainly in 2020 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys and the sale of assets by Mercialys, amounting to €45 million and €19 million, respectively (Note 3.2.6).

(2) Of which BRL 817 million (€139 million) in respect of tax credits recognised by GPA, including BRL 995 million (€169 million) recognised in net sales corresponding to tax savings resulting from the exclusion of ICMS tax from the PIS/COFINS tax base following a favourable court decision in October 2020 (Note 13.3).

(in € millions)	France Retail	Latam Retail	E-commerce	2019 (restated)
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)	(778)	(476)	(65)	(1,318)
Trading profit	689[(1)]	628	4	1,321

(1) Of which €56 million in respect of property deals 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 and the sale of assets by Mercialys, amounting to €38 million and €10 million, respectively (Note 3.2.6).

5.2. Key indicators by geographic area

(€ millions)	France	Latin America	Other regions	Total
External net sales for 2020	**17,235**	**14,656**	**21**	**31,912**
External net sales for 2019	18,285	16,343	17	34,645

(€ millions)	France	Latin America	Other regions	Total
Non-current assets at 31 December 2020[1]	**10,559**	**7,898**	**56**	**18,512**
Non-current assets at 31 December 2019 (restated)[1]	11,222	10,067	59	21,348

(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. 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.

Contract assets and the costs of obtaining and fulfilling contracts are tested for impairment under IFRS 9.

6.1.1. Breakdown of total revenue

(€ millions)	France Retail	Latam Retail	E-commerce	**2020**
Net sales	15,219	14,656	2,037	31,912
Other revenue	455	142	-	598
TOTAL REVENUE	**15,674**	**14,799**	**2,037**	**32,510**

(€ 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**

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

(€ millions)	Notes	**2020**	2019
Costs to obtain contracts included in "Intangible assets"	10.2	111	113
Contract assets	6.8/6.9	-	11
Right-of return assets included in inventories	6.6	3	2
Contract liabilities	6.10	135	150

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	2020	2019 (restated)
Purchases and change in inventories		(22,880)	(25,102)
Logistics costs	6.3	(1,434)	(1,444)
COST OF GOODS SOLD		**(24,314)**	**(26,546)**

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	2020
Employee benefits expense	(518)	(2,474)	(735)	(3,727)
Other expenses	(780)	(2,060)	(321)	(3,161)
Depreciation and amortisation (Notes 5.1/6.4)	(136)	(970)	(209)	(1,316)
TOTAL	**(1,434)**	**(5,504)**	**(1,265)**	**(8,204)**

(€ millions)	Logistics costs[1]	Selling expenses	General and administrative expenses	2019 (restated)
Employee benefits expense	(545)	(2,831)	(784)	(4,160)
Other expenses	(764)	(2,246)	(399)	(3,409)
Depreciation and amortisation (Notes 5.1/6.4)	(135)	(996)	(188)	(1,318)
TOTAL	**(1,444)**	**(6,073)**	**(1,371)**	**(8,887)**

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

6.4. Depreciation and amortisation

(€ millions)	Notes	2020	2019 (restated)
Amortisation of intangible assets	10.2.2	(198)	(177)
Depreciation of property, plant and equipment	10.3.2	(443)	(476)
Depreciation of investment property	10.4.2	(12)	(14)
Depreciation of right-of-use assets	7.1.1	(663)	(720)
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		**(1,317)**	**(1,388)**
Depreciation and amortisation reported under "Profit from discontinued operations"		-	70
DEPRECIATION AND AMORTISATION OF CONTINUING OPERATIONS	**5.1/6.3**	**(1,316)**	**(1,318)**

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)	**2020**	2019 (restated)
Total other operating income	**306**	**63**
Total other operating expenses	**(1,103)**	**(776)**
	(797)	**(713)**
BREAKDOWN BY TYPE		
Gains and losses on disposal of non-current assets[(1)(7)]	89	(7)
Net asset impairment losses[(2)(7)]	(303)	(158)
Net income/(expense) related to changes in scope of consolidation[(3)(7)]	(245)	(198)
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	**(459)**	**(363)**
Restructuring provisions and expenses[(3)(4)(7)]	(219)	(206)
Provisions and expenses for litigation and risks[(5)]	(100)	(95)
Other[(6)]	(19)	(50)
Sub-total	**(339)**	**(350)**
TOTAL NET OTHER OPERATING INCOME (EXPENSES)	**(797)**	**(713)**

(1) The net gain on disposal of non-current assets in 2020 mainly concerns the Latam Retail segment with a gain of €79 million arising mainly on the disposal of real estate assets in Brazil, and the France Retail segment with a gain of €9 million. In 2019, the net loss on disposal of non-current assets mainly concerned the France Retail segment with a loss of €37 million and the Latam Retail segment with a gain of €31 million.

(2) The impairment loss recognised in 2020 mainly concerns the France Retail segment and relates to the asset disposal plan and to impairment tests performed on individual stores. The impairment loss recognised in 2019 mainly concerned the France Retail segment and relates to the asset disposal plan.

(3) The €245 million net expense recognised in 2020 chiefly results from the sale of Mercialys shares, generating a loss of €72 million, from the sale of the subsidiary Vindémia, and from various other transactions within the France Retail scope, generating a net loss of €97 million. Transactions in the Latam Retail segment generated a loss of €38 million, including €25 million in fees relating to the spin-off of Assaí in Brazil (Note 2). The €198 million net expense recognised in 2019 primarily related to the France Retail segment for €191 million, with the store base optimisation plan, the disposal plan and the reorganisation of operations in Latin America.

(4) Restructuring provisions and expenses in 2020 primarily concern the France Retail segment for €149 million (mostly transformation, reorganisation and closure costs notably related to stores), and the Latam Retail segment for €66 million (mainly GPA). Restructuring provisions and expenses for 2019 mainly concerned the France Retail and Latam Retail segments for €131 million and €70 million, respectively.

(5) Provisions and expenses for litigation and risks represented a net expense of €100 million in 2020, including €66 million mainly for tax risks at GPA. Provisions and expenses for litigation and risks represented a net expense of €95 million in 2019, including €36 million for tax risks at GPA.

(6) In 2019, this caption included €32 million in costs relating to the digitalisation programme at Distribution Casino France (Hypermarkets & Supermarkets division).

(7) Reconciliation of the breakdown of asset impairment losses with the tables of asset movements:

(€ millions)	Notes	**2020**	2019 (restated)
Goodwill impairment losses	10.1.2	(15)	(17)
Impairment (losses)/reversals on intangible assets, net	10.2.2	(20)	(8)
Impairment (losses)/reversals on property, plant and equipment, net	10.3.2	(121)	(70)
Impairment (losses)/reversals on investment property, net	10.4.2	(2)	(4)
Impairment (losses)/reversals on right-of-use assets, net	7.1.1	(78)	(12)
Impairment (losses)/reversals on other assets, net (IFRS 5 and other)		(111)	(140)
TOTAL NET IMPAIRMENT LOSSES		**(348)**	**(251)**
Net impairment losses of discontinued operations		17	10
NET IMPAIRMENT LOSSES OF CONTINUING OPERATIONS		**(331)**	**(241)**
of which presented under "Restructuring provisions and expenses"		*(31)*	*(52)*
of which presented under "Net impairment (losses)/reversals on assets"		*(303)*	*(158)*
of which presented under "Net income/(expense) related to changes in scope of consolidation"		*4*	*(32)*
of which presented under "Gains and losses on disposal of non-current assets"		*-*	*-*

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 is made taking into account the business unit's operating environment and the type, age and 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)	**2020**	2019
Goods	3,104	3,532
Property assets	160	300
Gross amount	**3,265**	**3,833**
Accumulated impairment losses on goods	(45)	(48)
Accumulated impairment losses on property assets	(11)	(10)
Accumulated impairment losses	**(56)**	**(58)**
NET INVENTORIES (NOTE 4.2)	**3,209**	**3,775**

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	**2020**	2019
Trade receivables	11.5.3	1,041	940
Accumulated impairment losses on trade receivables	6.7.2	(100)	(104)
NET TRADE RECEIVABLES	**4.2**	**941**	**836**

6.7.2. Accumulated impairment losses on trade receivables

(€ millions)	2020	2019
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES AT 1 JANUARY	**(104)**	**(125)**
Additions	(49)	(44)
Reversals	54	59
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	(1)	7
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES AT 31 DECEMBER	**(100)**	**(104)**

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	2020	2019
Financial assets		**1,237**	**975**
Other receivables		714	673
Financial assets held for cash management purposes and short-term financial investments	11.2.1	1	1
Financial assets arising from a significant disposal of non-current assets	11.2.1	12	31
Guarantees and segregated accounts[(1)]	11.2.1	505	257
Current accounts of non-consolidated companies		25	12
Accumulated impairment losses on other receivables and current accounts	6.8.2	(34)	(32)
Fair value hedges – assets	11.5.1	15	17
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	-	7
Contract assets	6.1.2	-	11
Non-financial assets		**532**	**561**
Other receivables		296	240
Tax and employee-related receivables in Brazil	6.9	151	242
Accumulated impairment losses on other receivables	6.8.2	-	(1)
Prepaid expenses		84	80
OTHER CURRENT ASSETS		**1,770**	**1,536**

(1) Of which €487 million relating to the segregated account associated with the November 2019 refinancing transaction (2019: €193 million).

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

6.8.2. Accumulated impairment losses on other receivables and current accounts

(€ millions)	2020	2019
ACCUMULATED IMPAIRMENT LOSSES ON OTHER RECEIVABLES AND CURRENT ACCOUNTS AT 1 JANUARY	**(33)**	**(31)**
Additions	(32)	(51)
Reversals	33	47
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	(1)	2
ACCUMULATED IMPAIRMENT LOSSES ON OTHER RECEIVABLES AND CURRENT ACCOUNTS AT 31 DECEMBER	**(34)**	**(33)**

6.9. Other non-current assets

6.9.1. Analysis of other non current assets

(€ millions)	Notes	2020	2019
Financial assets		**449**	**381**
Financial assets at fair value through profit or loss		38	41
Financial assets at fair value through other comprehensive income		5	4
Financial assets arising from a significant disposal of non-current assets	11.2.1	48	29
Non-current fair value hedges – assets	11.5.1	77	62
Other financial assets		287	291
Loans		*118*	*121*
Non-hedging derivatives – assets	*11.5.1*	*-*	*7*
Other long-term receivables		*170*	*163*
Impairment of other non-current assets	6.9.2	(7)	(46)
Non-financial assets		**768**	**802**
Other non-financial assets		125	188
Legal deposits paid by GPA	*13.2*	*109*	*176*
Other long-term receivables		*16*	*12*
Impairment of other non-current assets	6.9.2	-	-
Tax and employee-related receivables in Brazil (see below)		632	599
Prepaid expenses		10	15
OTHER NON-CURRENT ASSETS		**1,217**	**1,183**

GPA has a total of €784 million in tax receivables (of which €632 million in long-term receivables and €151 million in short-term receivables), corresponding primarily to ICMS (VAT) for €431 million, PIS/COFINS (VAT) and INSS (employer social security contributions). GPA expects the main tax receivable (ICMS) to be recovered as follows:

(€ millions)	2020
Within one year	115
In one to five years	228
In more than five years	89
TOTAL	**431**

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)	2020	2019
ACCUMULATED IMPAIRMENT LOSSES ON OTHER NON-CURRENT ASSETS AT 1 JANUARY	**(46)**	**(48)**
Additions	(1)	-
Reversals	-	-
Other reclassifications and movements	40	2
ACCUMULATED IMPAIRMENT LOSSES ON OTHER NON-CURRENT ASSETS AT 31 DECEMBER[(1)]	**(7)**	**(46)**

(1) At 31 December 2019, this corresponded 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

	2020			2019		
(€ millions)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Financial liabilities	**88**	**1,817**	**1,906**	**74**	**1,775**	**1,849**
Derivative instruments – liabilities (Note 11.5.1)[1]	46	19	65	41	185	227
Tax, social security and other liabilities	39	1,650	1,689	33	1,394	1,427
Amounts due to suppliers of non-current assets	3	140	143	-	194	194
Current account advances	-	8	8	-	2	2
Non-financial liabilities	**113**	**1,242**	**1,355**	**108**	**1,064**	**1,172**
Tax, social security and other liabilities	107	1,015	1,122	100	832	932
Contract liabilities (Note 6.1.2)	-	134	135	-	150	150
Deferred income	6	93	99	8	83	90
TOTAL	**201**	**3,059**	**3,261**	**181**	**2,839**	**3,020**

(1) In 2019, this related mainly to the fair value of the GPA TRS amounting to €177 million, which was unwound in first-half 2020 (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 3.3.2.

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)	2020	2019
Assets pledged as collateral[1]	145	206
Bank guarantees given[2]	2,023	2,343
Guarantees given in connection with disposals of non-current assets	11	15
Other commitments	54	62
Total commitments given	**2,233**	**2,625**
Expiring:		
Within one year	*149*	*140*
In one to five years	*2,066*	*2,476*
In more than five years	*18*	*9*

(1) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2020, this concerns GPA for €119 million, mainly in connection with the tax disputes described in Note 13.2 (31 December 2019: €189 million). The amount of €145 million at 31 December 2020 (€206 million at 31 December 2019) does not include the guarantees given in connection with the November 2019 refinancing transaction (Note 11.5.4).

(2) At 31 December 2020, this amount includes €1,821 million in bank guarantees obtained by GPA (31 December 2019: €2,252 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 2019: €68 million) described in Note 3.2.7 and a guarantee granted to Aldi in connection with the sale of Leader Price for €100 million (Note 3.1.3).

6.11.2. Commitments received

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts in respect of commitments received.

(€ millions)	**2020**	2019
Bank guarantees received	47	64
Secured financial assets	65	91
Undrawn confirmed lines of credit (Note 11.2.4)	2,496	2,666
Other commitments	30	20
TOTAL COMMITMENTS RECEIVED	**2,639**	**2,841**
Expiring:		
Within one year	*353*	*350*
In one to five years	*2,197*	*2,364*
In more than five years	*89*	*127*

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 lease 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. These lease payments are generally shown on the "Repayments of lease liabilities" and "Interest paid, net" lines. However, lease payments under leases where the underlying asset can be shown to have suffered a prolonged decline in value are presented on a separate line. This is the case, for example, when assets have been written down in full: these lease payments are then presented within "Other repayments" within cash flow from financing activities.

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 performance of the leased assets, and whether or not significant recent investments have been made in the stores. Generally, the term of property leases and 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 generally recognises a term of nine years as the enforceable period of the lease as of the lease commencement date, in accordance with the ANC's 3 July 2020 position statement.

For contracts with automatic renewal clauses, the Group considers that it is unable to anticipate this automatic renewal period at the inception of the lease, and that this tacit renewal period only becomes reasonably certain upon expiry of the initial lease term. The right-of-use asset and lease liability are re-estimated at that date, provided that no previous modifying events have occurred, based on an automatically renewable period of nine years.

Lastly, the Group may be required to revise the lease term in the event significant leasehold improvements are made during the lease term that could lead to a significant penalty which is reflected in the residual value of the leasehold improvements at the end of the lease.

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). Leases with purchase options are not classified as short-term leases;
- 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 2019 (restated)	**44**	**4,955**	**114**	**200**	**5,312**
New assets	-	790	149	-	939
Remeasurements	8	384	-	1	393
Derecognised assets	(9)	(63)	-	-	(72)
Depreciation and amortisation expense	(6)	(661)	(48)	(5)	(720)
Impairment (losses)/reversals, net	-	(11)	(1)	-	(12)
Changes in scope of consolidation	-	7	-	-	7
Effect of movements in exchange rates	-	(27)	-	(3)	(30)
IFRS 5 reclassifications	2	(175)	(7)	-	(180)
Other reclassifications and movements	-	(27)	-	(10)	(37)
Carrying amount at 31 December 2019 (restated)	**39**	**5,173**	**207**	**183**	**5,602**
New assets	1	382	6	-	389
Remeasurements	4	336	-	8	347
Derecognised assets	(5)	(241)	(4)	-	(251)
Depreciation and amortisation expense	(6)	(600)	(47)	(11)	(663)
Impairment (losses)/reversals, net	-	(78)	-	-	(78)
Changes in scope of consolidation	-	(1)	-	-	(1)
Effect of movements in exchange rates	(1)	(482)	(1)	(53)	(537)
IFRS 5 reclassifications	-	(56)	(2)	(2)	(61)
Other reclassifications and movements	3	111	23	2	140
CARRYING AMOUNT AT 31 DECEMBER 2020	**35**	**4,545**	**181**	**127**	**4,888**

Lease liabilities

(€ millions)	Notes	2020	2019 (restated)
Current portion		705	723
Non-current portion		4,281	4,761
TOTAL	**11.5.4**	**4,987**	**5,485**
of which France Retail		*3,128*	*3,427*
of which Latam Retail		*1,685*	*1,869*
of which E-commerce		*174*	*189*

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 2020 income statement in respect of leases (excluding lease liabilities):

(€ millions)	2020	2019
Rental expense relating to variable lease payments[(1)]	52	54
Rental expense relating to short-term leases[(1)]	7	9
Rental expense relating to leases of low-value assets that are not short-term leases[(1)]	88	112

(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 €1,112 million (2019: €1,120 million).

7.1.4. Sale-and-leaseback transactions

The impact on the Group's consolidated financial statements of the sale-and-leaseback transactions carried out in 2020 are as follows:

- recognition of a right-of-use asset for €113 million and a lease liability for €177 million;
- decrease of €234 million in property, plant and equipment (Note 10.3.2);
- recognition of a disposal gain recorded in "Other operating income" for €54 million (Note 6.5) and in trading profit for €16 million.

The main sale-and-leaseback transactions were carried out by GPA and include the following:

- On 5 March 2020, GPA entered into a sale-and-leaseback transaction with an investment fund concerning 43 property assets owned by GPA for a total price of BRL 1,246 million. Of this amount, BRL 1,183 million (€201 million) had been collected at 31 December 2020. At the reporting date, leases had been signed for a term of 15 years. These leases can be renewed once. At 31 December 2020, 39 store properties had been sold for a sale price of BRL 1,183 million (€201 million), and four assets with a non-material value had been ultimately excluded from the transaction.
- In 2020, GPA sold five other store properties in a transaction covering six properties in all, for a total amount of BRL 92 million. Leases were signed for a term of ten years and can be renewed once.

7.2. Group as lessor

Operating leases

The following table provides a maturity analysis of payments receivable under operating leases:

(€ millions)	2020	2019
Within one year	56	65
In one to two years	28	36
In two to three years	17	25
In three to four years	10	20
In four to five years	9	15
In five or more years	50	63
UNDISCOUNTED VALUE OF LEASE PAYMENTS RECEIVABLE	**170**	**224**

The following amounts were recognised in the 2020 income statement:

(€ millions)	2020	2019
Operating leases		
Lease income[(1)]	121	109
Sub-letting income included within right-of-use assets	33	45

(1) Including €9 million in variable lease payments in 2020 that do not depend on an index or rate (2019: €12 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

	2020			2019		
(€ millions)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	307	11	317	310	10	319
Jubilees	33	1	34	35	1	36
Bonuses for services rendered	12	1	12	11	-	12
PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS AND FOR LONG-TERM EMPLOYEE BENEFITS	**351**	**12**	**363**	**357**	**11**	**367**

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 2020, defined contribution plans represented a cost of €260 million, of which 93% concerned the Group's French subsidiaries (€252 million excluding discontinued operations and 92%).

■ *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	
	2020	2019	**2020**	2019
Discount rate	0.7%	0.6%	4.8%-5.9%	6.1%-6.6%
Expected rate of future salary increases	1.0%-1.9%	1.0%-1.7%	3.25%	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 5.7% (increasing the projected benefit obligation by 6.1%).

A 50-basis point increase (decrease) in the expected rate of salary increases would have the effect of increasing the projected benefit obligation by 6.0% (reducing the projected benefit obligation by 5.6%).

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 2020 and 31 December 2019.

		France		International		Total	
(€ millions)		**2020**	2019	**2020**	2019	**2020**	2019
Projected benefit obligation at 1 January		**332**	**341**	**6**	**8**	**338**	**349**
Items recorded in the income statement		**1**	**7**	**-**	**(1)**	**1**	**6**
Service cost		18	19	-	-	18	19
Interest cost		2	5	-	-	2	6
Past service cost		-	-	-	(2)	-	(2)
Curtailments/settlements		(19)	(17)	-	-	(19)	(17)
Items included in other comprehensive income		**13**	**13**	**(1)**	**-**	**13**	**13**
(1) Actuarial (gains) and losses related to:		13	13	-	-	13	13
(i) changes in financial assumptions		*11*	*16*	-	-	*11*	*17*
(ii) changes in demographic assumptions		*(2)*	*(3)*	-	-	*(2)*	*(3)*
(iii) experience adjustments		*4*	-	-	-	*4*	-
(2) Effects of movements in exchange rates		-	-	(1)	-	(1)	-
Other		**(17)**	**(29)**	**(1)**	**(1)**	**(18)**	**(30)**
Paid benefits		(14)	(12)	(1)	(1)	(14)	(13)
Changes in scope of consolidation		-	-	-	-	-	-
Other movements		(3)	(17)	-	-	(3)	(17)
Projected benefit obligation at 31 December	**A**	**329**	**332**	**5**	**6**	**334**	**338**
Weighted average duration of plans						**17**	**17**

		France		International		Total	
(€ millions)		**2020**	2019	**2020**	2019	**2020**	2019
Fair value of plan assets at 1 January		**19**	**21**	**-**	**-**	**19**	**21**
Items recorded in the income statement		**-**	**-**	**-**	**-**	**-**	**-**
Interest on plan assets		-	-	-	-	-	-
Items included in other comprehensive income		**1**	**(2)**	**-**	**-**	**1**	**(2)**
Actuarial (losses) gains (experience adjustments)		1	(2)	-	-	1	(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**	**17**	**19**	**-**	**-**	**17**	**19**

		France		International		Total	
(€ millions)		**2020**	2019	**2020**	2019	**2020**	2019
Net post-employment benefit obligation	**A-B**	**312**	**313**	**5**	**6**	**317**	**319**
Unfunded projected benefit obligation under funded plans		**102**	**102**	**-**	**-**	**102**	**102**
Projected benefit obligation under funded plans		120	121	-	-	120	121
Fair value of plan assets		(17)	(19)	-	-	(17)	(19)
Projected benefit obligation under unfunded plans		**209**	**211**	**5**	**6**	**215**	**218**

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)	**2020**	2019	**2020**	2019	**2020**	2019
At 1 January	**313**	**320**	**6**	**8**	**319**	**328**
Expense for the year	1	7	-	(1)	1	6
Actuarial gains or losses recognised in equity	13	15	-	-	13	15
Effect of movements in exchange rates	-	-	(1)	-	(1)	-
Paid benefits	(12)	(12)	(1)	(1)	(12)	(13)
Partial reimbursement of plan assets	-	-		-	-	-
Changes in scope of consolidation	-	-	-	-	-	-
Other movements	(3)	(17)	-	-	(3)	(17)
AT 31 DECEMBER	**312**	**313**	**5**	**7**	**317**	**319**

Breakdown of expense for the year

	France		International		Total	
(€ millions)	**2020**	2019	**2020**	2019	**2020**	2019
Service cost	18	19	-	-	18	19
Interest cost[1]	2	5	-	-	2	6
Past service cost	-	-	-	(2)	-	(2)
Curtailments/settlements	(19)	(17)	-	-	(19)	(17)
Expense for the year	**1**	**7**	**-**	**(1)**	**1**	**6**
Expense for the year of discontinued operations	-	(1)	-	-	-	(1)
EXPENSE FOR THE YEAR OF CONTINUING OPERATIONS	**1**	**6**	**-**	**(1)**	**1**	**5**

(1) Reported under "Other financial income and expenses".

Undiscounted future cash flows

		Undiscounted cash flows					
(€ millions)	Statement of financial position	2021	2022	2023	2024	2025	Beyond 2025
Post-employment benefits	317	11	7	13	15	20	832

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 bonus 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 operating profit in 2020 was €12 million (2019: €23 million), including €7 million for Casino, Guichard-Perrachon and €5 million for GPA. The impact on equity was an increase for the same amount.

8.3.2. Casino, Guichard-Perrachon stock option plans

At 31 December 2020, 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 31/12/2020	of which number of performance shares[(1)]	Share price *(€)*[(2)]	Fair value of the share *(€)*[(2)]
16/12/2020	31/07/2022	14,510	11,487	-	25.44	23.70
27/04/2020	27/04/2023	4,226	4,226	-	35.87	34.01
27/04/2020	27/04/2021	108,457	108,457	-	35.87	32.58
27/04/2020	31/03/2022	8,805	5,847	-	35.87	33.99
27/04/2020	27/04/2025	8,171	8,171	8,171	35.87	26.25
27/04/2020	27/04/2023	160,033	148,760	148,760	35.87	25.34
12/12/2019	12/12/2022	28,043	25,706	-	45.15	42.37
12/12/2019	12/12/2021	19,260	9,175	-	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	19,997	-	45.15	42.88
07/05/2019	31/03/2021	5,252	5,252	-	35.49	28.65
07/05/2019	31/01/2021	15,553	12,052	-	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	126,301	126,301	35.49	16.44
13/12/2018	14/12/2021	32,218	12,493	-	37.10	27.70
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	94,206	94,206	40.75	18.35
20/04/2017	20/04/2022	5,666	4,250	4,250	51.00	27.25
TOTAL		**825,119**	**621,481**	**396,350**		

(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	2020	2019
Unvested shares at 1 January	**641,801**	**487,276**
Free share rights granted	304,202	400,755
Free share rights cancelled	(136,679)	(113,768)
Shares issued	(187,843)	(132,462)
UNVESTED SHARES AT 31 DECEMBER	**621,481**	**641,801**

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 stock exchange.

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 31/12/2020** *(thousands)*
C6 Series	31/05/2019	31/05/2022	30/11/2022	331	70.62	289
B6 Series	31/05/2019	31/05/2022	30/11/2022	434	0.01	392
C5 Series	31/05/2018	31/05/2021	30/11/2021	594	62.61	394
B5 Series	31/05/2018	31/05/2021	30/11/2021	594	0.01	393
					30.71	**1,468**

Main assumptions used to value stock options

GPA uses the following assumptions to value its plans ("Series" 5 and 6 respectively):

- dividend yield: 0.41% and 0.67%;
- projected volatility: 36.52% and 32.74%;
- risk-free interest rate: 9.29% and 7.32%.

The average fair value of outstanding stock options at 31 December 2020 was BRL 58.78.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2020		2019	
	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	**2,153**	**30.25**	**2,755**	**26.03**
of which exercisable options	-	-	-	-
Options granted during the period	-	-	765	30.55
Options exercised during the period	(489)	42.59	(1,080)	21.55
Options cancelled during the period	(69)	23.93	(126)	31.75
Options that expired during the period	(127)	42.44	(161)	16.74
OPTIONS OUTSTANDING AT 31 DECEMBER	**1,468**	**30.71**	**2,153**	**30.25**
of which exercisable options	-	-	-	-

8.4. Gross remuneration and benefits of the members of the Group Executive Committee and the Board of Directors

(in € millions)	2020	2019
Short-term benefits excluding social security contributions(1)	27	23
Social security contributions on short-term benefits	4	3
Termination benefits for key executives	-	-
Share-based payments(2)	5	4
TOTAL	**36**	**30**

(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	2020	2019
Managers	10,997	10,975
Staff	171,262	177,359
Supervisors	20,695	21,362
GROUP TOTAL	**202,955**	**209,696**

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.

In accordance with IFRIC 23 – *Uncertainty over Income Tax Treatments*, the Group presents provisions for uncertain income tax positions within income tax liabilities.

9.1. Income tax expense

9.1.1. Analysis of income tax expense

(€ millions)	2020 France	2020 International	2020 Total	2019 (restated) France	2019 (restated) International	2019 (restated) Total
Current income tax	(17)	(153)	(170)	(45)	(80)	(126)
Other taxes (CVAE)	(58)	-	(58)	(63)	-	(63)
Deferred taxes	160	(14)	146	54	3	58
Total income tax (expense) benefit recorded in the income statement	**85**	**(167)**	**(82)**	**(55)**	**(77)**	**(132)**
Income tax on items recognised in "Other comprehensive income" (Note 12.7.2)	**10**	**-**	**10**	**14**	**(2)**	**12**
Income tax on items recognised in equity	**-**	**1**	**2**	**1**	**13**	**14**

9.1.2. Tax proof

(€ millions)	2020		2019 (restated)	
Profit (loss) before tax	**(120)**		**(198)**	
Theoretical income tax benefit (expense)[1]	**38**	**-32.02%**	**68**	**-34.43%**
Reconciliation of the theoretical income tax benefit (expense) to the actual income tax benefit (expense)				
Impact of differences in foreign tax rates	19	-15.5%	8	-4.0%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences[2]	16	-13.7%	15	-7.4%
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences[3]	(52)	+43.1%	(52)	+26.5%
Change in corporate tax rate[4]	(85)	+71.2%	(45)	+23.0%
CVAE net of income tax	(40)	+33.1%	(42)	+21.0%
Non-deductible interest expense[5]	(31)	+26.1%	(22)	+11.0%
Non-deductible asset impairment losses	(31)	+25.7%	(24)	+12.3%
Other taxes on distributed earnings[6]	(6)	+5.1%	(15)	+7.8%
Deductible interest on deeply-subordinated perpetual bonds	11	-9.0%	10	-5.2%
Taxation of Mercialys shares	1	-0.6%	5	-2.6%
Reduced-rate asset disposals and changes in scope of consolidation	(15)	+12.5%	(22)	+10.9%
Restructuring of Brazilian operations and the Franprix-Leader Price sub-group[7]	123	-102.9%	-	-%
Other	(30)	+25.1%	(15)	+7.7%
ACTUAL INCOME TAX BENEFIT (EXPENSE) / EFFECTIVE TAX RATE	**(82)**	**+68.0%**	**(132)**	**+66.6%**

(1) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 32.02% (34.43% in 2019).

(2) In 2020, this concerns the E-commerce segment for €6 million and the Latam Retail segment for €9 million. In 2019, this concerned the E-commerce segment for €3 million and the France Retail segment for €11 million.

(3) In 2020, this concerns the France Retail segment for €29 million, the Latam Retail segment for €13 million and the E-commerce segment for €9 million. In 2019, this concerned the E-commerce segment for €29 million and the France Retail segment for €20 million.

(4) In 2020, the main impacts relate to the revised timing of recovery for deferred taxes and the free revaluation of Immobilière Groupe Casino. In 2019, the main impact related to disposals of store properties and stores in the France Retail segment.

(5) Tax laws in some countries cap the deductibility of interest paid by companies. The impact on the two periods presented essentially concerns the France scope.

(6) Corresponding to taxation of intra-group dividends.

(7) Associated with the sale of Leader Price stores and warehouses (positive €136 million impact – see Note 3.1.3) and restructuring of Brazilian operations following the spin-off of Assaí in Brazil (negative €12 million impact – see Note 2).

9.2. Deferred taxes

9.2.1. Change in deferred tax assets

(€ millions)	2020	2019 (restated)
At 1 January	**784**	**666**
(Expense)/benefit for the year	197	52
Impact of changes in scope of consolidation	14	(1)
IFRS 5 reclassifications	(4)	(21)
Effect of movements in exchange rates and other reclassifications	34	62
Changes in deferred tax assets recognised directly in equity	9	26
AT 31 DECEMBER	**1,035**	**784**

The deferred tax benefit net of deferred tax liabilities (Note 9.2.2) relating to discontinued operations was €23 million in 2020 (€46 million in 2019).

9.2.2. Change in deferred tax liabilities

(€ millions)	2020	2019
At 1 January	**566**	**667**
Expense/(benefit) for the year	28	(51)
Impact of changes in scope of consolidation	(1)	(44)
IFRS 5 reclassifications	-	1
Effect of movements in exchange rates and other reclassifications	(86)	(6)
Changes in deferred tax liabilities recognised directly in equity	(1)	-
AT 31 DECEMBER	**508**	**566**

9.2.3. Deferred tax assets and liabilities by source

		Net	
(€ millions)	Notes	2020	2019 (restated)
Intangible assets		(487)	(599)
Property, plant and equipment		(13)	(132)
Right-of-use assets net of lease liabilities		155	143
Inventories		26	31
Financial instruments		42	71
Other assets		(84)	(78)
Provisions		196	200
Regulated provisions		(56)	(89)
Other liabilities		28	14
Tax loss carryforwards and tax credits		722	657
NET DEFERRED TAX ASSET (LIABILITY)		**527**	**218**
Deferred tax assets recognised in the statement of financial position	9.2.1	1,035	784
Deferred tax liabilities recognised in the statement of financial position	9.2.2	508	566
NET		**527**	**218**

The tax saving realised by the Casino, Guichard-Perrachon tax group amounted to €253 million in 2020 (€346 million in 2019).

Recognised tax loss carryforwards and tax credits mainly concern the Casino, Guichard-Perrachon and Éxito 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 2020, deferred tax assets amounted to €456 million for Casino, Guichard-Perrachon and €110 million for Éxito. These amounts are expected to be recovered by 2028 and 2025, respectively.

9.2.4. Unrecognised deferred tax assets

At 31 December 2020, unrecognised deferred tax assets arising on tax loss carryforwards amounted to approximately €829 million, representing an unrecognised deferred tax effect of €220 million (€551 million at 31 December 2019 excluding Leader Price, representing an unrecognised deferred tax effect of €147 million). These tax loss carryforwards mainly concern the Franprix sub-group and Cdiscount.

■ ***Expiry dates of unrecognised tax loss carryforwards***

(€ millions)	**2020**	2019
Within one year	1	1
In one to two years	1	2
In two to three years	1	1
In more than three years	-	1
Without expiry date	216	142
TOTAL	**220**	**147**

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 (Note 10.1.1). 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 2020 Net	31 December 2019 Net
France Retail	**4,298**	**4,359**
Hypermarkets, supermarkets and convenience stores	*1,365*	*1,405*
Franprix	*1,451*	*1,450*
Geimex	*149*	*149*
Monoprix	*1,326*	*1,333*
Other	*7*	*22*
E-commerce (France)	**61**	**61**
Latam Retail	**2,297**	**3,068**
Argentina	*56*	*64*
Brazil	*1,584*	*2,236*
Colombia	*444*	*505*
Uruguay	*212*	*263*
CASINO GROUP	**6,656**	**7,489**

10.1.2. Movements for the year

(€ millions)	2020	2019
Carrying amount at 1 January	**7,489**	**8,682**
Goodwill recognised during the year	4	18
Impairment losses recognised during the year	(15)	(18)
Goodwill written off on disposals	(6)	(4)
Effect of movements in exchange rates	(786)	(88)
Reclassifications and other movements(1)	(29)	(1,103)
CARRYING AMOUNT AT 31 DECEMBER	**6,656**	**7,489**

(1) In 2019, this line reflects the reclassification of Leader Price within assets held for sale in an amount of €1,106 million.

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

	2020			2019		
(€ millions)	Gross amount	Accumulated amortisation and impairment	Net	Gross amount	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	1,288	(24)	1,264	1,536	(26)	1,511
Software	1,419	(927)	492	1,295	(855)	441
Other	513	(208)	305	505	(161)	345
INTANGIBLE ASSETS	**3,220**	**(1,159)**	**2,061**	**3,337**	**(1,041)**	**2,296**

10.2.2. Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	Total
Carrying amount as at 1 January 2019	**1,526**	**378**	**360**	**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**
Changes in scope of consolidation	-	-	-	-
Additions and acquisitions	1	51	187	239
Assets disposed of during the year	-	(1)	(5)	(5)
Depreciation and amortisation expense	(1)	(132)	(66)	(198)
Impairment (losses)/reversals, net	(1)	(5)	(14)	(20)
Effect of movements in exchange rates	(241)	(56)	(2)	(299)
IFRS 5 reclassifications	(6)	-	(8)	(14)
Other reclassifications and movements	1	195	(133)	63
CARRYING AMOUNT AT 31 DECEMBER 2020	**1,264** (1)	**492**	**305** (2)	**2,061**

(1) Including trademarks for €1,262 million (31 December 2019: €1,509 million).
(2) Including costs to obtain contracts for €111 million (31 December 2019: €113 million) (Note 6.1.2).

Internally-generated intangible assets (mainly information systems developments) represented €90 million at 31 December 2020 (31 December 2019: €92 million).

Intangible assets at 31 December 2020 include trademarks with an indefinite life, carried in the statement of financial position for €1,262 million, allocated to the following groups of CGUs:

(€ millions)	**2020**	2019
Latam Retail	**686**	**926**
of which Brazil (GPA Food)[(1)]	*526*	*742*
of which Colombia	*139*	*159*
of which Uruguay	*20*	*25*
France Retail	**567**	**573**
of which Casino France	*1*	*1*
of which Monoprix[(1)]	*566*	*572*
E-commerce	**9**	**9**

(1) Trademarks are allocated to the following GPA Food banners in Brazil and Monoprix banners in France:

(€ millions)	**2020**	2019
GPA Food	**526**	**742**
Pão de Açúcar	164	231
Extra	281	397
Assaí	80	113
Other	1	1
Monoprix	**566**	**572**
Monoprix	552	552
Other	14	20

Intangible assets were tested for impairment at 31 December 2020 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

	2020			2019		
(€ millions)	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Land and land improvements	741	(81)	660	959	(74)	886
Buildings, fixtures and fittings	2,585	(1,026)	1,559	3,262	(1,229)	2,033
Other	6,254	(4,194)	2,060	6,287	(4,093)	2,194
PROPERTY, PLANT AND EQUIPMENT	**9,580**	**(5,301)**	**4,279**	**10,508**	**(5,395)**	**5,113**

10.3.2. Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Total
Carrying amount at 1 January 2019	**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**
Changes in scope of consolidation	-	2	2	5
Additions and acquisitions	13	117	530	660
Assets disposed of during the year	(62)	(170)	(5)	(236)
Depreciation and amortisation expense	(3)	(101)	(338)	(443)
Impairment (losses)/reversals, net	(8)	32	(145)	(121)
Effect of movements in exchange rates	(138)	(461)	(232)	(831)
IFRS 5 reclassifications	(29)	(10)	(27)	(65)
Other reclassifications and movements[1]	-	117	81	198
CARRYING AMOUNT AT 31 DECEMBER 2020	**660**	**1,559**	**2,060**	**4,279**

(1) At 31 December 2020, €158 million was reclassified from inventories and assets held for sale to property, plant and equipment in order to reflect the strategic shift in GreenYellow's business model, which is now focused on holding and operating its assets.

Property, plant and equipment were tested for impairment at 31 December 2020 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 2020 amounted to €3 million, reflecting an average interest rate of 4.1% (2019: €5 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

(€ millions)	2020 Gross amount	2020 Accumulated depreciation and impairment	2020 Net	2019 Gross amount	2019 Accumulated depreciation and impairment	2019 Net
INVESTMENT PROPERTY	**546**	**(118)**	**428**	**609**	**(115)**	**493**

10.4.2. Movements for the year

(€ millions)	2020	2019
Carrying amount at 1 January	**493**	**497**
Changes in scope of consolidation	-	4
Additions and acquisitions	3	14
Assets disposed of during the year	-	-
Depreciation and amortisation expense	(12)	(14)
Impairment (losses)/reversals, net	(2)	(4)
Effect of movements in exchange rates	(62)	(15)
IFRS 5 reclassifications	-	(7)
Other reclassifications and movements[(1)]	7	19
CARRYING AMOUNT AT 31 DECEMBER	**428**	**493**

(1) Including €12 million (31 December 2019: €19 million) relating to the remeasurement at Libertad in application of IAS 29 – Financial Reporting in Hyperinflationary Economies.

At 31 December 2020, investment property totalled €428 million, of which 71% (€304 million) concerned Éxito. Investment property at 31 December 2019 amounted to €493 million, of which 72% concerned Éxito.

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment properties were as follows:

(€ millions)	2020	2019
Rental revenue from investment properties	67	86
Directly attributable operating expenses on investment properties		
▪ that generated rental revenue during the year	(15)	(19)
▪ that did not generate rental revenue during the year	(28)	(33)

Fair value of investment property

The main investment properties at both end-2020 and end-2019 were held by Éxito.

At 31 December 2020, the fair value of investment property was €671 million (31 December 2019: €799 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 €5 million at 31 December 2020 and primarily concerned the Latam Retail segment (31 December 2019: €16 million, primarily concerning the France Retail segment).

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 period

Net impairment losses recognised in 2020 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €237 million (Note 6.5), of which €205 million arose in relation to individual assets (mainly in the France Retail segment for €189 million, the Latam Retail segment for €13 million and the E-commerce segment for €4 million) and €31 million in relation to restructuring operations (mainly in the France Retail segment for €15 million and the Latam Retail segment for €16 million).

Following the tests carried out in 2019, impairment losses totalling €111 million had been recognised on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets, of which €52 million arose from restructuring operations mainly in the France Retail segment and €59 million related to individual assets primarily in the France Retail segment.

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 2020 for internal calculations of values in use***

Region	2020 perpetual growth rate[1]	2020 after-tax discount rate[2]	2019 perpetual growth rate[1]	2019 after-tax discount rate[2]
France (retail)	1.6%	5.6%	1.7%	5.6%
France (other)	1.6% and 2.1%	5.6% and 8.0%	1.7% and 2.2%	5.6% and 7.9%
Argentina	5.0%	19.6%	5.0%	21.1%
Brazil[3]	4.6%	7.9% to 9.8%	4.8%	8.4%
Colombia[3]	3.0%	6.6%	3.0%	8.0%
Uruguay	6.3%	9.4%	7.0%	11.9%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to 1.3% (2019: between 0% and 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 2020, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €3,160 million, €1,481 million and €1,036 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).

No impairment loss was recognised at 31 December 2020 from the annual goodwill impairment test conducted at the end of the year. The tests carried out at 30 June 2020 on CGU goodwill for which there was evidence of impairment resulted in the recognition of an impairment loss of €15 million for the Catering business, leading to the write-down of the full amount of goodwill relating to this business.

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. Note that the Extra banner in Brazil, which owns the brand with a net carrying amount of €281 million at 31 December 2020, was tested for impairment. No impairment was recognised as a result of this test. This would also have been the case in the event of the following changes in the key assumptions used: a 100-basis point increase in discount rates, a 25-basis point decrease in the perpetual growth rate used to calculate terminal value, and a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate terminal value.

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 3.3.1.

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)	2020	2019
Cash equivalents	1,383	1,074
Cash	1,362	2,497
Cash and cash equivalents	**2,744**	**3,572**
Bank overdrafts (Note 11.2.4)	(69)	(101)
NET CASH AND CASH EQUIVALENTS	**2,675**	**3,471**

As of 31 December 2020, cash and cash equivalents are not subject to any material restrictions.

Bank guarantees are presented in Note 6.11.1.

11.2. Loans and borrowings

11.2.1. Breakdown

Gross borrowings and debt amounted to €8,056 million at 31 December 2020 (31 December 2019: €9,649 million), breaking down as follows:

		2020			2019		
(€ millions)	Notes	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds[1]	11.2.3	4,663	615	5,278	6,661	758	7,418
Other loans and borrowings	11.2.4	2,034	732	2,766	1,430	784	2,214
Fair value hedges – liabilities[2]	11.5.1	3	8	11	10	8	17
Gross borrowings and debt		**6,701**	**1,355**	**8,056**	**8,100**	**1,549**	**9,649**
Fair value hedges – assets[3]	11.5.1	(77)	(15)	(92)	(62)	(17)	(78)
Other financial assets[4]	6.8.1/6.9.1	(68)	(518)	(586)	(54)	(288)	(342)
Loans and borrowings[5]		**6,555**	**823**	**7,378**	**7,984**	**1,244**	**9,229**
of which France Retail		*4,504*	*(163)*	*4,341*	*5,425*	*139*	*5,563*
of which Latam Retail[6]		*1,932*	*876*	*2,808*	*2,560*	*806*	*3,366*
of which E-commerce		*120*	*109*	*229*	*-*	*299*	*299*
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.4.1	-	(720)	(720)	-	(1,602)	(1,602)
Cash and cash equivalents	11.1	-	(2,744)	(2,744)	-	(3,572)	(3,572)
of which France Retail				*(803)*			*(1,715)*
of which Latam Retail				*(1,926)*			*(1,778)*
of which E-commerce				*(16)*			*(78)*
Cash and cash equivalents and net assets held for sale		**-**	**(3,464)**	**(3,464)**	**-**	**(5,173)**	**(5,173)**
NET DEBT		**6,555**	**(2,642)**	**3,914**	**7,984**	**(3,929)**	**4,055**
of which France Retail				*2,835*			*2,284*
of which Latam Retail				*866*			*1,550*
of which E-commerce				*213*			*221*

(1) Including €3,551 million in France and €1,727 million in Brazil at 31 December 2020 (31 December 2019: €4,850 million in France and €2,568 million in Brazil) (Note 11.2.3).

(2) Including €8 million in France and €3 million in Brazil at as 31 December 2020 (31 December 2019: €11 million in France and €7 million in Brazil).

(3) Including €79 million in France and €12 million in Brazil at 31 December 2020 (31 December 2019: €66 million in France and €13 million in Brazil).

(4) Including mainly €505 million placed in escrow and posted as collateral (of which €487 million in respect of the RCF refinancing – Note 11.5.4) and €60 million of financial assets following the disposal of non-current assets at 31 December 2020 (31 December 2019: €257 million placed in escrow and posted as collateral [of which €193 million in respect of the RCF refinancing] and €60 million in financial assets further to a major disposal of non-current assets).

(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 revolving credit facility (RCF) (Note 11.5.4).

(6) Including Segisor for €188 million at 31 December 2020 (31 December 2019: €195 million).

11.2.2. Change in financial liabilities

(€ millions)	2020	2019
Gross borrowings and debt at 1 January	*9,649*	*8,980*
Fair value hedges – assets	*(78)*	*(101)*
Other financial assets	*(342)*	*(86)*
Loans and borrowings at beginning of period	**9,229**	**8,794**
New borrowings(1)(3)(7)	2,066	4,542
Repayments of borrowings(2)(3)(7)	(2,632)	(3,701)
Change in fair value of hedged debt	27	86
Change in accrued interest	32	26
Foreign currency translation adjustments(4)	(915)	(63)
Changes in scope of consolidation(5)	(101)	(135)
Reclassification of financial liabilities associated with non-current assets held for sale	-	(13)
Change in other financial assets	(247)	(256)
Other and reclassifications(6)	(81)	(51)
Loans and borrowings at end of period	**7,378**	**9,229**
Gross borrowings and debt at end of period (Note 11.2.1)	*8,056*	*9,649*
Fair value hedges – assets (Note 11.2.1)	*(92)*	*(78)*
Other financial assets (see Note 11.2.1)	*(586)*	*(342)*

(1) New borrowings in 2020 primarily include the following: (a) an unsecured bond issue by Casino, Guichard-Perrachon maturing in January 2026 and the Term Loan B tap for a total amount of €625 million (Note 2); (b) a debenture issue by GPA for BRL 2,000 million (€339 million) along with new bank borrowings for BRL 3,070 million (€521 million); (c) new bank loans taken out by Éxito for COP 1,025 billion (€243 million); and (d) a government-backed loan granted to Cdiscount for €120 million.

New borrowings in 2019 mainly included: (a) a bond issue by Quatrim, a wholly-owned subsidiary of Casino, Guichard-Perrachon, and an issue by Casino, GuichardPerrachon of a term loan placed with investors ("Term Loan B") for a total amount of €1,800 million in November 2019; 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 at end-2019, BRL 1,600 million (€362 million) in promissory notes, and BRL 2,168 million (€491 million) in loans taken out with banks.

(2) Repayments of borrowings in 2020 mainly concerned (i) Casino, Guichard-Perrachon (of which €257 million in redemptions of bonds maturing in March 2020 and €1,400 million in early bond redemptions – Note 2); (ii) GPA (of which BRL 2,734 million [€464 million] in redemptions of bonds and BRL 1,186 million [€201 million] in repayments of bank loans); and (iii) Éxito for COP 786 billion (€186 million) in repayments of confirmed credit facilities and bank loans.

Repayments of borrowings in 2019 mainly concerned Casino, Guichard-Perrachon, Quatrim and Casino Finance for €1,560 million (of which (a) the €784 million bond tender in November 2019 and (b) redemption of a €675 million bond issue in August 2019), Éxito for €1,160 million and Segisor for €204 million (including €198 million following efforts to simplify the Group's structure in Latin America at the end of 2019), and GPA for €717 million.

(3) In 2020, cash flows relating to financing activities could be summarised as a net inflow of €966 million, consisting of repayments of borrowings for €2,632 million and net interest paid (excluding on lease liabilities) for €400 million (Note 4.10), offset by new borrowings in an amount of €2,066 million.

In 2019, cash flows relating to financing activities could be summarised as a net inflow of €504 million, consisting of repayments of borrowings for €3,694 million and net interest paid (excluding on lease liabilities) for €345 million (Note 4.10), offset by new borrowings in an amount of €4,542 million.

(4) In 2020, foreign currency translation adjustments primarily concerned GPA.

(5) Including a reduction of €102 million in 2020 relating to the total return swap (TRS) on Mercialys shares (Note 3.1.1).

In 2019, including a reduction of €97 million and €50 million related to total return swaps (TRS) on Mercialys and Via Varejo shares respectively. The 2019 TRS on Via Varejo was unwound in June 2019.

(6) Including a reduction in bank overdrafts of €58 million in 2020 and €20 million in 2019.

(7) Changes in negotiable European commercial paper ("NEU CP") are presented net in this table.

11.2.3. Outstanding bond issues

(€ millions)	Principal[(1)]	Nominal interest rate[(2)]	Effective interest rate[(2)]	Issue date	Maturity date	2020[(3)]	2019[(3)]
Casino, Guichard-Perrachon bonds in euros	**2,622**					**2,758**	**4,059**
2020 bonds	-	F: 5.24	5.28%	March 2012	March 2020	-	258
2021 bonds	130[(4)]	F: 5.98	6.53%	May 2011	May 2021	131	611
2022 bonds	331[(4)]	F: 1.87	2.55%	June 2017 January 2018	June 2022	329	447
2023 bonds	272[(4)]	F: 4.56	4.47%	January 2013 May 2013	January 2023	283	762
2024 bonds	611[(4)]	F: 4.50	4.88%	March 2014	March 2024	643	950
2025 bonds	370[(4)]	F: 3.58	3.62%	December 2014	February 2025	396	469
2026 bonds	508	F: 4.05	4.09%	August 2014	August 2026	578	562
2026 bonds	400	F: 6.625	6.98%	December 2020	January 2026	398	-
Quatrim bonds in euros	**800**					**793**	**791**
2024 bonds	800	F: 5.88	6.31%	November 2019	January 2024	793	791
GPA bonds in BRL	**1,717**					**1,727**	**2,568**
2020 bonds	-	V: 96.0% CDI	V: 96.0% CDI	April 2017	April 2020	-	239
2020 bonds	-	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2020	-	11
2020 bonds	-	V: CDI +1.60%	V: CDI +1.60%	September 2019	August 2020	-	221
2021 bonds	71	V: 104.75% CDI	V: 104.75% CDI	January 2018	January 2021	71	177
2021 bonds	110	V: 106.0% CDI	V: 106.0% CDI	September 2018	September 2021	111	155
2021 bonds	8	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2021	8	11
2021 bonds	274	V: CDI +1.74%	V: CDI +1.74%	September 2019	August 2021	274	443
2022 bonds	78	V: 107.4% CDI	V: 107.4% CDI	September 2018	September 2022	81	111
2022 bonds	126	V: 105.75% CDI	V: 105.75% CDI	January 2019	January 2022	128	177
2022 bonds	8	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2022	8	11
2022 bonds	314	V: CDI +1.95%	V: CDI +1.95%	September 2019	August 2022	315	443
2023 bonds	39	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2023	39	55
2023 bonds	314	V: CDI +2.20%	V: CDI +2.20%	September 2019	Aug. 2023	316	426
2024 bonds	31	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2024	31	44
2025 bonds	31	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2025	31	44
2023 bonds	314	V: CDI +1.45%	V: CDI +1.45%	January 2020	January 2023	313	-
TOTAL BONDS						**5,278**	**7,418**

(1) Corresponds to the principal of the bonds outstanding as at 31 December 2020.
(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 the second half of 2020, the Group carried out early redemptions of a portion of its bonds maturing in 2021 (€467 million), 2022 (€122 million), 2023 (€449 million), 2024 (€289 million) and 2025 (€74 million) (Note 2).

11.2.4. Other loans and borrowings

(€ millions)	Principal[1]	Type of rate	Issue date	Maturity date	2020	2019
France						
Term Loan B	1,225	Variable[2]	November 2019	January 2024	1,193	959
Negotiable European commercial paper (Casino Guichard-Perrachon)	179	Fixed	[3]	[3]	180	129
Mercialys TRS (Casino, Guichard-Perrachon)	-	Variable	July 2018	December 2020	-	102
Government-backed loan (Cdiscount)	120	Variable	Aug. 2020	August 2026[4]	120	-
Other[5]					9	29
International						
GPA	652	Variable[6]	November 2014 to November 2020	January 2021 to May 2027	649	431
Éxito	238	Variable/ Fixed[6]	June 2017 to June 2020	March 2021 to March 2026	237	71
Segisor	188	Variable	June 2018	December 2021[9]	188	195
Other	4	Fixed			4	-
Bank overdrafts[7]					**69**	**101**
Accrued interest[8]					**118**	**197**
TOTAL OTHER BORROWINGS					**2,766**	**2,214**
of which variable rate					*2,287*	*1,926*

(1) Corresponds to the nominal amount at 31 December 2020.
(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) Loan initially falling due in August 2021 including extension options exercisable at Cdiscount's discretion, with final repayment due in August 2026. This loan is shown in non-current financial liabilities at 31 December 2020.
(5) Of which €8 million concerning Cdiscount (31 December 2019: €11 million concerning Cdiscount).
(6) GPA and Éxito's variable-rate loans pay interest at rates based on the CDI and IBR, respectively. Including borrowings in Colombia originally denominated in Colombian pesos for COP 610 billion, or €145 million (31 December 2019: COP 259 billion, or €70 million, swapped for variable-rate debt).
(7) Overdrafts are mostly in France.
(8) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2020, accrued interest primarily concerned Casino for €76 million and GPA for €39 million (31 December 2019: Casino for €136 million and GPA for €61 million).
(9) A commitment letter was signed by the Group and the bank to extend the debt's maturity from December 2021 to July 2023.

Confirmed bank credit lines in 2020 and 2019

2020 *(€ 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[1]	Variable[1]	198	2,020	2,218	-
Other confirmed bank credit lines[3]	Variable[2]	135	143	277	-
TOTAL		**333**	**2,163**	**2,496**	**-**

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[1]	Variable[1]	-	2,220	2,220	-
Other confirmed bank credit lines[3]	Variable[2]	389	111	500	54
TOTAL		**389**	**2,331**	**2,720**	**54**

(1) In 2020 and 2019, syndicated credit lines comprised (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 Segisor 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 (Note 11.5.4); 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 (Note 11.5.4).
(2) 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).
(3) In 2020, other confirmed bank credit lines concern Monoprix for €111 million and Éxito for €166 million (COP 700 billion). In 2019, other confirmed bank credit lines concerned Monoprix (€111 million), GPA (€199 million) and Éxito (€190 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 (including fees relating to instalment programme CB4X at Cdiscount), credit line non-utilisation fees, 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)	**2020**	2019
Gains (losses) on disposals of cash equivalents	-	-
Income from cash and cash equivalents	16	39
Income from cash and cash equivalents	**16**	**39**
Interest expense on borrowings after hedging	(373)	(396)
Finance costs	**(373)**	**(396)**
NET FINANCE COSTS	**(357)**	**(356)**
of which France Retail[(1)]	*(210)*	*(161)*
of which Latam Retail	*(135)*	*(184)*
of which E-commerce	*(12)*	*(12)*

(1) The increase in 2020 reflects the full-year impact of the refinancing transaction carried out at the end of 2019 (see notes to the 2019 financial statements), partly offset by the gain relating to the bond redemptions (Note 2).

11.3.2. Other financial income and expenses

(in € millions)	**2020**	2019 (restated)
Total other financial income	**210**	**265**
Total other financial expenses	**(602)**	**(715)**
Net foreign currency exchange gains (losses) (other than on borrowings)[(1)]	(8)	(11)
Gains (losses) on remeasurement at fair value of non-hedging derivative instruments[(2)]	(73)	(31)
Gains (losses) on remeasurement at fair value of financial assets	(5)	(9)
Interest expense on lease liabilities (Note 7.1.2)	(320)	(324)
Non-recourse factoring and associated transaction costs	(60)	(77)
Impact of applying IAS 29 to operations in Argentina	(7)	(10)
Other[(3)]	81	12
TOTAL NET OTHER FINANCIAL EXPENSE	**(392)**	**(450)**

(1) Including €52 million in foreign currency exchange gains and €60 million in foreign currency exchange losses in 2020 (2019: €53 million in forex gains and €63 million in forex losses).

(2) In 2020, the €73 million net expense primarily reflects the €70 million adverse impact of changes in the fair value of the GPA total return swap. This swap was unwound during the first half, generating a cash outflow of €248 million (Note 4.11). 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 GPA forward was unwound between August and December 2019, resulting in a cash outflow of €109 million (for a negative fair value of €101 million).

(3) Of which BRL 613 million (€104 million) recognised by GPA in 2020 in respect of the monetary adjustment relating to the exclusion of ICMS tax from the PIS/COFINS tax base following a favourable court decision in October 2020 (Note 13.3).

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 categories set out in 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 2020					
Other non-current assets[1]	449	38	5	77	329
Trade receivables	941	-	33	-	908
Other current assets[1]	1,237	1	-	15	1,222
Cash and cash equivalents	2,744	-	-	-	2,744

		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]	381	48	4	62	267
Trade receivables	836	-	22	-	813
Other current assets[1]	975	6	1	17	950
Cash and cash equivalents	3,572	17	-	-	3,554

(1) Excluding non-financial assets.

Financial liabilities

The following table shows financial liabilities by category.

(€ millions)	Total financial liabilities	Breakdown by category of instrument: Liabilities at amortised cost	NCI puts	Derivative instruments
AT 31 DECEMBER 2020				
Bonds	5,278	5,278	-	-
Other loans and borrowings	2,777	2,766	-	11
Current put options granted to owners of non-controlling interests	163	-	163	-
Lease liabilities	4,987	4,987	-	-
Trade payables	6,190	6,190	-	-
Other liabilities(1)	1,906	1,840	-	65

(€ millions)	Total financial liabilities	Breakdown by category of instrument: Liabilities at amortised cost	NCI puts	Derivative instruments
AT 31 DECEMBER 2019 (RESTATED)				
Bonds	7,418	7,418	-	-
Other loans and borrowings	2,231	2,214	-	17
Current put options granted to owners of non-controlling interests	166	-	166	-
Lease liabilities	5,485	5,485	-	-
Trade payables	6,580	6,580	-	-
Other liabilities(1)	1,849	1,622	-	227

(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.

			Fair value hierarchy		
At 31 December 2020 *(€ millions)*	Carrying amount	Fair value	Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
ASSETS	**169**	**169**	**4**	**126**	**39**
Financial assets at fair value through profit or loss[1]	39	39	-	-	39
Financial assets at fair value through other comprehensive income[1]	38	38	4	34	-
Fair value hedges – assets[2]	92	92	-	92	-
Cash flow hedges and net investment hedges – assets[2]	-	-	-	-	-
Other derivative instruments – assets	-	-	-	-	-
LIABILITIES	**13,271**	**13,290**	**3,505**	**9,622**	**163**
Bonds[3]	5,278	5,298	3,505	1,793	-
Other borrowings[4]	2,766	2,766	-	2,766	-
Lease liabilities	4,987	4,987	-	4,987	-
Fair value hedges – liabilities[2]	11	11	-	11	-
Cash flow hedges and net investment hedges – liabilities[2]	56	56	-	56	-
Other derivative instruments – liabilities[2]	9	9	-	9	-
Put options granted to owners of non-controlling interests[5]	163	163	-	-	163

			Fair value hierarchy		
At 31 December 2019 (restated) *(€ millions)*	Carrying amount	Fair value	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	**15,527**	**15,210**	**4,687**	**10,357**	**167**
Bonds[3]	7,418	7,102	4,687	2,416	-
Other borrowings[4]	2,214	2,213	-	2,213	-
Lease liabilities	5,485	5,485	-	5,485	-
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

(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 3.3.1).

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.

The Corporate Finance department liaises with the Finance departments of subsidiaries to manage financing, cash investments and financial risks. This process is based on principles of prudence and anticipation particularly with respect to counterparty management and liquidity risk. 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	2020	Interest rate risk	Foreign currency risk	Other market risks	2019
Derivatives – assets						
Derivatives at fair value through profit or loss	6.8.1–6.9	-	-	-	-	13
Cash flow hedges	6.8.1	-	-	-	-	1
Fair value hedges – assets	6.8.1–6.9–11.2.1	92	81	10	-	78
TOTAL DERIVATIVES – ASSETS		**92**	**81**	**11**	**-**	**93**
of which non-current		*77*	*76*	*2*	-	*69*
of which current		*15*	*6*	*9*	-	*24*
Derivatives – liabilities						
Derivatives at fair value through profit or loss	6.10	9	5	4	-	186
Cash flow hedges	6.10	56	47	10	-	41
Fair value hedges	11.2.1	11	1	10	-	17
TOTAL DERIVATIVES – LIABILITIES		**77**	**52**	**24**	**-**	**244**
of which non-current		*50*	*47*	*3*	-	*51*
of which current		*27*	*6*	*21*	-	*193*

At 31 December 2020, derivatives held as fair value hedges (on a notional amount of €3,440 million) had a positive net fair value of €81 million and mainly comprised (i) interest rate hedges in France on a notional amount of €3,344 million with a positive fair value of €72 million and (ii) currency hedges in Brazil on a notional amount of €96 million with a positive fair value of €9 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 2020, the cash flow hedge reserve included in equity had a debit balance of €43 million (31 December 2019: debit balance of €32 million after tax). These derivatives concern operations in France and hedge goods purchases billed in currencies other than the euro (mainly the US dollar). Their notional amount at 31 December 2020 was USD 177 million (€144 million – Note 11.5.2). France and Colombia applied cash flow hedge accounting to hedge interest rates on variable-rate borrowings for a notional amount of €878 million and €94 million, respectively, at 31 December 2020. 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 €9 million at 31 December 2020 (31 December 2019: negative fair value of €173 million). In 2019, these instruments related to TRSs on GPA shares with a negative fair value of €177 million.

The fair value calculation at 31 December 2020 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 variable-rate Term Loan B, representing a nominal amount of €3,422 million and €1,225 million, respectively, at 31 December 2020 (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 2020, Casino, Guichard-Perrachon had a portfolio of 44 interest-rate swaps with around ten bank counterparties. These instruments expire at various dates between 2021 and 2026.

At 31 December 2020, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 29% at fixed rates (€1,339 million), 26% at a capped or floored variable rate (€1,225 million) and 45% at a variable rate (€2,083 million).

Sensitivity to a change in interest rates

Sensitivity to rate changes is calculated as shown in the table below.

(€ millions)	Notes	2020	2019
Casino, Guichard-Perrachon variable-rate bonds(1)		2,083	2,601
Casino, Guichard-Perrachon capped variable-rate bonds(1)		-	607
Term Loan B(1)		1,225	1,000
Brazil variable-rate bonds(2)	11.2.3	1,717	2,585
Other variable-rate loans and borrowings(3)(4)(5)	11.2.4	1,062	926
Total variable-rate bonds, other loans and borrowings		**6,087**	**7,719**
Cash and cash equivalents	11.1	(2,744)	(3,572)
Net variable-rate position		**3,343**	**4,147**
100-bps change in interest rates		27	34
Net finance costs	11.3.1	357	356
IMPACT OF CHANGE ON NET FINANCE COSTS		**7.5%**	**9.4%**

(1) Corresponding to fixed-rate bonds and to the Term Loan B, representing a principal amount of €4,647 million (31 December 2019: €5,679 million) (Note 11.2.3), including a principal amount of €2,083 million (31 December 2019 : €2,601 million) swapped for variable-rate debt, and a principal amount of €1,225 million (31 December 2019: €1,000 million) for Term Loan B including a floored rate.

(2) Principal.

(3) Excluding accrued interest.

(4) Including borrowings in Brazil originally denominated in BRL or USD for BRL 4,152 million (€652 million) swapped for variable-rate debt in BRL by means of cross-currency swaps where applicable (31 December 2019: BRL 1,947 million, or €431 million).

(5) Including borrowings in Colombia originally denominated in Colombian pesos for COP 610 billion, or €145 million (31 December 2019: COP 259 billion, or €70 million, swapped for variable-rate debt).

Assuming a constant net debt structure and management policy, a 100-bps annual increase (decrease) in rates across the yield curve would lead to a 7.5% or €27 million increase (5.9% or €21 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 eurozone 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 eurozone 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 2020	Of which USD	Total exposure 2019
Exposed trade receivables	(19)	(8)	(23)
Exposed other financial assets	(50)	(43)	(77)
Exposed derivatives at fair value through profit or loss	(224)	(224)	271
Exposed trade payables	114	96	263
Exposed financial liabilities	245	245	245
Exposed other financial liabilities	44	44	42
Gross exposure payable/(receivable)	**109**	**110**	**722**
Hedged other financial assets	-	-	94
Hedged trade payables	62	57	85
Hedged financial liabilities	243	243	229
Other hedged financial liabilities	42	42	32
NET EXPOSURE PAYABLE/(RECEIVABLE)	**(237)**	**(231)**	**282**
Hedges of future purchases	**144**	**144**	**132**
Exposed put options granted to owners of non-controlling interests(1)	**100**	**100**	**104**

(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 3.3.1).

At 31 December 2020, the net statement of financial position exposure (€237 million) is mainly attributable to the timelag of several days between setting up the hedging instrument (arranged prior to 31 December 2020 for an effective date subsequent to 31 December 2020) and the hedged item (effective date after 31 December 2020).

At 31 December 2019, the net statement of financial position exposure of €282 million mainly concerned the US dollar.

Sensitivity of net exposure after foreign currency hedging

A 10% appreciation of the euro at 31 December 2020 and 2019 against the currencies included in the Group's exposure would impact net financial expense in 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)	2020	2019
US dollar	(23)	25
Other currencies	(1)	(1)
IMPACT ON NET FINANCIAL INCOME (EXPENSE)	**(24)**	**24**

A 10% decline in the euro against those currencies at 31 December 2020 and 2019 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:

	2020		2019 (restated)	
(€ millions)	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total revenue	(1,008)	(264)	(1,124)	(291)
Trading profit	(54)	(11)	(41)	(14)
Net profit (loss)	(23)	(5)	(9)	(1)
Equity	(234)	(130)	(465)	(167)

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)	2020	%	2019	%
Euro	780	28%	1,743	49%
US dollar	58	2%	79	2%
Brazilian real	1,345	49%	1,071	30%
Colombian peso	494	18%	608	17%
Uruguayan peso	36	1%	34	1%
Other currencies	32	1%	37	1%
CASH AND CASH EQUIVALENTS	**2,744**	**100%**	**3,572**	**100%**

Exchange rates against the euro

	2020		2019	
Exchange rates against the euro	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (BRL)	6.3735	5.8936	4.5157	4.4143
Colombian peso (COP)	4,204.58	4,216.03	3,692.38	3,672.20
Argentine peso (ARS)(1)	103.1176	103.1176	67.2695	67.2695
Uruguayan peso (UYP)	51.7764	47.9825	41.7621	39.4526
US dollar (USD)	1.2271	1.1419	1.1234	1.1194
Polish zloty (PLN)	4.5597	4.4445	4.2568	4.2971

(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 2020, the Group did not hold any significant investments in any listed companies other than its listed subsidiaries or treasury shares.

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
At 31 December 2020						
Trade receivables	709	104	78	150	332	1,041
Allowance for lifetime expected losses	(11)	(2)	(13)	(75)	(89)	(100)
TOTAL, NET (NOTE 6.7.1)	**698**	**102**	**65**	**75**	**243**	**941**
At 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**

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 2020, the Group's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,496 million (of which a non-current portion of €2,020 million for France);
- gross cash and cash equivalents totalling €2,744 million (of which €819 million available in France);
- €487 million held in a segregated account in France in connection with the refinancing of the revolving credit facility (RCF) and able to be used at any time to pay down debt.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2020 (France Retail):

- unsecured bonds amounting to €2,622 million, of which €400 million in high-yield bonds maturing in 2026 (Note 2);
- secured high-yield bonds for €800 million;
- Term Loan B for €1,225 million.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €179 million was outstanding at 31 December 2020 (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. These issues are not subject to any covenants.

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. Outstanding commercial paper issues represented €179 million at 31 December 2020 versus €129 million at 31 December 2019. 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 2020, trade payables totalling €1,181 million (including €434 million in France Retail payables, €709 million in Latam Retail payables and €38 million in E-commerce payables) had been reverse factored, versus €1,594 million at 31 December 2019 (€445 million, €1,092 million, and €57 million, respectively).

Management of medium- and long-term debt

To manage its medium- and long-term liquidity, at end-2019 the Group refinanced all of its confirmed credit facilities via a new €2 billion confirmed credit line ("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 Group also raised funds 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.

In 2020, the Group continued to strengthen its financial structure by carrying out several transactions.

It redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November and December 2020. In all, the redemptions represented a nominal amount of €1,400 million, of which €467 million was due to mature in May 2021, €122 million in June 2022, €448 million in January 2023, €289 million in March 2024, and €74 million in February 2025.

The December 2020 buyback offer was accompanied by two new sources of financing:

- issue of €400 million worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the gross leverage ratio is less than 3.5x following the payout;
- Term Loan B tap of €225 million maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

The table below shows Moody's and Standard & Poor's ratings for the Group's financial instruments:

Financial instrument rating	Moody's	Standard & Poor's
Casino, Guichard-Perrachon	B3/stable outlook (6 August 2020)	B/negative outlook (28 May 2019)
Secured high-yield bonds	B2/stable outlook (6 August 2020)	B+/negative outlook (22 October 2019)
Term Loan B	B2/stable outlook (6 August 2020)	B+/negative outlook (22 October 2019)
Bonds issued under the EMTN programme	Caa1/stable outlook (6 August 2020)	B/negative outlook (28 May 2019)
Deeply-subordinated perpetual bonds (TSSDI)	Caa2/stable outlook (6 August 2020)	CCC (28 May 2019)

The high-yield bond issue by Quatrim is secured by shares in Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets (excluding Monoprix and Franprix-Leader Price property assets and certain assets whose disposal was pending).

In connection with the 2019 revolving credit facility (RCF) and Term Loan B financing, 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 confirmed €2,000 million facility is also subject to maintenance covenants tested quarterly as from 31 March 2020.

Excluding these financing arrangements, debt carried by Casino, Guichard-Perrachon and its subsidiaries is not secured by collateral or assets.

Casino, Guichard-Perrachon debt covenants

As from 31 March 2020, Casino, Guichard-Perrachon is required to comply with the following covenants in the France Retail and E-commerce segments, calculated each quarter (on a rolling 12-month basis):

Type of covenant (France and E-commerce)	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2020
Debt(1)/EBITDA(2): < specified amount (evolving level)(3)	RCF for €2,000 million	Quarterly	5.03
EBITDA(2)/net finance costs: > 2.25			4.01

(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 Segisor).

(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) 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.

Two syndicated credit lines (the first for €198 million maturing in February 2021 and the second for USD 25 million maturing in July 2022) are subject to a covenant tested annually: this covenant was complied with at 31 December 2020.

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.

Change-of-control clauses are included in all of Casino's bond financing documentation issued up to 2018, except for the documentation relating to the €600 million 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).

(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.

The impact on the Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €2,222 million at 31 December 2020, 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 2019 and 2020 refinancing transactions also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings/2026 high-yield bond): 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.

Financing of subsidiaries subject to covenants

Most of the Group's other loan agreements – primarily concerning GPA, Monoprix and Segisor – 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		
Segisor	Net debt/value of GPA shares < 50%(5)	Quarterly	Bank loans totalling €188 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 2020.

Exposure to liquidity risk

The table below presents an analysis by maturity of financial liabilities at 31 December 2020, 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 instruments described in Note 11.3.2, the cash flows presented for 2019 in the table below reflect the interest payable and the fair value of instruments at the reporting date.

	Maturity						
31 December 2020 *(€ 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	1,508	2,038	1,224	3,432	1,043	9,244	8,044
Current put options granted to owners of non-controlling interests	119	10	38	-	-	167	163
Lease liabilities	929	908	872	1,392	2,946	7,046	4,987
Trade payables and other financial liabilities	7,992	3	-	-	35	8,030	8,030
TOTAL	**10,547**	**2,959**	**2,134**	**4,824**	**4,024**	**24,487**	**21,224**
DERIVATIVE FINANCIAL INSTRUMENTS – ASSETS/ (LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	17	17	15	22	5	76	
Derivative contracts – paid	(13)	(10)	(9)	(15)	(3)	(51)	
Derivative contracts – net settled	-	-	-	-	-	-	
Currency derivatives							
Derivative contracts – received	592	1	-	-	-	593	
Derivative contracts – paid	(613)	(1)	-	-	-	(613)	
Derivative contracts – net settled	-	9	(3)	-	-	6	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	-	-	-	-	-	-	
Derivative contracts – net settled	-	-	-	-	-	-	
TOTAL	**(16)**	**15**	**3**	**7**	**2**	**10**	**15**

31 December 2019 (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	1,731	2,178	1,559	4,989	763	11,221	9,632
Current put options granted to owners of non-controlling interests	108	-	28	38	-	174	166
Lease liabilities	953	917	888	1,573	3,559	7,890	5,485
Trade payables and other financial liabilities	8,156	4	-	1	33	8,193	8,202
TOTAL	**10,947**	**3,100**	**2,475**	**6,600**	**4,355**	**27,478**	**23,485**
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)**

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 bonds – Note 11.5.4), 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 2020, the Company's share capital amounts to €165,892,132 and is composed of 108,426,230 ordinary shares issued and fully paid (unchanged from 31 December 2019). 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 €59 million.

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 hold 5.64% of the capital. On 31 December 2020, it held 9.997% of the Company's capital.

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 2020, a total of 642,414 shares were held in treasury, representing €22 million (31 December 2019: 830,257 shares representing €28 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 of that year, 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 2020, no Casino, Guichard-Perrachon SA shares were held in the liquidity account.

Purchases and sales of treasury shares in 2020 led to a €1 million reduction in equity, also corresponding to the net cash outflow for the period (in 2019 €40 million decrease in equity resulting from purchases and sales of treasury shares, also corresponding to the net cash outflow for the period).

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 ten-year constant maturity swap rate plus 100 bps, capped at 9%. In 2020, the average coupon was 1% (2019: 1.65%).

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 2019 (restated)	**(8)**	**(1)**	**(2,326)**	**(107)**	**(2)**	**(2)**	**(2,446)**
Movements for the year	(23)	-	(59)	(11)	(2)	1	(93)
At 31 December 2019 (restated)	**(32)**	**(1)**	**(2,385)**	**(118)**	**(3)**	**(1)**	**(2,539)**
Movements for the year	(12)	-	(548)	(10)	-	-	(569)
AT 31 DECEMBER 2020	**(43)**	**(1)**	**(2,933)**	**(127)**	**(3)**	**(1)**	**(3,109)**

(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 2020***

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	1 January 2020	Movements for the year	31 December 2020	1 January 2020	Movements for the year	31 December 2020	31 December 2020
Brazil	(1,854)	(423)	(2,277)	(2,962)	(554)	(3,515)	(5,793)
Argentina	(209)	(21)	(230)	(38)	(34)	(72)	(302)
Colombia	(281)	(61)	(342)	(300)	(181)	(481)	(823)
Uruguay	(69)	(42)	(110)	(64)	(40)	(105)	(215)
United States	20	-	20	1	-	1	21
Poland	15	(8)	7	-	-	-	7
Indian Ocean	(9)	9	-	(3)	3	-	-
Hong Kong	1	(1)	-	-	-	-	-
Other	2	(3)	(1)	-	(1)	(1)	(1)
TOTAL FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**(2,385)**	**(548)**	**(2,933)**	**(3,366)**	**(807)**	**(4,173)**	**(7,106)**

■ ***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 (restated)
Brazil	(1,847)	(7)	(1,854)	(2,899)	(63)	(2,962)	(4,816)
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
Other	1	2	2	-	1	-	2
TOTAL FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**(2,326)**	**(59)**	**(2,385)**	**(3,315)**	**(51)**	**(3,366)**	**(5,751)**

12.7.2. Notes to the consolidated statement of comprehensive income

(€ millions)	2020	2019 (restated)
Cash flow hedges and cash flow hedge reserve[1]	**(12)**	**(19)**
Change in fair value	(15)	(27)
Reclassifications to inventories	-	-
Reclassifications to profit or loss	(2)	-
Income tax (expense) benefit	5	7
Debt instruments at fair value through other comprehensive income (OCI)	**1**	**5**
Net change in fair value	1	6
Impairment losses	-	-
Reclassifications to profit or loss	-	-
Income tax (expense) benefit	-	(1)
Foreign currency translation reserves (Note 12.7.1)	**(1,328)**	**(110)**
Foreign currency translation adjustments for the year	(1,342)	(124)
Net investment hedges	-	-
Reclassifications to profit or loss	13	14
Income tax (expense) benefit	-	-
Equity instruments at fair value through other comprehensive income	**-**	**(1)**
Net change in fair value	-	(1)
Income tax (expense) benefit	-	-
Actuarial gains and losses	**(10)**	**(12)**
Actuarial gains and losses for the year	(14)	(18)
Income tax (expense) benefit	5	6
Share of other comprehensive income of equity-accounted investees	**(27)**	**(5)**
Cash flow hedges and cash flow hedge reserve – net change in fair value	-	(3)
Cash flow hedges and cash flow hedge reserve – reclassifications to profit or loss	-	-
Foreign currency translation reserve – adjustments for the year	(27)	(1)
Foreign currency translation reserve – reclassification to profit or loss		-
Equity instruments at fair value through other comprehensive income – change in fair value	-	(1)
Actuarial gains and losses – net gain or loss for the year	-	-
Income tax (expense) benefit	-	-
TOTAL	**(1,377)**	**(142)**

(1) The change in the cash flow hedge reserve in 2020 and 2019 was not material.

12.8. Non-controlling interests

The following table provides detailed information on material non-controlling interests.

(€ millions)	GPA[1]	Other	Total
Country	**Brazil**		
1 January 2019 (restated)	**5,153**	**50**	**5,203**
% of ownership interests held by non-controlling interests[2]	*66.9%*		
% of voting rights held by non-controlling interests[2]	*0.06%*		
Net profit (loss)	116	(11)	106
Other comprehensive income (loss)[3]	(48)	-	(48)
Dividends paid/payable	(73)	(19)	(92)
Other movements	(1,730)	49	(1,681)
31 December 2019 (restated)	**3,419**	**69**	**3,488**
% of ownership interests held by non-controlling interests[2]	*58.7%*		
% of voting rights held by non-controlling interests[2]	*0.06%*		
Net profit	223	3	225
Other comprehensive income (loss)[3]	(798)	(8)	(807)
Dividends paid/payable	(75)	(5)	(80)
Other movements	13	16	29
31 DECEMBER 2020	**2,782**	**74**	**2,856**
% of ownership interests held by non-controlling interests[2]	*58.8%*		
% of voting rights held by non-controlling interests[2]	*58.8%*		
Average % of ownership interests held by the Group in 2020	*41.2%*		
% of ownership interests held by the Group at 31 December 2020	*41.2%*		

(1) GPA owns 97% of Éxito (Colombia), which in turn owns Uruguay and Argentina (Note 17).

(2) 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. At 31 December 2019, Casino held 99.9% of GPA's voting rights and 41.3% of its capital. Since GPA was first listed on the B3 (Brazil, Bolsa, Balcao "B3") listing segment of Brazil's Novo Mercado on 2 March 2020, its share capital has comprised a single share class. At 31 December 2020, Casino holds 41.2% of the capital and voting rights of GPA, which is fully consolidated in the Group's consolidated financial statements. Full consolidation results from the Group's assessment that it has de facto control of GPA owing to the fact that (i) the remaining shares of GPA are held by widely-dispersed shareholders and (ii) a majority of Casino members have been appointed to GPA's Board of Directors.

(3) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.

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)]	
(€ millions)	**2020**	2019 (restated)
Country	Brazil	
Net sales	14,656	16,343
Net profit from continuing operations	330	144
Net profit from discontinued operations	17	5
Consolidated net profit	**346**	**149**
Attributable to non-controlling interests in continuing operations	*213*	*113*
Attributable to non-controlling interests in discontinued operations	*10*	*3*
Other comprehensive income (loss)	(1,319)	(65)
Total comprehensive income (loss) for the year	**(972)**	**84**
Attributable to non-controlling interests	*(576)*	*68*
Non-current assets	8,767	11,040
Current assets	4,100	4,419
Non-current liabilities	(4,165)	(4,885)
Current liabilities	(4,258)	(5,112)
Net assets	**4,443**	**5,462**
Attributable to non-controlling interests	*2,782*	*3,419*
Net cash from operating activities	803	567
Net cash used in investing activities	(115)	(136)
Net cash used in financing activities	(44)	(805)
Effect of changes in exchange rates on cash and cash equivalents	(496)	(240)
Change in cash and cash equivalents	**147**	**(614)**
Dividends paid to the Group[(2)]	*11*	*40*
Dividends paid to owners of non-controlling interests during the period[(2)]	*37*	*65*

(1) GPA including Éxito, Uruguay and Argentina.
(2) GPA and Éxito have an obligation to pay out 25% and 50% respectively of annual net profit in dividends.

12.9. Dividends

The Annual General Meeting of 17 June 2020 approved the decision not to pay any dividend 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)	2020	2019
Coupons payable on deeply-subordinated perpetual bonds (impact on equity)	**34**	**37**
of which amount paid during the year	33	37
of which amount payable in the following year	1	3
Adjustments	-	(2)
Impact on the statement of cash flows for the year	**36**	**46**
of which coupons awarded and paid during the year	33	37
of which interest awarded in the prior year and paid during the year	3	10

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		2020	2019
Weighted average number of shares outstanding during the period			
Total ordinary shares		108,426,230	108,969,224
Ordinary shares held in treasury		(748,772)	(1,045,090)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES BEFORE DILUTION	**(1)**	**107,677,458**	**107,924,134**
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)**	**107,677,458**	**107,924,134**

12.10.2. Profit (loss) attributable to ordinary shares

		2020			2019 (restated)		
(€ millions)		Continuing operations	Discontinued operations*	Total	Continuing operations	Discontinued operations*	Total
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		**(370)**	**(516)**	**(886)**	**(396)**	**(1,048)**	**(1,444)**
Dividend payable on deeply-subordinated perpetual bonds		(34)	-	(34)	(37)	-	(37)
NET PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(3)**	**(404)**	**(516)**	**(920)**	**(433)**	**(1,048)**	**(1,481)**
Potential dilutive effect of free share plans		-	-	-	-	-	-
DILUTED NET PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(4)**	**(404)**	**(516)**	**(920)**	**(433)**	**(1,048)**	**(1,481)**
BASIC EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT *(€)*	**(3)/(1)**	**(3.75)**	**(4.79)**	**(8.54)**	**(4.01)**	**(9.71)**	**(13.72)**
DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT *(€)*	**(4)/(1)**	**(3.75)**	**(4.79)**	**(8.54)**	**(4.01)**	**(9.71)**	**(13.72)**

** Note 3.4.2.*

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 2020	Additions 2020	Reversals (used) 2020	Reversals (not used) 2020	Changes in scope of consolidation	Effect of movements in exchange rates	Other	31 December 2020
Claims and litigation	444	156	(28)	(49)	2	(125)	9	409
Other risks and expenses	117	31	(21)	(22)	(2)	(1)	(5)	98
Restructuring	50	54	(37)	(5)	4	-	(8)	57
TOTAL PROVISIONS	**611**	**241**	**(87)**	**(76)**	**4**	**(126)**	**(4)**	**563**
of which non-current	*458*	*138*	*(23)*	*(44)*	*(4)*	*(125)*	*(26)*	*374*
of which current	*153*	*102*	*(64)*	*(31)*	*8*	*(1)*	*22*	*189*

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 €409 million and include €351 million for GPA (Note 13.2). Of this amount, additions to provisions, reversals of used provisions and reversals of not used provisions, respectively amounted to €123 million, €22 million, and €36 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 2020	**48**	**224**	**55**	**25**	**351**
31 December 2019	13	302	68	28	411

(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 6.9.1). GPA has also provided various guarantees in addition to these bonds, reported as off-balance sheet commitments (Note 6.11.1).

	2020			2019		
(€ 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	29	118	1,618	53	187	2,029
Employee disputes	74	-	112	105	-	119
Civil and other litigation	5	1	91	18	3	104
TOTAL	**109**	**119**	**1,821**	**176**	**189**	**2,252**

(1) See Note 6.9.1.
(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 3.2.5, no associates or joint ventures have any significant contingent liabilities.

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 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.

On 27 April 2020, the Paris Commercial Court handed down its decision, dismissing most of the DGCCRF's claims. The Court considered that there was no evidence to support DGCCRF's claims of unlawful behaviour concerning 34 suppliers. It partly accepting the DGCCRF's claims concerning the other seven suppliers. Casino Group was ordered to refund a series of credit notes issued in 2013 and 2014 by the seven suppliers for a total of €2 million, and to pay a fine of €1 million.

In early January 2021, the DGCCRF filed an appeal against the Paris Commercial Court's decision. As no application was made for provisional enforcement, the appeal has suspensive effect.

Casino Group maintains that it acted in accordance with applicable regulations in its negotiations with the suppliers concerned. Based on this and on the advice of its legal counsel, the Group considers that the associated risk on its financial statements is limited.

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. Based on this and on the advice of its legal counsel, the Group considers that the associated risk on its financial statements is limited.

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.

On 7 December 2020, the Competition Authority officially ruled that it no longer has jurisdiction over this case.

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.

On 5 October 2020, the General Court of the European Union ruled that the raids conducted by the Commission in February 2017 were partially unlawful. The case is currently being appealed before the Court of Justice of the European Union, seeking to have all of the 2017 raids classified as unlawful; proceedings are also currently pending before the General Court of the European Union in respect of the raids carried out in May 2019. The Group is not currently able to reliably 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 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. On 22 October 2020, the Competition Authority officially closed its investigation into the Horizon central purchasing organisation, subject to Horizon's compliance with the commitments undertaken to limit the extent of its cooperation on private-label brands.

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.

Dispute between Cnova and Via Varejo

On 31 October 2016, ahead of the GPA's announcement of its decision to start negotiations for the sale of its stake in Via Varejo, Via Varejo completed its combination with Cnova Brazil, responsible for the Group's E-commerce business in the country. The combination involved the acquisition by Via Varejo of 100% of Cnova Brazil's shares from Cnova N.V. ("Cnova"). The combination agreement included the usual vendor warranty compensation clauses.

In September 2019, Via Varejo notified Cnova of a guarantee call for an undocumented amount of around BRL 65 million (€11 million), concerning litigation with employees and customers. Following this notification, Cnova and Via Varejo exchanged information in order to determine the substance and, where appropriate, the scope of the compensation claim. In light of the extensive analyses currently in progress and the discussions that are likely to result from the analyses, Cnova is unable to determine the extent of its exposure to this risk. On 20 July 2020, Cnova received notification that Via Varejo had commenced arbitration proceedings. On 22 January 2021, Via Varejo submitted its declaration in connection with these proceedings but no additional evidence has been provided. Accordingly, Cnova remains unable to determine the extent of the risk and/or of its liability, if any.

GPA tax, social and civil contingent liabilities

(€ millions)	**2020**	2019
INSS (employer's social security contributions)	78	100
IRPJ – IRRF and CSLL (corporate income taxes)	163	234
PIS, COFINS and CPMF (VAT and similar taxes)	560	448
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	24	27
ICMS (state VAT)	967	1,355
Civil litigation	65	89
TOTAL	**1,858**	**2,254**

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 2020, the estimated amount was €30 million (31 December 2019: €44 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 1,432 million at 31 December 2020 (31 December 2019: BRL 1,409 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 716 million (€112 million) (31 December 2019: BRL 705 million, representing €156 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 non-cumulative regime to calculate 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.

On 29 October 2020, GPA was notified of a final favourable ruling on its main claim initially filed in 2003. Based on this court decision, GPA considered that the uncertainty that had previously led it to consider this asset as "contingent" within the meaning of IAS 37 had resolved. Accordingly, it recognised a tax credit, net of provisions, amounting to BRL 1,608 million (i.e., income of €273 million recorded in profit before tax for the year), of which BRL 995 million (€169 million) recognised in net sales (Note 5.1) and BRL 613 million (€104 million) recognised in "Other financial income" (Note 11.3.2).

At 31 December 2020, the only decision pending related to the legal proceedings concerning the former Sendas subsidiaries, which have since been merged into Sendas SA. Consequently, the corresponding tax credit, estimated at BRL 118 million (€19 million) continues to be classified as a contingent asset and is not recognised in the statement of financial position.

Pursuant to the shareholder agreements between GPA and the Klein family following the creation of Via Varejo, which were still in force at 31 December 2020, GPA has a legal right to obtain from Via Varejo the aforementioned tax credits in respect of its former subsidiary Globex for the 2003-2010 period. As a result of the final ruling obtained by Via Varejo on its proceedings with the tax authorities in May 2020, GPA has an unconditional right to obtain a refund of these tax credits from Via Varejo. GPA has recognised a gross amount of BRL 231 million (€39 million) in its income statement in this respect (Note 3.4.2). Pending full legal documentation from Via Varejo for the 2003-2007 period, GPA considers these tax credits as a contingent asset with an estimated value of BRL 277 million (€43 million) at 31 December 2020.

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 3.2);
- joint ventures (Note 3.2);
- members of the Board of Directors and Management Committee (Note 8.4).

The Company maintains normal relations with all of 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 amount expensed over the year in relation to these agreements with Casino and its subsidiaries totalled €4.7 million, of which €4.2 million for strategic advisory services and €0.5 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 3.2.6).

In November 2020, the Group signed an agreement with the Foncière Euris group to incorporate the Centrum Krakow shopping centre into its 2014 partnership agreement concerning the Serenada shopping mall. This agreement provides for a link-up between these two centres with the aim of creating a regional leader in the north of Krakow In 2020, the Group committed to this new partnership by investing €13 million in two companies jointly controlled with the Foncière Euris group.

Related-party transactions with individuals (Directors, corporate officers and members of their families) are not material.

Note 15 Subsequent events

Approval for the listing of Assaí

On 19 February 2021, GPA announced that it had received (i) on 10 February 2021 approval to list the shares issued by Sendas Distribuidora SA (Assaí) on the Novo Mercado segment of the B3 SA – Brasil, Bolsa, Balcão, and (ii) on 12 February 2021, approval to list the American Depositary Securities (ADSs) of Assaí on the New York Stock Exchange. These listings take place in the context of previously announced transactions to restructure and spin off certain GPA assets (Note 2). Assaí shares, currently wholly owned by GPA, will be distributed to GPA shareholders at a ratio of one Assaí share for each GPA share. The trading of Assaí shares and ADSs will begin on 1 March 2021.

Following the listing of Assaí, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in Assaí.

Note 16 Statutory Auditors' fees

Statutory Auditors' fees for the year ended 31 December 2020 *(in € thousands)*	EY	Deloitte
Statutory audit and review of the parent company and consolidated financial statements	6,746	4,305
Non-audit services	1,297	646
TOTAL	**8,043**	**4,950**

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 2020, the Casino Group comprised 1,485 consolidated companies. The main companies are listed below.

	2020			2019		
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 "S.A.M.A.D.A."	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	100	100	FC	70	70	FC
Holding Ile de France 2	100	100	FC	49	100	EM
Holding Spring Expansion	49	100	EM	49	100	EM
Holdi Mag[1]	100	100	FC	49	100	FC
Holdev Mag	100	100	FC	100	100	FC
Gesdis[1]	100	100	FC	40	100	FC
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

	2020			2019		
Company	% control	% interest	Consolidation method	% control	% interest	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	72.51	72.51	FC	73.62	73.62	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)	**20.27**	**20.27**	**EM**	**25.24**	**30.57**	**EM**
Other businesses						
Floa Bank (formerly Banque du Groupe Casino)	50	50	EM	50	50	EM
Casino Finance	100	100	FC	100	100	FC
Casino Restauration	100	100	FC	100	100	FC
Perspecteev	49	49	EM	49	49	EM
RelevanC	100	100	FC	100	100	FC
E-COMMERCE						
Cnova N.V. group (listed company)	**99.48**	**78.92**	**FC**	**99.46**	**78.91**	**FC**
Cdiscount	100	78.99	FC	100	78.98	FC
C-Logistics	100	82.29	FC	100	82.28	FC
Cnova Pay	100	78.92	FC	100	78.91	FC
INTERNATIONAL – POLAND						
Mayland Real Estate	100	100	FC	100	100	FC
INTERNATIONAL – BRAZIL						
Wilkes	100	100	FC	100	100	FC
GPA group (listed company)[4]	**41.21**	**41.21**	**FC**	**99.94**	**41.26**	**FC**
Financeira Itaú CBD SA – Crédito, Financiamento e Investimento ("FIC")[2][3]	50	35.76	EM	50	35.76	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. ("GPA M&P")[2]	100	100	FC	100	100	FC
Novasoc Comercial Ltda. (Novasoc)[2]	100	100	FC	100	100	FC
Sendas Distribuidora SA ("Sendas")[4]	41.21	41.21	FC	100	100	FC

	2020			2019		
Company	% control	% interest	Consolidation method	% control	% interest	Consolidation method
INTERNATIONAL – COLOMBIA, URUGUAY AND ARGENTINA						
Éxito group (listed company)[7]	**96.57**	**39.79**	**FC**	**96.57**	**39.84**	**FC**
Éxito Industrias SAS [5]	97.95	97.95	FC	97.95	97.95	FC
Viva Malls Trust[5][6]	51	51	FC	51	51	FC
Viva Villavincencio Trust[5]	51	26.01	FC	51	26.01	FC
Barranquilla Trust[5]	90	45.90	FC	90	45.90	FC
Logistica y transporte de Servicios S.A.S[5]	100	100	FC	100	100	FC
Tuya SA[5]	50	50	EM	50	50	EM
Grupo Disco (Uruguay)(5)	75.10	62.49	FC	75.10	62.49	FC
Devoto (Uruguay)[5]	100	100	FC	100	100	FC
Libertad (Argentina)[5]	100	100	FC	100	100	FC
INTERNATIONAL – INDIAN OCEAN						
Vindémia Distribution	-	-	-	100	100	FC
Vindémia Logistique	-	-	-	100	100	FC
FRENCH AND INTERNATIONAL HOLDING COMPANIES						
Casino Participations France	100	100	FC	100	100	FC
Forézienne de Participations	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	39.79	FC	100	39.84	FC
Helicco	100	100	FC	100	100	FC
Intexa (listed company)	**98.91**	**97.91**	**FC**	**98.91**	**97.91**	**FC**
Quatrim	100	100	FC	100	100	FC
Segisor SA	100	100	FC	100	100	FC
Tévir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC

(1) As of 31 December 2019, the Group held potential rights conferring control.

(2) The percentage interests correspond to the percentages held by the GPA sub-group.

(3) FIC finances 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.

(4) On 31 December 2020, GPA spun off its cash and carry business (Assaí) from the rest of its businesses. As a result of this operation, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assaí), whose shares are due to be listed on 1 March 2021.

(5) 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.

(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) Following measures taken at the end of 2019 to streamline the Group's structure in Latin America, 96.57% of Éxito is now held by GPA. Based on Colombian rules and regulations, a sole shareholder cannot own more than 95% of an entity's share capital. GPA therefore has 18 months from the date of the restructuring to reduce its direct shareholding in Éxito. This operation is currently in progress at GPA.

Note 18 Standards, amendments and interpretations published but not yet mandatory

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 IAS 1 Classification of Liabilities as Current or Non-current (1 January 2023)	These amendments will be applicable on a retrospective basis. They aim to clarify the classification of debt and other liabilities as current or non-current.
Amendments to IFRS 3 Reference to the Conceptual Framework (1 January 2022)	These amendments will be applicable on a prospective basis. They update a reference to the Conceptual Framework but do not change the accounting requirements.
Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)	These amendments will be applicable on a retrospective basis. They cancel the exception to the general rule set out in IAS 16.17e. The amendments prevent entities from deducting from the cost of an item of property, plant and equipment any proceeds produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Proceeds from the sale of such assets must be recognised in the income statement.
Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (1 January 2022)	These amendments will be applicable on a retrospective basis. They specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. In particular, they specify that the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract, such as for example depreciation charged against an item of property, plant and equipment used to fulfil the contract.
IFRS Annual Improvements 2018-2020 cycle (1 January 2022)	The main standards concerned are: ▪ IFRS 9: these amendments clarify which fees an entity includes when it applies the "10% test" in assessing whether to derecognise a financial liability; ▪ IFRS 16: these amendments modify illustrative example 13 and eliminate the example dealing with payments by the lessor in respect of leasehold improvements; ▪ IFRS 1 and IAS 41 are also concerned by minor amendments. These are not applicable by the Group.

These interpretations and amendments are not expected to have any material impact on the Group's consolidated financial statements.

2.7. PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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2.7.1. Statutory Auditors' report on the financial statements

Year ended 31 December 2020

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.

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 2020.

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 2020 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 the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on their internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code 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, 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 1 "Accounting policies" and Note 6 "Long-term investments" to the financial statements	
As at 31 December 2020, 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 €16,591 million, i.e. approximately 87% of total assets. This amount includes the shares of Distribution Casino France for €4,910 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 sub-group concerned and the economic context in which the company or sub-group 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 ratios

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 Company and certain subsidiaries to comply with bank ratios in respect of the bank covenants. 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, the liquidity position 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, and corroborated our understanding through interviews with Group Management; ▪ 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 2020; ▪ We assessed the level of banking ratios calculated with regard to contractual provisions. Finally, we assessed the appropriateness of the information disclosed in the notes to the financial statements, notably the information on 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 and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code 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.22-10-11 of the French Commercial Code, 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.

Other legal and Regulatory Verifications or Information

Presentation of the consolidated financial statements intended to be included in the annual financial report

Pursuant to paragraph III of Article 222-3 of the AMF General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

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 2020, our audit firms were both in their 11th 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 consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, 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 and in the French Code of Ethics for Statutory Auditors. 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, 23 March 2021

The Statutory Auditors

French original signed by:

Ernst & Young et Autres		Deloitte & Associés	
Yvon SALAÜN	Alexis HURTREL	Frédéric MOULIN	Patrice CHOQUET

2.7.2. Parent company financial statements

Income statement

(€ millions)	Notes	2020	2019
Operating income	1	171	192
Operating expenses	1	(150)	(188)
Operating profit		**20**	**4**
Net financial income (expense)	2	(146)	(465)
Recurring profit (loss) before tax		**(126)**	**(462)**
Net non-recurring income (expense)	3	(121)	(215)
Income tax benefit	4	244	355
NET PROFIT (LOSS)		**(3)**	**(321)**

Statement of financial position

Assets

(€ millions)	Notes	2020	2019
Intangible assets		9	9
Amortisation and impairment		(4)	(3)
	5	**5**	**6**
Property and equipment		46	47
Depreciation and impairment		(31)	(29)
	5	**15**	**19**
Long-term investments[a]		20,462	20,653
Impairment		(2,666)	(2,824)
	6	**17,795**	**17,829**
Total non-current assets		**17,816**	**17,853**
Trade and other receivables	7	638	2,327
Marketable securities	8	22	28
Cash	8	489	194
Total current assets		**1,149**	**2,549**
Prepayments and other assets[b]	**9**	**31**	**56**
TOTAL ASSETS		**18,997**	**20,458**
(a) o/w loans due within one year		*18*	*46*
(b) o/w due in more than one year		*18*	*39*

Equity and liabilities

(€ millions)	Notes	2020	2019
Equity	**10**	**8,487**	**8,490**
Quasi-equity	**11**	**1,350**	**1,350**
Provisions	**12**	**155**	**245**
Loans and other borrowings	13	5,848	5,177
Trade payables		43	52
Tax and employee benefits payable		86	98
Casino Finance current account	13	2,983	4,946
Other liabilities	14	34	92
Total liabilities[a]		**8,993**	**10,365**
Deferred income and other liabilities[a]	**15**	**12**	**9**
TOTAL EQUITY AND LIABILITIES		**18,997**	**20,458**
(a) o/w: due within one year		*3,648*	*5,746*
due in one to five years		*4,449*	*3,674*
due in more than five years		*908*	*953*

Statement of cash flows

(€ millions)	2020	2019
Net profit (loss)	(3)	(321)
Elimination of non-cash items		
▪ Depreciation, amortisation and provisions (other than on current assets)	(245)	1,733
▪ (Gains) losses on disposals of non-current assets	220	-
▪ Other non-cash items	41	(21)
Cash from operating activities before change in working capital	**13**	**1,391**
Change in working capital – operating activities*	1,623	(1,064)
Net cash from operating activities (A)	**1,636**	**327**
Purchases of non-current assets	(60)	(1,252)
Proceeds from disposals of non-current assets	186	-
Proceeds from capital reductions by subsidiaries	-	46
Change in loans and advances granted	(165)	(949)
Net cash used in investing activities (B)	**(38)**	**(2,155)**
Dividends paid to shareholders	-	(169)
Share buybacks	-	(40)
Proceeds from new borrowings	2,263	1,001
Repayments of borrowings	(1,657)	(1,459)
Net cash from (used in) financing activities (C)	**606**	**(667)**
CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C)	**2,204**	**(2,495)**
Cash and cash equivalents at beginning of year	**(4,854)**	**(2,359)**
Cash and cash equivalents at end of year	**(2,650)**	**(4,854)**
o/w:		
Casino Finance current account	(2,983)	(4,946)
Cash and cash equivalents	511	222
Bank overdrafts	(179)	(130)

Change in working capital

(€ millions)	2020	2019
Trade payables	14	20
Trade receivables	(9)	1
Current accounts	232	(103)
Other operating payables	(51)	41
Other operating receivables	1,436	(1,022)
CHANGE IN WORKING CAPITAL	**1,623**	**(1,064)**

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

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, its subsidiaries and their parent companies.

Impact of the Covid-19 global pandemic on the annual financial statements

The Covid-19 pandemic affected all segments in which the Group operates, and retail was no exception. As an essential industry, the Group's banners were able to continue operating during the health crisis and ramped up efforts to continue supplying customers in the best possible conditions.

All of the Group's sites worldwide were affected by Covid-19 and by the measures taken by governments to curb the spread of the virus. Covid-19 had a significant impact on our operations: we were required to reduce the number of customers in our stores at any one time, shorten the operating hours of certain stores in line with government guidelines and measures, invest in protective and other safety equipment, accelerate the deployment of self-service checkouts, increase our home delivery capabilities and our click & collect service, stockpile consumer staples and transition to remote working for head office functions. Many safety requirements that had been initially introduced by governments in the different regions in which we operate were reintroduced as from the autumn in response to the growing number of infections in various countries. The tighter restrictions followed a relaxation in the strict containment measures that had been imposed from the start of the pandemic through to summer 2020.

In first-half 2020, the Group recorded strong growth in net sales, as well as additional costs related to maintaining its operations under challenging conditions. These additional temporary costs fell sharply in the second half of the year. Since the third quarter, our entire organisation has adapted to the various Covid-19 restrictions with minimal additional cost.

However, the long-term impact of Covid-19 on inputs such as consumer spending, gross domestic product and exchange rates is not yet known. If the pandemic continues to spread, it could further (i) reduce our customers' purchasing power, (ii) reduce the number of tourists who generally contribute to revenues for certain stores in the summer months, (iii) harm our operations by disrupting or delaying the preparation or delivery of products in our stores, (iv) affect the availability and cost of transport, (v) impact the financial stability of our suppliers and franchisees, and (vi) affect the value of our real estate assets. Although we have observed a sharp rise in the volume of home deliveries, click & collect and drive & collect purchases, and despite having adapted our distribution networks to meet this upsurge in demand, we cannot predict whether Covid-19 (including future waves of the virus) will have a long-term impact on consumers' purchasing behaviour and how this could affect our business strategies and future outlook.

The assumptions and estimates used as a basis for certain statement of financial position and income statement items were reviewed in order to take account of the crisis. The main focus was on the value of investments. This review did not lead to any material impacts for the 2020 financial statements.

Disposal plan of non-strategic assets

In mid-2018, the Group initiated a plan to dispose of certain non-strategic assets, under which a total of €1.8 billion in assets had been sold at end-2019 (excluding Vindémia). The Group carried out further disposals under this plan in 2020, mainly involving the sale of Vindémia on 30 June, the sale of Leader Price to Aldi France on 30 November, the sale of a 5% stake in Mercialys during the second half of the year, and the sale of real estate assets. As a result, the Group has sold a total of €2.8 billion in non-strategic assets out of an announced €4.5 billion disposal plan.

In 2020 the Company recognized a €10 million disposal loss on the sale of Vindémia (see Note 3).

Operations carried out to strengthen the Group's financial structure

In 2020, the Group continued to strengthen its financial structure by carrying out several transactions.

It redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November and December 2020. In all, the redemptions represented a nominal amount of €1,400 million, of which €467 million was due to mature in May 2021, €122 million in June 2022, €449 million in January 2023, €289 million in March 2024, and €74 million in February 2025.

The Group completed a refinancing operation on 16 December 2020, comprising two transactions:

- the issue of €400 million worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the leverage ratio is less than 3.5x following the payout;
- Term Loan B tap of €225 million maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

At 31 December 2020, amounts held in a segregated account to repay debt totalled €487 million.

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 ANC Regulation No. 2018-01 of 20 April 2018.

The accounting policies applied are consistent with those used for the previous year.

The 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.

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.

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 and losses within liabilities and assets, respectively. A provision is recorded for unrealised foreign currency exchange losses for the amount of the unhedged risk.

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

■ *Hedging instruments*

Hedge accounting principles are applied whenever a hedging relationship is identified by management. Hedging documentation is then duly prepared in respect of that relationship. Gains and losses on financial instruments used by Casino to hedge and manage its exposure to currency and interest rate risks are recognised in the income statement, symmetrically with gains and losses on the item hedged. The nominal amounts of forward contracts are included in off-balance sheet commitments.

■ *Isolated open positions*

Isolated open positions are all transactions that do not qualify for hedge accounting. Gains and losses on transactions that have been unwound are taken to the income statement. Unrealised gains are recognised in the statement of financial position but not in income. Unrealised losses are recognised in the statement of financial position and a provision is booked in this respect.

At 31 December 2020, Casino had no derivatives that did not qualify for hedge accounting (i.e., no isolated open positions).

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 head of a tax group that includes most of its subsidiaries in France. At 31 December 2020, the tax group consisted of 577 companies.

Subsidiaries in the tax group pay the portion of the tax group's income tax liability corresponding to the income tax that they would have paid had they been taxable on a stand-alone basis. The Company recognises the additional income tax benefit or expense resulting from the difference between the tax payable by the subsidiaries in the tax group and the tax resulting from the calculation of consolidated profit (loss).

2.7.3. Notes to the financial statements

Note 1 Operating profit

Breakdown

(€ millions)	2020	2019
Revenue from services (excluding taxes)	159	166
Other income	11	26
Reversals of provisions and impairment losses	-	-
Operating income	**171**	**192**
Other purchases and external expenses	(125)	(166)
Taxes and duties	(4)	(3)
Employee benefits expense	(15)	(12)
Depreciation, amortisation, impairment and provisions:		
▪ non-current assets	(4)	(4)
▪ liabilities and expenses	(2)	(2)
Other expenses	-	(1)
Operating expenses	**(150)**	**(188)**
OPERATING PROFIT	**20**	**4**

Revenue from services

(€ millions)	2020	2019
Seconded employees	9	6
Banner royalties	39	42
Other services	111	118
REVENUE FROM SERVICES	**159**	**166**

The Company's net sales mainly correspond to royalties received from subsidiaries for the use of trademarks and brands owned by the Company, as well as services billed to subsidiaries.

In 2020, Casino, Guichard-Perrachon generated 88% of its net sales with companies based in France, versus 87% in 2019.

Average number of employees

(Number of employees)	2020	2019
Managers	11	11
Supervisors	-	-
Other employees	-	1
TOTAL	**11**	**12**

Note 2 Net financial income (expense)

(€ millions)	2020	2019
Dividends:		
▪ Monoprix	350	-
▪ Casino Participations France	-	225
▪ Tévir	-	1,245
▪ Other	8	11
Total	**358**	**1,481**
Other financial income[1]	112	31
Reversals of provisions and impairment losses[2]	194	32
Net gains on disposals of marketable securities	-	2
Financial income	**664**	**1,547**
Financial expenses:		
▪ Interest on bonds	(151)	(213)
▪ Interest on perpetual deeply-subordinated bonds	(36)	(39)
▪ Interest on Term Loan B	(56)	(7)
▪ Other financial expenses[1]	(450)	(55)
▪ Amortisation and impairment[2]	(117)	(1,695)
▪ Net losses on disposals of marketable securities	(1)	(2)
Financial expenses	**(810)**	**(2,012)**
NET FINANCIAL INCOME (EXPENSE)	**(146)**	**(465)**

(1) Other financial income and other financial expenses mainly include interest income and expenses on current accounts and loans, income and expenses on bond exchanges and foreign currency gains and losses.

In 2020, they also reflect:

- the full-year impact of the 2019 refinancing;

- the loss on unwinding the Total Return Swap (TRS) on GPA shares for €250 million (see reversal of provision (2));

- the loss on shares sold in connection with the Total Return Swap (TRS) on Mercialys shares for €45 million versus €25 million in 2019 (see reversal of provision (2)).

(2) The main movements in provisions and impairments in 2020 were as follows:

- amortisation of bond redemption premiums for €26 million;

- impairment losses on the shares of Distribution Casino France in an amount of €59 million;

- reversal of the provision relating to the Total Return Swap (TRS) on GPA and Mercialys shares, representing €179 million and €15 million, respectively.

The main movements in provisions and impairments in 2019 were as follows:

- amortisation of bond redemption premiums for €25 million;

- impairment losses on investments in subsidiaries and associates in an amount of €1,670 million, including Distribution Casino France (€1,578 million) and Vindémia (€84 million);

- reversal of the provision relating to the Total Return Swaps (TRS) on GPA and Mercialys shares, representing €3 million and €29 million, respectively.

Note 3 Net non-recurring income (expense)

(€ millions)	2020	2019
Gains (losses) on disposals of intangible assets and property and equipment	-	-
Gains (losses) on disposals of investments in subsidiaries and associates[(1)]	(10)	-
(Gains) losses on disposals of assets	**(10)**	**-**
Additions to provisions	(73)	(134)
Reversals of provisions[(1)]	3	46
Other non-recurring expenses	(74)	(142)
Other non-recurring income	33	16
NET NON-RECURRING INCOME (EXPENSE)	**(121)**	**(215)**

(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 2020, non-recurring income (expense) mainly comprised:

- a €10 million loss on the disposal of Vindémia shares, of which €8 million in expenses;
- a €58 million provision for losses covering the negative net worth of Casino Restauration;
- costs relating to litigation and measures to defend the Group's interests for €31 million;
- restructuring costs for €15 million.

In 2019, non-recurring income (expense) mainly comprised:

- a €90 million provision for losses covering the adjusted negative net worth of Casino Restauration;
- costs relating to litigation and measures to defend the Group's interests for €31 million;
- expenses relating to the Company's refinancing for €55 million;
- restructuring costs for €8 million;
- expenses relating to changes in the scope of consolidation for €25 million, mainly corresponding to expenses incurred in simplifying the Group's structure in Latin America.

Note 4 Income tax benefit

(€ millions)	2020	2019
Recurring profit (loss)	(126)	(462)
Net non-recurring income (expense)	(121)	(215)
Profit (loss) before tax	**(247)**	**(676)**
Income tax benefit arising from the tax group	244	355
Income tax expense	**244**	**355**
NET PROFIT (LOSS)	**(3)**	**(321)**

Casino, Guichard-Perrachon is the head of the French tax group.

Income tax benefit 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 tax loss in 2020. Taking into account the prepayments made during the year and the use of tax credits available to the tax group, the Company had no tax liability in 2020.

The tax group had €1,237 million of tax loss carryforwards at 31 December 2020.

Note 5 Intangible assets and property and equipment

Breakdown

(€ millions)	2020	2019
Goodwill	4	4
Other intangible assets	5	5
Amortisation and impairment	(4)	(3)
Intangible assets	**5**	**6**
Buildings, fixtures and fittings	1	3
Depreciation	-	(2)
	1	**1**
Other property and equipment	44	44
Depreciation	(30)	(27)
	14	**17**
Property and equipment	**15**	**18**
TOTAL INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT	**21**	**24**

Movements for the year

(€ millions)	Cost	Amortisation, depreciation and impairment	Net
At 1 January 2019	**55**	**(28)**	**27**
Increases	1	(4)	(3)
Decreases	-	-	-
At 31 December 2019	**56**	**32**	**24**
Increases	-	(4)	(3)
Decreases	(2)	2	-
AT 31 DECEMBER 2020	**55**	**(34)**	**21**

Note 6 Long-term investments

Breakdown

(€ millions)	**2020**	2019
Investments in subsidiaries and associates	19,228	19,586
Impairment(1)	(2,648)	(2,806)
	16,580	**16,780**
Loans	**1,185**	**990**
Other long-term investments*	48	78
Impairment(1)	(19)	(19)
	30	**59**
LONG-TERM INVESTMENTS	**17,795**	**17,829**

* *O/w technical merger deficits amounting to €29 million.*

(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 2020. 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 Segisor (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 2020 for internal calculations of values in use

Region	**2020 perpetual growth rate(1)**	**2020 after-tax discount rate(2)**	2019 perpetual growth rate(1)	2019 after-tax discount rate(2)
France (retail)	1.6%	5.6%	1.7%	5.6%
France (other)	1.6% and 2.1%	5.6% and 8.0%	1.7% and 2.2%	5.6% and 7.9%
Argentina	5.0%	19.6%	5.0%	21.1%
Brazil(3)	4.6%	7.9% to 9.8%	4.8%	8.4%
Colombia(3)	3.0%	6.6%	3.0%	8.0%
Uruguay	6.3%	9.4%	7.0%	11.9%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to 1.3% 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 2020, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €3,160 million, €1,481 million and €1,036 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).

The Company performed impairment tests on each of its investments by comparing their net carrying amount to their value in use. These tests led to the recognition of €59 million in impairment losses against 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 €1,376 million, €323 million and €729 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, non-material additional losses on Tévir shares as a result of sensitivity to changes in the above three calculation inputs, based on a 100-basis point increase in the discount rates only.

A list of the Company's subsidiaries and associates is provided at the end of this document.

Movements for the year

(€ millions)	Cost	Amortisation, depreciation and impairment	Net
At 1 January 2019	**18,500**	**(1,022)**	**17,477**
Increases	2,203	(1,802)	401
Decreases	(50)	-	(50)
At 31 December 2019	**20,653**	**(2,825)**	**17,829**
Increases	287	(59)	228
Decreases	(479)	217	(262)
AT 31 DECEMBER 2020	**20,462**	**(2,666)**	**17,795**

The increase in the cost of long-term investments mainly corresponds to:

- the acquisition of Distribution Casino France shares from real estate subsidiaries in an amount of €54 million;
- the arrangement of loans with Franprix Leaderprice Finances and Segisor for €166 million and €56 million, respectively.

The decrease in the cost of long-term investments mainly reflects:

- the sale of Vindémia shares for €416 million;
- the repayment of Géant Foncière BV and Bergsaar loans for €26 million and €7 million, respectively.

Changes in impairment losses recognized against long-term investments reflect:

- the recognition of impairment losses against the shares of Distribution Casino France in an amount of €59 million;
- the reversal of impairment losses recognized against Vindémia shares for €217 million.

Note 7 Trade and other receivables

(€ millions)	2020	2019
Trade receivables	**40**	**54**
Other operating receivables	17	13
Other receivables	172	1,603
Related companies	411	658
Provision for impairment of other receivables	(2)	(2)
	598	**2,272**
TRADE AND OTHER RECEIVABLES	**638**	**2,327**

Other receivables consist mainly of:

- tax credits received in respect of philanthropic spending, for €167 million (31 December 2019: €150 million);
- accrued income for €4 million.

In 2019, other receivables also included Casino, Guichard-Perrachon's share of the 2019 profits of companies whose by-laws provide for profit to be distributed as of the reporting date (€1,470 million).

All of the Company's trade and other receivables are due within one year except for tax credits in the amount of €165 million at end-2020.

Note 8 Casino Finance current account and net cash and cash equivalents

(€ millions)	2020	2019
Casino Finance current account	**(2,983)**	**(4,946)**
Treasury shares	22	28
Mutual fund units (FCP and SICAV)	-	-
Marketable securities	**22**	**28**
Cash	**489**	**194**
Bank overdrafts	-	(1)
Negotiable euro commercial paper*	(179)	(130)
Bank credit facilities	**(179)**	**(130)**
NET CASH AND CASH EQUIVALENTS	**(2,650)**	**(4,854)**

** Negotiable paper due within one year.*

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 mainly comprises the funds in escrow in connection with the Group's November 2019 refinancing operation, amounting to €487 million at 31 December 2020 (31 December 2019: €193 million).

Treasury shares

	2020	2019
NUMBER OF SHARES HELD		
At 1 January	**829,299**	**961,761**
Shares purchased	822,271	1,766,080
Shares sold	(1,010,114)	(1,898,542)
AT 31 DECEMBER	**641,456**	**829,299**
VALUE OF SHARES HELD *(€ MILLIONS)*		
At 1 January	**28**	**33**
Shares purchased	24	73
Shares sold	(30)	(78)
AT 31 DECEMBER	**22**	**28**
Average purchase price per share *(€)*	33.66	33.66
% of share capital	0.59	0.76
Share in equity *(€ millions)*	50	65

In January 2019, the Group signed a new liquidity agreement with Rothschild Martin Maurel, effective 1 January of that year, to take account of the changes in regulations governing such agreements, in accordance with AMF decision 2018-01 dated 2 July 2018. 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 2020 and 2019, no Casino, Guichard-Perrachon SA shares were held in the liquidity account.

At that date, the Company held 641,456 ordinary shares with a par value of €1.53 each.

These shares are intended to cover the free share plans for Group employees. A provision for €7 million was recognised at 31 December 2020 (see Note 12). These shares had a market value of €16 million at 31 December 2020.

Note 9 Prepayments and other assets

(€ millions)	2020	2019
Bond issue premium	30	55
Prepaid expenses	1	1
Unrealised exchange losses	1	-
PREPAYMENTS AND OTHER ASSETS	**31**	**56**

Bond issue premiums are amortised on a straight-line basis over the life of the bonds.

The change in this item in 2020 reflects (i) a €1 million increase in connection with Term Loan B (see "Significant events of the year") and (ii) the amortisation charge for the year for €26 million.

Note 10 Equity

Breakdown

(€ millions)	2020	2019
Share capital	166	166
Additional paid-in capital	3,847	3,847
Legal reserve	17	17
Available reserve	208	208
Long-term capital gains reserve	56	56
Retained earnings	4,189	4,510
Net profit (loss) for the year	(3)	(321)
Regulated provisions	6	6
EQUITY	**8,487**	**8,490**

Changes in equity

(€ millions)	2020	2019
At 1 January	**8,490**	**9,020**
Net profit (loss) for the year	(3)	(321)
Dividends	-	(169)
Capital reduction	-	(2)
Decrease in additional paid-in capital	-	(8)
AT 31 DECEMBER	**8,487**	**8,490**

Movements in share capital and number of shares

	2020	2019
At 1 January	**108,426,230**	**109,729,416**
Shares issued to minority shareholders in connection with mergers	-	-
Cancellation of shares	-	(1,303,186)
AT 31 DECEMBER	**108,426,230**	**108,426,230**

At 31 December 2020, the Company's share capital was made up of 108,426,230 ordinary shares with a par value of €1.53 each.

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. On 31 December 2020, it held 9.997% of the Company's capital.

Potential dilution

	2020	2019
Number of shares at 31 December	108,426,230	108,426,230
Share equivalents:		
▪ exercise of stock options	-	-
▪ share grants	-	-
TOTAL NUMBER OF POTENTIAL SHARES	**108,426,230**	**108,426,230**

The Board of Directors has decided to grant existing shares in respect of share grants outstanding at 31 December 2020. Accordingly, share grants are not potentially dilutive (see Note 8).

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 bps, capped at 9%. In 2020, the average interest rate was 1%.

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 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 (i.e., 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)	2020	2019
Provision for foreign exchange losses	1	-
Provision for other liabilities	144	237
Provision for expenses	10	8
TOTAL PROVISIONS	**155**	**245**

At 31 December 2020, the provision for other liabilities primarily includes a €90 million provision for losses relating to financial assistance granted by Casino, Guichard-Perrachon to its subsidiary Casino Restauration. This provision amounted to €33 million at 31 December 2019 (see Note 3).

At 31 December 2019, the provision for other liabilities included €194 million corresponding to the negative fair value of the Total Return Swaps (TRS) on GPA and Mecialys shares (see Note 2).

Movements for the year

(€ millions)	2020	2019
At 1 January	**245**	**319**
Additions	106	4
Reversals(1)	(197)	(78)
At 31 December	**155**	**245**
O/w		
Operating additions (reversals)	2	2
Financial additions (reversals)	(162)	(31)
Non-recurring additions (reversals)	70	(44)
TOTAL	**(91)**	**(74)**

(1) Including reversals of surplus provisions for liabilities and expenses for €2 million in 2020 and €3 million in 2019.

Additions in 2020 mainly concern the provision for the negative net worth of Casino Restauration amounting to €58 million (see Note 3).

Reversals relate mainly to the unwinding of the Total Return Swap (TRS) during the year (€194 million – see Note 2).

The provision for pension benefit obligations amounted to €3 million at 31 December 2020.

Note 13 Loans and other borrowings

Breakdown

(€ millions)	2020	2019
Bonds (including accrued interest)(1)	2,685	4,002
Bank borrowings(2)	1,232	1,007
Bank overdrafts	-	1
Negotiable European commercial paper	179	130
Bank borrowings	**4,096**	**5,139**
Miscellaneous borrowings(3)	1,752	38
LOANS AND OTHER BORROWINGS	**5,848**	**5,177**

(1) Including €63 million in accrued interest in 2020.
(2) Including €7 million in accrued interest in 2020.
(3) Including the Casino Finance loan for €1,630 million and accrued interest on borrowings totalling €105 million at 31 December 2020.

Maturity of borrowings

(€ millions)	2020	2019
Within one year	493	556
Due in one to five years	4,447	3,669
Due in more than five years	908	952
TOTAL	**5,848**	**5,177**

Net debt

(€ millions)	2020	2019
Loans and other borrowings	5,848	5,177
Casino Finance current account*	2,983	4,946
Treasury shares*	(22)	(28)
Cash*	(489)	(194)
NET DEBT	**8,319**	**9,901**

* *See Note 8.*

Loans and other borrowings include €175 million in accrued interest on bank loans and overdrafts at 31 December 2020 (end-2019: €159 million).

Outstanding bond issues

	Interest rate Fixed rate/Variable rate	Effective interest rate	Amount (€ millions)	Term	Due
2021 bonds	Fixed rate 5.98%	6.53%	130	10 years	May 2021
2022 bonds	Fixed rate 1.87%	2.55%	331	5 years	June 2022
2023 bonds	Fixed rate 4.56%	4.47%	272	10 years	January 2023
2024 bonds	Fixed rate 4.50%	4.88%	611	10 years	March 2024
2025 bonds	Fixed rate 3.58%	3.62%	370	10 years and 2 months	February 2025
2026 bonds	Fixed rate 4.05%	6.98%	400	5 years and 1 month	January 2026
2026 bonds	Fixed rate 4.05%	4.09%	508	12 years	August 2026
BONDS			**2,622**		
Term Loan B	Variable rate (Euribor* +5.50%)	6.63%	1,225	4 years and 2 months	January 2024
BANK LOANS			**1,225**		

* *Euribor with a zero floor.*

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 2020, the Casino, Guichard-Perrachon's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,218 million, of which €2,020 million is due in more than one year;
- €489 million in available cash, of which €487 million held in an escrow account in connection with the refinancing of the revolving credit facility (RCF) and able to be used at any time to pay down debt.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2020:

- unsecured bonds amounting to €2,622 million, of which €400 million in high-yield bonds maturing in 2026;
- Term Loan B for €1,225 million.

Casino, Guichard-Perrachon may also raise financing through the Negotiable European Commercial Paper programme (NEU CP). Amounts outstanding under this programme totalled €179 million at 31 December 2020. 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 issues are not subject to any covenants.

The main liquidity risk management methods consist in:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), negotiable euro 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. Outstanding commercial paper issues represented €179 million at 31 December 2020 versus €129 million at 31 December 2019.

Management of medium- and long-term debt

To manage its medium- and long-term liquidity, at end-2019 the Group refinanced all of its confirmed credit facilities via a new €2 billion confirmed credit line ("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 Group also raised funds 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.

In 2020, the Group continued to strengthen its financial structure by carrying out several transactions.

Casino, Guichard-Perrachon redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November and December 2020. In all, the redemptions represented a nominal amount of €1,400 million, of which €467 million was due to mature in May 2021, €122 million in June 2022, €449 million in January 2023, €289 million in March 2024, and €74 million in February 2025.

The December 2020 buyback offer was accompanied by two new sources of financing:

- the issue of €400 million worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the leverage ratio is less than 3.5x following the payout;
- a Term Loan B tap of €225 million maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

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	B3/stable outlook (6 August 2020)	B/negative outlook (28 May 2019)
Secured high-yield bonds issued by Quatrim	B2/stable outlook (6 August 2020)	B+/negative outlook (22 October 2019)
Term Loan B	B2/stable outlook (6 August 2020)	B+/negative outlook (22 October 2019)
Bonds issued under the EMTN programme	Caa1/stable outlook (6 August 2020)	B/negative outlook (28 May 2019)
Deeply-subordinated perpetual bonds (TSSDI)	Caa2/stable outlook (6 August 2020)	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 that were pending disposal).

In respect of its 2019 refinancing transactions, Casino 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

As from 31 March 2020, Casino, Guichard-Perrachon is required to comply with the following covenants in the France Retail and E-commerce segments, calculated each quarter (on a rolling 12-month basis):

Type of covenant (France and E-commerce)	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2020
Debt[1]/EBITDA[2]: < specified amount (subject to change)[3]	RCF for €2,000 million	Quarterly	5.03
EBITDA[2]/net finance costs: >2.25			4.01

(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, and certain GPA holding companies reported in the Latam segment (notably Segisor).

(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) 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.

Two syndicated credit lines (the first for €198 million expiring in February 2021 and the second for USD 25 million) are subject to a covenant tested annually: this covenant was complied with at 31 December 2020.

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 Segisor). 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.

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

(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.

- 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 €2,222 million at 31 December 2020, 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 2019 and 2020 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.

Note 14 Other liabilities

(€ millions)	2020	2019
Related companies	11	26
Sundry liabilities	24	66
OTHER LIABILITIES	**34**	**92**
▪ due within one year	34	92
▪ due in more than one year	-	-

Other liabilities include €5 million in accrued expenses at 31 December 2020 (31 December 2019: €46 million).

Note 15 Deferred income and other liabilities

(€ millions)	2020	2019
Deferred income	4	8
Unrealised exchange gains	8	1
DEFERRED INCOME AND OTHER LIABILITIES	**12**	**9**

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, 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)	**2020**	2019
Undrawn confirmed lines of credit(1)	2,218	2,220
TOTAL COMMITMENTS RECEIVED	**2,218**	**2,220**
Bonds and guarantees given(2)	3,311	3,328
Deficits allocated to tax group subsidiaries(3)	1,263	1,328
TOTAL COMMITMENTS GIVEN	**4,574**	**4,656**

(1) Including €2,000 million that can can be used by Casino, Guichard-Perrachon, Monoprix and Casino Finance.

(2) Including €2,587 million to related companies and €68 million to the Distridyn joint venture at 31 December 2020. The amount of €3,328 million does not include the security rights given in connection with the new RCF and Term Loan B.

(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 2020 in the absence of a tax consolidation agreement.

Other commitments

(€ millions)	**2020**	2019
Seller's warranties given in connection with:		
▪ GPA tax disputes(1)	112	156
TOTAL COMMITMENTS GIVEN	**112**	**156**
Written put options in Uruguay(2)	99	103
Seller's warranties given in connection with:		
▪ Total Return Swap (TRS) on GPA shares (see Note 2)	-	153
▪ Total Return Swap (TRS) on Mercialys shares (see Note 2)	-	198
TOTAL RECIPROCAL COMMITMENTS	**99**	**454**

(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 1,432 million (including interest and fines) at 31 December 2020 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 716 million, or €112 million at the 31 December 2020 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. It is exercisable until 30 June 2021; in the event the put is not exercised, the agreement will be automatically rolled over until 30 June 2025. 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.

Note 18 Currency risk

	2020		2019	
(in millions of foreign currency)	USD	BRL	USD	BRL
Assets	7		7	-
Liabilities*	(202)		(251)	-
Net balance sheet position	**(195)**		**(245)**	**-**
Off-balance sheet positions	(122)	(716)	(288)	(705)
TOTAL NET POSITION	**(317)**	**(716)**	**(533)**	**(705)**

* *Including USD 195 million in negotiable European commercial paper (NEU CP) hedged by currency swaps.*

Note 19 Equity risk

The Company is not exposed to a material equity risk.

Note 20 Gross compensation and benefits of Directors and officers

(€ millions)	2020	2019
Compensation paid	2	2
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

No significant events have occurred since the reporting date.

2.7.4. Five-year financial summary

	2020	2019	2018	2017	2016
FINANCIAL POSITION AT THE REPORTING DATE					
Share capital *(€ millions)*	166	166	168	170	170
Number of outstanding voting shares	108,426,230	108,426,230	109,729,416	110,996,996	110,996,996
RESULTS OF OPERATIONS *(€ MILLIONS)*					
Net sales (excluding taxes)	159	166	168	163	161
Profit (loss) before tax, employee profit-sharing, depreciation, amortisation and provisions	(466)	1,081	1,374	297	387
Income tax expense	(244)	(355)	(405)	(301)	(265)
Employee profit-sharing for the period	-	-	-	-	-
Net profit (loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	(3)	(321)	1,538	394	406
Total profit paid as dividends[(1)]	-	-	342	346	346
PER SHARE DATA *(€)*					
Weighted average number of shares outstanding during the period[(2)]	107,677,458	107,924,134	108,388,996	110,734,374	111,185,050
Earnings (loss) per share after tax and employee profit-sharing but before depreciation, amortisation and provisions	(2.06)	13.31	16.50	5.40	5.86
Earnings (loss) per share after tax, employee profit-sharing, depreciation, amortisation and provisions	(0.02)	(2.98)	14.19	3.56	3.65
Dividend paid per share[(1)]	-	-	3.12	3.12	3.12
EMPLOYEE DATA					
Number of employees (full-time equivalent)	11	12	13	14	16
Employee remuneration expenses[(3)] *(€ millions)*	12	9	15	9	11
Total benefits *(€ millions)*	4	3	4	4	4

(1) For 2020, subject to approval by the Annual General Meeting.
(2) Excluding treasury shares.
(3) Excluding discretionary profit-sharing.

2.7.5. 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	2020 net sales (excluding taxes)	2020 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	1,819	99.99	106,792,015	7,207	4,804	236	777	8,156	(657)	-
Casino Participations France* 1, cours Antoine Guichard, 42008 Saint-Étienne, France	2,274	2,534	100.00	2,274,025,819	2,274	2,274			-	234	225
Monoprix 14-16, rue Marc Bloch 92116 Clichy, France	78	1,558	100.00	9,795,630	2,526	2,526	295	157	208	(194)	350
Tévir 1, cours Antoine Guichard 42008 Saint-Étienne, France	640	3,315	100.00	640,041,110	3,182	3,182			-	67	-
Easydis 1, cours Antoine Guichard 42008 Saint-Étienne, France	63	41	100.00	3,953,968	106	106		16	501	1	-
Intexa 1, cours Antoine Guichard 42008 Saint-Étienne, France	2	4	97.91	990,845	7	7			-	-	-
Casino Finance 1, cours Antoine Guichard 42008 Saint-Étienne, France	240	1,085	100.00	239,864,436	900	900	413	95	-	(53)	-
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	-	11	100.00	100,000	19	19			106	-	-
Casino Supply Chain 1, cours Antoine Guichard 42008 Saint-Étienne, France	-	-	100.00	1,001	3	-		44	-	-	-
Casino Restauration 1, cours Antoine Guichard 42008 Saint-Étienne, France	1	(90)	100.00	1,000,000	236	-		1	18	(54)	-
Segisor 1, cours Antoine Guichard 42008 Saint-Étienne, France	204	1,492	100.00	1,774,479,286	2,026	2,026	56	188	-	(4)	-

* *2019 data.*

Company	Share capital	Equity	% ownership	Number of shares held	Carrying amount Gross	Carrying amount Net	Loans and advances granted by the Company	Guarantees given by the Company	2020 net sales (excluding taxes)	2020 net profit (loss)	Dividends received by the Company in the prior year
International											
Cnova NV 1, Beemdstraadt NL 5653 MA Eindhoven, Netherlands	17	373	64.84	223,796,095	452	452		33	-	(6)	-
2. ASSOCIATES (10%- TO 50%-OWNED)											
Floa 6, avenue de Provence 75009 Paris, France	43	197	50.00	213,866	141	141			181	17	-
Uranie 1, cours Antoine Guichard 42008 Saint-Étienne, France	45	97	25.95	11,711,600	31	29			1	4	-
Casino Carburant 1, cours Antoine Guichard 42008 Saint-Étienne, France	5	8	32.04	1,627,904	4	2			248	2	-
B – AGGREGATED DATA FOR ALL OTHER SUBSIDIARIES OR ASSOCIATES											
1. SUBSIDIARIES (NOT INCLUDED IN SECTION A ABOVE)											
Various companies					3	3					1
2. ASSOCIATES (NOT INCLUDED IN SECTION A ABOVE)											
Other companies					4	3					
Total investments in subsidiaries and associates					**19,228**	**16,580**					
o/w consolidated companies					19,228	16,580					
▪ French companies					18,774	16,127					
▪ Foreign companies					454	454					
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).

2.7.6. Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2020

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.*

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 au 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***

We hereby inform you that we have not been advised of any agreements which were approved by the Shareholders' Meetings in prior years and had continuing effect during the year.

- ***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.

- ***Entered into with Mercialys***

Persons concerned:

Mr. Jacques Dumas and Mr. Michel Savart (members of the Board of Directors of Mercialys).

- ***(1) Real estate partnership agreement***

Nature, purpose and terms and conditions:

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, approved by your 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 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 reciprocal commitments to accompany development 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").

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 2020 were as follows:

First-half 2020

	Shopping malls		Retails 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 m^2	5.6%	6.2%	6.2%	6.6%	5.4%
5,000 to 20,000 m^2	6.1%	6.6%	6.6%	6.9%	5.7%
< 5,000 m^2	6.6%	6.9%	6.9%	7.6%	6.2%

Second-half 2020

	Shopping malls		Retails 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 m^2	5.9%	6.5%	6.5%	6.8%	5.7%
5,000 to 20,000 m^2	6.4%	6.8%	6.8%	7.2%	6.0%
< 5,000 m^2	6.8%	7.2%	7.2%	7.9%	6.5%

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 m^2; or
  - any existing shopping mall with a food product sales area in excess of 1,000 m^2 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 m^2.

  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.

  The Board of Directors' meeting of 23 March 2021 duly noted the termination of this agreement on 31 December 2020 and decided not to renew it.

- ***(2) Trademark license agreement***

Nature, purpose and terms and conditions:

Under this agreement entered into on 24 May 2007 and approved by your Shareholders' Meeting of 29 May 2008, 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, 23 March 2021

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)

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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 17 Sustainable Development Goals (SDG) adopted by UN member states;
- the Paris Climate Agreement and the Montreal Protocol;
- the Global Reporting Initiative (GRI) guidelines;
- the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Casino Group is working directly and indirectly towards 12 SDGs, implementing policies to address the highest-priority issues (see SDG cross-reference table, pages 243-244).

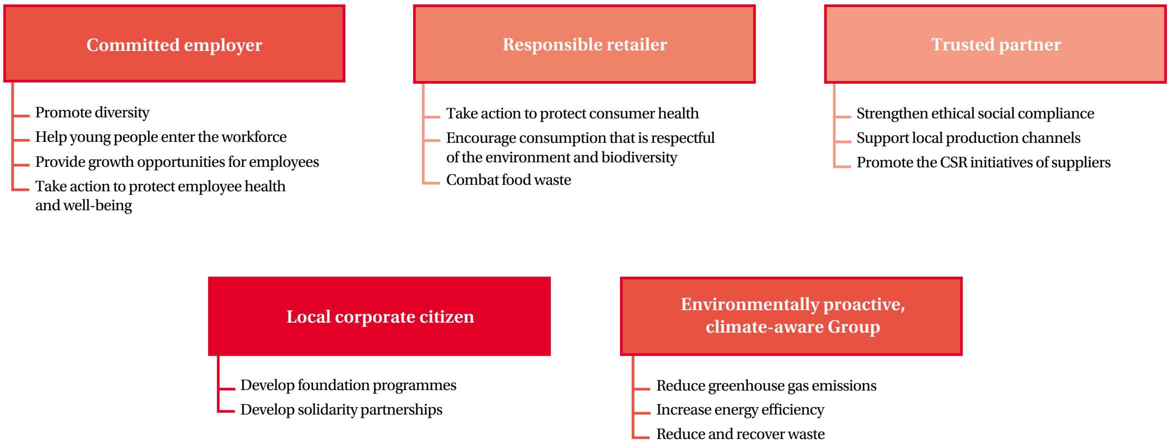
The Group's CSR policy aims to pave the way for responsible consumer habits and improve the sustainability of its business model by fostering stakeholder trust through ongoing dialogue.

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.



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.

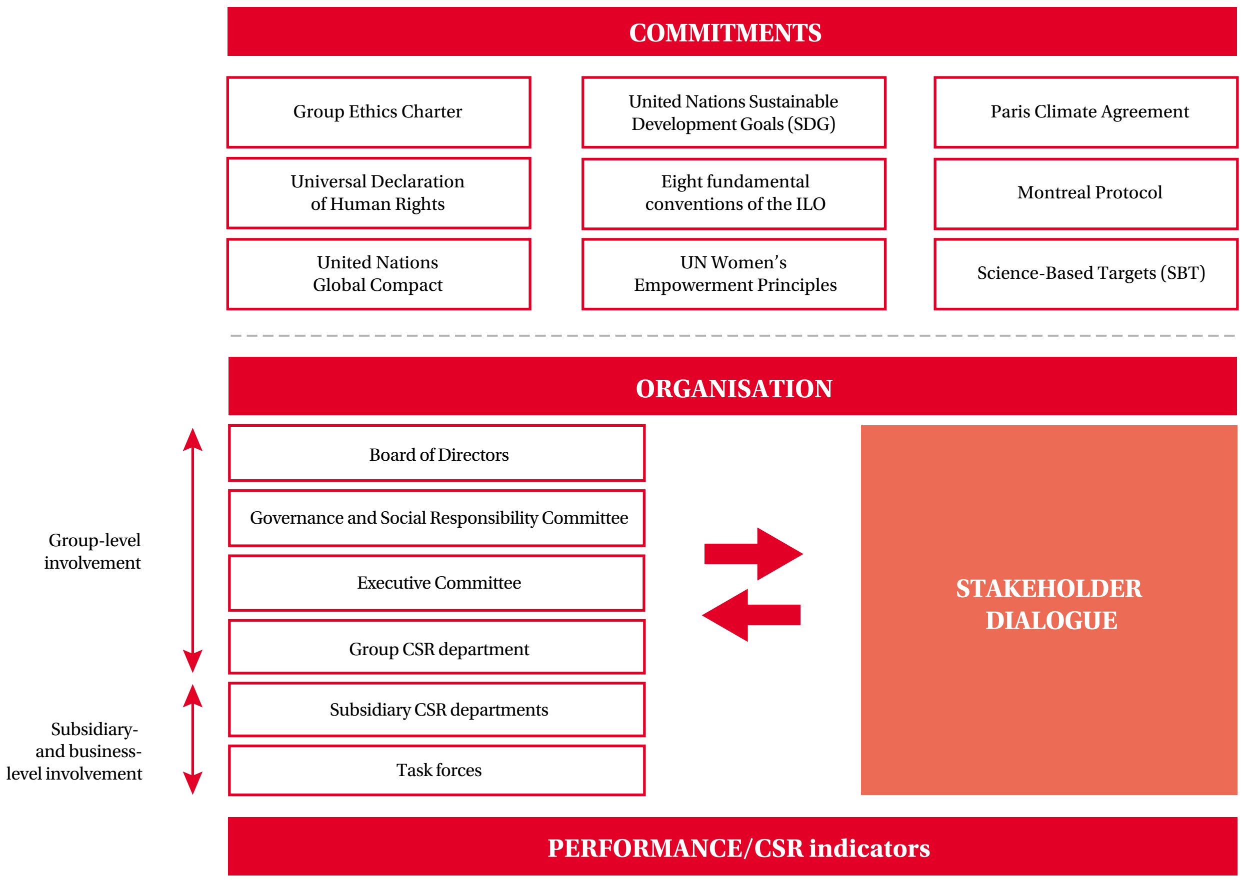
At Group level

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 Chapters 5 and 8).

At 25 February 2021, 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 2020 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.

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 2020 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 239 to 242 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).

From 2019, the two departments have 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 material issues were reviewed using the Food Retailers & Distributors industry benchmark from the Sustainability Accounting Standards Board (SASB). The category includes issues relating to duty of care, anti-corruption and fraud legislation, as well as food waste.

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 to reduce the level of residual risk. These action plans were assessed in 2020, and the results were presented to the Governance and Social Responsibility Committee in January 2021. Specific work on evaluating climate-related risks and opportunities was also carried out in 2020, in line with the recommendations of the TCFD.

To help them identify major risks, the Group Risks and Compliance department and the Group CSR department provide 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 is required to validate the results emanating from the identification process carried out jointly by the entity's CSR and Risks experts. Each entity's management committee validates 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 – carry out specific reviews to identify major CSR risks at the parent company level, the list of which was updated in 2020.

In keeping with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), in 2020 the Group specifically assessed physical and transition risks, as well as climate-related opportunities across all Group entities. The main risks identified in this way are presented in paragraph (iii) below. This climate 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 main human resources, societal and environmental challenges, and to advocate responsible economic growth and business development.

In order to assess and update the Group CSR Policy, a study of the most strategic challenges faced at the Group level was carried out. Commissioned from an external third party, this materiality analysis served to prioritise CSR issues, and confirm the relevance of the 15 priorities underpinning the Group's CSR policies since 2011, particularly in view of stakeholder interests, industry 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:

- Colombia: In 2018, Éxito updated its materiality analysis to define the priority areas of action for upcoming years to include food security, the range of sustainable products on offer, climate change and the social impacts of the supply chain.
- Brazil: In 2017, GPA completed its materiality analysis with the assistance of an specialised external firm, taking into account the expectations expressed by the International Integrated Reporting Council (IIRC) as well as the 17 Sustainable Development Goals (SDG). GPA conducted a new materiality analysis in fourth-quarter 2020, which confirmed the major challenges related to climate change, food waste and a range of healthy, safe and sustainable products.

(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.	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	Physical risks in the event of extreme weather conditions. Chronic physical risks with regard to climate change, rising average temperatures and sea levels, and concerning the supply chain. Transition risks related to reputation and changes in the legal and tax environment.	Impact on the Group's economic activities: business disruption, higher raw material prices, higher energy prices, increase in insurance premiums. Impact on employees: working conditions, health, safety and productivity. 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 committed, 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 cooling systems per square metre of retail space *(kgCO_2eq./sq.m.)* Greenhouse gas emissions associated with electricity consumption per 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 the French duty of care (*devoir de vigilance*) law of 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				
Fighting discrimination and promoting diversity	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 section 3.5.1.1* Promoting diversity and professional equality: initiatives designed to combat discrimination and stereotypes, foster the integration and retention of disabled workers, and promote generational diversity.	Number of disabled employees.
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 237 and 238.

Casino Group also takes into account the other CSR issues that relate 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);
- the development of a line-up of responsible products (see sections 3.5.3.2 and 3.5.4.6);
- the 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 3.5.4.5 of this chapter);
- supporting the circular economy (see section 3.5.4.4 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 (ii)).

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. Accordingly, many agreements are signed each year with representative trade union organisations. 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 third agreement was negotiated in 2020 and signed for the 2021-2023 period. In Brazil, GPA conducts many initiatives in favour of social dialogue and maintains good relations with various trade unions. In Colombia, Éxito has had four collective agreements since 2019 and a collective agreement on the working conditions of food segment employees.

Employee engagement and opinion surveys are also carried out regularly by the subsidiaries 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. Monoprix renewed its engagement survey, with a participation rate of 77% and a quality of worklife indicator of 72%. In 2020, the "Casino Acting for the Planet" (*Casino Agissons pour la Planète*, CAP) programme provided employees of Casino stores (hypermarkets and supermarkets) to express their CSR expectations and communicate on the initiatives in place. The manifesto, comprising three pillars – "CAP-able of acting for the climate", "CAP-able of eating better" and "CAP-able of standing together" – was signed by store teams. A large fresco with the pictures of committed employees on display at the Group's headquarters shows the level of involvement and community among employees relating to the issue. The Group also participated in an equal opportunity survey to identify employee expectations in terms of equality and the fight against discrimination. In South America, Éxito conducted an employee work environment survey in 2020, with a participation rate of 89%. Every two years, GPA conducts an employee engagement survey, which had a participation rate of 90% at Multivarejo in 2019 and an engagement rate of 73%, up 7 points on 2017. In 2020, Assaí achieved a participation rate of 100% and an engagement rate of 88%, up 9 points on 2018.

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. For example, GPA receives nearly 690,000 phone calls per year and 11,000 interactions on social media. GPA was awarded two prizes in 2020 for its customer service: the "Reclame Aqui 2020" prize and the "Respeito – Empresas que Mais Respeitam o Consumidor 2020" prize, which recognise the trust established with consumers. In Colombia, Éxito carries out about 100 customer surveys per store, in addition to online surveys.
- 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 has rallied more than 5 million members.

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:

- In France, the Group continued to develop its banners dedicated to organic products during the year. These include Naturalia, which now operates more than 200 stores (216 in 2020), 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 is opening Carulla Fresh Market stores 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. For example, the Casino brand eliminated several substances 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 dealings with the central purchasing unit (Achats Marchandises Casino – AMC). 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 FEEF-affiliated SMEs and the Group's banners has been renewed for three years (2020-2022).

In 2020, given the public health situation, a large number of events were held online to maintain connections (trade shows and conferences were cancelled). New channels were identified in our stores to help manufacturers, in particular SMEs, whose volumes fell due to the closure of restaurants. Attesting to its commitment to SMEs, in 2020 the Group received two FEEF d'Or prizes out of a possible five national awards (to replace the Grés d'Or awards due to the public health situation) for the best collaborative undertakings between an SME and a retail banner in the field of CSR.

To support French suppliers in their CSR initiatives:

- Casino Group also encourages suppliers 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 2020, 279 Casino Group suppliers self-assessed their CSR policies (236 in 2019), covering 531 production sites:
- 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 units, 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.

(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, etc. In 2020, Casino Group launched the "Carbon Forum" with the aim of mobilising its main suppliers to reduce the greenhouse gas emissions of the products sold in its stores (see section 3.5.4.2).

(iii) With production chains: the Group has forged more than 150 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 2020, the Group was the first French retailer to only sell cage-free eggs across all its private-label and national brands. It also signed a charter entitled "Closer to you and your tastes" (*Plus près de chez vous et de vos goûts*) with the French Ministry of Agriculture to promote local, agricultural products in its stores.

In South America, Éxito supports local producers by forging partnerships with well-known NGOs and non-profits and by purchasing directly from local Colombian producers. Accordingly, 90% of fruit and vegetables are from Colombia, and over 80% of purchases are made directly from small local producers. 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. For almost 20 years, GPA has been supporting the "Caras do Brasil" programme to promote the purchasing of products from small producers.

3.3.4. Local authorities

With an extensive network of stores throughout France, in cities and rural areas, the Group contributes to the development of the communities where it operates. The banners' business development teams, store and network managers and the External Relations department maintain ongoing dialogue with local authorities. The Group has formats to suit the specific needs of all communities (Casino Shop, Spar, Vival, Monoprix, etc.). 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, GPA and its "Instituto GPA" Foundation support local communities in the vicinity of its stores by rolling out programmes to foster employment and encourage entrepreneurship among disadvantaged people. The NATA programme, in partnership with Rio de Janeiro State's departments of education and agriculture, offers baking and confectionery training courses in the communities surrounding its stores to young people from Rio de Janeiro's favelas. In 2020, due to the Covid-19 pandemic, class activities were suspended and the programme shifted to remote learning, with teaching materials made available to students. Éxito supports local communities through its foundation in the fight against childhood malnutrition by sourcing local products from local communities.

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 Initiative for Compliance and Sustainability (ICS), the Businesses for Human Rights non-profit (*Entreprises pour les Droits de l'Homme*), the Consumer Goods Forum, the Accord on Fire and Building Safety, the Palm Oil Transparency Coalition and the Cerrado Manifesto Statement of Support. 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 non-profits such as Global Compact France, UN Women, Duralim, Open Agri Food, 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, 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.

In South America, subsidiaries also foster dialogue with stakeholders. In Brazil, GPA is a member of the Ethos Institute, an industry CSR association, the AKATU institute which organises awareness and outreach initiatives on sustainable consumption, textile association ABVTEX which works towards sustainability and decent working conditions across the textile supply chain, the National Pact to Eradicate Slave Labour (InPACTO), Global Compact and GTFI, the working group dedicated to tracking indirect suppliers in Brazil's beef industry. In Colombia, Éxito interacts with various national stakeholders including the National Apprenticeship Service (SENA) and international bodies such as TFA 2030, the WWF and the Consumer Goods Forum, which it joined in 2007.

In 2020, 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 2020, 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, SAM DJSI (S&P Global), Sustainalytics, MSCI, Carbon Disclosure Project (CDP), BBFWA and FAIRR.

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 map 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 a complementary bottom-up methodology with two pilot entities for mapping corruption and influence peddling risks at entity level. This methodology has been gradually rolled out since 2019 to 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 2020.

In France, initiatives taken focus notably on:

- the training of more than 11,000 employees since 2017 on Casino Group policy in terms of ethics and fighting corruption. In particular, in 2020, around 1,000 employees among the populations considered most vulnerable to the risk of corruption were trained in face-to-face sessions led by members of the Risk and Compliance department, including the Group Ethics Officer and a specialised lawyer, as well as in e-learning modules;
- 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 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 launched in 2019 were pursued in 2020, focusing 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. A new policy entitled "Compliance due diligence – Sapin II" was rolled out in 2020.

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).

3.4.9. Personal data protection

In the normal course of business, Casino's banners process the personal data of their customers, employees, partners and suppliers. Protecting their data and upholding personal data rights are key challenges for the Group.

Accordingly, the Group banners in question comply with applicable regulations governing personal data protection, namely the General Data Protection Regulation (GDPR) in Europe and the Data Protection Law in France.

The Group's main compliance initiatives involve:

- appointing Data Protection Officers (DPOs) at the banners concerned as well as data protection correspondents or dedicated support functions;
- monitoring initiatives and data protection matters through a Data Committee made up of Group management representatives;
- creating and maintaining a record of processing activities by the data controller and data processor;
- establishing a training programme and awareness campaigns for employees;
- promoting personal data management policies and procedures as applicable to customers, employees and suppliers;
- reviewing contractual commitments and guarantees on security measures implemented with or by the Group's partners;
- conducting Data Protection Impact Assessments (DPIA);
- implementing organisational and technical security measures to ensure a level of security appropriate to the risk;
- ensuring the technical and legal security of personal data transfers outside of the European Union;
- interacting with relevant data protection authorities and/or with the persons concerned, particularly in the event of data subject rights requests or the need to send notifications concerning data breaches;
- organising internal controls and compliance audits of personal data processing systems in place.

For more information, see Chapters 4 and 5.

3.4.10. Information systems security

Casino Group ensures strict compliance with regulations concerning information systems security. Particular attention is paid to protecting personal data, as required by the GDPR in particular, and the organisational and technical security measures needed for processing such data.

The Group manages a large scope of data concerning its customers, suppliers and the employees of its various banners. Through its subsidiary RelevanC, it also monetises information related to personal data processing. Managing the data securely is therefore essential.

The risk related to cybersecurity incidents is identified as a major risk by the Group and is monitored by a governance system designed to address the relevant challenges:

- an Information Systems Security department serving the entire Group manages security matters. This department optimises synergies in solutions and services and ensures homogeneous management and centralised reporting;
- Information systems security is monitored by Senior Management, giving rise to two annual presentations to the Executive Committee and one to the Audit Committee;
- a Data Committee, which meets twice per quarter, is in charge of following all matters related to personal data.

The Group applies the related policies based on the principle of continuous improvement. Recurring analyses on penetration tests and automatic reports from tools covering the entire scope are used to define and implement action plans.

In addition, the Group has an insurance policy covering cybersecurity risks.

The purchase of this policy implies that the Group can justify the implementation of several essential services:

- "Threat Intelligence" to monitor the web and the dark net;
- Security Operations Centers (SOC) to detect malicious activity within Group infrastructure;
- Computer Emergency Response Teams (CERT) deployed to run expert analyses and tale remedial action in the event of incidents.

For more information, see Chapters 4 and 5.

3.5. POLICIES AND INITIATIVES IN PLACE

3.5.1. Casino Group, a committed employer

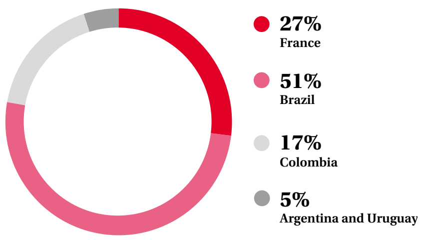
In every host country, Casino Group develops and implements innovative human resources and management policies that are sensitive to local cultures. These policies are designed to:

- combat discrimination and support equal opportunity;
- promote gender equality;
- 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.

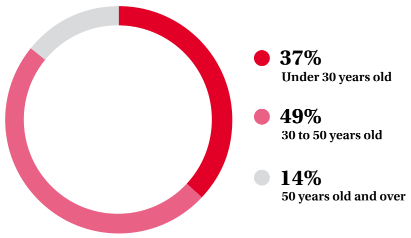
Each unit's human resources department is responsible for defining its policies in line with the core principles laid down by Group Human Resources, which are based on i) developing a shared culture of business, social and environmental performance; ii) creating synergies and deploying tools to improve human resources management; and iii) respecting the unique identity and culture of every subsidiary. The Group is a major employer in most of its host countries, particularly France, Brazil and Colombia.

Casino Group has 205,769 employees, 52% of whom are women. 27% of employees are based in France and 73% in South America.

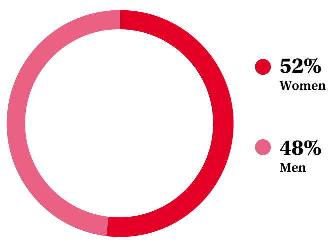
Workforce by country



Workforce by age



Workforce by gender



The vast majority of Group employees (95%) 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. 84% of employees work full time.

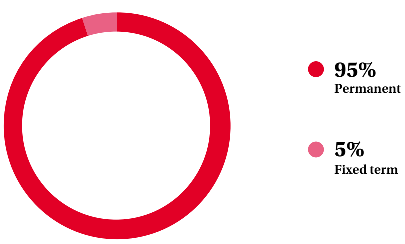
Trends in the Group's businesses resulted in the hiring of more than 77,419 people on permanent or fixed-term contracts in 2020, of which 50% on permanent contracts. Separations due to corporate reorganisations are the subject of extensive negotiations with employee representatives and are accompanied by a wide range of placement and support measures.

The Group's turnover rate was 23.8% in 2020, with significant differences between entities reflecting specific local contexts.

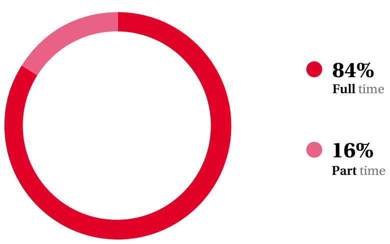
Organisation of working hours

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 3,200 people (an increase of 7% between 2019 and 2020) 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 4,158 days of leave have been donated to the programme, enabling more than 420 family caregivers to take time off. In 2020, as in 2019, for France's National Day for Caregivers, donations to community funds of one working day to help caregivers were matched by a further one and a half days by the 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 25 criteria defined by French law and has been combating discrimination and promoting diversity at Group level for more than 25 years.

Each entity across the Group has its own formalised diversity policy, adapting the Group policy.

- In France, the Group is a signatory of the Diversity Charter. Casino and Monoprix 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 South America, 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. Through its Diversity Charter and its action plans, GPA undertakes to roll out initiatives in all subsidiaries in five priority areas: disability, ethnic or national origin, sexual orientation, gender identity, generational diversity and gender equality in the workplace. In 2019, GPA also joined several initiatives designed to promote equality, combat stereotypes and end violence against women and girls. It published its new Diversity, Inclusion and Human Rights Policy early in 2020.

Casino Group has also signed the LGBT Commitment Charter and, in Brazil, GPA has signed the "10 Corporate Commitments for LGBTI+ Rights" to ensure equal rights and treatment for all employees regardless of their sexual orientation.

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 some 70 Diversity Outreach Correspondents and experts. Policy implementation is led by the Group Diversity and Solidarity Director, who reports to the Group's Secretary General, and is overseen 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 are committed to (i) raising awareness and training managers and employees to 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".

Diversity awareness campaigns are organised within the Group's entities. To this end:

- Since 2018, Cdiscount has organised an annual awareness and information week for its employees on diversity-related topics. Training modules relating to diversity and non-discrimination have also been rolled out annually since then
- GPA organises an annual Diversity Week featuring a wide variety of training sessions, conferences, debates, surveys and other events addressing such issues as disability, generational diversity, racial equality, gender equality in the workplace and respect for the rights of LGBTQIA+ people. The 2020 edition was fully digitised, with over 6,000 employees taking part.

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 adopted by Franprix. 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.).

The relevant departments also use highly diversified sourcing channels 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

The implementation of commitments is checked during the interim and renewal audits for the Diversity Label and Workplace Equality Label awarded as part of the Afnor certification process.

Tools for monitoring the proper application of the policies defined are also in place, such as testing on ethnic origin, carried out with a third-party organisation in 2016, and the survey of perceptions of equal opportunities and diversity, in place since 2017 at Casino and Monoprix and conducted by a specialised external firm (Kantar TNS-Sofres). The inaugural survey revealed a very good perception of the Group's commitment to diversity (87% of respondents) 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). The survey was repeated among 9,970 employees in 2020, with a response rate of 21%. The results confirmed the very good perception of the Group's commitment to diversity, with a high score for the equal opportunity climate index (9 out of 10 employees feel they work in an equal opportunity climate).

Only age is still perceived as the main possible criterion of discrimination for 35% of respondents; corrective action continues in that area, including guidelines and e-learning modules.

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. Since 2016, GPA has been a signatory of the Pact for the Inclusion of People with Disabilities (Corporate Network for Social Inclusion) and has undertaken to adhere to the five commitments to promote the rights of people with disabilities in order to strengthen its management's commitment to this issue and promote an inclusive corporate culture and working environment.

Casino Group has also 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.

Casino Group aims for people with disabilties to account for 4.5% of its headcount by 2025.

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.

The Group defines commitments, action plans and performance targets in this area, in particular in a number of agreements with trade unions. In France, the eighth such agreement, signed with employee representatives and covering the 2020-2022 period, provides for the hiring of 130 people with disabilities, the ramp-up of work/study programmes and a contingent of 120 interns. In 2019, Monoprix negotiated its sixth agreement covering the 2020-2022 period, which includes undertakings to (i) pursue an active hiring policy designed to bring in 210 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.

- In France, the Group's banners work with a network of specialised partners (*Cap Emploi*, AGEFIPH, *Centre de Réadaptation Professionnel,* etc.) and take part in specialised face-to-face or virtual forums (*Forum Emploi Handicap*, *HandiAgora*, *Talents Handicap*, *Hello Handicap*, etc.). In 2018, Casino made a commitment to FAGERH, a recognised national federation for the vocational rehabilitation of people with disabilities. The banners rely on their partnerships with France's leading business schools to attract talented people for internships and/or work-study programmes (Sciences Po, IGS, Grenoble Management School).
- In South America, Éxito has developed the "*Inclusión laboral*" programme, initiated in 2006 in partnership with *Fundación para la integración de personas con discapacidad cognitiva* (FIDES), a foundation specialised in the integration of people with cognitive disorders. Since 2006, the "Inclusión laboral" programme has supported more than 2,600 people with disabilities who had been abused or had suffered from vulnerable situations or hardship. 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. Extra, through Instituto GPA, has carried out repeat initiatives through the *Sementes* (Seeds) programme, which aims to train people with disabilities as bakers, pastry chefs and customer service agents. GPA regularly takes part in job forums for people with disabilities.

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, 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. For the past three years, the Group has also been participating in DuoDay, which in 2020 allowed nearly 60 duos combining people with disabilities and volunteer professionals at Casino, Monoprix and Cdiscount to be trained.
- In South America, Éxito has produced a guide to help managers welcome people with Asperger's syndrome. GPA is rolling out a diversity course for human resources teams, including a focus on inclusion and the development of people with disabilities.

- ***Allow people with disabilities to stay in employment throughout their working lives:***

The Group is committed to retaining employees who suffer illness 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 organised to enhance shopper awareness. In France, Casino 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. It has 8,460 employees classified as having a disability working under permanent or fixed-term contracts, representing 4.1% of the headcount, compared with 3.9% in 2019 and 3% in 2015.

See performance indicators on pages 237 and 238.

3.5.1.1.3. Acting for intergenerational diversity

In the 2018 Equal Opportunity and Diversity Perception Survey, age discrimination emerged as employees' number one concern. This finding prompted the implantation of an action plan with the support of *Entreprises pour la Cité*.

■ ***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 ninth consecutive year. Each year, the event brings together mentors and work/study trainees, ranging from vocational trade certificates (CAP) to Master's degree.
- In South America, Éxito, Libertad and GPA partner with national apprenticeship organisations (schools, universities, SENAC, CIEE, Isbet, Via de Acesso and SENAC in Brazil, SENA in Colombia) and participate in a wide range of job fairs. GPA is rolling out the "Jovem Aprendiz" programme to facilitate the professional integration of young apprentices, with a team devoted to their recruitment.

- ***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 around 50 initiatives in favour of the integration and hiring of young people in 2020, including information sessions on different jobs, store visits and help in preparing resumes and cover letters, as well as visiting some 15 schools.

- ***Combat stereotypes***

Two guidebooks, "Changing our Perception of Young People"; and "Understanding and Promoting Generational Diversity in the Workplace" are available to all Casino employees to help them understand preconceptions about young people and encourage intergenerational dialogue. They aim to break down stereotypes and set out the proper managerial attitudes and behaviour.

- ***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***

37% of the Group's employees are aged under 30 and 14% over 50; 6,291 work/study trainees and 683 people were recruited, on either fixed-term or permanent contracts, from disadvantaged neighbourhoods in France (see Group performance indicators on pages 237 and 238).

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, for the Casino and Monoprix banners.

The Board of Directors' diversity policy is presented in Chapter 5 of the Board of Directors' report on corporate governance (page 293).

■ ***Commitment***

The Group has made a number of commitments to external and internal stakeholders.

Casino Group has:

- pledged in 2016 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 and Anti-Sexism Manifesto issued by the Group's La Fabrique women managers network, created in 2011. 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.

Casino Group aims for women to account for 45% of its management by 2025.

In France, professional equality is the subject of agreements with the unions: the most recent was signed in 2018 and will be renewed in 2021. 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 September 2020, a new brochure on the Group's gender equality commitments was made available to employees in France: it presents five action plans (equal pay, access of women to key roles, fight against sexist and sexual violence, parenthood, partnerships) and the outcomes of the Group's policy, notably in the form of key figures. The material was also circulated among external audiences, including partners, institutions and job candidates.

In South America, the professional equality policy is coordinated by an Inclusion and Gender Diversity Sponsorship Committee. Éxito has earned the "Equipares" label, introduced by the Colombian Ministry of Labour with the support of the United Nations Development Programme (UNDP). in recognition of the commitments made and the initiatives carried out to promote gender equality in the workplace. GPA set up a Committee on Equal Opportunities for Women and Men in 2013 and, in 2018, the male members of its executive team signed the Manifesto for Equal Opportunities and the Women's Empowerment Principles with UN Women Brazil. In January 2020, the new "Diversity, Inclusion and Human Rights" policy setting out GPA's guidelines in this area was released.

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 banner 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 2020 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 2020, the Group's weighted average index was 91/100, 16 points higher than the legal minimum of 75/100, and 1 point higher than in 2019. In March 2020, the Group published the indexes of its 39 entities on the Ministry of Labour website. Based on the pay analyses carried out to calculate the index, Casino pledged, during the 2020 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:

- In 2020, women-only Talent Committees were created to identify profiles for management positions within the Group's French entities: nine committee meetings were held in autumn 2020.
- These Talent Committees in turn gave rise to targeted training and development plans for each talent, including "Lead Her Ship au féminin", an e-learning course to strengthen the leadership and managerial skills of female managers. In 2020, the number of participants in training courses doubled, thanks largely to a new programme aimed at more junior profiles, known as "Jeunes Talents au Féminin".
- A development programme for experienced women managers was introduced in 2013 with the help of a specialised consultancy. The course continued to be rolled out in 2020, in face-to-face or digital format depending on the constraints imposed by the health situation.
- The Group's "La Fabrique" gender diversity network: 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. La Fabrique organises personal development workshops, networking events and conferences on various topics, and uses its LinkedIn space to entrench its role as an influencer. Lastly, the network also has a mentoring programme that pairs a network member with a senior executive for a year. A new edition with roughly 30 new pairs began in June 2020.

- Particular attention is paid to identifying and developing high-potential women in Latin America. In Brazil, GPA renewed the "Women in Leadership" development programme in 2020, which aims to improve the representation of women in leadership positions and has over 260 participants. They benefit from an e-learning course offered by the University of Retail GPA digital platform. GPA has won a number of awards, including the UN Women Bronze Award and the *Valor Economica* Women Leaders Award in 2019. In Colombia, the "Mujeres Lideres de la Operacion" programme, which is designed to increase the proportion of women in operational management, was renewed in 2020. This year, Éxito made a commitment to the Colombian government by signing the "IPG" (*Iniciativa de Paridad de Genero*), which is built on three pillars: increasing the share of women in the active population, increasing the share of women in top management positions, and ensuring gender pay equality. After obtaining the Equipares "silver" certification in early 2020 (and "bronze" in 2019), Éxito aims to reach the highest level ("gold") in 2021.

- ***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 ran a communication campaign in March across all banners to coincide with International Women's Day. The aim was to challenge the gender stereotypes associated with retail and distribution professions by showcasing the career paths of various male and female employees in the form of a mini-series (https://www.groupe-casino.fr/nos-metiers-nont-pas-de-genre/). 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, the Group has taken specific action to combat sexism and sexual harassment in the workplace in all its banners, 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. A network of sexual harassment correspondents has been set up in France, together with a training plan for its members across all banners. In addition to this Group action plan, similar initiatives are also implemented by the banners.

(iii) Combating domestic violence

In the unique health situation of 2020, the various banners in France and Latin America took action to combat domestic violence, a phenomenon exacerbated by lockdown. During the two lockdowns in France, the Group promoted the national campaign initiated by the government and whistleblowing systems (3919 emergency number) on its sales receipts, or through posters in stores and transfers on customer separation partitions. In Brazil, GPA promoted government initiatives, including an awareness campaign and emergency numbers, on its GPA website and in-store communication material. An emergency number was created for employees and customers. GPA also provided support by donating 2,000 food baskets to women in highly vulnerable situations.

(iv) Partnering with UN Women

The Group's commitment to UN Women, which dates back to 2016, continued 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 continues to support UN Women France's "Orange Day" campaign to combat violence against women across all banners in France. The campaign's aim is to raise awareness among our customers and employees and to promote the 3919 emergency number for victims of violence against women. Cause-related marketing and "Arrondi en Caisse" (round-up donations) campaigns are carried out in the Group's various banners in France to support UN Women. Two years ago, Casino 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. GPA marked its first year as a participant in the Group's Orange Day activities by holding an Orange Month, promoting the public emergency number created by GPA during lockdown and organising awareness-raising round tables for employees.

- ***Fostering a healthy work-life balance***

The Group takes an assertive approach to supporting parents. It was one of the first signatories of the Parenthood Charter in 2008 and has been a partner of the Quality of Life at Work Observatory (*Observatoire de la Qualité de Vie au Travail – OQVT*) since then. The Group:

- provides the "Campus Parentalité" platform for Casino, Monoprix, Franprix and Cdiscount employees. The digital platform gives employees' children access to grade-specific lessons and exercises on school subjects and foreign languages, To date, it has registered nearly 3,000 registrations for the scheme;
- pursued its collaboration with French workplace well-being non-profit OQVT during the year and promoted its guidebook on parenthood in the workplace;
- supports paid paternity leave. Casino has increased the duration of paternity leave to 14 days, versus the 11 days required by law, and has matched that in full since its creation. Nursery places are available on the Group's administrative sites in France. In South America, GPA is implementing a plan to support female employees returning to work after maternity leave.

■ *Performance*

The percentage of women in management was 40.4% in 2020, an increase of approximately 1 percentage point compared with 2019, and 43.2% for France.

See Group performance indicators on pages 237 and 238.

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 2020. At a time of significant change and transformation, several agreements were drawn up to reflect and support the changes being made.

As such, the following Group-level agreements were renewed in France during the year:

- promotion and development of social dialogue within Casino Group;
- corporate social responsibility, allowing the achievements of the previous agreement to be continued and expanded;
- telecommuting, widening access to telework to almost all headquarter functions and ensuring greater flexibility in telecommuting overall.

New agreements were also signed:

- an agreement to consolidate the provisions on the time savings account (TSA) by adding the possibility of using the TSA to buy back contributions lacking from the statutory pension scheme;
- an agreement to transform the existing retirement savings plan into a collective retirement savings plan in order to allow employees to benefit from the advances of the new legal system;
- amendments to agreements on the management of joint social activities and the budgets of employee representative bodies, the employee benefits plan, discretionary profit-sharing, the savings plan, the collective retirement savings plan and the time savings account.

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 to make daily life easier are implemented (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. The continuity of social dialogue was ensured in 2020, despite the health crisis.

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 2020, GPA continued to maintain regular dialogue with the trade unions, particularly on changes to be made due to the pandemic, and specifically the opening of stores on public holidays. All GPA employees are represented by a trade union and covered by a collective agreement. A discretionary profit-sharing programme is being rolled out within GPA (Assaí, Compre Bem).

All Group entities strived to strengthen social dialogue during the health crisis. Telecommuting was promoted, and still is. Social dialogue was maintained, with the frequency of meetings of employee representative bodies increased to ensure the implementation of measures to protect employees.

- ***(ii) The allocation of facilities and equipment and the recognition of union involvement***

Under the social dialogue agreement signed in France, resources are allocated to trade unions enabling them to perform their duties and represent employee interests 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 an educational 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, Monoprix carried out an engagement survey in 2020, with a participation rate of 77% and a quality of life at work indicator of 72%. The survey findings were also used to identify priority measures to be taken in 2021. The banner has joined the 2021 Top Employers list with a score of 73.44%: this certification attests to the quality of the human resources policy conducted by the company and the excellence of its HR practices, particularly the quality of its practices in terms of employee engagement, its skills development policy, employee well-being and the digitisation of the company as a means of revisiting traditional HR practices.
- Internationally, Éxito is rolling out a programme designed to measure and monitor the climate in the workplace. It includes the completion of surveys (Korn Ferry evaluation methodology), processing suggestions and opinions from employees through 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. The survey carried out at Éxito in 2019 recorded an engagement score of 89%, up from 80% in 2016.

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 349).

The Group's compensation policy takes into account each employee's:

a. skills;

b. level of responsibility; and

c. experience.

The Group complies with legal minimum wage obligations, and is committed to offering fair and 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, Vigeo Eiris, and SAM DJSI (S&P Global). The vesting conditions have been made more challenging in 2020, with a target level corresponding to the average of the scores obtained by Casino, Guichard-Perrachon 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, between 3% and 5% of executives' variable compensation is similarly subject to the achievement of quantitative CSR targets covering environmental indicators and social indicators. In Colombia, for instance, Éxito has three CSR objectives, including one based on the reduction of its carbon footprint.
- In Brazil, since 2017, GPA has been apportioning this variable compensation component by means of a sustainability and diversity index. The 2021 index covered the carbon performance and the effectiveness of the policy on professional equality.

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, some 75,000 employees in France are covered by a statutory and/or discretionary profit-sharing plan, which led to the payment of a total €24.5 million in respect of 2019 (€14.1 million in statutory profit-shares and €10.4 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 2020, around 95,200 current and former Group employees in France were invested in a PEE and/or PER COL individual and/or collective employee savings plan, representing total assets of €189.3 million or approximately €1,988 per investor. In 2020, the Group's French companies paid around €3 million in matching contributions into employee savings plans.

3.5.1.3.6. Fostering health, safety and well-being at work

Casino Group took numerous initiatives to protect its employees and customers in the context of the Covid-19 pandemic. They are presented in section 3.5.2 of this chapter, and also in Chapter 2 ("Significant events").

■ ***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.

This process 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. Since 2020, Casino has developed and rolled out an e-learning module on occupational risk prevention.

In South America, Éxito continued its programme to identify and control occupational risks, 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. Over the last 10 years, GPA has also carried out in-store awareness-raising campaigns during Workplace Safety Awareness Week, and also performs studies on workstation ergonomics every other year.

- ***(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 7,000 managers (including members of the Group Executive Committee, unit management committees, etc.) through presentations by external consultants (over 100 conferences organised to date, including 16 in 2020, despite the pandemic, bringing together more than 600 participants) 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 1,000 "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. To ensure the system's genuine appropriation, a buddies charter was drawn up and circulated in 2020, along with a new e-learning training module. 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 60 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 provide the best possible support to employees facing personal difficulties, Casino Group has set up an online advisory service, in partnership with Malakoff Humanis, accessible via a single call number. Several services are available depending on the difficulties experienced: social support, legal assistance, medical help and psychological support. The service, which is accessible to all Group employees in France, received more than 760 requests over the year.

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 184). To improve work-life balance, for example, 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 to expand telecommuting. For example, for Casino, managers and employees benefit from support adapted to the changes in professional practices, in particular through the provision of dedicated e-learning training. People with disabilities can have their workstations adapted to their needs, to make it the same as the one they have in the office. Telecommuting employees receive a flat rate allowance to cover the costs of working from home.
- 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. More than 138,000 hours have been used in 2020 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.

In France, 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. GPA has created mobile health units to promote employees' physical and psychological health.

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.

■ *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 and severity rates were down in 2020, with readings of 11.5 and 0.62 respectively.

The absenteeism rate due to accidents and illness was 4.5% in 2020.

See Group performance indicators on pages 237 and 238.

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 in France. 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) has been increased since 2019;
- training in customer service, a strategic concern for the Group. In 2020, Éxito continued to train customer service employees via its *Servicio Superior* programme, with a participation rate of 88%;
- management and leadership training. Multivarejo continues to roll out its leadership development programme, with the participation of nearly 730 employees in 2020. 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:

- in France, with "Campus Casino", and "Académie Mandarine";

- in South America, "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 has created "training schools" dedicated to mass-retailing jobs. Digital training courses are offered in the apparel, butcher shop, pastry, and fruit & vegetables schools for the Éxito, Surtimax and Carulla banners. A virtual school dedicated to the digital professions was also created in 2018. Éxito offers 145 training programmes.

The Group believes that its training capabilities are a powerful driver of employability and upward social mobility.

The French banners 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 2020;
- 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;
- supporting employees in validating their acquired experience under France's VAE programme, which allows them to earn a diploma based on their job experience.

Banners in South America are:

- providing Assaí employees and their families with the "Learn + school Training" programme for basic skills;
- holding Development Week sessions for Multivarejo employees, 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*

Each employee received an average of 17 training hours, down compared with 2019 due to the difficulty of organising face-to-face training in view of the health situation in 2020.

See Group performance indicators on pages 237 and 238.

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.

Exceptional commitment during the Covid-19 crisis

Against the backdrop of the Covid-19 pandemic, Casino Group and its banners took exceptional action to support health professionals, people in vulnerable situations and SMEs affected by the crisis.

Casino Group and its employees worked hard throughout the Covid-19 crisis, guided by four priorities:

- facilitate the work of health professionals. To support health professionals, Casino Group donated 2 million masks to several hospitals including the Paris public hospital network (APHP), the Hospices Civils de Lyon and the Bordeaux University Hospital. The Group's banners offered special access to stores and home delivery for health professionals: with the Monoprix white portal, the "Éxito white phone line", and free delivery with the Extra stores;
- fund research into Covid-19 thanks to a collection of €350 thousand in shops and the transfer of 25% of the Executive Committee members' April and May salaries to the *Fondation de France* – APHP for medical research. Alongside Scale Max, Casino Group is participating in the FoldingAtHome program to provide computing power to help research against the spread of Covid-19;

- help vulnerable people by working to support local associations. This allowed the Group to offer basic necessities and solidarity baskets to NGOs. For example, Cdiscount took action to break the isolation of the most vulnerable people through the #GardonsLeLien initiative. Thousands of digital tablets, sold at cost price and delivered free of charge, were distributed among hospitals, nursing homes and other health and social facilities, as well as to child welfare facilities, in order to maintain contact between Covid-19 patients and their relatives and ensure educational continuity. Casino Group and Cdiscount complemented this initiative by donating 600 digital tablets. Franprix and Casino distributed basic necessities such as nappies and infant milk to non-profits in the Seine-Saint-Denis department. In another initiative, Casino Group supported the establishment of the *Solidarité Associations* platform, on which charities can express their needs and retailers can respond depending on the products they can donate. Monoprix, with the logistical support of Cdiscount, played a key role in the "Masque Solidaire" initiative, which resulted in the distribution of millions of masks made (to Afnor standards) by the tailors of the new "Masque Solidaire" network. In South America, through its Foundation, Éxito supported Colombians in difficulty: 107,000 solidarity baskets were donated for children and 7,000 basic necessities were given to Colombian food banks. GPA's banners donated more than 5,900 tonnes of food and basic necessities to 630,000 families across the country. GPA also allowed users of its e-commerce sites to make online donations to provide basic necessities to the most deprived people during the crisis. Lastly, Casino Group undertook to promote and widely relay government whistleblowing systems aimed at combating domestic violence. Cdiscount supported the association "*Du côté des femmes*", which helps women who are victims of domestic violence;
- support SMEs: 60 million masks were sold and delivered by Cdiscount to VSEs/SME to make sure their employees were properly protected. Cdiscount made its supply capacity and logistical expertise available to local authorities throughout France, alongside the Association of French Mayors and the presidents of inter-municipal bodies, to deliver 15 million masks to local agents in contact with people, such as staff in nursing homes, agents in charge of water treatment and sanitation, waste collection and municipal police officers. Lastly, Cdiscount set up a specific system to enable SMEs to use its marketplace for their online sales, with an exceptional pricing system (free subscription to the marketplace, no commissions on orders collected in shops, commissions on shipped items reduced by 50%), with enhanced support (webinars, tutorials, FAQ, dedicated teams) and increased visibility on the site. In South America, Éxito granted payment facilities to 1,000 of its small and medium-sized suppliers, and manufactured 20 million masks in the textile factories it works with so as not to leave them without work, thereby safeguarding 3,000 jobs. GPA ran various programmes to provide entrepreneurs with financial assistance to help them through the health crisis: Pão de Açucar participated in the Conexsus fund to help 450 small community businesses in Brazil; Extra doubled donations on the "Match funding Enfrente" crowdfunding platform; Assaí supported the "Firgun" and "Coalização Editodos" entrepreneurship facilitation programmes.

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 by (i) organising daily in-store recovery of produce and still edible products nearing their sell-by date and (ii) participating in national collection drives.

In 2020, the Group's collection and donation initiatives resulted in the donation of more than 26,000 tonnes of products, the equivalent of over 52 million meals to food banks or other social welfare organisations. More than 7,200 tonnes were collected during the nationwide campaign and 18,800 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*. In 2020, Casino Group supported the establishment of a collaborative platform bringing together all stakeholders www.solidariteassociations.com/

GPA has implemented a similar approach in South America. 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. This year, the initiative, which previously took place over one day, was extended over the entire month of December, and resulted in the collection of 993 tonnes of products. To reach families affected by the Covid-19 pandemic, GPA banners distributed basic food baskets in partnership with partner institutions in all the regions of Brazil. Over 957 tonnes of basic food and personal hygiene products were distributed to 200 charities. 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 1,700 tonnes of goods in 2020.

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

In 2020, the Casino Foundation celebrated the "10 years of education through theatre" that have enabled over 22,000 children to gain access to oral expression and culture, and to discover others and their own talents through acting.

It has developed two major 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. The Foundation supports and funds initiatives covering 12 theatre projects in schools, and gives the winning troupe the chance to present their show on the Odéon stage at the end of the two years. In May 2020, lockdown prevented the winner, a primary school in Marseille, from performing at the theatre, but the 100 schoolchildren involved produced a 144-page book presenting their two years of work on La Fontaine's *Fables*.
- "Tous en scène", which helps fund theatre projects outside schools, with the involvement of the Group's volunteer employees.

  This annual national solidarity operation is organised by the Casino Foundation with the support of the Group's Casino, Franprix and Cdiscount banners. The 2020 edition raised nearly €100,000 for the Foundation's two partner associations, *Apprentis d'Auteuil* and *L'Envol*, to develop new theatre projects for children in difficulty.
- "Tous en scène avec nos associations" allows the Foundation to support innovative initiatives led by associations or cultural structures that use theatre as a means of promoting social integration and access to culture during school holidays. In 2020, the Foundation supported five long-term projects: "les vacances apprenantes" of Ateliers Amasco, "Terrains de jeux" of Comédie de Saint-Étienne, "Maîtres en scène" of Institut des Jeunes Aveugles de Moulins, "La Troupe éphémère" of the TNP de Villeurbanne Foundation and "Ados en scène" of La Source.

  The Foundation also coordinated an annual solidarity operation for three years in aid of the association *Lire et faire lire*. It raised €100,895 to help pass on the joy of reading to young children.

  In South America, Instituto GPA in Brazil is also committed to fostering social inclusion through education and 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. The programme, which celebrated its 20th anniversary in 2020, has trained more than 15,000 disadvantaged young people between the ages of 10 and 18 to play the Brazilian guitar, violin, cello and double bass from the very first note, without the need for any prior musical training. 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 "Cero desnutrición" 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 2020, more than €4.8 million was invested in programmes reaching more than 120,000 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 2020 and bringing together over 27,000 women in support of breastfeeding. In 2020, *Fundación Éxito's* childhood nutrition competition gave awards to five 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 and Nos Quartiers ont du Talent (NQT).

The Group has also been working alongside public authorities since 1993 to help young people enter employment, and supports the inclusion policy of the French Ministry for Urban Development, the Ministry for Gender Equality, Diversity and Equal Opportunity and the Ministry of Labour.

To support the professional integration of young people, 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;
- supports associations that help young people enter the workforce and gain experience in the professional world. In 2019, the Group organised the sixth edition of "Cap sur le Groupe Casino", which offers middle school students from disadvantaged backgrounds vocational guidance. Around 200 middle school students came to learn about the 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. Due to constraints imposed by Covid-19, this event had to be cancelled in 2020. 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;

- partnered with the City of Paris, in 2016, as part of the Local Employment Development Charter and supports the "1,000 Sponsors for 1,000 Jobs" programme. It has continued its mobilisation and has been committed since 2018 to the PAQTE (Pact with the neighbourhoods for all companies).

In South America, GPA is working through Instituto GPA to continue its training initiatives among disadvantaged young people and, in partnership with the government of Rio de Janeiro, also supports the NATA professional training centre where over 340 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 2020, 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 and Naturalia stores. Since 2014, €6 million has been raised for numerous associations including, in 2020, *Institut Curie*, *Toutes à l'école*, the Foundation for Medical Research and *Emmaüs France*. 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 2020, funded 14 projects aimed at combating isolation in cities and providing access to basic necessities, raising a total of more than €200,000. The Foundation also financed the purchase of down jackets and warm clothing including bonnets and gloves for *Samu Social* emergency service. They will be redistributed to over 3,000 homeless people for the winter.

Cdiscount continues to partner "Un Rien c'est Tout" to reaffirm its support for community life through practical social cohesion projects. The e-retailer's customers can make donations starting at 1 euro with just one click when paying for their shopping basket, for various associations and four main causes: the right to dignity, childhood and education, health and the environment. Lastly, Cdiscount supports the "Quartiers Numériques" programme run by *Bordeaux Mécènes Solidaires* to combat the digital divide.

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, some 30 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 third edition of the Citizen Engagement Award took place in 2020 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 in France 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 at least once by an independent laboratory. As part of this process, the banners' Quality departments, impelled in particular by the Group Quality department, conduct microbiology and other tests to manage health risks,
  - monitoring sensory quality using sensory analyses conducted with consumers. Operations in France and Brazil have their own sensory evaluation laboratories,
  - grading fresh fruit, vegetables and meats in warehouses,
  - each breach of compliance detected is analysed and addressed with an action plan;
- a packaging optimisation programme to meet the commitments defined in the packaging quality policy (reducing the amount of plastic packaging, eliminating sorting disruptors, using recycled materials, etc.);
- a set of core commitments for the private-label products defining ingredients, additives and controversial substances to be avoided, reduced or eliminated, along with commitments to sustainable raw materials sourcing.

The subsidiaries have also deployed their own programmes.

GPA, for example, raises the standards of 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, around a hundred 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, It encourages suppliers to obtain internationally recognised certification from an independent body through annual assessments, 280 of which were carried out in 2020.

■ *Performance*

The Group conducted a total of more than 28,500 microbiology tests and more than 30,700 physiochemical tests to control food, household and health/beauty private-label products.

3.5.3.2. Supporting 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 selected 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 assertively supporting its private labels by:

- improving the nutritional profile of its products;
- eliminating controversial substances;
- developing product ranges for specific nutritional requirements, such as baby food, gluten intolerance and sugar-free products;
- promoting and expanding the organic product lines;
- promoting more legible nutrition labelling to better inform consumers;
- encouraging consumption of vegetable protein for a more balanced diet;
- raising employee awareness of nutritional issues.

3.5.3.2.1. Improving the nutritional profile and ingredients of private-label products

For many years, the Group has defined strict criteria in its private-label specifications both for food products (GMO-free, limited additives, no irradiated ingredients, etc.) and for household and health/beauty products (no parabens, triclosan, etc.).

■ *Improving nutritional value*

Since 2008, the Casino brand has made a considerable effort to reduce the salt, sugar and fat content in the recipes of more than 2,000 items, in accordance with *Programme National Nutrition Santé* (PNNS) recommendations. The new content standards have been incorporated into the product specifications. As part of the deployment of the Nutri-Score programme, Casino has pledged to rework 1,000 recipes by the end of 2021 to offer products with enhanced nutritional value. 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 soft drinks and cereal. 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.

■ *Eliminating controversial substances*

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.

In France, the Group has defined a set of core private-label commitments concerning a total of 81 ingredients, additives or controversial substances to avoid, reduce or eliminate in the production of private-label food products. In 2019, for example, titanium dioxide was removed from the private-label food products, well before it was legally banned. BHA and BHT, two synthetic antioxidants used as food preservatives, have also been eliminated, as have fructose-glucose syrup and ionized ingredients.

■ *Genetically modified organisms*

Since 1997, 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%.

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 and Casino Bio private labels, as well as through the Naturalia and Casino#Bio stores, for a total of more than 2,200 organic products in France.

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. All of the Casino brand fruit and vegetables are either organically grown or guaranteed to be free of quantified pesticide residues.

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 a significant concern for 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 3.5.4.6) 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.

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 products.

- 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 display Nutri-Scores on all its private-label products by 2021, while also re-working 1,000 recipes to offer products with enhanced nutritional value. 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). Franprix is deploying the same programme. 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 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 continues 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 sourcing subsidiary, has been a member since 2017, to strengthen its audit plans;
- the Accord on Fire and Building Safety since 2013, 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. In all, 295 suppliers, representing 554 production facilities located in 18 countries, participated in the 2020 campaign and shared the results of their self-assessment with Casino Group. The average CSR maturity index came in at 67 out of 100.

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 first in 2017, and then again in 2020 for further three-year periods. 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;
- continuing to train buyers in the standards defined in the Supplier Ethics Charter and to take working conditions and environmental criteria into account when selecting suppliers;
- auditing supplier production facilities in countries deemed at risk and assisting 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 above).

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 Director of Production, Innovation, Quality and Mediation at the AMC purchasing unit, the Group Risk and Compliance Director, the Group CSR Director, the Group Insurance Director and the Group Internal Control Director.

Its role is to:

- ensure 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 (i) the company; (ii) the companies it controls; or (iii) subcontractors or suppliers with which the company has an ongoing business relationship, when such operations are part of said relationship;

- 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 are in place to mitigate risks and prevent serious violations or harm, that these plans are implemented and that their effectiveness is assessed;
- 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.

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 risk map

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).
- 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;

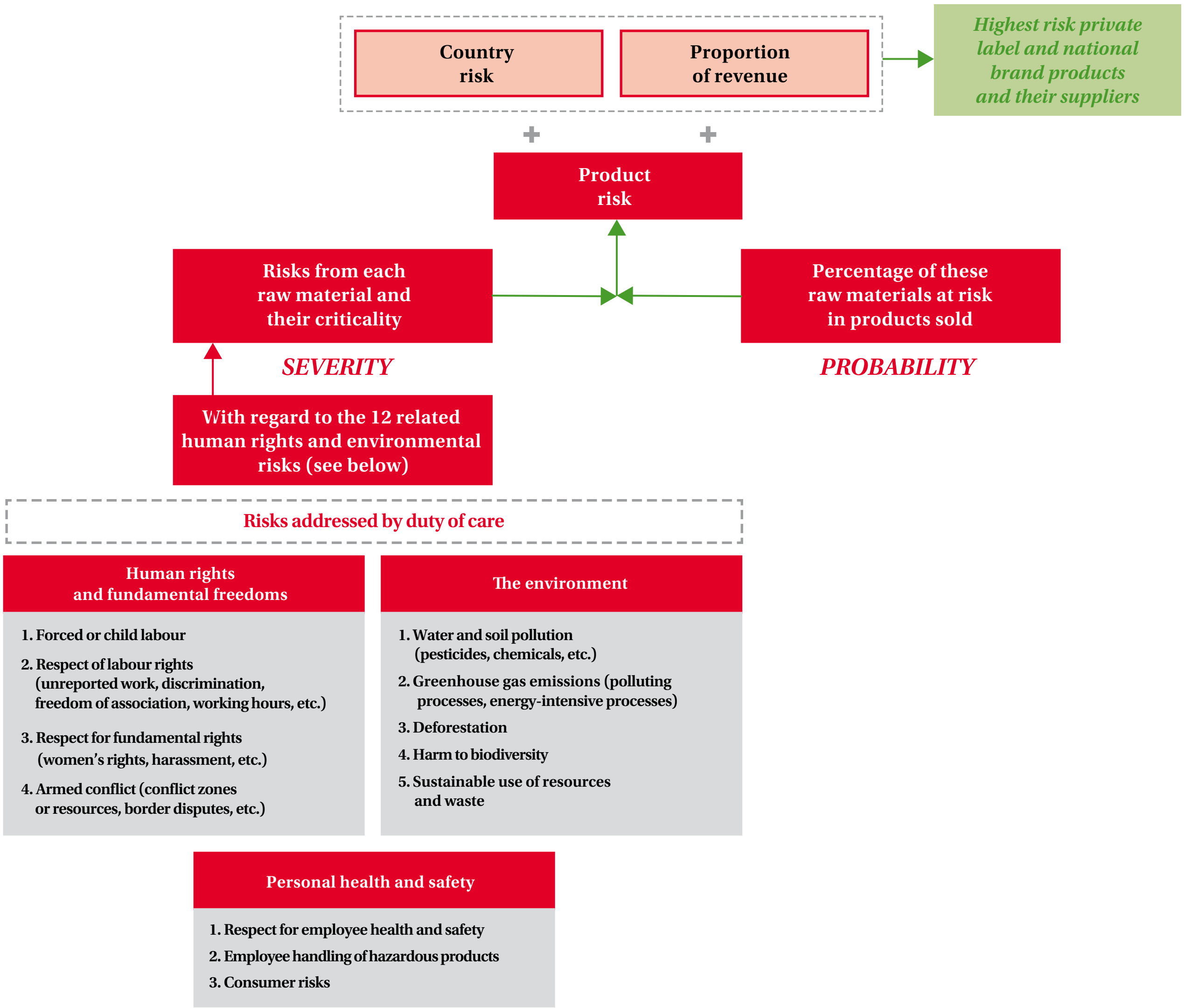
- the Worldwide Governance Indicators (WGI) issued by the World Bank;
- the Environmental Performance Index (EPI) developed by Yale University and Columbia University.

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 potential vendors.

DUTY OF CARE RISK MAP



These analyses reflect a certain number of issues specific to Casino Group.

The Group 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. Often, these companies must also comply with French duty of care legislation;
- suppliers of private-label products, manufactured in accordance with specifications defined by the Group's purchasing organisations. While these suppliers may be based in our host countries, 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 Supplier Compliance Programme (SCOP);
- 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 and other purchases not for resale, 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.

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.

The Group's initiatives made it possible to map the purchasing risks and rank them by criticality, thereby revealing the product categories whose content presented the highest risk profiles, according to the 12 identified risks. These included:

- private-label apparel made in countries at risk, most notably Bangladesh;
- private-label food products containing palm oil, an ingredient found in some of the Group's own-brand items;
- products sourced from cattle ranches and sold in our stores in Brazil. In 2018, GPA performed a supplementary review with the support of a consultancy, which confirmed the Group's risk map while identifying specific risks related to products sold in Brazil.

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.

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).

Continuous risk analysis and updating the supplier risk map

In 2020, the CSR department initiated an updated review of NGO reports on food and non-food compounds and raw materials that may be present in products carried on Group shelves, in a commitment to identifying any new or emerging risks. The risk weighting of each compound is currently being diligently analysed by the Purchasing department using its proprietary "Responsible Together" application.

Casino Group remains constantly alert to identifying and preventing the serious risks of human rights violations or damage to the environment faced by the retail industry. As part of this commitment, it carefully tracks reports from local and international NGOs concerning retailing industry suppliers, the responses submitted by these suppliers, and any significant events reported by recognized media. This information is factored into the assessments of potential risk arising from direct suppliers.

In 2020, several significant retail industry events were analysed to identify serious new risks of human rights violations or environmental damage involving direct suppliers, including:

- Amnesty International's allegations that a leading Brazilian beef supplier may have committed human rights abuses;
- claims by several NGOs and other organisations that Brazilian cattle ranches working for three major national brand agri-foods suppliers were allegedly complicit in stripping local forests.

These events and allegations prompted Casino Group to address the related risks and to strengthen existing measures as necessary.

Mapping subsidiary risks

Risks in the subsidiaries were mapped in 2018 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 assessment identified the following major risks:

- discrimination and harassment in three Group subsidiaries, where it was decided to strengthen existing prevention systems. The risk is now considered low in light of the monitoring initiatives put in place. The preventive measures will remain in effect throughout the Group and its subsidiaries;
- 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.

Continuous risk analysis and updating the subsidiary risk map

In the same way as for supplier risks, the Group tracks retail industry reports and significant events to measure the potential risk arising from its subsidiaries. In 2020, several retail industry events were analysed to identify emerging risks of seriously abusing human rights or fundamental freedoms, endangering people's health and safety or causing environmental damage. These included:

- the Covid-19 pandemic: Casino Group, through its subsidiaries in France and South America and its suppliers, was directly impacted by this crisis, which posed a potential risk to the health and safety of its employees. Throughout the year, the Group's over-riding priority was to safeguard employees and customers, based on prevailing scientific knowledge, WHO recommendations, and government guidelines;
- the death of a customer at the hands of a security guard in a competitor's store in Brazil underscored the risk of serious human rights violations and discrimination. In addition, several high-profile cases of discrimination and racism based on skin colour were reported in the retail and hospitality sector in Brazil and many other countries during the year.

These events led Casino Group to address the related risks and to strengthen existing measures as necessary.

Alert and report compilation mechanisms

After consultations with employee representatives, Casino Group simultaneously set up two alert mechanisms, one for reporting Sapin II Act violations and the other for reporting and compiling accusations of alleged or actual risk of causing the serious violations, harm or damage described in French law No. 2017-399 of 27 March 2017.

The second mechanism is open to any employee, or any other person, who wishes to report, anonymously and in any language, possible infringements of the above-mentioned law, simply by writing to contact75vgl@deontologue.com. The address may also be accessed on the Commitments/Produce better page of the Group's corporate website (www.groupe-casino.fr).

Reports are received and processed by the Group Compliance Officer. Anonymised reports are also discussed during Duty of Care Committee meetings.

In responding to alerts and reports, the Compliance Officer is expected to consistently demonstrate independence, objectivity and impartiality. He/she must keep all such reports strictly confidential and inform anyone involved in the investigation and verification procedures initiated following an alert that such confidentiality extends to them as well.

The Group Compliance Officer must take care that the identity of the whistle-blower remains confidential at all times.

Strict confidentiality is also ensured via the following procedures:

- a secure email address is used;
- a special electronic file is created on a secure server protected by a regularly changed password.

Casino Group has deployed a full range of systems and procedures to protect the whistle-blower's personal data.

In 2020, twenty messages were received at the above address. None of them concerned a breach of French duty of care legislation.

This system, 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).

Alert mechanisms and processes have also been deployed in the local operations. In South America, for example, whistle-blowing channels are in place at GPA in Brazil and Éxito in Colombia, which can be accessed by both employees and third parties. All of these alerts are treated confidentially, with procedures to protect the whistleblower's identity.

In Brazil, the line is open from Monday to Saturday from 8:00 am to 8:00 pm local time:

- GPA: 08000 55 57 11 – ouvidoria@gpabr.com
- GPA Malls: 08000 55 57 11 – ouvidoria@gpamalls.com
- Multivarejo: 08000 55 57 11 – ouvidoria@multivarejogpa.com.br
- Compre Bem: 08000 777 3377 – ouvidoria@comprebem.com.br
- Assaí: 08000 777 3377 – ouvidoria@Assaí.com.br

In Colombia, employees can access three reporting channels, managed by an independent outside company:

- Telephone hotline: 018000-522526
- Email: etica@grupo-exito.com
- Online form: https://lineatransparencia.com/exito/reportesembedded?form#/

These channels are also accessible on www.gpabr.com/pt/ouvidoria and www.grupoexito.com.co.

3.5.3.4.2. Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent Group business activities from causing any serious violations, harm or damage, and implementation outcomes

Through its CSR policy, Casino Group has for many years been implementing the prevention plans and risk mitigation programmes mandated by the French duty of care law. These plans and programmes are presented in Chapter 3 of this Universal Registration Document ("Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)").

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 2020 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).

- ***(i) Harassment risk***

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. In France, anti-sexual harassment "watchdogs" have been appointed. They have a dedicated email address at which employees who are victims or witnesses of sexual harassment can alert them. These correspondents were trained in 2020, some through a e-learning course, and others face-to-face. 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.

- ***(ii) Risk of non-compliance with supplier approval procedures***

In the questionnaire used for the 2018 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 (SCOP) Manual. Analysis of the questionnaires highlighted the need to strengthen procedures 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 and marketing agreements, and (ii) by expanding 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 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 unit in France, to ensure that the Group's social and environmental supplier compliance programme is properly distributed and understood.

- ***(iii) Employee Health and Safety risk in view of the Covid-19 pandemic***

To prevent the risk of serious harm to the health and safety of employees in view of the Covid-19 pandemic, Casino Group and its banners implemented an evolving action plan to protect their employees and customers in 2020. Implemented by each Human Resources department, the plan was based primarily on government recommendations and applicable measures, as well as the recommendations of the World Health Organization.

Casino Group's banners and entities played a pivotal role in ensuring the continuity of the supply chain and the supply of food to all people, as well as in protecting employees and customers in the face of a pandemic whose modes of transmission and severity were unknown.

The Group's actions consisted in particular in:

- providing employees with masks, gloves and hand sanitiser;
- promoting and enforcing the adoption of protective measures;
- putting up signs to enforce social distancing in stores;
- installing plexiglass partitions to protect cashiers;
- implementing telecommuting on a large scale for staff at administrative sites.

Depending on local recommendations and the period of the pandemic, other measures were implemented, including:

- taking the temperature of staff and implementing rapid tests in some stores in Brazil;
- limiting the number of customers in stores;
- cleaning of the store or relevant areas if an employee tested positive for Covid-19.

Each Human Resources department now routinely monitors the number of employees testing positive for Covid-19 in order to verify the effectiveness of measures, without forgetting that contamination may occur at other times and places.

- ***(iv) Risk of human rights violations related to store security in Brazil***

A specific questionnaire has been drawn up by the Group's CSR department to provide a more precise analysis of the risk of human rights violations by its security service providers. It enables each subsidiary to conduct a self-assessment, to obtain a diagnosis of its exposure to the risks generated by the use of security service providers and to implement appropriate corrective action plans.

The questionnaire is based on recommendations contained in international references in terms of private security, namely the:

- International Code of Conduct for Private Security Service Providers (ICoC);

- Sarajevo Client Guidelines for the Procurement of Private Security Companies (SEESAC, 2006);
- Voluntary Principles on Security and Human Rights: Implementation Guidance Tools (ICMM, ICRC, IFC, IPIECA: 2011).

The questionnaire, consisting of 61 questions, evaluates procedures concerning:

1. Risk and impact assessment
2. Calls for tender
3. Contracts
4. Work standards
5. Background checks
6. Training
7. Security equipment and use of force
8. Control and accountability
9. Human rights violations
10. Relations between public and private security

Rolled out as a priority in Brazil and Colombia, the analysis of the responses to the questionnaire identified areas for improvement.

In addition, to address the growing risk of the use of force by security guards and store personnel to combat theft in stores in Brazil (see paragraph on the updating of supplier risk mapping in 2020), GPA has adopted an action plan for these personnel, which was presented to the GPA Governance and CSR Committee in 2020. It consists of:

- reviewing the procedures and guidelines for people in charge of tracking thefts in stores, and the alert system in case of customer complaints;
- re-evaluating the procedure for selecting security companies, including ensuring that officers are registered with the federal police;
- organising an annual workshop with all security companies and online training in procedures for cashiers, managers and other staff, as well as training to combat unconscious stereotypes and respect human rights;
- carrying out several initiatives to raise employee awareness, such as the introduction of diversity ambassadors in shops and the promotion of good practices to ensure the safety of everyone in a benevolent manner.

GPA monitors the number of alerts and complaints.

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 products made in countries at risk***

Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage

Casino Group has had risk prevention and mitigation plans in place for several years within its supply chain, notably among private-label suppliers, and particularly apparel. 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 2020, the Group's CSR department took part in the meetings organised by 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 as well as 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, such as 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 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 a further full 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 prevention measures described above were deployed in 2018, 2019 and 2020. The name and location of each private-label production facility are 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.

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 39 that were home to plants working for the Group in 2020. 94% of the private-label production facilities are located in 10 countries.

More than 90% of the buyers concerned were trained over the 2018-2020 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	2020
Number of active plants* based in countries at risk and producing private-label products for the Group	**1,578**	**1,510**	**1,566**	**1,289**
of which in China	1,009	946	957	773
of which in India	150	174	189	164
of which in Turkey	77	64	67	55
of which in Bangladesh	35	44	57	52
of which in other countries at risk	307	282	296	245
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**	**1,188**
of which directly commissioned by the Group	885	1,042	837	895
of which converted from an eligible BSCI audit	11	39	53	81
of which commissioned by another ICS member	360	418	236	212
of which initial audits	62%	52%	47%	58%
of which follow-up audits	16%	21%	18%	8%
of which re-audits	22%	27%	35%	34%
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%	32%
Apparel	41%	46%	42%	36%
Other non-food	39%	32%	37%	32%
Breakdown by country of plants audited by the Group in countries at risk				
China	61%	59%	63%	58%
India	14%	11%	12%	13%
Turkey	5%	5%	3%	4%
Bangladesh	7%	5%	6%	6%
Other high-risk countries	13%	20%	16%	19%

* *Active plants work either for Group suppliers, agents or importers or else for Casino Global Sourcing, the Group sourcing subsidiary.*

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	2020
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**	**111**
% of alerts notified during plant audits in China	61%	61%	52%
% of alerts notified during plant audits in India	11%	14%	8%
% of alerts notified during plant audits in Turkey	4%	1%	10%
% of alerts notified during plant audits in Bangladesh	2%	5%	7%
% of alerts notified during plant audits in another country at risk	22%	19%	23%

* *An alert notification is raised when an audit finds potentially very critical non-compliances, 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	2020
Management system	17%	16%	16%
Child labour	2%	3%	1%
Forced labour	1%	2%	2%
Discrimination and disciplinary practices	6%	4%	5%
Working hours and overtime	3%	4%	6%
Remuneration, benefits and working conditions	35%	35%	30%
Health and safety	36%	36%	40%

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.

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. 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 1,289 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	2020
Acceptable*	61%	68%	63%	65%
Acceptable with issues (level 1)*	17%	20%	31%	30%
Acceptable with issues (level 2)*	18%	10%	5%	5%
Probationary*	4%	2%	1%	0%
Number of plants removed from the supplier list for ethical reasons	40	70	37	24
% of plants removed from the supplier list for ethical reasons	3.2%	4.8%	3.3%	2.0%

* *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 training programmes offered throughout the year by ICS, such as those offered in China and Vietnam on 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 consultants' first on-site assignments were planned for 2020 but had to be postponed until 2021 due to the global pandemic, which complicates the work of external consultants at production sites.

The measures taken in 2019 and 2020 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 2020, the Group CSR department visited several subsidiaries to remind them of the Group's CSR policy and to train their teams.

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 order to ensure that Accord initiatives continue 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 2020, the Group took part in the various meetings organised by the Accord.

All new local 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 2020, 100% of GPA's 58 garment, footwear and accessories plants had been certified by ABVTex.

Apparel tracking indicators

	2017	2018	2019	2020
Number of active garment factories producing private-label apparel for the Group in countries at risk	652	631	662	535
% of active garment factories producing private-label apparel in countries at risk covered by a valid ICS social audit	69%	94%	92%	89%
Bangladesh				
Number of active RMG factories producing private-label apparel for the Group in Bangladesh	31	36	52	50
% of active RMG factories tracked by the Accord on Fire and Building Safety	100%	100%	100%	100%
Number of employees working in RMG factories supplying the Group and tracked by the Accord	N/A	63,828	115,887	132,618
Average compliance rate in the RMG factories supplying the Group and disclosed to the Accord (based on Accord standards)	80%	94%	93%	95%

Specific control measures concerning environmental risks

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 and 2 facilities whose processes pose the highest environmental risk in the manufacture of household linens, denim apparel and leather goods. So far, 21 environmental audits, including 15 commissioned by the Group, have been performed in garment factories using such processes as dyeing, washing and fading. By the end of 2020, 83% of tier 1 or 2 textile mills manufacturing denim products and using wet processes had undergone an environmental audit within the previous two years. In addition, eight environmental audits, five of which were commissioned by the Group, were carried out in television and large electrical appliance factories to assess the environmental risks potentially caused by the production processes of these product families. All of the mills audited as part of this process achieved satisfactory results, significantly above the average results obtained by textile mills using water-based manufacturing processes.

In order to support its plants in improving their environmental practices, the Group has encouraged them to take part in the 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.

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, 12 ICS social audits were performed in factories located in countries where sourcing is allowed without tighter controls. These audits 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.

Regarding the risks associated with Covid-19 for employees at production sites

In view of the pandemic-related risks for employees at production sites, Casino Group initiated the implementation of a specific questionnaire within the framework of the ICS in order to question plants on the respect of measures to protect employees from the risk of Covid-19 contamination in their workplace. For several weeks, auditors were unable to visit plants to monitor working conditions. The implementation of this questionnaire, sent to around 3,400 plants listed in the ICS database, had the dual prevention objective of reminding people of the measures to be observed and their importance, but also of facilitating self-assessment checks. The plants surveyed were asked to answer the questionnaire's 50 questions, broken down into 8 chapters, but also to provide visual or documentary evidence of the measures implemented on their production sites.

Casino Group sent the questionnaire to 689 plants in the countries most affected by the pandemic, and 289 of them shared the results of their self-assessments with the Group. That represents a response rate of 42%, nine points above the average response rate obtained by ICS members. The Group also benefited from the sharing of 61 additional self-assessments commissioned by other ICS members in some of its plants. Overall, the self-assessments showed that the plants had grasped the importance of implementing protective measures to limit the spread of Covid-19 and preserve the health of their employees. The physical separation of workspaces and the provision of Personal Protective Equipment (mainly masks) were among the measures most routinely applied by the responding plants.

In addition to these questionnaires, the ICS sought to set up a pilot project consisting of remote surveys of more than 21,000 employees in 159 plants, carried out directly on mobile phones (via voice calls, mobile apps or websites) using technology developed by two service providers. Given the difficulties in sending auditors to some plants at the height of the pandemic, these surveys chiefly served to ask employees directly about their working conditions and the health measures their employers had implemented to limit the spread of Covid-19, through 20 questions.

A total of 2,384 employees from 18 plants selected by Casino Group responded to the surveys as part of the pilot. The findings generally confirmed the lessons learned from the self-assessments completed by plants, namely that measures to control the spread of Covid-19 were indeed being implemented in the production sites surveyed.

- ***(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

Several private-label products contain palm oil as an ingredient, which raises risks of deforestation, particularly in Indonesia and Malaysia, and of soil erosion, water pollution, the impact of single-species farming on biodiversity, and poor working conditions on palm oil plantations (risk of child labour, forced labour and workplace health and safety).

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[1] and carbon-rich forests, and whose methods support the development of small producers and respect local communities and workers' rights.

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. The absence of forced labour and child labour are among the items checked by external auditors during the RSPO certification audit of a plantation.

Also, in addition to the RSPO, suppliers were informed of the Group's palm oil policy by letter from 2015 on, and working seminars have been organised in Brazil to raise their awareness of the policy. The Group asks its suppliers to trace the palm oil used in its private-label products by identifying and declaring the refiner or initial marketer, in order to 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. The POTC conducts an assessment of refiners' policies and actions with regard to their zero deforestation commitments, which allows us to assess the level of risk and engage in constructive dialogue with our suppliers to encourage the refiners from which they purchase palm oil to tighten their controls and improve their supply chain.

Implementation outcomes

In France, the Group calculates the palm oil footprint of its private-label food and non-food products and gathers information such as names and addresses to trace the palm oil content back to the initial importer and/or refiner. The method consists in 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.

Furthermore, 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.

Since 2019, this analysis has been carried out by the Palm Oil Transparency Coalition (POTC) as part of collective action with other retailers committed to the same approach. The POTC sends annual assessment questionnaires to palm oil importers to get a precise picture of their level of commitment to sustainable palm oil. The findings are shared in the form of a report with all POTC members. Casino Group informs its own direct suppliers of the findings so that they can take them into account in their purchasing policies. The report is also available on the POTC website.

In France, 100% of the palm oil used in private-label food and non-food products comes from Asia and is RSPO certified, and 90% to the "Segregated" or "Identity preserved" level, carrying the highest guarantees.

In South America, GPA and Éxito favour palm oil of local origin, both to promote local consumption and to reduce the social and environmental risks linked to palm oil cultivation. This reduces the risk of deforestation compared with the palm oil used in France, which is sourced from Asia. In Colombia, Grupo Éxito is supporting Tropical Forest Alliance (TFA) 2030, a multi-stakeholder initiative, whose objective is to reduce tropical deforestation related to palm oil, soy and cattle breeding. Éxito also signed the TFA's Palm Oil National Agreement, which supports joint stakeholder efforts to eliminate deforestation in the palm oil supply chain. Éxito favours Colombian RSPO palm oil for cooking. In Brazil, GPA has published a purchasing policy for palm oil products, with which suppliers must comply to supply its private labels. The policy reiterates their obligation to know the origin of the palm oil and whether it is locally sourced or imported. If the palm oil is imported, it must be RSPO certified. In addition, it must identify the country of origin and trace the palm oil back to the importer. This policy is available on the GPA website: http://www.gpari.com.br/wp-content/uploads/sites/108/2020/12/Social-and-Environmental-Policy-for-Purchasing-Palm-Oil-Products.pdf

- ***(iii) Beef suppliers in Brazil***

Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage

Private-label beef accounts for about 15% of all the beef sold by GPA.

The remainder is sold under national brands or on fresh-food counters, by major Brazilian agri-food companies. GPA does not buy directly from ranches.

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 suppliers 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). This finding was confirmed during the risk mapping exercise performed in compliance with the duty of care law.

(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.*

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 are not from ranches practising illegal deforestation, involved in forced labour or any illegal encroachment on indigenous lands.

Initially applied to purchases by Multivarejo, the policy has been extended to the Assaí banner, the first cash-and-carry retailer in Brazil to take a stand on this issue.

There are two principles behind GPA's beef sourcing policy, implemented to attenuate the risks of deforestation and human rights abuses across the supply chain:

(i) **Traceability and transparency**: all GPA beef suppliers are required to declare information on the slaughterhouses (rank 1) and ranches (rank 2) they work with, and register this information in the GPA traceability system;

(ii) **Geo-monitoring**: GPA is not in direct contact with the ranches. Suppliers use a satellite geo-monitoring system to verify that these ranches meet the zero-deforestation policy criteria, as listed below. If this verification process finds non-compliance, then the ranch in question is blacklisted and not allowed to sell products through GPA.

The policy is based on the social and environmental criteria specified in 2009 for cattle sourcing throughout the Brazilian territory.

Specifically, suppliers are required not to proceed with sourcing from any ranch that:

1. encroaches on indigenous land;
2. encroaches on conservation areas;
3. has been implicated for practices resembling forced labour or child labour;
4. has been embargoed by the Ministry of the Environment because of an environmental offence.

   With regard to ranches in the Amazon region, Brazilian suppliers are also required to refrain from sourcing from any ranch that:

5. has been involved in deforestation after August 2008/October 2009, as set out in the GPA policy;
6. does not have a CAR rural identification number or environmental licence if applicable.

To implement its policy, GPA has:

- mapped the various links in the supply chain to identify the different types of industry suppliers;
- rolled-out dedicated action plans to address the risks identified in each indirect supply chain;
- trained suppliers so that they can deploy, in their own operations, the solutions needed to verify that ranches comply with the defined purchasing criteria;
- provided suppliers with a manual presenting GPA policies and procedures;
- identified the exact coordinates of the ranches that directly deliver cattle to GPA suppliers;
- collaborated with market stakeholders, public organisations and NGOs combating deforestation to converge best practices and work on developing systemic solutions.

Suppliers not subscribing to GPA's responsible beef sourcing policy had their contracts suspended pending proof of compliance and effective policy implementation.

Implementation outcomes in 2019

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 the GPA policy. Since the policy launch in 2016, GPA has blacklisted 23 suppliers that refused to abide by the policy or run the action plan;
- a total of 19 slaughterhouses (100%) 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 (2019);
- 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.

2020 update for GPA's beef purchasing policy

Aware of the growing risk of deforestation in Brazil, and intent on further improving the efficacy of its policy, in 2019 and 2020 GPA took part in joint work by the Imaflora NGO, the Brazilian Federal Prosecution Service and other civil society organizations on the Beefontrack.org project, supported by GPA[1].

On this platform, an industry-wide protocol on control of cattle farming in Brazil was drawn up and approved by the Federal Prosecution Service on 12 May 2020, which came into force on 1 July 2020[2]. The protocol was included in the update to GPA's Social and Environmental Beef Purchasing Policy, drawn up with input from a 2018-2019 diagnostic by Proforest, an NGO specialising in responsible procurement of natural resources[3]. This update to the 2016 policy was submitted to the GPA Governance and Social Responsibility Committee on 29 July 2020 and published on 5 September 2020.

(1) *https://www.beefontrack.org/who-is-who.*
(2) *https://61b37262-1c70-4b1c-9bd4-d52a78d31afb.filesusr.com/ugd/c73ac5_1f727af24f4e4f2a8806e00ed7bccb3d.pdf.*
(3) *https://proforest.net/en.*

In line with the Imaflora protocol, the updated GPA policy specifies the control criteria that supplier ranches are required to meet. It applies to all GPA beef suppliers as from 5 September 2020. It explicitly states that compliance is *"mandatory for all beef suppliers, and a prerequisite for supplying goods to GPA and for the continuation of long-term relationships with GPA business units. GPA may discontinue business relationships with any supplier failing to apply these guidelines or to take any corrective measures required*[(1)].

GPA thus requires its direct suppliers to:

- take up its new policy (point 5.2.1 in the GPA policy);
- comply with the GPA Code of Ethics (point 5.2.2 in the GPA policy);
- implement the Imaflora beef sourcing protocol in the Amazon region, to inspect the ranches they work with (point 5.2.3 in the GPA policy): *"Suppliers having one or more meat packaging facilities in the Amazonian biome or sourcing cattle from the Amazonian biome are required to apply the protocols of the Beef On Track project* […]" and guarantee that the ranches they work with meet the 12 criteria specified in the sourcing process. GPA also requires that these suppliers take up a non-deforestation commitment in the Amazonian biome, in line with the GPA policy. GPA gives good-practice recognition to the signing of an environmental conduct adjustment agreement with the Federal Prosecution Service in the Brazilian states where the facilities are located[(2)]. Under the Imaflora protocol, suppliers are required to audit the Brazilian cattle ranches (rank 2 in the GPA supply chain) according to the 12 socio-environmental criteria on points including illegal deforestation, environmental embargoes, indigenous land and forced labour. With regard to the Amazonian biome in particular, suppliers are also required to refuse any cattle coming from ranches involved in deforestation after the cut-off date of October 2009 specified by the protocol;
- indicate direct origin and beef shipment data in the GPA traceability system (point 5.2.4 in the GPA policy);
- subscribe to a geo-monitoring system for ensuring that all cattle purchased complies with the socio-environmental criteria (point 5.2.5 in GPA policy). Suppliers are required to refuse all cattle from any ranch found not to comply.

Under its new policy, GPA:

- audits its suppliers to ensure they comply with its policy, by cross-checking the data reported by suppliers on the ranches they work with using satellite geo-monitoring systems different from that used by most suppliers[(3)];
- continues to train its internal teams and support its suppliers. All GPA group employees involved in the beef sourcing process are trained accordingly. For each new supplier, GPA provides and runs training to ensure effective take-up of GPA guidelines.

All potential suppliers are required to comply fully with the policy before they can begin or continue supplying GPA. Suppliers that refuse to meet these implementation or audit requirements are blacklisted and not allowed to supply any GPA group business entity. Suppliers off-listed for non-compliance with policy then wishing to re-apply for inclusion must provide full proof of compliance. Meat suppliers that have blacklisted ranches for non-compliance are encouraged to give clear explanations for the removal along with advice on the adaptations needed for meeting the reinstatement requirements[(4)].

Given the difficulties suppliers have in the large-scale monitoring of indirect supplier ranches (rank 3 in the supply chain), and the illegal "cattle laundering" practices used by certain ranch owners, GPA supports and participates in the development of sustainable rank-3 monitoring solutions operable at wide scale and shared by all players. Specifically, it is a member of the Indirect Supplier Working Group (GTFI), alongside organizations such as the National Wildlife Federation (NWF), Earthworm and Amigos da Terra, and takes part in pilot projects with suppliers to improve the monitoring of indirect supplier ranches and thereby the sustainability of beef production[(5)]. GPA supports and is directly involved in the VISIPEC project[(6)] (www.visipec.com/), which involves working back through the supply chain to indirect supplier ranches where applicable, and strengthening the monitoring process accordingly. This system enables GPA suppliers to monitor indirect supplier ranches by cross-checking CAR land registry information with GTA documentation on transport from departure to arrival ranches. GPA is the first retailer to be involved in this project, currently at the experimentation phase with the National Wildlife Federation.

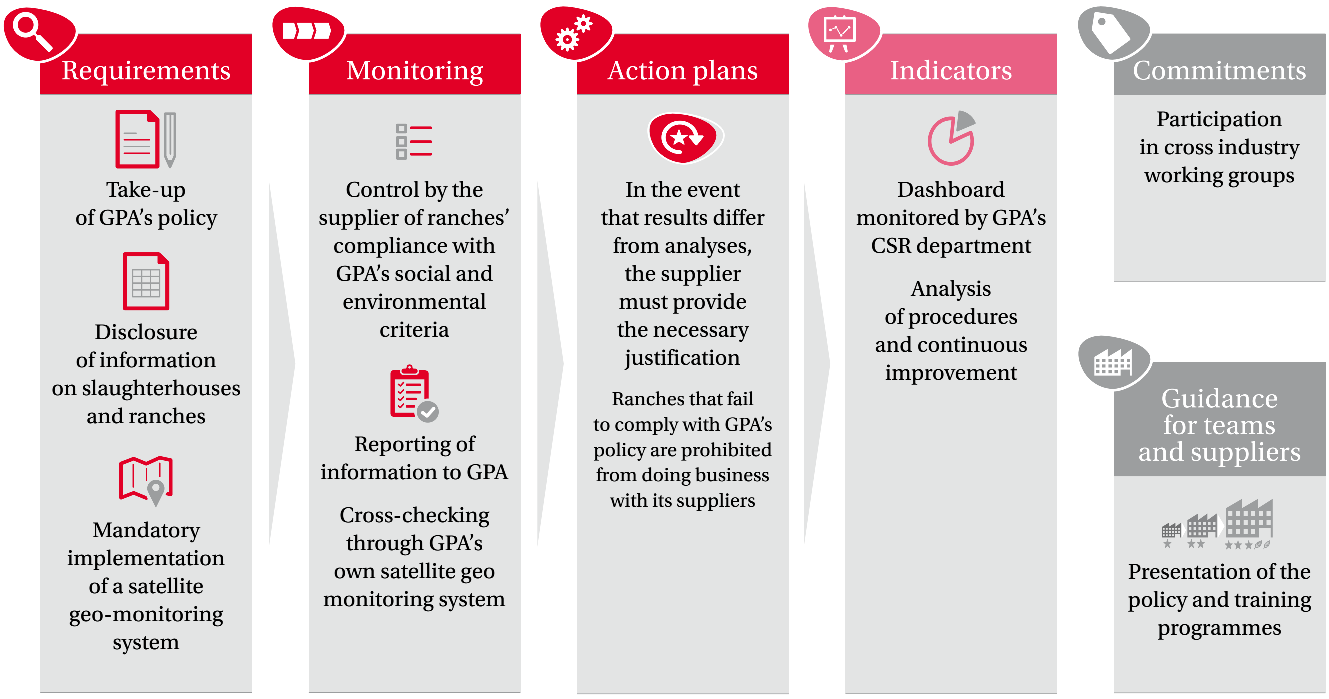
Full information of the GPA policy is available here: https://www.gpabr.com/en/sustainability/transforming-the-value-chain/.

(1) https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf (page 3 of the PDF).
(2) https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf (page 29 of the PDF).
(3) https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf (pages 20 and 21 of the PDF).
(4) https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf (page 19 of the PDF).
(5) https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf (page 35 and 36 of the PDF).
(6) https://www.visipec.com/.

Given the scale of the challenges at hand, Casino Group, along with most stakeholders in Brazil, considers that effective action requires shared rules determined through constructive debate among all concerned, from suppliers and retailers through to civil society in general. For this reason, GPA supports initiatives on improving monitoring of the cattle supply chain in Brazil, and takes part in:

- the Indirect Supplier Working Group (GTFI), a platform for examining the challenges set by the indirect cattle farming chain;
- the annual process to monitor enforcement of the commitments of the National Pact to Eradicate Slave Labour (InPACTO), which GPA has upheld since 2005;
- the Brazilian Roundtable on Sustainable Livestock (GTPS) on sustainable cattle farming;
- the G6 working group formed by the main beef retailers and suppliers to improve control over the supply chain;
- the Brazilian Coalition on Climate, Forests and Agriculture, a multi-sector movement to promote a new economic development model based on zero-carbon principles.

Control policy for GPA's beef suppliers



Implementation outcomes in 2020

In 2020, the new policy was issued to all GPA suppliers, and 38 of these signed up. Each supplier checks ranch compliance with regard to the 12 criteria of the Imaflora protocol. 100% of direct supplier ranches are monitored for compliance using a satellite geo-monitoring system.

To ensure proper application of ranch monitoring procedures by its direct suppliers, GPA cross-checks the information received on ranches declared as compliant, using a geo-monitoring system different from that used by most suppliers. Suppliers are required to explain any differences between the GPA analysis and their own. If the GPA analysis is confirmed, then the ranch is blacklisted.

GPA has also:

- systematically questioned the suppliers identified in NGO reports in 2020, analysed the ranches concerned, and examined their responses with a view to taking whatever measures are deemed necessary;
- taken part in multi-stakeholder initiatives addressing the social and environmental issues posed by cattle farming in Brazil, to support the rollout of collaborative solutions, which Casino Group and GPA consider the most effective, given the complexity of the issues and the number of stakeholders. Casino Group co-chairs the working group on cattle farming set up by the Forest Positive Coalition of the Consumer Goods Forum, which seeks to mobilise all purchasers of meat in Brazil on collective improvements to systems and operations on oversight of Brazilian beef producers. As mentioned above, GPA teams took part in Imaflora's work on the Beef On Track project, GTFI, GTPS and the VISIPEC project;
- audited ten of its private-label (*Rubia Gallega*) direct suppliers' slaughterhouses according to the ICS social audit standard, to verify working conditions.

Monitoring indicators

Percentage of fresh and frozen beef sold under national brands and private labels in GPA stores in Brazil	
% national brands	85%
% private labels	15%
Number of beef suppliers in Brazil at 31 December 2020	**38**
Number of national-brand suppliers	**38**
Number of private-label suppliers	**2***
Indicators on beef suppliers with slaughterhouses buying directly from ranches	
% of suppliers subscribing to new policy	100%
% of suppliers using satellite geo-monitoring system	100%
Number of declared ranches supplying GPA direct suppliers	17,740
% of these ranches analysed and monitored by the satellite geo-monitoring system	100%
% of these ranches analysed and monitored by the satellite geo-monitoring system, followed by supplier cross-checks using the GPA geo-monitoring system	100%

** These two suppliers are also national-brand suppliers.*

Actions taken by Éxito in Colombia are detailed in the section Combat deforestation caused by the production of commodities (page 234).

Note on the claim by an NGO collective under duty of care legislation

In 2020, NGOs reported that Brazilian ranches working for major Brazilian beef companies might be implicated in deforestation in Brazil. Though Casino Group's Brazilian subsidiary, GPA, was not incriminated by representatives of Brazilian indigenous communities or communities on the land farmed by these major supplier ranches, in June 2020, a French organisation published a report claiming "double standards" practised by Casino Group. Casino Group issued a detailed response addressing the many inaccuracies, incorrect extrapolations and errors contained in this report. In September 2020, Casino Group received formal notice on the claim by this organisation and a collective of other NGOs that the Group's duty of care plan failed to comply with the French duty of care law of 27 March 2017.

Casino Group refuted this accusation, and provided a detailed response to this formal notice.

Compliant with the provisions of this legislation, Casino Group publishes and implements the duty of care plan as outlined in this document, as from entry in force of the legislation in question.

Casino Group continues to engage in constructive dialogue with Brazilian organisations involved in the fight against deforestation.

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 2019 rated its performance as Tier 3 (of six tiers), among the leading French retailers on this issue.

Consumer awareness plays a critical role in improving the treatment of farm animals. To inform shoppers about the animal welfare aspects of the products they buy, the Group has developed a labelling system in collaboration with three recognised animal rights organisations. The aim is to contribute to the development of 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. An e-learning module to raise awareness on animal welfare issues was released in 2020.

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 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, 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 (in 2019) and Franprix (2020) received Good Chicken Awards from CIWF for their 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 line with its commitment, since January 2020, none of the eggs sold in the stores in France have come from caged hens.

- 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. In 2020, 26% of private-label egg products contained eggs from cage-free hens. 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 South America in 2017, Group subsidiary GPA launched a line of eggs from cage-free hens that has extended its organic and free-range egg products. 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 2020, more than 30% of its private-label chicken eggs were from cage-free hens. GPA also extended its commitment with the announcement that it would be discontinuing sale of national-brand eggs from caged hens at its Extra and Pão de Açucar outlets by 2028. Specific identity and information material were brought in at Multivarejo stores to inform consumers on different egg categories. In Colombia, all private-label eggs sold by Grupo Éxito are from cage-free hens. Since 2019, Grupo Éxito has been working with the Colombian National Poultry Farming Federation (FENAVI) on developing a sustainability compliance label. Once this standard has been approved by the stakeholders concerned, Grupo Éxito has committed to applying it across 100% of its suppliers.

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, that feed is GMO-free (<0.9%), and that farming conditions meet specific criteria on animal welfare. 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 won the CIWF Good Dairy Commendation for its commitment to maximally virtuous dairy cattle farming by the end of 2024. The criteria here include access to free grazing for at least 150 days per year, the absence of contention, and the monitoring of farmed animal welfare indicators.
- The Casino Bio, Monoprix Bio and Franprix 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, and:

- signed up to 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 and Franprix banners are committed to 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. In 2020, Terre & Saveurs brand chickens were all rated "Good" or "Superior" in terms of animal welfare. This label was rolled out to Casino Bio products in 2020 and on chickens under the Monoprix Bio Origines brand;

- offers a range of chickens farmed organically under better animal welfare conditions;
- is extending its commitments, as with Monoprix's October 2018 decision to discontinue sale of fast-growing broilers under its private label, with stores now carrying only medium- or slow-growing breeds. In addition, all of the rotisserie chickens comply with 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.

- ***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 slaughtering. These preliminary audits have been carried out by veterinarians since 2015. More than 70 slaughterhouse inspection points are examined. 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. The label appeared on Casino Terre & Saveurs and Casino Bio products in 2020, and is currently being rolled out across Monoprix Bio Origines products. Additional details about the programme may be found at www.etiquettebienetreanimal.fr.

Since 2020, Casino Group has been taking part in the work of the French association for animal welfare labelling (AEBEA) on developing animal welfare labelling for pork products.

3.5.4. Casino Group, actively committed to protecting the environment and climate

3.5.4.1. Environmental policy

Commitment

Casino Group has set up a group environmental policy addressing the risks, challenges and opportunities identified as relating to its operations in France and abroad.

In view of the direct and indirect impacts identified, Casino Group's environmental policy takes three focuses:

(i) low-carbon strategy, to reduce the Group's greenhouse gas emissions and combat climate change (see section 3.5.4.2);

(ii) preservation and conservation of resources, to support the circular economy and the fight against food waste;

(iii) 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;
- the Science Based Target Initiative, for which Casino Group has joined the We Mean Business coalition;
- the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), for which Casino Group became a "TCFD supporter" on February 2021;
- National regulations such as the 2030-2050 roadmap from the French Agency for Environment and Energy Management (ADEME);
- the recommendations of the Consumer Goods Forum, and national commitments to which it is signatory, such as the following in France:
  - the Act4Nature "Business for Biodiversity" manifesto,
  - 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 in 2020,
  - France's National Pact on Plastic Packaging,
  - the National Pact on Sell-by Dates, to combat food waste,
  - the French Business Climate Pledge.

In South America, through its Grupo Éxito subsidiary, the Cerrado Manifesto Statement of Support and the TFA 2030 initiative to counter deforestation.

The Group's environmental policy is accessible on its corporate website (www.groupe-casino.fr/en) – under "Commitments" – "Preserve".

Task Force on Climate-related Financial Disclosures (TCFD)

Casino Group is committed to following the TCFD recommendations in the following fields:

(i) Governance: challenges, risks and opportunities with regard to climate change are notified to the Board's Governance and CSR Committee. Details on this are given in section 5.5.2, page 336 onwards.

(ii) Strategy: the Group has outlined risks and opportunities at short-, medium-, and long-term timeframes, and the degree of impact on the company.

(iii) Risk management: the process for identifying and assessing climate-related risks is detailed in section 3.2.2. This is integrated in the company's global risk management system;

(iv) Indicators and objectives: the Group publishes monitoring indicators, such as Scope 1, Scope 2 and Scope 3 emissions, and consumption of resources and materials (energy, water, waste). Details on this are given in section 3.6. A performance table appears on pages 237 and 238.

Organisation

The Group's environment and climate policy is organised and led by the CSR department, which is responsible for coordinating environmental priorities, sharing best practices and monitoring action plans. The Group CSR department liaises with the Group Risks and Compliance department on management of environment and climate risks, and with subsidiaries' CSR Committees. It also reports on these challenges to the Governance and CSR Committee (see section 5.5.2, pages 336 to 338).

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 and climate priorities;
- deploying an environmental management system supported by the environmental indicators needed to manage the action plans for the defined priorities. Each business unit undergoes an annual review by the CSR department.

3.5.4.2. The low-carbon strategy to fight against climate change

Commitment

As signatory to the Science Based Target initiative, Casino Group takes up the following commitments in line with international objectives:

- 18% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2025 compared with 2015;
- 10% reduction in Scope 3 emissions from 2018 to 2025 in the categories "product and service purchases" and "use of products sold", which account for more than 65% of indirect emissions.

The Group's low-carbon scenarios were submitted and approved in line with the Science Based Targets in 2019, including for Scope 3 emissions.

Each business unit sets reduction objectives consistent with Group targets.

In 2020,

- Grupo Éxito committed to a 35% reduction in Scope 1, Scope 2 and goods transport emissions by 2023;
- GPA committed to a 30% reduction in Scope 1 and Scope 2 emissions by 2025;
- Monoprix committed to a 50% reduction in Scope 1 and Scope 2 emissions by 2030, on the way to carbon neutrality by 2040.

The main sources of the Group's greenhouse gas emissions are:

- direct fugitive emissions from refrigeration systems (85% 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).

Casino Group is attentive to the impacts of the growth in online shopping and related services. The Cdiscount e-trader has joined the Planet Tech Care collective initiative, whose aims include more precise measurement of the environmental impacts of the digital boom. It is also a signatory to the charter of the *Institut du Numérique Responsable* (Digital Responsibility Institute). A Cdiscount action plan covers aspects such as optimization to lighten the website weight and thereby reduce the number of servers used, shrink the network footprint, and minimise impact on the devices used by customers to access the site.

Action plans

The greenhouse gas reduction targets have been defined in alignment with the below 2°C scenario proposed by the Paris Agreement, with progress being driven in four ways:

- reduce emissions from refrigerated display cases;
- reduce emissions from energy consumption;
- reduce emissions from goods transport, and bring in more sustainable mobility;
- shrink the carbon footprint of store merchandise.

Performance

The Group has measured the carbon footprint of its operations since 2009:

- the Group's Scope 1 emissions, corresponding to direct emissions from combustion and refrigerants, amounted to 1,240,000 tonnes of CO_2 equivalent in 2020;
- its Scope 2 emissions, corresponding to indirect emissions from the consumption of purchased electricity, amounted to 241,000 tonnes of CO_2 equivalent in 2020 (location-based method).

Allowing for consumption of energy guaranteed as renewable, its Scope 2 emissions totalled 222,000 tonnes of CO_2 equivalent in 2020 (market-based method).

These results are in line with Casino Group's SBT commitments for Scope 1 and Scope 2 emissions.

The Group also tracks changes in ratios per square metre of retail space for greenhouse gas emissions from electricity use and refrigeration systems. These intensity ratios are down by 7% on 2019 for emissions from electricity use and by 1.6% for emissions from refrigeration systems.

See Group performance indicators on pages 237 and 238.

An initial measurement of indirect (i.e., Scope 3) emissions arising from the Group's operations was carried out in 2012, with support from a specialist consultancy. Since then, the Group measures all these emissions from internal data and related emission factors. It currently estimates its Scope 3 emissions at around 30 million tonnes of CO_2 equivalent a year. 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%).

3.5.4.2.1. Reducing fugitive emissions of refrigerants

The Group is committed to reducing its fugitive emissions of high global warming potential refrigerants by 18% by 2025, with respect to 2015.

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 refrigerants with low global warming potential and eventually migrate all refrigerated display cases to carbon-neutral systems.

In France, under the European F-gas regulation, and in Brazil and Colombia, the banners are phasing in fluids with lower CO_2 emission levels and global warming potential of less than 1,500, along with hybrid refrigeration systems (at 255 sites in 2020) producing negative cold with climate-neutral natural coolants, and systems running on 100% natural coolants (at 47 sites in 2020).

3.5.4.2.2. Reducing emissions related to energy

Reductions in emissions from energy consumption are sought in four ways:

- through changes in behaviours and usages, to reduce consumption;
- through improved energy efficiency;
- through the use of energy from renewable sources;
- through the production and consumption of energy from renewable sources.

These methods, outlined in section 3.5.4.3.1, guide the Group toward meeting the SBT target for Scope 2 emissions, which predominantly concern energy consumption.

3.5.4.2.3. Reducing transport-related emissions

Casino Group measures the emissions resulting from the transport of its merchandise, and is committed to reducing them.

- ***Upstream and inter-site (warehouse and shops) goods transport***

In 2020, the Group's business units in France took up the FRET 21 programme, on targets for emission reductions and actions for meeting them. This is coordinated by the French Agency for Environment and Energy Management (ADEME) and freight trade organisations, with support from the French Ecological Transition and Transport ministries. Under this programme, Casino's logistics subsidiary committed to a 25% reduction in the carbon footprint of goods transport, emitting 25,080 tonnes less CO_2 eq. by 2022.

Casino Group is committed to the following measures on reducing the emissions generated by the transport of goods from warehouses to stores:

- reducing journey mileages, by optimising delivery schedules and fill rates;
- increasing loads carried per delivery, by using double-deck trailers and increasing the proportion of 40ft units versus 20ft units in the container fleet, and using 3D machines to make custom-fit recyclable packaging at Cdiscount, for space and materials savings;
- 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;
- using rail and waterway transport for import containers. Some 20% of Casino containers are carried to warehouses by barge or rail, and the target for 2022 is 50%;
- modernising the vehicle fleet: with sights set on 100% green transport. Casino Group is committed to having 400 lorries, or around 40% of its proprietary fleet, running on CNG (compressed natural gas), by 2021 in France. Some of these will be running on biogas. Using CNG fuel reduces particulate matter emissions by 85% and greenhouse gas emissions by 60%. Casino's logistics subsidiary, signatory to the FRET21 programme, targets a 25% reduction in transport-related GHG emissions by 2022, through measures that include 90 vehicles running on biogas;
- using biofuels and alternative fuels: Alternative fuels bring a local and ecological solution, with substantial reductions in greenhouse gas and atmospheric pollutant emissions. Monoprix supports the use of biomethane fuel in its CNG lorries, and Casino is developing the use of B100, a natural rapeseed-derived alternative to diesel fuel;
- training in eco-driving.

- ***Goods transport from shops to customers***

Casino Group is committed to reducing the emissions generated by the transport of goods from shops to customers, with an emphasis on home deliveries on foot, by bicycle or electric cargo tricycle. In Paris, for example, all Monoprix outlets deliver using these eco-friendly transport modes.

- ***Customer and employee transport***

Neighbourhood access to the thousands of Casino Group convenience stores makes for minimum use of cars and facilitates home deliveries using eco-friendly transport modes, thereby minimising the impact of shopping transport. Casino Group plans further extensions to its network of convenience stores. 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. For example, Grupo Éxito is committed to having electric vehicle charging stations at all its carparks by 2035. Employees are also offered training employees in eco-driving techniques.

- ***Transport related to online shopping***

With the growth in its e-commerce operations (Monoprix online, Sarenza and Cdiscount chiefly), the Group is developing customer deliveries using 100% electric or biogas vehicles in France.

Cdiscount is developing many innovations for reducing the environmental impact of goods transport and advancing toward carbon-neutral delivery services:

- optimised fill rates: Cdiscount has equipped its warehouses with 3D machines for right-sized product packaging, bringing a 30% reduction in empty parcel space and the materials used. It also uses bulk loading on some package flows. Together, these two measures bring a 30% reduction in the number of lorries required across all package deliveries;
- carbon-neutral home deliveries: With its delivery partners, Cdiscount is developing 100% electric flows (rail plus last-mile electric vehicles). In 2019, Cdiscount assessed its remaining greenhouse gas emissions, after deduction of these flows, and committed to offset them each year by means of environmental sponsorship to finance reforestation projects.

In Colombia, Éxito is also developing electric-vehicle customer deliveries; 26 vehicles came into service in 2020.

3.5.4.2.4. Reducing the emissions in connection with the products sold in stores

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 and especially a better balance between animal and vegetable protein in a store's product offering. Lastly, 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 fruit, 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 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 produce stores, stocked with 2,000 staple foods that are entirely vegetable-based. Casino Group was 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 bulk concepts, offering customers a variety of innovative bulk solutions. In 2020, new concepts for selling products from national brands were tested for use alongside existing systems (for pulses, cereals, etc.);
- 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.

The responsible consumption survey carried out by Casino Group subsidiary RelevanC across a large panel of households faithful to Group banners showed a 6% increase in bulk products with respect to 2019[1].

- ***(ii) Promoting local products***

Working with local producers, the Group's banners are developing and promoting product lines that are local in origin.

One of the Group's objectives is to make local products more visible to its shoppers.

In France, Casino's "CAP" CSR approach reasserted its commitment to promoting local products. In 2011, Casino launched the *Le Meilleur d'Ici* label for local products made within a radius of about 50km around Casino outlets, or 200km for regional products. This highlights products from close to 1,500 local and regional suppliers at Casino stores. Monoprix also carries a range of local products produced within 100km of each store, which represented close to 4,100 grocery, beverage, produce and frozen SKUs in 2020.

In all, more than 27,200 locavore products are on offer in France, sourced from more than 1,900 local producers.

(1) *https://relevanc.com/nov-2020-barometre-consommation-responsable-impact-de-la-crise-liee-au-Covid-19-sur-les-usages-des-francais/*

In South America in 2020, 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 continues its training programme for suppliers, in partnership with EAFIT University, and runs workshops on product reformulation (fats and oils). 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 improving performance across the entire fruit and vegetable supply chain. In Brazil, GPA's *Caras do Brasil* programme promotes sustainable family farming in five regions of Brazil (North, South, South-East, Centre-West and North-East), providing responsible small-scale farmers such as 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 certain 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. Following on from the carbon index label for its private-label products in 2008, it brought in an environmental impact label in 2017, drawing upon a public database and a national standard, plus a lifecycle analysis of carbon emissions and aquatic pollution. In July 2017, Casino provided 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.

The Group also runs campaigns for raising customer and employee awareness on climate issues. The CAP ("*avec Casino Agissons pour le Planète*") CSR operation addressing Casino banners, teams and customers in 2020 explained commitments and prompted a number of initiatives. In France, employees may attend e-learning courses on the environmental impact of their shopping.

Products certified as carbon-neutral are beginning to make an appearance on the shelves at Casino Group outlets. GPA in Brazil brought in *Carne Viva* carbon-neutral products across twenty or so stores in 2020.

- ***(iv) Mobilising suppliers***

Casino Group is committed to a 10% reduction in indirect emissions from 2018 to 2025, an objective in line with SBT and the Paris Agreement. To reach this goal, it set up the Carbon Forum, a group of 30 major suppliers committed to the climate cause.

The Carbon Forum has these main objectives:

- encourage all members to take up SBTs on reducing their carbon emissions;
- track and support progress toward these targets, by sharing best practices;
- run collaborative workshops on climate impact topics.

The Carbon Forum is committed to having SBTs taken up by 50% of its members by 2022.

It met twice in 2020. A dozen or so workshops have been prepared for 2021, on climate metrics and commitment, along with actions on reducing the carbon footprint in energy consumption, transport, sourcing and suppliers' farming practices.

3.5.4.2.5. Adapting to climate change

Casino Group operates a low carbon policy designed to combat and attenuate climate change. In addition, it conducts actions for adapting to climate change, with particular regard to the physical and transition risks identified as liable to impact its operations (see under "Climate change risks", page 174).

The main climate change risk that could potentially impact the Group's operations is the increase in extreme weather events, such as flooding in France (the 100-year flood in Paris), and flooding and droughts in Latin America. Were these types of events to become more frequent, they would not only have direct consequences for the Group's operations (business interruption, loss of assets), 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 by cutting energy consumption and expanding alternative renewable energy sources. GPA now includes a carbon emission reduction target as a factor in managers' variable compensation, and plans to bring in non-hydroelectric renewable energy sourcing, as with the development of photovoltaic installations.

In the event of extreme weather events, the business units all have their own business continuity plans.

3.5.4.3. Preserving and reducing the use of natural resources

3.5.4.3.1. Reducing energy consumption and encouraging the use of renewable energies

■ *Commitment*

Casino Group is committed to reducing its consumption and ensuing pollution in line with the SBT Scope 2 objective of 18% by 2025 (with respect to 2015).

Local objectives are set by the business units accordingly. Grupo Éxito, for example, targets a 20% reduction in energy consumption for 2021 with respect to 2015. In France, a reduction target is included as a factor in managers' variable compensation for 2020.

Reductions are sought in three ways:

(i) through the wide-scale implementation of energy efficiency management systems, shifts in usages, and training in eco-friendly practices;

(ii) by increasing the proportion of renewable energy in overall energy consumption;

(iii) by increasing the production and consumption of energy from renewable sources.

■ *Action plans*

Under a firm commitment on energy challenges, Casino Group set up GreenYellow in 2007, a subsidiary specialising in energy efficiency and production of renewable energies. GreenYellow provides support to the Group's business units in three areas:

(i) Reductions in energy use, 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 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. Energy performance contracts are currently in force at 1,400 Casino Group sites in France and abroad.

In France, energy management at 100% of hypermarkets and 90% of Casino supermarkets, Monoprix stores and administrative sites is certified to the ISO 50001 energy management standard. More than 550 sites were certified in 2020.

In South America, 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.

(ii) Higher proportions of renewable energy in overall consumption, through sourcing from suppliers or markets guaranteeing renewable energy origin.

In Latin America, 83% of Multivarejo's electricity consumption comes from an energy mix based on renewables including biomass, wind and solar energy. The subsidiary is committed to achieving a target of over 90% by 2024. The Group has also brought in its first long-term energy provision contracts, in the form of Corporate Power Purchase Agreements (CPPAs). In 2020, Éxito and GreenYellow signed an initial CPPA financing development of a solar power plant. In 2019, Libertad signed a PPA for 122,000 MWh over the period 2019-2024 in Argentina.

(iii) Production and consumption of energy from renewable sources.

The Group is actively engaged in deploying renewable energies, with for example the installation of solar power units on store roofs and car park canopies. Solar panels at Casino Group sites measure a total of 500,000 square metres. In 2020, 148 photovoltaic installations were in operation.

Self-consumption is also being developed. 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. In Brazil, Assaí had eight solar power plants generating electricity for its own consumption in 2020.

Two Casino Group innovations make positive contributions to self-consumption: the Reservoir Sun joint venture founded in 2018 to develop solar power self-consumption for businesses and municipalities in France, and the ScaleMax cloud computing joint venture that installs and operates new-generation data centres at which the heat generated by the servers is used to heat the buildings concerned.

■ *Performance*

The Group's performance in executing its energy efficiency strategy is managed by measuring the amount of electricity used per square metre of retail space, and the proportion of renewable energy produced and consumed.

In 2020, average consumption per square metre has been cut by 9% compared with 2015. The proportion of energy declared as renewable in overall energy consumption rose from 20% in 2019 to 26% in 2020. The solar power plants at Casino Group sites generated 142,000 MWh of electricity in 2020, cutting emissions by close to 700 tonnes of CO_2 equivalent.

See Group performance indicators on pages 237 and 238.

Casino Group subsidiary GreenYellow operates more than 290 photovoltaic power plants, with production capacity totalling 320 MWc. In 2020, these generated 465,000 MWh for customers including Casino Group, thereby avoiding the emission of 2,000 tonnes of CO_2 equivalent.

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 2020, the Group's water consumption was estimated at around 6.2 million cubic metres of water for 78% of its retail space.

Performance is also measured in terms of the ratio of water consumption per square metre of retail space. Consumption in 2020 was 1,539 litres per square metre, down by 9% on 2019.

See Group performance indicators on pages 237 and 238.

3.5.4.4 Promoting a circular economy

3.5.4.4.1. Reducing, sorting and reusing procuct waste

■ ***Commitment***

Casino Group is committed to reducing, recovering and reusing the waste from its subsidiaries' operations, and thereby reduce and eventually eliminate disposal by dumping and/or partial incineration without heat recovery.

■ ***Action plans***

- ***(i) Managing operational waste***

Store waste primarily includes packaging cardboard, plastic, paper and wooden pallets used to transport and handle merchandise, damaged goods and unsold compostable produce.

The Group installs and uses waste sorting systems to reduce the amount of unsorted, landfilled waste and supports the development of local recycling businesses. It operates innovative solutions on recovery of the waste produced. For example, in 2020 around 3,900 MWh of electricity was generated using the methane produced from 11,140 tonnes of organic waste from Casino hypermarkets and supermarkets. Franprix stores in the Paris region have a partnership arrangement for recovering their organic waste and producing compost from it, for sale in their stores.

In South America, Multivarejo continued to roll out its in-store programme for recovering and reusing recyclable and organic waste. This pilot project, begun in 2018 with a private-sector partner on management of store waste, was extended to 92 stores and distribution centres. In Colombia, Éxito is running 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 31,000 tonnes of store waste. Managed by the Éxito Foundation, the resale of recyclable materials provides around 30% of its funding.

- ***(i) 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 South America, 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 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. Single-use plastic packaging at sales outlets has been reduced by more than 60% since 2015.

- ***(iii) Collecting customers' used products***

The banners have in-store recycling bins and encourage customers to use them.

In Latin America Éxito and Carulla stores provide collection points for used batteries, end-of-life electrical and electronic devices and out-of-date medicines. In Brazil, Assaí has fitted 32 stores with collection points for customers' waste including electronic devices, cooking oil, paper, cardboard and plastic. To encourage waste recovery, customers using these collection points receive discount vouchers for reducing their electricity bills.

■ ***Performance***

In 2020, the Group sorted more than 227,500 tonnes of waste, including cardboard, paper, plastic, organic matter, glass, wood and scrap metal. This was 8% more per square metre than the previous year. By constantly seeking to make use of all sorts of waste (including biomethane production, for example), Casino Group achieved a waste recovery rate of 78% in France.

Customers returned more than 7,400 tonnes of waste to store collection boxes. Of the total, 20% was paper and cardboard and 16% was waste electrical and electronic equipment (WEEE), which was transferred to accredited service providers for recycling.

See Group performance indicators on pages 237 and 238.

3.5.4.4.2. 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.

Under this policy, Casino Group signed France's National Pact on Plastic Packaging in February 2019, supported by the French Ministry for Ecological and Social Transition, and makes the following commitments for its own-brand products:

- phasing-out problematic and unnecessary packaging, prioritising packaging containing PVC (polyvinyl chloride) and expanded polystyrene;
- eco-designing packaging, with the aim of making it 100% recyclable or reusable by 2025;
- ensuring that packaging contains on average 30% recycled plastic by 2025;
- increasing bulk sales and the use of reusable containers.

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) France's National Pact on Plastic Packaging***

The main measures introduced under the National Pact on Plastic Packaging concern:

- assessment of own-brand products to identify all areas for optimization, under the "5 R's" method (refuse, reduce, reuse, recycle and rot). In 2020, more than 650 items were optimised, involving more than 1,000 optimization operations. 50% of Casino Bio fruit and vegetable packaging was reviewed;
- improved recyclability, for example by replacing materials not covered by existing recycling processes. In 2020, close to 140 items were reviewed in France. For example, the non-recyclable plastic sachets for Casino-brand herb teas were replaced by sachets in recyclable paper, and 100% of the *Sincère* bed and household linen range (eco-responsible own-brand product lines) is now sold without plastic packaging, which avoids the release of more than 23 tonnes of PVC;
- incorporation of recyclable material in plastics: more than 200 products were reviewed, including Franprix-brand lavender cream tubs, now using 100% rPET packaging, and Casino- and Monoprix-brand orange juice bottles, with 50% rPET;
- elimination of problematic and unnecessary packaging, including items difficult to sort: more than 350 items were redesigned in 2020;
- the development of new bulk and repurposing concepts (see below).

Casino Group also took part in working groups on the National Pact on Plastic Packaging, such as the group working on a monitoring and reporting system for tracking the average percentage of recycled material incorporated or the percentage of recyclable material in a product portfolio.

- ***(ii) Eco-designing products***

The Group supports product eco-design by reducing packaging and incorporating certified and recycled materials.

In France, Cdiscount minimises packaging using an automatic machine that reduces the empty space in shipped packages (2D and 3D packaging). More than 90% of the cardboard boxes used for shipment packaging are now made from recycled raw materials. 100% are FSC- or PEFC-certified, and hydrocarbon-based inks have been replaced by vegetable inks for printing visual identity and customer addresses on more than 20 million shipped packages. All plastic bubble wrapping has been replaced by kraft paper. The "Reduce the Environmental Impact" prize was awarded to Cdiscount in February 2020 in recognition of its overall sustainability approach; Casino Group is a member of the *Pôle Éco-conception* association in Saint-Étienne, where it is helping to raise awareness on eco-design techniques among SMEs and facilitating implementation of their projects. Through the intermediary of this skills centre, teams in charge of packaging are advised on eco-challenges and helped in the task of running eco-design initiatives for own-brand products.

In Latin America, GPA began a review of packaging design in 2019, developing a strategy on reducing the use of materials that are difficult or impossible to recycle. For example, polystyrene packaging for fruit and vegetables was replaced by containers made of biodegradable material. The 94 recycling points at Pão de Açúcar stores, which encourage customers on eco-responsible behaviours, have collected more than 120,000 tonnes of recyclable materials since 2001, for use in making packaging for other products. In Colombia, Éxito is helping suppliers of Taeq, Carulla and Cautivia products to cut down on packaging. For example, polystyrene has been discontinued for fruit and vegetable packaging, and the plastic film binding certain products has been replaced by biodegradable film. Éxito has also discontinued sale of plastic straws and stirrers, and introduced the Soy Re programme of providing in-store collection points for plastics, aluminium and cartons.

- ***(iii) Developing bulk sales and reusable containers***

In France, to reduce the amount of packaging, Casino, Franprix, Monoprix and Naturalia develop bulk sale concepts for dried fruit and vegetables, cereals, coffee, pasta and cleaning products, including certified organic produce. For example, various Franprix stores sell 50 or so products by bulk, including organic cereals and grains, detergent, fabric softener and dishwashing liquid by weight, and wine in reusable, refillable bottles. Additionally, more than 180 Franprix outlets are already equipped with scoop-and weigh bulk sale systems. Franprix stores also offer bulk products in box dispensers and in late 2020, they began testing a national brand bulk product offering. Several Monoprix stores sell products by bulk. In all, more than 150 organic products are available, in different types of container (kraft paper bags, glass jars, cotton bags). To encourage consumers to opt for bulk product purchases, Naturalia doubles the loyalty points on non-packaged organic produce.

Through GPA's Bulk Project in Latin America, customers at 25 stores can opt for bulk purchases of more than 40 food products, including organically-farmed fruit and vegetables.

In France, the Monoprix and Franprix banners are testing a number of solutions with a view to reintroducing reusable packaging practices in France. With its Zero Waste Meal project, Franprix provides reusable glass containers for customer self-service use: more than 1,500 containers were returned across the five stores that tested this project. In 2020, Franprix brought in a new deposit system, offering reusable containers with a €2 deposit for the salad bar, redeemable in purchase vouchers. Reusable glass bottles are provided at the orange juice machines in three stores. Monoprix is testing deposit systems for glass bottles for mineral water, sodas and beers.

- ***(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) Developing second-hand sales***

To encourage a circular economy, Casino Group has developed new services.

Initiatives run by Cdiscount in France include a wide-reaching product second-life offering. On the website, customers can find a wide range of reconditioned or second-hand products sold by professionals (reconditioned high-tech products, second-hand clothes and books, etc.) or by individuals, on the *Cdiscount Occasion* platform. Customers are also offered a range of product second-life solutions: DIY repair advice (fault-finding, spare part sales, tutorials, videoconferences with experts), the *Cdiscount Reprise* platform for buyback and reconditioning of smartphones, consoles and tablets by professionals operating in France, and product donations.

3.5.4.5. 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.

The Group supports the international Stop Food Waste Day with initiatives to raise awareness among customers and employees, and:

- signed the National Pact Against Food Waste in 2013, set up by the French Ministry of Agriculture and Food;
- the National Pact on Sell-by Dates, supported by the French Ecological Transition, Agriculture and Food ministries. This includes ten concrete and measurable commitments on the management and understanding of sell-by dates;

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. At the anti-waste corners launched at Franprix stores in 2020, "products worth saving" (i.e., with approaching eat-by or sell-by dates) are displayed in a special area and sold at reduced cost;
- 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 Brazil, more than 500 Multivarejo and Assaí stores have joined the Partnership Against Food Waste programme that donates damaged fruit 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. Employee awareness is developed by means of an "eco-practices" guide, to reduce spoilage and optimise waste management. And employees also have access to an online training programme on how to avoid food waste. Éxito is pushing ahead with its waste management plan, which covers food waste, and is building team awareness on proper food management practices. In 2019, GPA introduced a specific programme on analysis and reduction of damaged products, with operations addressing employees;
- 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 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.

3.5.4.6. Preserving biodiversity

Aware that biodiversity is a prerequisite to balanced diets around the world, Casino Group partnered the Fayol Institute École des Mines graduate school in Saint-Étienne on a survey to assess the direct and indirect pressures its operations might exert on biodiversity (through climate change, pollution and land use). This survey concluded that such pressures are largely indirect, and related to the product offering.

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 five priority actions:

- combat climate change;
- limit direct pressures on biodiversity;
- market a product offering that helps to preserve the environment and biodiversity;
- preserve fishery resources and protect endangered species;
- combat deforestation caused by production of commodities.

- ***(i) Combating climate change***

According to IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) climate change is the third cause of biodiversity erosion.

In line with the Science Based Targets scenario, Casino Group has pledged to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 18% from 2015 to 2025 and its Scope 3 emissions by 10% from 2018 to 2025 (see section 3.5.4.2).

- ***(ii) Limiting direct pressures on biodiversity***

The main pressures on biodiversity are indirect, from usage of the products sold. Casino Group takes a number of measures to limit its direct impacts, which arise chiefly from its real-estate operations:

- During site construction, it runs programmes to ensure building operations and services are environmentally respectful. These programmes include the specification of sustainability criteria in the process for building new stores and operating sites, on factors such as energy efficiency, responsible water management, and the responsible application and use of materials. A number of Casino Group sites have obtained certification on the basis of these environmental criteria. In 2020, six sites obtained BREEAM certification and eleven sites obtained LEED (Leadership in Energy & Environmental) certification by the Green Building Council, in recognition of superior sustainability performance in site design, construction and operation. In Latin America, around a dozen Grupo Éxito sites obtained carbon-neutral certification by the independent organisation ICONTEC (*Instituto Colombiano de Normas Técnicas y Certificación*). These stores set a sustainability benchmark in Latin America, for their reductions in greenhouse gas emissions, with the installation of hundreds of solar panels and a natural refrigeration system replacing traditional systems, and offsetting for the remaining emissions.
- During site upkeep: Casino Group applies ecologically virtuous practices that are respectful of biodiversity during operations on the upkeep of buildings and grounds. Since 2014, 23 Casino Group sites have obtained BREEAM In-Use certification, under an assessment procedure developed in 1990 by BRE (Building Research Establishment) to analyse the environmental performance of buildings in operation. Depending on the type of site, this certification procedure includes an assessment on Land Use and Ecology, examining the existing biodiversity conditions and the action plans on preserving biodiversity (such as plants and shelters for birds and other wild life). Gardening contracts for the upkeep of site grounds include the following requirements on contractors:
  - limit the use of crop protection products, for example by using alternative methods such as mechanical weeding, organic products and mulching,
  - preserve sheltered biodiversity areas, with, for example, staggered mowing schedules, flower meadows, bird nesting boxes and insect shelters,
  - prevent overpopulation of invasive species liable to jeopardise local biodiversity.

- ***(iii) Market a product offering that helps to preserve the environment and biodiversity***

Casino Group takes action on environment and biodiversity protection by supporting organic farming and ecological farming practices such as reduced pesticide use and exposure to plastics. In so doing, Casino Group:

- extends its offering of certified organically-farmed products;
- extends its offering of products labelled as ecologically respectful and free of pesticide residues;
- endeavours to eliminate unnecessary plastics and use recyclable plastics where necessary;
- develops its organic produce banners.

Casino Group offers a wide range of organically farmed products, with more than 2,700 private-label SKUs and around 20,000 national brand SKUs. Outside France, the Group's banners market some 2,400 organically grown food products, which are regularly advertised and showcased to customers either in dedicated corner displays or in the usual store sections. Pão de Açúcar, for example, promotes organically grown products during its "Organic Wednesdays and Thursday" events, offering customers a 20% discount on all products in this category. 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.

In addition to organically-farmed products, Casino Group stores also offer customers:

- products with certification attesting to an environmental progress programme such as NF Environnement, FSC, PEFC, European Ecolabel. Casino Group stores offer more than 32,800 products certified as eco-responsible to exacting specifications in various product categories. For wood products (such as furniture) sold in stores, packaging materials and paper for office or advertising use, Casino Group turns to FSC or PEFC certification, to promote responsible management of global woodlands, through ecologically appropriate, socially beneficial and economically viable practices. For example, 50% of the boxes for the Monoprix Bio range of fruit and vegetables have FSC certification and more than 93% of the office paper used by the Group is FSC- or PEFC-certified;
- products guaranteed as pesticide-free, which reduce the Treatment Frequency Index and the use of pesticides upstream, and promote good agricultural practices and integrated agriculture. Casino has the largest "zero pesticide residue" offer on the market, with 65 products available;
- fruit, vegetables and wines with HVE (High Environmental Value) certification, attesting that agricultural practices across the farm preserve the natural ecosystem and minimise pressure on the environment, as regards soil, water, biodiversity, etc. Franprix is also extending its offering of High Environmental Value fruit and vegetables, highlighted in its new store concept;
- products developed with Casino partners already committed to agro-ecology under Casino's AgriPlus programme on development and promotion of innovative agricultural initiatives beneficial to the environment, farmers and consumers. This holistic approach covers the full range of farming, animal husbandry and aquaculture practices, organised around four pillars:
  1. innovative crop farming and animal husbandry practices, entirely rethought to produce differently and responsibly;
  2. an agro-ecological 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;
- products developed under the *Tous Cutiv'acteurs* programme, which addresses more than several hundred fruit and vegetable farmers on issues such as the elimination of neonicotinoid pesticides liable to harm pollinators. 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 2019, the initiative involved 39 suppliers and brought together more than 700 farmers. The supplier progress plan gave an average score of 59.9/100 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. In 2019, the partnership was extended for another three-year period, with 20 suppliers under the label.

Casino Group banners make commitments on limiting the environmental impact of their packaging, including plastic packaging (see section 3.5.4.4.2). In France, as signatories to the National Pact on Plastic Packaging, they commit to ensuring that 100% of packaging for own-brand products is recyclable or reusable by 2025.

The Group is extending the coverage of its organic product banners, with Naturalia, which has more than 200 stores, and the 2019 launch of 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.

- ***(iv) Preserve fishery resources and protect endangered species***

In this respect, Casino Group policy takes four angles:

a) protect endangered species: Casino introduced a ban on the sale of endangered fish species in 2007. Twelve species are covered by this ban in France today;

b) encourage sustainable fishing by, for example, banning electrofishing and supporting sustainable certification;

c) focus on local sourcing and seasonal products;

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.

In France 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.

In South America, 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. Since then, 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). In 2020, GPA extended its From the Source quality programme to cover seafood sourcing. This programme develops responsible breeding and traceability conditions compliant with the new recommendations of the Brazilian Ministry of Agriculture.

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.
- 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. The Monoprix and Franprix banners offer a range of private-label tinned yellowfin tuna certified as being caught by French-flag vessels in free schools using purse seines (guaranteed without FADs). Casino and Monoprix stores also carry Aquaculture Stewardship Council (ASC)- and Marine Stewardship Council (MSC)-certified products, as a guarantee of more sustainable fishing and aquaculture; At the end of 2020, 100% of Franprix frozen fish and shellfish products held ASC, MSC or organic certification.

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 producing a map to accurately track the progress of each stakeholder in terms of transparency and traceability, fished volumes by species, and to track and verify fishing methods and fishing areas. According to TUPA's work on supplies in 2019, 99% of the supply chain of Casino's nine tuna suppliers can be traced from boat to retailer. In addition, among the 97 boats providing suppliers with fish, 100% of tuna seiners are registered on the Proactive Vessel Register and are therefore engaged in a fishing activity that can be tracked remotely. In 2020, oversight was extended to include the monitoring of fishing operations in partnership with OceanMind, a UK non-profit organisation that uses satellites and artificial intelligence to ensure that the supply chain is exempt of illegally fished produce. The activity of vessels at sea was analysed, particularly by studying their trajectory, thanks to automated identification system (AIS) signals. Results will be presented and the programme extended through 2021.

- ***(v) Combat deforestation caused by production of commodities***

Aware of the risks liable to ensue from some of the raw materials used in its private-label products, Casino Group is committed to fighting deforestation caused by the production of commodities, focusing on beef, palm oil, soy and cocoa.

Cattle farming in South America

Under its commitment on countering deforestation caused by cattle farming in Brazil and Colombia, Casino Group runs an audit programme covering suppliers of beef for sale by its GPA and Éxito banners. Casino Group stores in France do not sell private-label beef products sourced from South America. The Group's policy and inspection programme in Brazil appear in the duty-of-care plan, detailed in section 3.5.3.4.

Sustainable livestock farming is a pillar of the CSR strategy of Grupo Éxito, which in Colombia supports and participates in the implementation of a livestock farming model that contributes to ecosystem conservation, animal well-being and the economic, social and environmental development of the country.

Éxito's forest conservation policy was developed in partnership with WWF, Animal Bank by Portafolio Verde, Climate Focus, and the International Centre for Tropical Agriculture (CIAT), on supplier auditing, using the Global Forest Watch satellite observation system. Grupo Éxito is a signatory to the TFA 2030 zero deforestation commitments and the New York Declaration on forests. And it takes part in the Colombian Round Table on sustainable livestock farming.

In 2020, Éxito audited 100% of the land (more than 37,000 hectares) farmed by its 39 suppliers, by means of the satellite observation system. For more information, go to: https://www.grupoexito.com.co/es/noticias-grupo-exito/modelo-de-ganaderia-sostenible-un-compromiso-con-la-proteccion-de-la-biodiversidad-del-pais.

Palm oil

Some own-brand products sold at Casino Group stores may contain palm oil. In 2010 the Group brought in a policy and traceability plan for the palm oil used by its suppliers. This appears in the duty-of-care plan, detailed in section 3.5.3.4.

The Group has identified its suppliers' main 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. In 2019, it joined the Palm Oil Transparency Coalition to work with other businesses in engaging with palm oil refiners and importers in Europe. Casino Group has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011: 100% of the palm oil used in private-label food products in France is RSPO-certified (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 2022, based on audits by UTZ, Rainforest and other independent organisations.

Soy

Casino Group is committed to ensuring that by 2021 100% of the soy used as an ingredient in its products is sourced from areas not at risk of deforestation.

Soy from Brazil can potentially be found in the animal feed used by our French suppliers to raise animals. France imports around 3 million tonnes of soy, 1.5% of which comes from areas in Cerrado that are at risk of deforestation. Furthermore, the soy supply chain is particularly complex, with at least seven intermediaries between the meat suppliers and the soybean farmer. The small number of traders exporting soy and soybeans to China and the European Union therefore have a key role to play.

To help reduce soy-related deforestation risks, Casino Group:

- endorsed the Cerrado Manifesto Statement of Support, to participate in global multi-stakeholder initiatives;
- 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 soy in the animal feed industry. The Group took part in work meetings organised by Duralim to support the collective momentum aimed at ensuring that the soy imported in France is deforestation-free. On this platform, which has also contributed to SNDI, France's National Strategy against Imported Deforestation, Casino Group is an active proponent of adequate attention to soy issues. This gave rise to two surveys conducted to obtain a shared vision of challenges and solutions, one by the Earthworm Foundation, and the other by Céréopa, on price impact factors;
- proposes a diversified offer of organically farmed and "Label Rouge" products, which provides consumers with additional guarantees on the origin of the soy used;
- took part in drawing up the French Manifesto to Counter Soy-related Imported Deforestation which it also signed, and joined the alignment group set up by the Earthworm Foundation in pursuit of the commitments involved.

Specifically, Casino Group recognises the importance of:

- combating Cerrado deforestation and ensuring that the soy used in animal feed does not entail Cerrado deforestation risks;
- seeing that as from 1 January 2020, supplier requirements specify a cut-off date for soy imported to France;
- setting up a risk management mechanism such as that set out in the report by the Scientific and Technical Council of SNDI, France's National Strategy against Imported Deforestation;
- mobilise the whole of the supply chain;
- assess importers' policies and actions on combating deforestation under the Soy Transparency Coalition.

Through its GPA subsidiary, Casino Group also:

- supports the voluntary Amazon Soy Moratorium set up in 2006 by soy importers, as well as the Cerrado Working Group (GTC), which brings together civil society stakeholders, importers, industry associations and soybean farmers.

3.6. NON-FINANCIAL PERFORMANCE

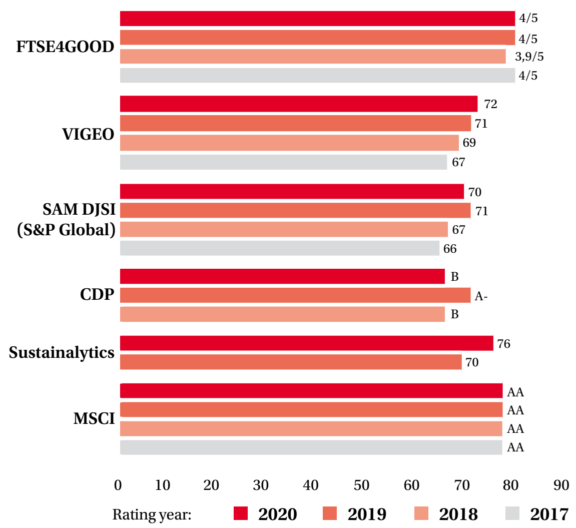
Group CSR commitments

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 *(Achieved)*	Group
Increase the number of employees with disabilities in the Group by 1 percentage point between 2015 and 2020	2020 *(Achieved)*	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		
Implement the Plastic Pact	2025	France
Achieve target of reusable, recyclable or compostable packaging for all private-label products	2025	France
Expand the range of certified sustainable and organic products		
Increase sales of organic products	Ongoing	France
Continue to eliminate controversial substances in private-label products	Ongoing	France
Continue to develop agroecological initiatives	Ongoing	France
Step up action to support animal welfare		
Continue to roll out animal welfare labelling	Ongoing	France
Discontinue the sale of eggs from caged hens under private labels and national brands*	2020 *(Achieved)*	France
Stop the use of eggs and egg products from caged hens in private-label products	2025	France
Roll out the Better Chicken Commitment	2026	France
Combat food waste		
Fulfil the commitments of the Pact on Expiry Dates	Ongoing	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, soy and cocoa		
Continue initiatives to combat deforestation caused by the use of raw materials		
For its own brands in France		
100% RSPO-certified palm oil	2020 *(Achieved)*	France
100% of products containing more than 20% of UTZ-certified cocoa	2022 *(Partially achieved)*	France
100% of the soy used as an ingredient in its products sourced from areas not at risk of deforestation	2021	France
For suppliers in Latin America		
100% of the GPA beef suppliers adhered to the policy updated in 2020	Yearly	Latin America
100% of farms supplying beef identified and assessed by a geo-monitoring system in Brazil	Yearly	Latin America

* *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 rating and index

In 2020, the Group's ESG commitment was recognised by the Wall Street Journal, ranking 40th in the world's top 100 most responsible businesses.



Casino Group was also ranked first in its industry by Vigeo Eiris and achieved a B grade from the CDP. In 2019, Casino Group was placed at level 3 of the Business Benchmark on Farm Animal Welfare (BBFAW), included among the highest-ranking French retailers on the subject.

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 SAM DJSI (S&P Global).

In 2020, Casino was included in the following indices:

- Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Euronext Vigeo World 120;
- FTSE4GOOD Europe Index, FTSE4GOOD Developed Index, FTSE4GOOD Developed Minimum Variance Index;
- MSCI;
- Grupo Exito joined the DSJI index as one of the ten most sustainable retailers in the world and GPA joined the Brazilian stock market CSR index ISE B3, which applauded its climate commitments.

The changes in non-financial ratings and the discussions with SRI investors were presented to the Governance and Social Responsibility Committee in 2020.

Group performance indicators

Commitments	Indicator	2018	2019	2020	Year-on-year change
Committed employer					
Promoting diversity and equal opportunity	Number of employees at 31 December✓	216,736	219,132	205,769	-6%
	% of employees in permanent employment	93.5%	93.7%	95.5%	+1.8 pts
	Percentage of employees <30 years old	38.7%	38.8%	37.2%	-1.6 pts
	Number of people on Group work-study/apprenticeship programmes at 31 December	8,483	7,755	6,291	-19%
	Number of disabled employees at 31 December✓	8,129	8,546	8,460	-1%
	Disabled employees as a proportion of total headcount*✓	3.8%	3.9%	4.1%	+0.2 pts
Fostering gender equality in the workplace	Percentage of women employees	52.4%	52.2%	52.0%	-0.2 pts
	Proportion of women managers✓	39.0%	39.5%	40.4%	+0.9 pts
Providing an environment conducive to employee fulfilment	Percentage of employees in part-time employment	17.2%	17.7%	16.1%	-1.6 pts
	Total hours of training per person	21.1	26.1	17.3	-34%(1)
	Lost-time accident frequency rate	16.6	14.4	11.5	-2.9 pts
	Lost-time accident severity rate	0.64	0.62	0.61	-0.01
	Absenteeism rate due to accidents and illness	4.3%	3.4%	4.5%	+1.1 pts
Local corporate citizen					
Supporting food relief	Group donations of foodstuffs in meal equivalents(2)	38,117,440	37,406,560	37,627,220	+0.6%
Supporting children in need and fighting social exclusion	Number of people reached through foundations or outreach partnerships(2)✓	Over 101,200	Over 103,300	Over 135,500	+31%
	Funds distributed for community outreach *(€ thousands)*	77,427	79,835	80,237	+0.5%
Responsible retailer					
Ensuring product quality	Number of quality analyses (microbiological and physiochemical) carried out on private-label products* ✓	-	Over 44,900	Over 59,290	+32%
Supporting consumer health	Number of organic food products (private-label and national-brand products)(3)	19,800	22,600	22,700	+0.4%
	Sales of organic food products in France (private-label and national-brand products) *(€ billions)*	1.0	1.1	1.3	+12%
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*✓	1,483	1,153	1,217	+6%
	Percentage of active audited factories, located in a country at risk, with Acceptable status*✓	68%	63%	65%	+2 pts
	Percentage of active plants located in countries at risk and producing private-label products for the Group covered by a valid ICS social audit	93%	90%	89%	-1 pt

Commitments	Indicator	2018	2019	2020	Year-on-year change
Proactive on the environment and climate					
Reducing carbon emissions(5)	GHG emissions related to cooling systems per square metre of retail space *(kgCO_2eq./sq.m.)**	194.0	205.7	202.5	-1.6%
	Greenhouse gas emissions associated with electricity consumption by square metre of retail space *(kg CO_2eq./sq.m.)**	50.5	48.9	45.3	-7%
	GHG emissions, Scope 1 *(tCO_2eq)*(4)*✓	1,196,000	1,285,000	1,240,000	-4%
	Of which France*✓:	440,000	405,000	326,000	-19%
	Of which Latin America*✓:	756,000	880,000	914,000	+4%
	GHG emissions, Scope 2 *(tCO_2eq)*(5)* ✓	278,000	267,000	241,000	-10%
	Of which France*✓:	61,000	56,000	54,000	-4%
	Of which Latin America*✓:	217,000	211,000	187,000	-11%
	GHG emissions, Scopes 1 and 2 *(tCO_2eq)**✓	1,474,000	1,552,000	1,481,000	-5%
Saving and preserving resources	Total electricity consumption*(MWh)*(6)	2,992,700	2,834,100	2,740,600	-3%
	Electricity consumed per square metre of retail space *(kWh/sq.m.)*✓	565	547	540	-1%
	Renewable electricity produced by the Group *(MWh)*	106,700	114,000	142,000	+25%
	Percentage of waste recovered (excluding food donations)(7)	44.4%	50.2%	53.6%	+3.4 pts
Promote biodiversity	Number of sustainable-certified products(3)	Over 29,300	Over 29,500	Over 32,800	+11%
Ethics and compliance					
	Number of confirmed cases of corruption*✓	-	14	10	- 4 cases

* *Indicator integrated in the Non-Financial Information Statement.*
✓ *Data audited by EY.*
(1) *Indicator down compared with 2019 due to the difficulty of organising face-to-face training in view of the health situation in 2020.*
(2) *Excluding Disco Devoto.*
(3) *Excluding Cdiscount and Libertad for 2020.*
(4) *Data from the three years were extrapolated to calculate 100% of the Group's scope. In 2020, the primary data integrated in Scope 1 represented 96% of these data, i.e., an estimated 4%.*
(5) *Data from the three years were extrapolated to calculate 100% of the Group's scope. In 2020, the primary data integrated in Scope 2 represented 97% of these data, i.e., an estimated 3%.*
(6) *Data correspond to 98% of the Group's retail space.*
(7) *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. 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 172 to 175
Human resources	Sections 3.5.1.1 and 3.5.1.2 Fostering diversity and gender equality in the workplace	Pages 184 to 189
Societal	Section 4.3 Main risk factors: Risks related to product quality and safety (section 4.3.3, I)	Page 277
Environmental	Section 4.3 Main risk factors: Climate change (section 4.3.3, III)	Page 279
	Section 3.5.3.4 Duty of care plan/ Duty of care risk map	Page 204
Human rights	Section 4.3 Main risk factors: Social and environmental impact of the supply chain (section 4.3.3, II)	Page 278
Anti-corruption/Anti-tax evasion	Section 4.3 Main risk factors: Legal and regulatory risks (section 4.3.4, I)	Page 280
	Anti-tax evasion	Page 175
Human resources	Section 3.5.1 Casino Group, a committed employer/see sections 3.5.1.1 to 3.5.1.2	Pages 184 to 189
	Group performance indicators	Pages 237 and 238
Key policies, results and indicators		
Societal	Casino Group, a responsible retailer/ see section 3.5.3.1	Page 199
	Group performance indicators	Pages 237 and 238
Environmental	Section 3.5.4 Casino Group, actively committed to protecting the environment and climate/ see section 3.5.4.2	Pages 223 to 226
	Group performance indicators	Pages 237 and 238
Human rights	Section 3.5.3.4 Duty of care plan	Pages 202 to 220
	Group performance indicators	Pages 237 and 238
Anti-corruption/Anti-tax evasion	Section 3.4 Ethics and compliance/see sections 3.4.1 to 3.4.8	Pages 179 to 181
	Anti-tax evasion	Page 175
Information and commitments		
Societal commitments to sustainable development	All commitments are detailed in Chapter 3 CSR and the Non-Financial Information Statement	Pages 170 to 238
Societal commitments to the circular economy	Sections 3.5.4.3 and 3.5.4.4 Preserving and reducing the use of natural resources and Supporting the circular economy	Pages 227 to 230

Respecting animal welfare	Section 3.5.3.5. Ensuring animal welfare	Page 220 to 222
Combating food waste and food insecurity	Section 3.5.2.1. Supporting food relief	Page 196
	Sections 3.5.4.3. and 3.5.4.4. Preserving and reducing the use of natural resources and Supporting the circular economy	Pages 227 to 230
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 200 to 222
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 190 to 195
Combating discrimination, promoting diversity and measures taken for people with disabilities	Section 3.5.1. Casino Group, a committed employer/see sections 3.5.1.1. to 3.5.1.2.	Pages 184 to 189
Human resources information		
Employment		
Total workforce and workforce by gender, age and country	Section 3.5.1. Casino Group, a committed employer	Pages 183 and 237
Hires and terminations	Section 3.5.1. Casino Group, a committed employer	Page 183
Compensation and changes in compensation	Section 3.5.1.3.3. Incentivising compensation to drive individual, collective and CSR performance	Page 191
Working practices		
Organisation of working time	Section 3.5.1. Casino Group, a committed employer	Pages 183, and 193 to 194
Absenteeism	Section 3.5.1. Casino Group, a committed employer	Pages 194 and 237
Health and safety		
Health and safety conditions at work	Section 3.5.1.3.6. Fostering health, safety and well-being at work	Pages 192 to 194
Workplace accidents, especially their frequency and severity, and occupational illnesses	Section 3.5.1. Casino Group, a committed employer	Pages 194 and 237
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	Page 190
Summary of collective agreements	Section 3.5.1.3.1. Encouraging social dialogue	Page 190
Training		
Training policies implemented	Section 3.5.1.3.8. Developing employability with training	Pages 194 to 195 and 237
Total number of training hours	Section 3.5.1.3.8. Developing employability with training	Pages 194 to 195 and 237
Equal treatment		
Measures taken to promote gender equality	Section 3.5.1.2. Fostering gender equality in the workplace	Pages 187 to 189 and 237
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 186 to 187 and 237
Measures taken to combat discrimination	Section 3.5.1.1.1. Combating discrimination and stereotypes	Pages 184 to 185
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 222 to 223
Resources allocated to preventing environmental risks and pollution	Section 3.5.4. Casino Group, actively committed to protecting the environment and climate	Pages 222 to 234

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 223 to 226 and 238
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	Sections 3.5.4.3. and 3.5.4.4. Preserving and reducing the use of natural resources and Supporting the circular economy	Pages 227 to 230 and 238
Combating food waste	Section 3.5.4.5. Combating food waste	Pages 230 and 238
(ii) Sustainable use of resources		
Water use and supply in relation to local restrictions	Section 3.5.4.3.2. Managing water consumption	Pages 228 and 238
Raw materials use and measures taken to use them more efficiently	Section 3.5.4.6 Preserving biodiversity	Pages 231 to 234 and 238
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 227 and 238
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 223 to 226 and 238
Measures taken to adapt to the consequences of climate change	Section 3.5.4.2.5. Adapting to climate change	Page 226
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 223 to 226 and 238
Protecting biodiversity		
Measures taken to develop biodiversity	Section 3.5.4.6 Preserving biodiversity	Pages 231 to 234 and 238
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 176 to 179
Impact of the Company's operations on local residents and communities	Section 3.3. Stakeholder dialogue	Pages 176 to 179
Stakeholder relations and the forms of dialogue adopted with them	Section 3.3. Stakeholder dialogue	Pages 176 to 179
Partnership or philanthropy initiatives	Section 3.5.2. Casino Group, a local corporate citizen	Pages 195 to 198 and 237

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	Pages 201 and 202
	Section 3.5.3.4. Duty of care plan	Pages 202 to 220
Consideration of corporate social responsibility standards in dealings with suppliers and subcontractors	Section 3.3. Stakeholder dialogue	Page 177
Fair business practices		
Action taken to prevent corruption	Section 3.4. Ethics and compliance	Pages 179 to 181
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 199 to 201
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	Pages 170 and 171
	Section 3.5.1.3.1. Encouraging social dialogue	Page 190
	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain	Pages 201 and 202
▪ The elimination of discrimination in respect of employment and occupation	Section 3.5.1.1.1. Combating discrimination and stereotypes	Pages 184 and 185
	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain	Pages 201 and 202
	Section 3.5.3.4. Duty of care plan	Pages 202 to 220
▪ The elimination of forced and compulsory labour	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain	Pages 201 and 202
	Section 3.5.3.4. Duty of care plan	Pages 202 to 220
▪ The effective abolition of child labour	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain	Pages 201 and 202
	Section 3.5.3.4. Duty of care plan	Pages 202 to 220
Human rights		
Action taken to promote human rights	Section 3.1. CSR commitments and governance	Pages 170 and 171
	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain	Pages 201 and 202
	Section 3.5.3.4. Duty of care plan	Pages 202 to 220
Methodology note		
	Section 3.9. Reporting methodology for non-financial indicators	Pages 246 and 247
Conclusion on the fairness and compliance of information		
	Section 3.10. Independent third-party's report on the consolidated non-financial statement	Pages 248 to 250

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		
	5.5.; 10.2.; 10.3.	**Promoting diversity and equal opportunity** ▪ Combating discrimination and stereotypes ▪ Acting for the integration and retention of workers with disabilities	3.5.1.1.	183 to 187
		▪ Acting for intergenerational diversity	3.5.1.2.	
		Fostering gender equality in the workplace		187 to 189
	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.	187
		Providing an environment conducive to employee fulfilment		
		▪ Managing talent and supporting career development	3.5.1.3.7.	194
		▪ Developing employability with training	3.5.1.3.8.	194-195
		Helping young people enter the workforce	3.5.2.3.	197-198
	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.	192-193
		Local corporate citizen		
	2.1.; 2.2.;	**Supporting food relief**	3.5.2.1.	196
	4.3.; 4.4.;	**Supporting children in need**	3.5.2.2.	196-197
		Fighting social exclusion	3.5.2.4.	198
	11.1.	**Encouraging the civic engagement of employees**	3.5.2.5.	198
		Responsible retailer		
	12.8.	**Maintaining close relationships with suppliers and supporting them in their CSR initiatives**	3.3.3.	177-178
	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.	200-201
	8.7.; 8.8.; 10.2.; 10.3.	**Monitoring and improving the social and environmental impacts of the supply chain**	3.5.3.3.	201-202
		Duty of care plan	3.5.3.4.	202 to 220

United Nations Sustainable Development Goals	Main SDG targets impacted	Our commitments and actions	References	Pages
		Environmentally committed group		
	13.2.	**Implementing a low-carbon strategy to fight against climate change**	3.5.4.2.	223 to 226
	7.2.; 11.1.; 13.2.	**Preserving and reducing the use of natural resources and Supporting the circular economy** ▪ Reducing energy consumption and encouraging the use of renewable energies	3.5.4.3.	227-228
	12.2.; 12.3.; 12.4.; 12.5.; 12.8.	▪ Reducing, sorting and reusing waste	3.5.4.4.1.	228
		▪ Reducing the impact of packaging	3.5.4.4.2.	229-230
		Combating food waste	3.5.4.5.	230
	14.4.; 15.1.; 15.2.	**Preserving biodiversity**	3.5.4.6.	231 to 234

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./3.9.
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./ 1.4./1.6./2.1./3.5.1./3.5.3.4./3.6.
Strategy	3.2.2.
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.
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./4.1.
206: Anti-competitive Behaviour	4.3./3.4.
GRI 300: Environmental	
301: Materials	3.5.4.4./3.6.
302: Energy	3.5.4.3./3.6.
303: Water	3.5.4.3.2./3.6.
304: Biodiversity	3.5.4.6.
305: Emissions	3.5.4.2./3.6.
306: Effluents and Waste	3.5.4.4./3.6.
307: Environmental Compliance	3.5.4.
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	3.4.9./4.3.1.
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: operations of 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 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 2020 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 2019 to 30 November 2020.

Environmental data cover offices, logistics sites and stores that operated for a full 12-month period between 1 October 2019 and 30 September 2020.

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.

Since the 2018 rollout of the integrated reporting tool, training and information sessions are regularly organised for users, and tutorials are 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

Employee data exclude part of the GreenYellow headcount representing around 0.2%.

- 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 receive a certification from a qualified third party, and 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.

The 2019 data was recalculated after an adjustment to the number of certified products meeting the indicator criteria at Éxito.

- 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 applied by Casino Group (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.

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.

  Scope 2 emissions are suggested based on two calculation methods:
  - the location-based method for which the emission factor associated with electricity consumption is based on the energy mix of the country concerned;
  - the market-based method, which takes into account the renewable electricity consumption pledged by the Group and assigns an emission factor based on a country's residual mix to the other consumptions, or if necessary, the energy mix.

  The location-based method is used by default.

  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 sorted operational waste includes waste processed by the Group's facilities and delivered to accredited service providers for recovery. Depending on subsidiaries, it mainly 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. The valuation rate includes sorted waste and mixed waste that has been recovered by the waste treatment service provider.

3.10. INDEPENDENT THIRD PARTY'S REPORT ON CONSOLIDATED NON-FINANCIAL STATEMENT PRESENTED IN THE MANAGEMENT REPORT

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 31 December 2020

To the General Meeting of Shareholders,

In our quality as an 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 31 December 2020 (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*).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, 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 (or which are available on request at 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, the 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 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 criteria 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 of the French Commercial Code as well as information set out in the second paragraph of Article L. 22-10-36 regarding compliance with human rights and 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 – 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 on a selection of entities: Casino France (France), Franprix (France);
- 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 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 those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 13% and 16% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (16% of the staff, 15% of Scope 1 GHG emissions, 13% 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 December 2020 and February 2021 on a total duration of intervention of about eleven weeks.

We conducted several interviews with the persons responsible for the preparation of the Statement representing, in particular, the Risk and Compliance, Human Resources and Corporate Social Responsibility (CSR) 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, 25 February 2021

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 employees with disabilities.	The fight against 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 *(teqCO_2)*. Greenhouse gas emissions related to refrigerants per square metre of sales area *(KgeqCO_2/m²)*. Greenhouse gas emissions related to electricity consumption per square metre of sales area *(KgeqCO_2/m²)*.	The low-carbon strategy based in particular on reducing emissions related to refrigerants (preventive maintenance of existing facilities, increasing the proportion of fluids with low global warming potential, gradual replacement of refrigeration equipment). Adaptation measures.
Societal Information	
Quantitative Information (including key performance indicators)	**Qualitative Information (actions or results)**
Number of quality analyses (microbiological and physico-chemical) of own-brand products. Number of ICS (social and environmental) audits carried out in plants involved in the production of own-brand products for the group. Percentage of active factories audited located in a country at risk with an "acceptable" status. Number of proven cases of corruption.	The quality management system (dedicated organization and experts, IFS standard, regular audits, quality analyses, traceability, recall and crisis management procedures and tools). The product withdrawal policy. Social, human and environmental risk assessment of suppliers and supply chains. The control and improvement process for suppliers of own-brand products located in countries at risk. 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 awareness-raising on the Group's ethics and anti-corruption policy).

Chapter 4

Risks and control

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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 published in 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 four listed subsidiaries, Intexa in France and GPA, Éxito and Cnova outside France, are also subject to various internal control and risk management obligations. The Companhia Brasileira de Distribuçao group (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 **All employees** Implement internal control day after day. **Operating management** Performs appropriate controls on the processes/activities under its 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.	2nd line of control **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 them to 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	3rd line of control **Internal Audit department** Internal Audit department Performs regular audits of risk management and internal control systems through internal control assessments 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 2020 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 aimed at (i) identifying key controls in response to identified risks and (ii) launching internal control self-assessment programmes within the Group's business units;
  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 consolidates, shares and disseminates best practices among the Group's business units, primarily through the work of the cross-functional dedicated legal functions. The legal team is responsible for advising the business units for ensuring 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 changes in employment law 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 and the Internal Control department to develop and implement action plans to raise awareness about legal risks among the Group's operational and support teams. It also circulates key notes and procedures, provides training and communicates alerts 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 4.3.1. Risks related to product quality, compliance and safety, and Chapter 3 Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS));
- 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 as and when needed and includes representatives of the Executive Committee, the corporate departments concerned (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 has met every two months since September 2020, verifies compliance with personal data protection rules and discusses all of the issues relating to ensuring compliance with the General Data Protection Regulation (GDPR) and with the French Data Protection Law, in conjunction with the Data Protection Officer (DPO) and Group management, so that practices are harmonised. 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, 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.

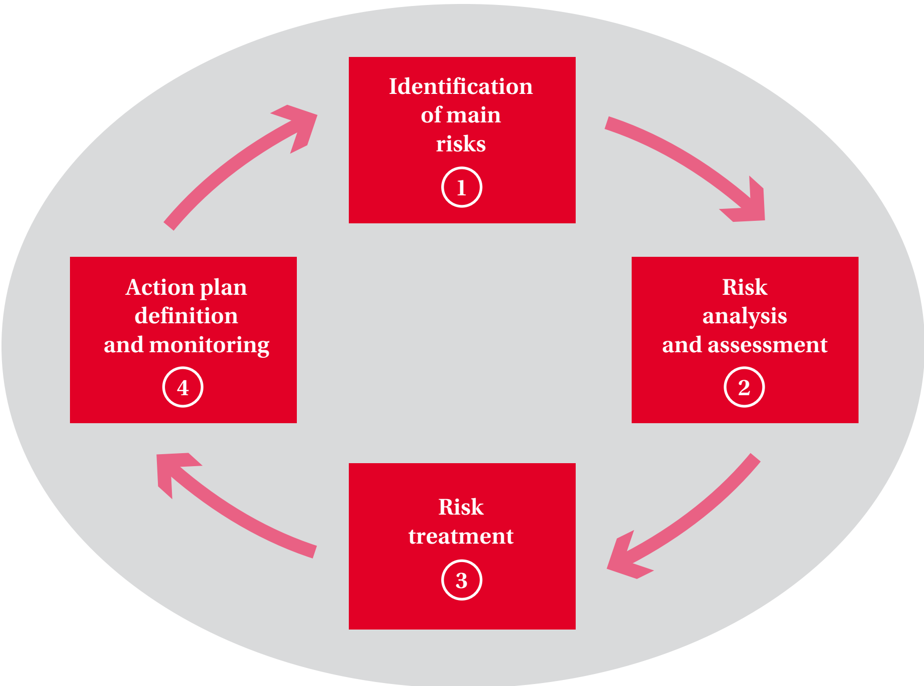
Employees, managers and department heads are responsible for ensuring that risk management and internal control systems operate efficiently while continuously seeking to improve them.

4.1.2.2. 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 risks, CSR risks, legal risks and financial risks. The main 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, CSR and Human Resources departments. At business unit level, each unit's Management Committee is asked to identify and assess the ten risks considered the most significant in terms of residual exposure, and to provide, for each one:

- an assessment of the inherent and residual risk;
- 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 of occurrence 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 worksheets are used to manage and track the implementation of action plans.

In 2020, 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 (CSR) and Non-Financial Information Statement (NFIS).

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. 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 (CSR) and Non-Financial Information Statement (NFIS).

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 – most recently in October 2020 – is described in the Board of Directors' corporate governance report (see Chapter 5 Corporate Governance Report, section 5.5.5 Ethics – Prevention of conflicts of interest – Protection of minority shareholders). 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.

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 77 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. Where appropriate, it is added to or amended in the event of a significant change in regulations, and is sent to and regularly discussed with all users of the Group's financial reporting system. The Group's Reporting department provides subsidiaries with a guide for inputting consolidated reporting packages in French and English, and each month circulates instructions regarding any new aspects of the forthcoming accounts closing and/or changes in reporting, standards or procedures, in conjunction with the Group's Accounting Standards department.

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.

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.

Group Accounting 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;
- in-person or remote 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 either the impact or likelihood of occurrence of the risk in question, or both.

Risks are divided into four main categories:

- Operational risks;
- Financial risks;
- Corporate social responsibility (CSR) risks;
- Legal and regulatory risks.

As for the previous year, 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

Operational risks	Information systems and cybersecurity risks ◆	page 265
	Economic and political risks ◆	page 266
	Business disruption/interruption risks ◆	page 267
	Ability of the Group or its entities to implement their strategy	page 268
	Risks related to reputation and brand value	page 270
	Dependence on new technologies	page 271
	Competitive environment	page 271
	Consumer expectations	page 272
	Risks related to joint ventures and partnerships	page 273
Financial risks	Liquidity risks ◆	page 274
	Market risks	page 276
CSR risks	Product quality and safety ◆	page 277
	Social and environmental impact of the supply chain	page 278
	Climate change	page 279
Legal and regulatory risks	Legal and regulatory compliance risks ◆	page 280

◆ *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	Potential impacts on the Group
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.	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 2020 and none since 1 January 2021.

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 April 2020. CITADEL is used by the Information Systems department to manage its IT continuity plan. In 2020, the Information Systems department performed 37 tests on the business recovery plan, with the results analysed and taken into account within the scope of the continuous improvement process.

In addition, the cybersecurity insurance policy was renewed in 2019, covering all Group units including GPA in Brazil and Éxito in Colombia. The cover is reviewed each year 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. Economic and political risks

Description of the risk	Potential impacts on the Group
The Group's businesses and particularly its sales, operating performance and cash generation are strongly correlated with household expenditure, which is influenced by the cyclical nature of the economy at large, 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 2020, 70% 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.	A global economic downturn concerning all of the countries in which the Group operates could have a negative impact on customer confidence and on their demand for "non-essential" products. A global economic downturn can also drive down sales of food and other essential products. 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.

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);
- 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, 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, generating significant revenues.

III. 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 tourist areas. This in turn could affect sales in the Group's retail stores.	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 pandemic could lead to the partial or total shutdown of retail space and warehouses due to staff absences, supply-related difficulties, and/or government decisions (lockdown, closure of shopping centres, etc.). This could have an adverse impact on the Group's net sales and operating performance. Any resurgence of social uncertainty exposes the Group to 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.

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 closely and is prepared to deploy new measures depending on the development of the pandemic, in compliance with the health guidelines issued by governments.

- 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, 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 265 describes the critical information systems interruption risk and describes how it is managed.

IV. 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 headquarters costs and reducing store costs, by negotiating better purchasing terms and conditions, unlocking logistics synergies, and selling loss-making stores. ▪ (4) The Group has assessed the potential of its non-core businesses and assets that could be sold (e.g., a €2.5 billion asset disposal plan in France announced in March 2019 and a second €2 billion plan announced in August 2019).	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 operating performance and financial position. ▪ (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; 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, and the impact of disposals on the Group's bargaining power when purchasing from its suppliers may be more significant than anticipated. The sale of a business, asset, and/or company may be subject to one or more conditions precedent, some of which may be outside the Group's control, for example relating to merger regulations. No guarantee can be given that such conditions precedent will be lifted or met, or that they will be lifted or met in the allotted timeframe. Any failure or delay in meeting conditions precedent could prevent or delay such sales. Lastly, certain clauses contained in sale agreements may, as is customary, cause the Group to retain a degree of financial involvement in businesses sold, such as part of the shares, contingent consideration or earn-outs, seller's 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 was commissioned at the end of March 2020 and already covers most of the Paris region.

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 excessively 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.

V. Risks related to reputation and brand value

Description of the risk	Potential impacts on the Group
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 banners, and/or in the quality or safety of products sold or supplied in its stores. Image is a factor that can differentiate one banner from its competitors and help it to win over customers. This image can be undermined by the actions of advocacy non-governmental organisations (NGOs) or organised grass-roots movements, for example. Similarly, the brands and banners may be subject to targeted attacks on social media with the sole aim of destabilising them and wasting the time of communications teams by forcing them to focus on a single issue. 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.	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 277 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 media, etc.) by implementing monitoring and alert systems and responds in a manner tailored to the situation concerned.

The CSR department maintains a regular watch and open dialogue with all stakeholders, including advocacy NGOs, in order to identify expectations that may be the focus of claims in the short or medium term or attacks from these players in the media. This is designed to enable the Group to promptly take the appropriate remedial action if the claims are deemed to be founded, thereby mitigating the risk.

VI. Dependence on new technologies

Description of the risk	Potential impacts on the Group
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.	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 innovation departments within each banner that are 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.

2020 saw the following innovations:

- deployment of the Fleury-Mérogis Monoprix robotic warehouse using Ocado technology, providing Monoprix.fr customers with access to more than 50,000 products that can be delivered in less than 24 hours;
- launch of the Blackbox project with Monop', an 18-sq.m. fully automated store with over 300 products. Thanks to smart weighting technology pioneered by start-up Shekel, the customer's products are automatically detected and checkout is fully automated.

VII. 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.

VIII. Consumer expectations

Description of the risk	Potential impacts on the Group
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 products 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.	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 Île-de-France – the Monoprix Plus service launched in 2020 offers next-day delivery to customers in Paris and Île-de-France. This fast and efficient home delivery service marks a further step in the Group's innovation drive, which also includes an optimised order preparation process thanks to technology rolled out in partnership with Ocado.

In Colombia, the Éxito group is acting for the environment by removing all plastic bags from its stores along with the plastic packaging on 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 eliminated all single-use plastics as of 2020.

IX. 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 taken by Group partners will have a significant adverse impact on the Group's business. For example, joint ventures have been set up in the consumer credit sector (Floa 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.

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 owing to its borrowings, which have maturities through to 2026. The Group's access to sources of financing (particularly negotiable Euro Commercial Paper "NEU CP") may be restricted in an environment of increased volatility (as was the case in May 2019 at the time of the Rallye safeguard plan, leading to a downgrade in the Group's credit rating by S&P and Moody's and to market volatility). 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, the Company's 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 short-term 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 2020, the Group's liquidity position in France (France Retail and E-commerce) was robust, with €819 million of cash and cash equivalents and €2.3 billion of confirmed, undrawn credit lines with an average maturity of 2.6 years.

The Group renegotiated all of its credit facilities 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.

A fraction of these credit lines can be used throughout the year to respond to the business' seasonal needs.

Casino also proved its ability to raise funds on the capital and private placement markets in two transactions carried out in November 2019: a €1.0 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.

In December 2020, the Group carried out a further refinancing transaction, redeeming €822 million in bonds maturing between 2021 and 2025. The bond buyback was financed by new borrowings for €625 million due between 2024 and 2026 and by recent cash inflows from disposals (notably Leader Price for €648 million). Following this transaction, €487 million was placed in a segregated account to be used solely to pay down loans and borrowings, largely covering the sums falling due in May 2021 (€130 million) and June 2022 (€331 million).

At 31 December 2020, the Group had €179 million in NEU CP commercial paper outstanding versus €129 million at 31 December 2019. Access to the commercial paper market may be restricted in periods of volatility, as was the case following the launch of safeguard proceedings for Rallye in May 2019. However, this 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.

Risk management (control and mitigation)

At 31 December 2020, Casino was rated B (negative outlook) by Standard and Poor's and B3 (stable outlook) by Moody's, compared to B/B2 (negative outlook) at the end of 2019.

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.

The Group has posted collateral and sureties in respect of the two facilitites arranged in November 2019, as well as for its €2.0 billion confirmed credit line.

Excluding these financing arrangements, debt carried by Casino, Guichard-Perrachon and its main subsidiaries (GPA, Éxito, Monoprix) is not secured by collateral or assets.

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 2020 (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 2020.

An incurrence covenant applies in the event special dividends are paid in addition to ordinary dividends[(2)], as follows: gross debt/EBITDA (France Retail + E-commerce): < 3.5x.

(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 Segisor).

(2) 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.

Liquidity risk is discussed at length in Note 11.5.4 to the 2020 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 eurozone 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 2020, an increase of 10% in the value of the euro against the Brazilian real would have had a negative impact of €1,008 million on total revenue, of €54 million on trading profit, of €23 million on net profit and of €234 million on equity. An increase of 10% in the value of the euro against the Colombian peso would have had a negative impact of €264 million on total revenue, of €11 million on trading profit, of €5 million on net profit and of €130 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 7.5% or €27 million increase (5.9% or €21 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 €3,422 million and €1,225 million, respectively, at 31 December 2020). Interest streams on part of this debt were swapped for variable rate streams. At 31 December 2020, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 29% at fixed rates (€1,339 million), 26% at a capped or floored variable rate (€1,225 million [Term Loan B]) and 45% at a variable rate (€2,083 million). Note 11.5.2 to the 2020 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 2020 in Chapter 2 of this Universal Registration Document.

4.3.3. Corporate social responsibility (CSR) risks

I. 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. In addition to International Featured Standard (IFS) certification, 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. Crisis management exercises are also regularly organised to test the robustness of procedures and provide ongoing training to internal stakeholders.

For additional information, see Chapter 3 Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS).

II. Social and environmental impact of the supply chain

Description of the risk	Potential impacts on the Group
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.	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. The Group put in place a specific procedure for monitoring suppliers of private-label products (including textiles) based in high-risk countries some years ago, with the aim of subjecting active plants to independent ICS audits. This control system supplements the upstream procedure for approving production facilities described in the Group's Supplier Compliance Programme Manual (SCOP) updated in 2019. Suppliers manufacturing private-label products containing palm oil and beef suppliers in Brazil are subject to specific regular assessments and actions to mitigate risks or prevent serious harm. These measures were reinforced in 2020 in connection with GPA's new cattle breeding policy.

For additional information, see Chapter 3 Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS).

III. Climate change

Description of the risk	Potential impacts on the Group
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 the potential scarcity of raw materials; ▪ 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.	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, and its scope 3 emissions by 10% between 2018 and 2025. 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. Each of the Group's business units defines action plans to reduce their energy and refrigerant-related emissions, as well as their transport-related emissions. 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 greener modes of transport such as by river or electrically powered vehicles in the France scope. The Group has developed a line of plant protein-based products, local products and "scoop and weigh" solutions, thereby anticipating the expectations of consumers looking to purchase products with a low environmental footprint. The Group also organises a Carbon Forum designed to encourage its main suppliers to reduce the greenhouse gas emissions of products sold in the Group's stores.

In the event of extreme weather events, 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.

Casino Group supports the TCFD's recommendations on governance, strategy, risk management, and metrics and targets (see Chapter 3 Corporate Social Responsibility (CSR), section 3.5.4 Casino Group, actively committed to protecting the environment and climate). The Group became a "TCFD supporter" in February 2021.

For additional information, see Chapter 3 Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS).

4.3.4. Legal and regulatory risks

I. Legal and regulatory compliance risks

Description of the risk	Potential impacts on the Group
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. Data protection is also a priority, and concerns both customers and the Group's employees. 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).	Despite measures taken to comply with the regulations applicable to its business activities, the Group cannot guarantee that all risks will be eliminated, due in particular to the ever more stringent regulatory environment, greater supervisory tools 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 Committee 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 (CSR) and Non-Financial Information Statement (NFIS).

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 2020 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 2020, the cap on the reinsurance captive's commitments was lifted to €12 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 2020, the Group pursued its policy of rationalising its insurance programmes covering all French and international subsidiaries.

These insurance programmes were reviewed in July 2020. 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 2020, the Group's property damage and business interruption cover was restructured, with a new insured amount of €250 million per claim and per year. A new property damage and business interruption policy was taken out in Brazil, providing for cover of up to BRL 400 million. This policy only insures risks relating to banners in Brazil. The Group's property damage and business interruption policy kicks in when the maximum cover offered by this new local policy has been reached.

In France, natural disaster cover also represents €250 million, while flood insurance cover is limited to €100 million. Internationally, natural disaster cover is between €80 million and €100 million, depending on the country; earthquake cover in Colombia is for up to €190 million. Cover for acts of terrorism and political violence in France and internationally is €150 million and €100 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 – GOVERNANCE SYSTEM

At 31 December 2020, Rallye held 52.3% of the Company's share capital[(1)] and 63.14% of its voting rights. 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.

In a decision handed down on 28 February 2020, the Paris Commercial Court approved the safeguard plan for Rallye and its subsidiaries, as well as for their parent companies, Foncière Euris, Finatis and Euris, and organised for their debt to be repaid over a ten-year period up to February 2030.

Casino Group, which is not concerned by these proceedings, took note of the Court's decisions, which require the companies subject to the safeguard plan to comply with specified financial commitments as from 2023. The Company confirmed the continuation of the implementation of its strategic plan: emphasising the unique positioning of the Group on buoyant formats (premium, convenience and e-commerce) and geographies; accelerating fast-growing business lines (energy and data); in financial terms, with priority given 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.

All of the Company's decisions, particularly concerning disposals or dividend payouts, are taken in light of the Group's financial position and the interests of the Company, and in compliance with its loan and bond agreements.

(1) Including 8.73% placed in trust by way of security in favour of Fimalac (6.36% of voting rights).

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 recommend that the Company increase its debt or sell certain items of property, plant and equipment, which could in turn increase the Company's debt servicing obligations or reduce the Group's ability to generate net sales, or lead to the payment 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 Casino, or to creditors being reluctant to lend at market 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. However, no such action has been identified to date.

If the safeguard plan is not implemented, this could lead to 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 has pointed out that a loss of control would have no legal impact on Casino's debt and would not constitute an event of default under Casino's bank financing or bond documentation. 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 more information, see Note 11 to the consolidated financial statements.

4.5.2. Governance measures implemented by the Company

At its meeting in 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 a position to (i) 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. This specific framework remains in force in connection with the implementation of the safeguard plans.

For further information on the composition of the Board and the Company's governance structure, please refer to Chapters 5.5.2, 5.5.3 and 5.5.5 of this Universal Registration Document.

4.6. SPECULATIVE ATTACKS ON THE SHARE PRICE

- In 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 decided that no further action would be taken regarding the inquiry launched in February 2016. On the same day, the body published a press release announcing that a letter was sent to Muddy Waters Capital and all Casino subsidiaries, stating:

  "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."

- 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 have continued since then. The Casino share thus recorded a sharp decrease in April 2019, which was exacerbated in May of that year. 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

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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 meeting of 23 March 2021.

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. 22-10-10 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 2020 in consideration of their position pursuant to Article L. 22-10-9 of the French Commercial Code, and the compensation policy for the corporate officers pursuant to Article L. 22-10-8 of the French Commercial Code, which are respectively subject to 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. 22-10-11 of the French Commercial Code, are set forth in Chapter 8, on pages 387 and 389, 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 373. For further information on the content of the Corporate Governance Report, please refer to the cross-reference table on page 406 of this Universal Registration Document.

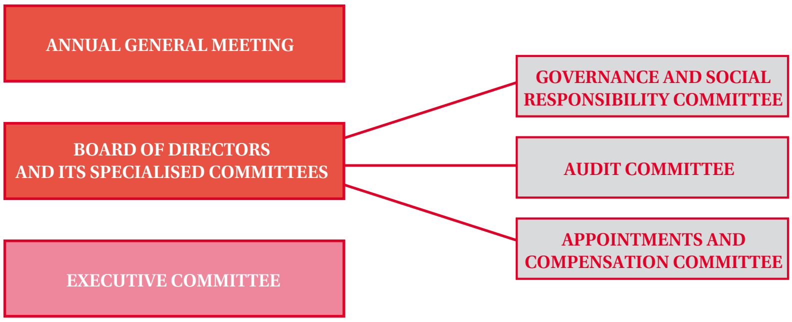
The Corporate Governance Report was prepared by the Secretary of the Board with input from Senior Management and the Group's Legal department. This Report was prepared on the basis of applicable law and regulations, the Afep-Medef Code revised in January 2020, the recommendations contained in the Code's guidelines, the 2020 Activity Report of the High Committee on Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*), the recommendations of the French financial markets regulatory authority (*Autorité des Marchés Financiers* – AMF) and its 2020 report on corporate governance and managers' compensation, 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 (see Chapter 2, pages 137 to 140) that said Report contains the information required of the report on corporate governance by Articles L. 225-37-4, L. 22-10-9 and L. 22-10-10 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. 22-10-9 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 23 MARCH 2021

Governance structure

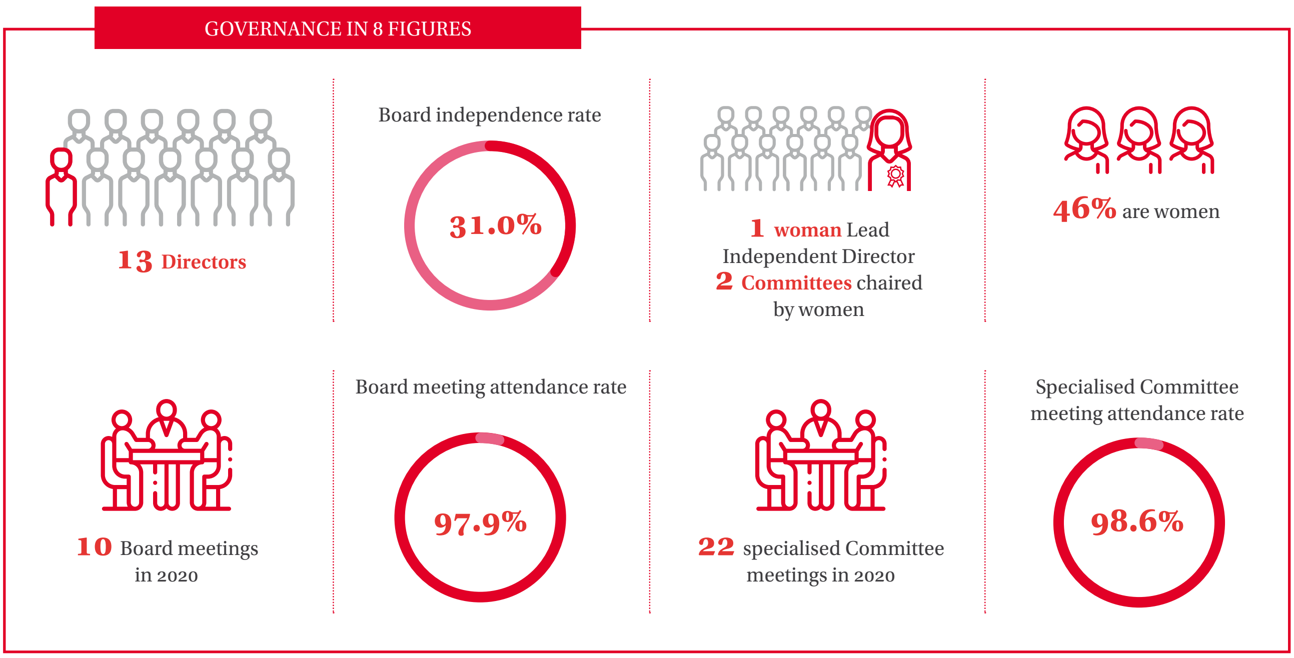


Casino, Guichard-Perrachon ("Casino" or the "Company") is controlled by Jean-Charles Naouri (see the ownership structure presented on page 374 of the Universal Registration Document).

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



Diversity of the Board of Directors

13 members

4 Independent Directors
Catherine Lucet – Lead Director
Nathalie Andrieux
Christiane Féral-Schuhl
Laure Hauseux

6 representing the controlling shareholder
Jean-Charles Naouri – Chairman and Chief Executive Officer
Josseline de Clausade – Representative of Saris
Jacques Dumas – Representative of Euris
Didier Lévêque – Representative of Finatis
Odile Muracciole – Representative of Matignon Diderot
Michel Savart – Representative of Foncière Euris

3 Non-Independent Directors
Thomas Piquemal - Representative of Fimalac
David de Rothschild
Frédéric Saint-Géours

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

12 members
3 women

Jean-Charles Naouri
Chairman and Chief Executive Officer

Hervé Daudin
Executive Director, Merchandise Director and Chairman of Achats Marchandises Casino

Franck-Philippe Georgin
General Secretary, Executive Committee Secretary

Carlos Mario Giraldo Moreno
Chief Executive Officer of Grupo Éxito Colombia

Emmanuel Grenier
Chairman and Chief Executive Officer of Cdiscount and Chief Executive Officer of Cnova NV

Cécile Guillou
Chief Executive Officer of Franprix

Julien Lagubeau
Chief Operating Officer

Karine Lenglart
Corporate Development and Holdings Director

David Lubek
Chief Financial Officer

Jean-Paul Mochet
Chairman of Monoprix and Chief Executive Officer of Franprix

Tina Schuler
Chief Executive Officer of Casino Supermarchés, Géant Casino and Casino Proximités

Arnaud Strasser
Executive Director, Corporate Development and Holdings, Vice-Chairman of GPA

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 minority shareholders of the Group's different subsidiaries and parent companies, the Board of Directors decided in 2015 to introduce a procedure for the review of agreements entered into by Casino related parties, subsidiaries and parent companies, by the Audit Committee. In June 2019, it also tasked the Governance and Social Responsibility Committee with a specific temporary assignment in connection with the safeguard proceedings initiated 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 23 March 2021

At 23 March 2021, the Board of Directors comprised 13 Directors, elected by the Annual General Meeting. 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 23 March 2021, the members of the Board of Directors were as follows:

									Participation in Committees		
	Age/ Gender	Nationality	No. of shares	No. of directorships of listed companies[2]	Independence	First term of office	Term expires	Years on the Board	Audit	Governance and Social Responsibility	Appointments and Compensation Committee
Executive Corporate Officer											
Jean-Charles Naouri[1] *Chairman and Chief Executive Officer*	72/M	🇫🇷	376[3]	-		2003	2022	18			
Directors											
Nathalie Andrieux	55/W	🇫🇷	375	1	☑	2015	2021	6		M	C
Josseline de Clausade[1] *Representative of Saris, Director*	67/W	🇫🇷	432	-		2020	2023	1			
Jacques Dumas[1] *Representative of Euris, Director*	68/M	🇫🇷	69,944	-		2015	2023	6			
Christiane Féral-Schuhl	63/W	🇫🇷 🇨🇦	674	-	☑	2017	2023	4		M	
Laure Hauseux	58/W	🇫🇷	700	-	☑	2018	2021	3	M		M
Didier Lévêque[1] *Representative of Finatis, Director*	59/M	🇫🇷	275	-		2008	2022	13			
Catherine Lucet *Lead Director*	62/W	🇫🇷	445	-	☑	2011	2021	10	M	C	
Odile Muracciole *Representative of Matignon Diderot, Director*	60/W	🇫🇷	365	-		2020	2022	1			
Thomas Piquemal *Representative of Fimalac, Director*	51/M	🇫🇷	2,500	-		2020	2023	1			
David de Rothschild	78/M	🇫🇷	400	-		2003	2023	18			M
Frédéric Saint-Geours	70/M	🇫🇷	350	-		2006	2023	15	C	M	
Michel Savart[1] *Representative of Foncière Euris, Director*	58/M	🇫🇷	22,158	1		2011	2023	10			

(1) Representing the controlling shareholder.
(2) Excluding Casino/Euris (Euris and its subsidiaries, and Casino, Guichard-Perrachon and its subsidiaries).
(3) 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, in addition to the shareholding requirement specified in the Company's Articles of Association, each Director elected at the Annual General Meeting is required to own registered shares equivalent to at least one year's basic individual compensation payable to him or her as a Director.

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 (ACC), 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. From June 2017 to 17 June 2020, employee representation on the Board was 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 experts in the retail sector who have international experience.

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. 22-10-7 (formerly 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 which expired at the end of the Annual General Meeting on 17 June 2020. He is also a member of the Appointments and Compensation Committee.

The Board of Directors has noted that the amendments made to Articles L. 22-10-7 (formerly 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 was not renewed at the close of the 2020 Annual General Meeting. Employee representation was organised by Rallye at the close of its 2020 Annual General Meeting, with the appointment of Gilbert Delahaye to its Board.

5.2.3. Changes to the composition of the Board in 2020

Annual General Meeting of 17 June 2020	Expired term	Renewed term	Elections
	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)	Fimalac (Thomas Piquemal) Saris (Josseline de Clausade)

(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 was not possible to include such a Director (see above).

Odile Muracciole succeeded Diane Coliche as representative of Matignon Diderot on 4 March 2020.

At the Annual General Meeting of 17 June 2020, shareholders re-elected all the Directors whose terms had expired and elected Fimalac, represented by its Deputy Chief Executive Officer Thomas Piquemal, and Saris, subsidiary of the Euris Group, represented by Josseline de Clausade, a Director representing the controlling shareholder, for a three-year term.

The Board's recommendation to elect Fimalac followed the announcement by Rallye, Casino's parent company, on 30 March 2020 of the agreement entered into by Jean-Charles Naouri and Marc Ladreit de Lacharrière concerning the refinancing of Rallye's derivative transactions (including its subsidiaries HMB and Cobivia) and Fimalac's potential investment in the Euris group. Under the terms of the agreement, for a seven-year period, Fimalac would have the option of acquiring up to 49.99% of Euris' share capital through a new holding company which would be held by Jean-Charles Naouri and his family that will control Euris. Through this transaction, Fimalac expressed its commitment to help support and develop Casino Group (see Rallye's press release dated 30 March 2020). Fimalac, holding company of the Fimalac group, wholly-owned by Marc Ladreit de Lacharrière, who was Director of the Company from 4 September 2003 to 16 September 2016, operates in five business areas: private equity, digital, live entertainment, hotel and leisure activities, and real estate.

This change in the composition of the Board will develop and strengthen the Board's expertise and the complementarity of its members' skills (particularly in the energy, real estate and digital technology sectors, and in French and European markets and finance). It provides Casino Group with additional assets to pursue its strategy for growth, value creation and debt reduction. The diversity of skills on the Board is described on page 298 below.

In line with the Afep-Medef Code's assessment criteria and following the Appointments and Compensation Committee's review, the Board concluded that neither Thomas Piquemal, representing Fimalac, nor Josseline de Clausade, representing the Euris group, could be qualified as independent members.

At the close of the 2020 Annual General Meeting, the Board of Directors had 13 members. The independence rate having been reduced to 31%, the Board announced that it was seeking a candidate for election as a new Independent Director in order to restore the independence rate to the one-third threshold recommended by the Afep-Medef Code for controlled companies, by no later than the 2021 Annual General Meeting. The Board includes one member who has dual nationality. The proportion of women on the Board is consistent with gender balance provisions, with women representing 46% of Board members (6/13).

Changes to the composition of the specialised Committees in 2020

There were no changes in the composition of the Audit Committee and the Governance and Social Responsibility Committee in 2020. The number of members on the Appointments and Compensation Committee was reduced from four to three after Gilbert Delahaye's term expired pursuant to Articles L. 22-10-7 (previously L. 225-27-1) *et seq.* of the French Commercial Code (see above).

	Audit Committee	Governance and Social Responsibility Committee	Appointments and Compensation Committee
After the Annual General Meeting of 17 June 2020	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)* Laure Hauseux(1) David de Rothschild
Number of members	3	4	3
Independence rate	2/3	3/4	2/3
Proportion of women	66.66%	75%	66.66%

(1) Independent member.

5.2.4. Composition of the Board of Directors submitted to the 2021 Annual General Meeting

Annual General Meeting of 12 May 2021	Expired term	Renewed term	Elections
	Nathalie Andrieux(1)	Nathalie Andrieux(1)	Thierry Billot(1)
	Laure Hauseux(1)		Maud Bailly(1)
	Catherine Lucet(1)		Béatrice Dumurgier(1)
	Gilles Pinoncély (Non-Voting Director)		
	Gérald de Roquemaurel (Non-Voting Director)		

(1) Independent member.

The terms of the following Directors expire at the close of the 2021 Annual General Meeting: Nathalie Andrieux, Laure Hauseux and Catherine Lucet.

The Annual General Meeting is being asked to re-elect Nathalie Andrieux for a three-year term. Catherine Lucet and Laure Hauseux have informed the Board that they do not wish to be re-elected.

Shareholders will also be asked to elect three new Independent Directors, selected on account of their profiles which fit with Casino's diversity policy:

- Maud Bailly, Chief Executive Officer Southern Europe and a member of the Executive Committee of the AccorHotels group.
- Thierry Billot, Lead Independent Director of the Bel group and formerly an executive of the Pernod Ricard group.
- Béatrice Dumurgier, formerly Chief Operating Officer of the carpooling specialist BlaBlaCar, sitting on the Executive Committee, and Chief Executive Officer of BlaBlaBus, and previously an executive at BNP Paribas France's retail banking arm.

The Directors' biographical details are presented on page 325 and subsequent pages.

These proposed changes in the composition of the Board will enrich and strengthen the Board's expertise in the areas of products, customer care, digital solutions and services, and will increase the number of its members with a European and international background.

They will also deepen and widen its range of complementary skills and profiles which are adapted to the Company's different businesses and the goals and challenges of its growth and transformation strategy. Thierry Billot, Maud Bailly and Béatrice Dumurgier fulfill all of the Afep-Medef criteria to qualify as Independent Directors (see section 5.2.5 – Independent Directors).

Gilles Pinoncély will not be standing for re-election when his term of office expires at the close of the 2021 Annual General Meeting because he has reached the age limit for being a Board member, and Gérald Roquemaurel has informed the Board that he does not wish to be re-elected.

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).

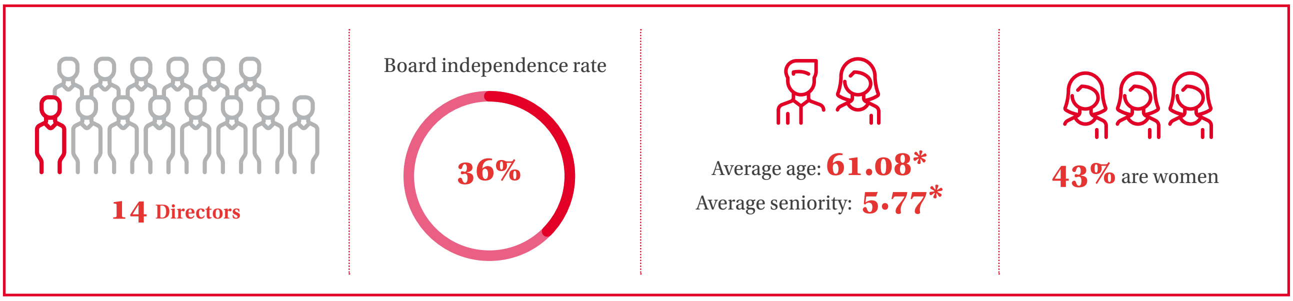
Diversity and independence of the Board at the close of the 2021 Annual General Meeting

In these conditions, subject to approval of these proposals at the Annual General Meeting, the Board will comprise 14 corporate officers as of the close of the Meeting. It would have five Independent Directors (i.e., 36%), three external Directors not qualifying as independent according to the criteria set out in the Afep-Medef Code, and six Directors representing the controlling shareholder who do not control a majority of votes on the Board of Directors.

43% of Board members (6/14) are women.

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 and deemed necessary to the performance of its duties are presented in sections 5.2.5 and 5.2.7 below.



** The averages have been calculated excluding the Chairman and Chief Executive Officer and including the new independent Board members.*

Subject to this same condition of approval at the Annual General Meeting, the membership of the Committees will be changed by the Board meeting to be held after the Annual General Meeting, taking into account the experience and skills needed for the Committees' work and the guidelines on representation of Independent Directors in the Afep-Medef Code that are applied by the Company.

The Board of Directors will also be called after the Annual General Meeting to appoint a new Lead Independent Director to replace Catherine Lucet.

5.2.5. Independent Directors

In accordance with Afep-Medef Code recommendations, during the annual review of its composition and of the proposed elections and re-elections of Directors, the Board of Directors analysed the situation of its members having considered the Appointments and Compensation Committee's report.

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 2021 Annual General Meeting (provided the proposed re-elections and appointments of Directors are approved) has been assessed in relation to all of the independence criteria in the Afep-Medef Code. These eight 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), based on a multi-criteria analysis. 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 and Christiane Féral-Schuhl, as well as of Laure Hauseux and Catherine Lucet who are not standing for re-election at the 2021 Annual General Meeting, 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 Thierry Billot, based on an analysis of various different criteria, the Board has concluded that the business ties between the Casino and Bel groups are unlikely to compromise his independence of judgement with respect to matters discussed by the Board, nor are they likely to give rise to conflicts of interest. The Board therefore considers that Thierry Billot qualifies as an Independent Director. The Board noted in particular that Thierry Billot serves on the Board of Directors of Bel as an Independent Director and does not hold any management position within the Bel organisation. In addition, Thierry Billot does not have any direct business ties with Casino, its Group or its management. He does not receive any compensation and has no personal interests in relation to the two groups' business ties and the contracts concerned. Under the organisation described above, Casino's purchase contracts are negotiated with suppliers by the Horizon central purchasing agency set up with Auchan, Metro and Schiever. Thierry Billot is not a stakeholder and has no decision-making authority over the contracts underpinning the long-standing, established business relationship on an arm's length basis between the Bel and Casino groups. There is no situation of financial dependence nor any exclusive arrangement of any kind between the parties.

Thierry Billot has stated that he is not exposed to any conflict of interest and that, should any conflict of interest arise, he would refrain from taking part in any Board discussion or decision involving either of these companies in accordance with the Board's Internal Rules.

The Board also noted that Maud Bailly and Béatrice Dumurgier, who are also proposed for election as Directors at the Annual General Meeting, do not have any direct or indirect business ties with the Company or the Group that might compromise their freedom of judgement, and that they fulfill all of the independence criteria in the Afep-Medef Code.

As in preceding years, David de Rothschild does not qualify as independent owing to the material business relationships Rothschild & Cie has with the Group. 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 considered that Frédéric Saint-Geours retained freedom of judgement and intellectual and ethical independence, unanimously recognised and appreciated.

The Board of Directors confirmed its earlier conclusion that Thomas Piquemal, representative and Deputy Chief Executive Officer of Fimalac, could not be qualified as an independent member due to the fact that Jean-Charles Naouri sits on the Board of Directors of Fimalac and in view of the agreement entered into by Jean-Charles Naouri and Marc Ladreit de Lacharrière, Chairman and Chief Executive Officer of Fimalac.

Six Directors would represent the controlling shareholder: Jean-Charles Naouri, Chairman and Chief Executive Officer, Josseline de Clausade, Odile Muracciole, Jacques Dumas, Didier Lévêque and Michel Savart. 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 2021 Annual General Meeting:

Directors	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Qualification
Nathalie Andrieux(1)	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Maud Bailly(1)	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Thierry Billot(1)	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Béatrice Dumurgier(1)	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Christiane Féral-Schuhl	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Thomas Piquemal, representing Fimalac	yes	no	yes	yes	yes	yes	yes	yes	Not Independent
Frédéric Saint-Geours	yes	yes	yes	yes	yes	no	yes	yes	Not Independent
David de Rothschild	yes	yes	no	yes	yes	no	yes	yes	Not Independent
Jean-Charles Naouri	no	yes	yes	yes	yes	no	yes	no	Not Independent
Josseline de Clausade, representing Saris	no	yes	yes	yes	yes	yes	yes	no	Not Independent
Jacques Dumas, representing Euris	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	no	yes	yes	yes	yes	yes	yes	no	Not Independent

(1) Director proposed for re-election or candidate proposed for election at the 2021 Annual General Meeting.

Five out of 14 of the Directors serving on the Board of Directors would therefore qualify as independent – equivalent to 36% – which exceeds the threshold recommended by the Afep-Medef Code for controlled companies.

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. 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.

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 expires in 2021 at the Annual General Meeting called to approve the financial statements for the financial year ended 31 December 2020.

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. Mr de Roquemaurel has informed the Board that he does not intend to stand for re-election when his current term expires at the close of the 2021 Annual General Meeting.

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)(2)	*	*	*				*	*	*
Maud Bailly(1)(2)	*	*			*		*	*	*
Thierry Billot(1)(2)	*		*					*	*
Josseline de Clausade						*	*	*	*
Jacques Dumas	*		*	*		*			*
Béatrice Dumurgier(1)(2)	*	*	*		*			*	*
Christiane Féral-Schuhl(1)		*				*	*	*	
Laure Hauseux(1)(3)	*		*		*			*	*
Didier Lévêque			*	*					*
Catherine Lucet(1)(3)	*	*	*				*	*	*
Odile Muracciole				*		*			*
Thomas Piquemal		*	*	*	*			*	*
David de Rothschild			*					*	*
Michel Savart			*	*				*	*
Frédéric Saint-Geours	*		*		*		*	*	*
Gilles Pinoncély(3)(4)	*								*
Gérald de Roquemaurel(3)(4)		*	*					*	*

(1) Independent members.
(2) Proposals to elect or re-elect directors submitted to the 2021 Annual General Meeting.
(3) Term expires at the AGM.
(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 regulated 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 in the context 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 2020 for 2021.

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. Each year, the Lead Director reports on his or her activities during the year to the Governance and Social Responsibility Committee and to the Board.

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 and leads 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 thus proposed a temporary adjustment to its role in order to the broaden the scope of the Committee's 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 to hold discussions with investors on corporate governance matters.

The activity report of the Lead Director for 2020 is presented on pages 338 and 339 (see section 5.5.3 below).

Catherine Lucet has informed the Board that she will be stepping down from the Board when her term expires at the close of the 2021 Annual General Meeting.

The Board of Directors will meet after the Annual General Meeting and will designate Catherine Lucet's successor from among the independent members of the Governance and Social Responsibility Committee, based on the recommendation of the Chairman and after consulting the Appointments and Compensation Committee.

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 12 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;
- Franck-Philippe Georgin, General Secretary, Executive Committee Secretary;
- Cécile Guillou, Chief Executive Officer of Franprix;
- Carlos Mario Giraldo Moreno, Chief Executive Officer of Grupo Éxito (Colombia);
- Emmanuel Grenier, Chairman and Chief Executive Officer of Cdiscount and Chief Executive Officer of Cnova;
- Karine Lenglart, Corporate Development and Holdings Director;
- Julien Lagubeau, Chief Operating Officer;
- David Lubek, Chief Financial Officer;
- Jean-Paul Mochet, Chairman of Monoprix and Chief Executive Officer of Franprix;
- Tina Schuler, Chief Executive Officer of Casino Supermarchés, Géant Casino and Casino Proximités;
- Arnaud Strasser, Executive Director, Corporate Development and Holdings; Vice-Chairman of GPA.

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 indicators are consolidated 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 of the management committees in France.

Concerning gender balance at Senior Management level, the Group has set a target of 34% of top management positions in France being held by women by the end of 2022, with a minimum of 32%. Improved gender balance on the Group Executive Committee and the Management Committees of the Business Units in France will help the Group meet this objective. This Senior Management gender balance objective is one of the two CSR performance criteria included in the long-term incentive (LTI) plans (2020 three-year incentive plans) for the Chairman and Chief Executive Officer and Senior Management decided by the Board of Directors in 2020. For the 2021 three-year incentive plans, the target has been raised to 36% by 2023, with a minimum of 34.5% corresponding to the 2022 target plus 0.5 points (see section 6).

The action plans were supplemented during 2020 with the creation of "women-only talent committees" impelled by the Group Executive committee to drill down in the organisation in order to identify talented women capable of taking on greater responsibilities in the short to medium term, including in operating positions. Women identified as capable of taking on greater responsibilities by 2022 were given promotions in 2020 or lined up for promotion in 2021. Various other initiatives were launched or stepped up in 2020, such as training and development plans, awareness-raising initiatives and initiatives to promote gender diversity. However, further action was considered necessary in 2021 to develop internal reservoirs of female talent.

All of these initiatives and the results obtained are monitored and reviewed annually by the Board of Directors and its Committees.

As of 31 December 2020, 32% of the members of Senior Management in France were women, versus 28.9% at the end of 2019.

As of the same date, three of the 12 members of the Group Executive Committee were women, representing 25% versus 9% at the previous year-end. Within the management group represented by the Group Executive Committee and the Management Committees of the Business Units in France, the proportion of women was 28.1% at 31 December 2020.

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 2020.

The quality of the Group's gender equality policy has been officially recognised in France and in Latin America, for example in the Vigeo Eiris ranking published in May 2020. Concerning pay ratios, the Group's weighted average Workplace Equality Index score was 91/100 (for 39 French entities included in the calculation), representing 16 points more than the statutory minimum score of 75/100 and a 1-point improvement on 2019 (see also Chapter 3).

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 2020 and ongoing as of 23 March 2021

Within Casino Group/Euris

- Chairman of the Board of Directors and Director of Rallye (listed company);
- Chairman of Euris Holding and Financière Euris;
- Chairman and Member of the Board of Directors of Companhia Brasileira de Distribuição (listed company – Brazil);
- Chairman and Member of the Board of Directors of Sendas Distribuidora S.A. (Assaï, 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 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 of "Promotion des Talents", a non-profit organisation.

NATHALIE ANDRIEUX

Independent Director
(proposed for re-election)

■ *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 2020 and ongoing as of 23 March 2021*

Outside Casino Group

- Director and member of the Strategy Committee of GFI Informatique.

■ *Other directorships and positions held in the past five years (excluding those listed above)*

- Member of the Supervisory Board and Member of the Audit Committee of Lagardère (listed company)*;
- 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 2020.*

CHRISTIANE FÉRAL-SCHUHL

Independent Director

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 (*Bâtonnier*) of the Paris Bar in 2012 and 2013 (25,000 attorneys), and Chair of the National Bar Council (*Conseil National des Barreaux*) from 2018 to 2020 (71,000 attorneys).

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).

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

Paris Court of Appeal Mediator

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 to be held in 2023
Member of the Governance and Social Responsibility Committee	15 May 2018	OGM to be held in 2023

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

Within and outside Casino Group
None

Other directorships and positions held in the past five years (excluding those listed above)

- 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;
- Member of the *Comité de Direction* (Management Committee) of the CARPA*;
- President of the French National Bar Council (*Conseil National des Barreaux*)*.

* *Offices and positions expired in 2020.*

LAURE HAUSEUX

Independent Director
(Laure Hauseux is not standing for re-election when her term expires at the close of the 2021 Annual General Meeting)

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 2012, 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 2020 and ongoing as of 23 March 2021

Outside Casino Group

- Director and Member of the Audit Committee of Maisons du Monde (listed company);
- Member of the Supervisory Board and Chair of the Audit Committee of ECG Holding SAS;
- Member of the Supervisory Board of Pomona;
- 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 Chair 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;
- Chief Executive Officer of GAC;
- Member of the Supervisory Board, Chair of the Audit Committee of Zodiac Aerospace (listed company).

CATHERINE LUCET

Independent Director
(Catherine Lucet is not standing for re-election when her term expires at the close of the 2021 Annual General Meeting)

■ *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 Deputy Chief Executive Officer 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*

Deputy Chief Executive Officer 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 2020 and ongoing as of 23 March 2021*

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)*

- Director of the Cap Digital Competitiveness Division.

DAVID DE ROTHSCHILD

Director

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 to be held in 2023
Member of the Appointments and Compensation Committee	15 May 2018	OGM to be held in 2023

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

Outside Casino Group

Within the Rothschild group

- Chief Executive Officer, Vice-Chairman of the Board of Directors of Rothschild & Co Concordia;
- Chairman of Financière de Reux;
- Member of the Board of Directors of Béro;
- Member of the Supervisory Board of Banque Martin Maurel;
- Sole Director of GIE Sagitas.

Outside the Rothschild group

- Legal Manager of Rothschild Ferrières, SCI 2 Square Tour Maubourg, Société Civile du Haras de Reux, SCI 66 Raspail and Acadie AA1;
- Sole Director of GIE Five Arrows Messieurs 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, Rothschild Martin Maurel Associés, RCI Partenaires, RCG Partenaires, SCS Holding*, Rothschild & Co Commandité*, Cavour*, Verdi*, Aida*, Financière Rabelais* and Financière de Tournon*;
- Legal Manager of RCB Partenaires, Rothschild & Cie, Rothschild Martin Maurel and Béro*;
- Director of Compagnie Financière Martin-Maurel;
- Chairman of Rothschild & Co Europe BV (Netherlands);
- Permanent Representative of Rothschild & Co Gestion, Managing Director of RCB Gestion;
- Vice-Chairman of the Board of Directors of Rothschild & Co Bank AG (Switzerland);
- Member of the Board of Directors of Continuation Investments NV (Netherlands), Rothschild Concordia AG (Switzerland), Rothschild Continuation Holdings AG (Switzerland), Rothschild & Co Holding AG (Switzerland) and Rothschild Employee Trustees Ltd (United Kingdom).

* *Offices and positions expired in 2020.*

FRÉDÉRIC SAINT-GEOURS

Director

- ***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 position***

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 to be held in 2023
Member of the Audit Committee	31 May 2006	OGM to be held in 2023
Chairman of the Audit Committee	15 May 2018	OGM to be held in 2023
Member of the Governance and Social Responsibility Committee	7 July 2015	OGM to be held in 2023

- ***Other directorships and positions held in 2020 and ongoing as of 23 March 2021***

Outside Casino Group

- Director and Vice-Chairman of the Board of Directors 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*;
- Member and Chairman of the Supervisory Board of SNCF.

EURIS

Director

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 to be held in 2023

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

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: 69,944

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 2020 and ongoing as of 23 March 2021

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, Compensation and Governance 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)

- 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 & Sustainable Development Committee and member of the Appointments and Compensation Committee** of Mercialys (listed company).

* *Offices and positions expired in 2020.*
** *Until 2021.*

F. MARC DE LACHARRIERE (FIMALAC)

Director

European company with share capital of €109,576,500

Registered office

97, rue de Lille – 75007 Paris, France

542 044 136 Trade and Companies Registry Paris

Number of Casino shares held: 100 (total shares held by the Fimalac Group: 2,877,318)

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	17 June 2020	OGM to be held in 2023

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

Within and outside Casino Group/Euris
None.

Other directorships and positions held in the past five years (excluding those listed above)

None.

THOMAS PIQUEMAL

Permanent representative of Fimalac since 17 June 2020

Born

13 May 1969

Nationality: French

Business address

97, rue de Lille – 75007 Paris, France

Number of Casino shares held: 2,500

Profile

A graduate of ESSEC business school, Thomas Piquemal started his career in 1991 at accounting firm Arthur Andersen. In 1995, he joined the Mergers and Acquisitions Department of Lazard Frères, becoming a Managing Partner of the bank five years later. At the end of 2008, he took on responsibility for the strategic partnership between Lazard and the US-based investment fund Apollo. On 19 January 2009, he joined Veolia Environnement as Senior Executive Vice-President, Finance, and member of the Executive Committee. In February 2010, he joined EDF as Group Senior Executive Vice-President, Finance. On 17 May 2016, he joined Deutsche Bank as Global Head of Mergers and Acquisitions and Chairman of Corporate & Investment Banking at Deutsche Bank France. On 30 May 2018, he joined Fimalac as Deputy Chief Executive Officer.

Main executive position

Deputy Chief Executive Officer of Fimalac

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

Outside Casino Group/Euris

- Director and member of the Audit Committee of Fimalac;
- Director (category A) of Fimalac Développement (Luxembourg);
- Director of Fimalac Entertainment;
- Permanent representative of Fimalac Développement (Luxembourg) on the Board of Directors of Groupe Lucien Barrière.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of Deutsche Bank France;
- Group Senior Executive Vice-President, Finance for EDF;
- Deputy Chief Executive Officer of EDF International (responsible for the United States);
- Director of Dalkia International, EDF Energy Holding Ltd, EDF Énergies Nouvelles, EDF International, EDF Trading, EDF Energy UK, Fimalac, Edison SpA, TI GF Holding and Transalpina di Energia;
- Member of the Supervisory Board of A&B de Dalkia, Dalkia SAS, ERDF, RTE EDF Transport and EnBW AG;
- Non-Voting Director of Fimalac;
- Member of LFCM Holdings LLC.

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 2020 and ongoing as of 23 March 2021***

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

Permanent 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 2020 and ongoing as of 23 March 2021

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Chairman and Chief Executive Officer and Director of Carpinienne de Participations (listed company); ▪ Chairman and Chief Executive Officer of Euristates, Inc. (United States); ▪ Chairman of Par-Bel 2 and Matignon Diderot; ▪ Member of the Supervisory Board of 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.	▪ Member of the Board of Directors of Wansquare SAS.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman and Chief Executive Officer of Euris North America Corporation (ENAC), Euris Real Estate Corporation* (EREC), 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 Baltica* and 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).

* *Offices and positions expired in 2020.*

FONCIÈRE EURIS

Director

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 to be held in 2023

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

Within Casino Group/Euris

- Chairman of Marigny Foncière and Mat-Bel 2;
- Director of Rallye (listed company).

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of Matignon Abbeville*.

* *Offices and positions expired in 2020.*

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 2020 and ongoing as of 23 March 2021

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Chairman of the Management Board of Centrum Serenada Sp. Zoo and Centrum Krokus Sp. Zoo (Poland); ▪ Member of the Supervisory Board of Groupe Go Sport; ▪ Representative of Foncière Euris, Chairman of Marigny Foncière and Mat-Bel 2; ▪ 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.	▪ Director, Member of the Audit, Risk & Sustainable Development Committee and Member of the Strategy and Transformation 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 Delano Holding, Co-Legal Manager of Delano Participations*;
- Representative of Fenouillet Participation, Legal Manager of Fenouillet Immobilier;
- Permanent representative of Foncière Euris, Chairman of Matignon Abbeville*;
- Permanent representative of Immat Bel as co-Legal Manager of Delano Holding* and Legal Manager of Marigny Fenouillet;
- Representative of Marigny Fenouillet as Legal Manager of Fenouillet Participation;
- Representative of Mat-Bel 2, Legal Manager of Immat Bel*, Marigny Fenouillet and Matbelys;
- Permanent representative of Rallye on the Board of Directors of Groupe Go Sport;
- Permanent representative of Rallye on the Supervisory Committee of Groupe Go Sport*;
- Co-Manager of Guttenbergstrasse BAB5 GmbH and Loop 5 Shopping Centre GmbH (Germany);
- Legal Manager of Montmorency;
- Member of the Appointments and Compensation Committee and Member of the Investment Committee** of Mercialys (listed company).

* *Offices and positions expired in 2020.*
** *Until 2021.*

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 2020 and ongoing as of 23 March 2021

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: 365

■ ***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 2020 and ongoing as of 23 March 2021***

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Chief Executive Officer of 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 Appointments and Compensation Committee of Rallye (listed company); ▪ 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);
- Chief Executive Officer of Matignon Abbeville*.

* *Offices and positions expired in 2020.*

SARIS

Director

Simplified joint stock company (*société par actions simplifiée*) with share capital of €2,100,000

Registered office

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

344 212 063 Trade and Companies Registry Paris

Number of Casino shares held: 400

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	17 June 2020	OGM to be held in 2023

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Director of Carpinienne de Participations and Foncière Euris (listed companies); ▪ Legal Manager of Euriscom.	▪ None.

Other directorships and positions held in the past five years (excluding those listed above)

- Director of Rallye (listed company).

JOSSELINE DE CLAUSADE

Permanent representative of Saris since 17 June 2020

Born

19 February 1954

Nationality: French

Business address

148, rue de l'Université – 75007 Paris, France

Number of Casino shares held: 432

Profile

A graduate of *École nationale d'administration* and *Institut d'études politiques de Paris* with a Masters degree in applied economics from the University of Paris IX-Dauphine, Josseline de Clausade has served as an advisor to the Chairman and Chief Executive Officer of Casino Group since 2012. A member of the *Conseil d'État*, France's highest administrative body, where she held positions including *Rapporteur public* (1986-1990) and *Rapporteur général* (2005-2007), Josseline de Clausade has been chief of staff of the French Deputy Minister of Foreign Affairs (1992-1993), a diplomat at the Permanent Representation of France to the European Union (1993-1996), cabinet advisor on scientific, technical and cultural cooperation, as well as on the promotion of the French language for the French Minister of Foreign Affairs Hubert Védrine (1997-2000), and consulate general of France in Los Angeles (2000-2002). She has also been a rapporteur for the Attali Commission to promote growth in France (2007-2008) and Compliance Director at the Areva group (2008-2011), responsible for audit, internal control and governance. She is a member of the France-Colombia Strategy Council set up by the presidents of those two countries in 2015.

Main executive position

Advisor to the Chairman and Chief Executive Officer of Casino, Guichard-Perrachon (listed company).

Other directorships and positions held in 2020 and ongoing as of 23 March 2021

Within Casino Group/Euris

- Member of the Board of Directors of Fundación Éxito (Colombia);
- Member of the Board of Directors of Cnova N.V. (Netherlands) and Sendas Distribuidora S.A. (Assaï, listed company – Brazil).

Other directorships and positions held in the past five years (excluding those listed above)

- Member of the Board of Directors and of the Sustainable Development Committee of the Éxito group;
- Member of the Board of Directors of BigC Vietnam;
- Member of the Board of Directors of BigC Thailand.

GILLES PINONCÉLY

Non-Voting Director
(Gilles Pinoncély is not standing for re-election when his term expires at the close of the 2021 Annual General Meeting)

■ *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 as of 23 March 2021*

Position/Duties	Date of appointment	Term of office ends
Non-Voting Director	13 May 2016	OGM to be held in 2021 (age limit exceeded)

■ *Other directorships and positions held in 2020 and ongoing as of 23 March 2021*

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 of Casino, Guichard-Perrachon (listed company).

GÉRALD DE ROQUEMAUREL

Non-Voting Director
(Gérald de Roquemaurel is not standing for re-election when his term expires at the close of the 2021 Annual General Meeting)

Born

27 March 1946

Nationality: French

Business address

Rue de Belle Vue, 64 – 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 Médias) 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. Gérald de Roquemaurel resigned from his position with Arjil in September 2015 and became Senior Advisor at Messiers-Maris, a position he has since left.

Main executive position

Chief Executive Officer of BGR Partners SA (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 2020 and ongoing as of 23 March 2021

Outside Casino Group
▪ Director of Baron Philippe de Rothschild SA

Other directorships and positions held in the past five years (excluding those listed above)

- Member of the Supervisory Board of Baron Philippe de Rothschild SA;
- Legal Manager of BGR Partners* (Belgium);
- Director, Chairman, member of the Appointments and Compensation Committee and member of the Audit Committee of Casino, Guichard-Perrachon.

* *Offices and positions expired in 2020.*

Information about Directors who stepped down from the Board at the close of the Annual General Meeting of 17 June 2020

GILBERT DELAHAYE

Director representing employees until 17 June 2020

▪ ***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 Proximité (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 until 17 June 2020***

Position/Duties	Date of appointment	Term of office ends
Director representing employees	6 May 2017[(1)]	17 June 2020
Member of the Appointments and Compensation Committee	15 December 2017	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 2020 and ongoing as of 23 March 2021***

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.

Information about MAUD BAILLY, candidate for election as an Independent Director

Born

14 January 1979

Nationality: French

Business address

82, rue Henry Farman – 92130 Issy-les-Moulineaux, France

Number of Casino shares held: 0

Profile

After graduating from *École normale supérieure de Lettres et Sciences Humaines* (2003), *Institut d'Études Politiques de Paris* (2004) and *École nationale d'Administration* (2007), Maud Bailly began her career with the French government's General Finance Inspectorate, where she carried out various audit engagements in France and abroad, notably for the World Bank and the International Monetary Fund. In 2011, she joined the SNCF, where she served as Director of Paris Montparnasse station and Deputy Director of TGV product coordination for the Paris Rive Gauche area (2011-2014) and then Director of Trains (2014-2015). In 2015, she was appointed Head of the economic department at the French Prime Minister's Office, responsible for budget, tax, industrial and digital affairs. In 2017, she joined the AccorHotels group as Chief Digital Officer, sitting on the Executive Committee, in charge of Distribution, Sales, Data, Information Systems and the Customer Experience. Since October 2020 she has been CEO Southern Europe, heading up the Accor group's operations in seven countries (France, Spain, Italy, Portugal, Greece, Malta and Israel).

Maud Bailly also lectures in management and organisational transformation.

Main executive position

Chief Executive Officer Southern Europe of the Accor group (listed company)

Other directorships and positions held in 2020 and as of 23 March 2021

Outside Casino Group

- Member of the Supervisory Board of Babilou Family;
- Member of the Board of Directors of the GL Events group.

Other directorships and positions held in the past five years (excluding those listed above)

- None.

Information about THIERRY BILLOT, candidate for election as an Independent Director

Born

20 February 1955

Nationality: French

Business address

6, avenue de Camoëns – 75116 Paris, France

Number of Casino shares held: 0

Profile

Thierry Billot is a graduate of the ESCP Europe business school. He began his career as an auditor with the independent audit firm Peat Marwick Mitchell. In late 1982, he joined the Pernod Ricard group as an internal auditor before being appointed Head of Financial Services and then Group Chief Financial Officer in 1986. He became Chairman & Chief Executive Officer of Pernod Ricard USA in 1992 and led the group's entry into the Americas region. In 1997, he returned to France to take up the post of Chairman & Chief Executive Officer of Pernod and then in 2002 was named Chairman & Chief Executive Officer of Pernod Ricard EMEA. In 2008, he was appointed Deputy Chief Executive Officer of the Pernod Ricard group, sitting on the Executive Committee, in charge of the group's brand portfolio, strategic plan, marketing department and manufacturing department, and served in this post until 2015.

Main executive position

Lead Independent Director, Bel group (listed company)

Other directorships and positions held in 2020 and as of 23 March 2021

Outside Casino Group

- Lead Independent Director, Chairman of the Audit Committee and the Appointments and Compensation Committee of Bel (listed company).

Other directorships and positions held in the past five years (excluding those listed above)

- Director of Neoma Business School.

Information about BÉATRICE DUMURGIER, candidate for election as an Independent Director

■ *Born*

14 November 1973

Nationality: French

■ *Business address*

51, boulevard de Beauséjour – 75016 Paris, France

Number of Casino shares held: 0

■ *Profile*

Béatrice Dumurgier is a graduate of *École Polytechnique* (1997) and *Corps des Ponts et Chaussées* (2000) and holds a Master of Science from the Massachusetts Institute of Technology (Boston, 2000). She began her career at McKinsey in France and the United States and then in 2000 went on to join the Paris Club in the Treasury Department of the French Ministry of Finance and subsequently the French government's investment agency (*Agence des Participations de l'État*). In 2004, she joined Cetelem – BNP Paribas' consumer credit subsidiary – as Head of M&A and Strategy (2004-2007). She then served in the following posts at BNP Paribas: Secretary of the Group Executive Committee (2007-2010), Head of Region for the French Retail Network (2010-2012) and Chief Operating officer of BNP Paribas Retail Banking, where she drove the digital transformation of retail banking activities (2012-2016). From 2016 to 2019 she was Chief Executive Officer of BNP Paribas Personal Investors, BNP Paribas' online brokerage services business line, operating in Europe and India.

Béatrice Dumurgier joined BlaBlaCar in 2019 as Chief Operating Officer, sitting on the Executive Committee, and Chief Executive Officer of BlaBlaBus. She held these posts until early 2021.

■ *Directorships and positions held in 2020 and as of 23 March 2021*

Outside Casino Group

- Member of the French American Foundation;
- Member of the Club Choiseul think-tank.

■ *Other directorships and positions held in the past five years (excluding those listed above)*

- Director of SNCF Mobilités;
- Chair of the Board of Directors of Sharekhan – a BNP Paribas Personal Investors subsidiary based in India;
- Director of BNP Paribas Personal Finance;
- Director of BNL – a BNP Paribas subsidiary in Italy;
- Director of TEB – a BNP Paribas subsidiary in Turkey;
- Director of Partecis – a company jointly owned by BNP Paribas and BPCE;
- Director of Euro Securities Partners – a company jointly owned by BNP Paribas and Crédit Agricole.

5.5. PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

5.5.1. Functioning 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 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.

The Internal Rules were revised on 25 March 2020 to reflect developments in the Company's practices and changes to the Afep-Medef Code, which was itself revised in 2020, and most recently, on 23 March 2021.

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 main duties 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 8 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 duties 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 trends, 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 induction process for the two new Directors elected at the Annual General Meeting of 17 June 2020 was launched as soon as they took up their seats and was completed during the second half of 2020.

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.

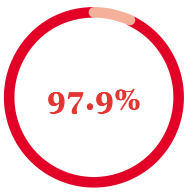
In accordance with the principles of sound governance, the Board entrusts the Audit Committee or an ad hoc committee of Independent Directors with the task of examining or monitoring significant transactions or any other matter. The report on the activity of the Board of Directors, the Audit Committee and the Governance and Social Responsibility Committee in 2020 describes the tasks of this nature entrusted to the two Committees in 2020.

The Board may also consult its own independent legal or financial advisers where appropriate.

ACTIVITY OF THE BOARD OF DIRECTORS IN 2020

10 meetings

Average attendance rate



1 meeting

of Independent Directors chaired by the Lead Director

In 2020, the Board of Directors met ten times (versus 13 times in 2019). The average attendance rate was 97.9%, versus 93.5% in 2019. The meetings lasted an average of two and a half hours.

During 2020, the Board reviewed and monitored deployment of the banners' strategic priorities and the deleveraging and asset disposal plans in relation to the objective of creating value. It also analysed the impacts of the unprecedented Covid-19 crisis. Regular presentations were made to the Board covering all of the measures deployed by Group Senior Management and the banners to protect and support stakeholders (protection of employees and customers, measures to preserve supply chain continuity, operational security), business developments, and the additional action needed in order to hold firm to the defined growth trajectory. These issues were the core focus 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 and deleveraging plans. In the context of safeguard proceedings at parent company level, the Board also took into account where necessary the work of 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, the business plan and the updates thereto.

Approval of financial statements – Financial position – Risks

The Board of Directors reviewed and approved the financial statements for the year ended 31 December 2019 (annual and consolidated) and the interim financial statements for 2020 (consolidated), together with the related reports and management forecasts of Casino, Guichard-Perrachon, and confirmed the capital allocation policy determined based on the escalated deleveraging plan. Accordingly, it reviewed the business performance of the Company and its subsidiaries, the impacts of the Covid-19 pandemic 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.

At each meeting, the Board was updated on the Group's financial position (debt, financing, liquidity). It ensured that the Group was in compliance with the covenants associated with the November 2019 refinancing operations. Implementation of the cost savings plan and cash flow forecasts were the subject of regular reviews. In December 2020, the Board decided to carry out several refinancing transactions aimed at strengthening the Group's liquidity through end-2023, reducing bond debt and extending its average maturity.

A close watch was kept on the Group's credit ratings and share price, as well as on the financial analysts' research reports.

The Board was updated on the safeguard proceedings at the parent companies through the work and reports of the Governance and Social Responsibility Committee. Related party agreements with the companies concerned by the safeguard proceedings were examined in detail by the Board and were also addressed in the reports of the Governance and Social Responsibility Committee and the Audit Committee.

During the year, 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. This work included examining the impact of the Covid-19 crisis. The Board was informed of the work of the Internal Audit department and the Group Risks, Compliance and Internal Control department, and was updated on the status of action plans to detect and prevent cybercrime, prevent corruption under the Sapin II Law[1] compliance programme, and protect personal data under existing governance arrangements. It received the reports of the specialised Committees of the Board.

Strategy – Business model – Activities of the Group

The Board of Directors reviewed and approved the Group's strategic objectives, as reflected in the rolling three-year business plan and 2020 budget, and monitored their implementation.

Close attention was paid to the impact of the Covid-19 crisis, the action plans, the financial trajectory of the main banners, and the CSR strategy and its impacts. The Board was informed of the analyses performed by an expert to support the development of the rolling business plan, including the related value creation estimates.

At each meeting, the Board received an update on business trends during the Covid-19 lockdown and post-lockdown periods, and on the management of the crisis by the Business Units' operating departments. During each meeting, time was set aside for a presentation or report by the Audit Committee on the status of the asset disposal plan. A key decision by the Board concerned the terms and conditions of the sale of Leader Price to Aldi. Specific presentations were made to the Board on the Group's strategic goals and levers (refocusing on the buoyant e-commerce, premium and convenience formats, synergies, organic products, the new fast-growing energy and data businesses, CSR action plans and commitments), including by the heads of operations at Monoprix, Franprix, Cdiscount, RelevanC and GreenYellow. An overview of the results of the asset light real estate strategy was also presented.

The Board was informed of the plans of GPA in Latin America to spin off Assaí.

It drew on the work and discussions of the Audit Committee and the Governance and Social Responsibility Committee for all of its discussions and decisions on strategic issues.

Governance and Social Responsibility

The Board of Directors reviewed the Company's position with regard to corporate governance principles. In particular, the review addressed such issues as the composition and organisation of the Board and the Committees, and the diversity policy and independence of Directors, in light of the proposed re-elections and appointments of Directors at the Annual General Meeting of 17 June 2020. 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.22-10-7 (formerly 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.

(1) French law No. 2016-169 of 9 December 2016 concerning transparency, anti-corruption measures and the modernisation of the economy.

The Board of Directors discussed its practices following the three-yearly assessment performed by an independent consultant in late 2019. The Lead Director reported the recommendations of the Governance and Social Responsibility Committee and of the meeting of Independent Directors to the Board, which discussed this report and approved its conclusions. It approved the Board's corporate governance report.

It once again 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 2019 Universal Registration Document.

The Group CSR Director gave the Board a presentation on the results of the CSR policy for 2019 compared to objectives and performance indicators, and on the actions taken in 2020, including the Group's actions and commitments to improve its environmental impact and combat climate charge. The Governance and Social Responsibility Committee reported to the Board on the CSR strategy at Monoprix and on the GDPR compliance programme.

The Board considered the Audit Committee's reports and recommendations on related party agreements, to ensure that the interests of the Group's minority shareholders are properly protected, as well as the recommendations of the Governance and Social Responsibility Committee with regard to agreements involving any of the parent companies (pursuant to the enhanced governance processes) and the conclusions of the work carried out by financial and legal experts. The Board also examined the regulated agreements that were authorised or remained in effect in 2019.

It decided on updates to its internal rules and the charters of its three Committees. On the recommendation of these Committees, new rules were drawn up requiring the Audit Committee to identify and assess related party agreements entered into in the normal course of business on arm's length terms and to report the results of its assessment to the Board (see also section 5.5.5 below).

The Board received the opinions of its Committees on the key initiatives taken during the year within the Group under the gender equality policy, their outcome and additional measures to be taken in the future. It decided to include objectives concerning the proportion of women in Senior Management positions in the performance objectives that determine the long-term incentive bonuses awarded to the Chairman and Chief Executive Officer and key executives (see also section 5.3.4), and monitored performance in relation to these objectives.

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 2020 submitted for shareholder approval at the Annual General Meeting of 17 June 2020 (fixed compensation, annual variable compensation and 2020 long-term incentive bonus). It also decided the amount of the Chairman and Chief Executive Officer's variable compensation for 2019 based on the criteria that had been set in March 2019. It also decided to award a special bonus to the Chairman and Chief Executive Officer for 2019, as a reward for the execution of transactions that went above and beyond the annual strategic and operational objectives set in March 2019 in the 2019 variable compensation policy submitted to the Annual General Meeting of 7 May 2019. The amendment to the compensation policy was submitted to the shareholders for approval at the Annual General Meeting of 17 June 2020.

The Board approved the terms and conditions of the 2020 compensation policy for Directors to be submitted to shareholders for approval at the Annual General Meeting of 17 June 2020, as well the compensation policy for the Non-Voting Directors. Following the example set during the Covid-19 crisis by the Chairman and Chief Executive Officer and the members of the Executive Committee, who waived 25% of their compensation for the months of April and May 2020, the Board decided to adjust the compensation allocated to the Directors on the same basis.

The Board decided upon free performance share grants (2020 LTI) and also decided upon 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 updates to 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 – including in the event that the Chairman and Chief Executive Officer were unable to fulfil his duties – which are regularly presented to the Board. The Committee also presented its opinion on the human resources development initiatives implemented in 2020, the adjustments to take account of the Covid-19 crisis and the additional action taken to drive faster improvement in the gender balance at the level of Senior Management.

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 17 June 2020, behind closed doors due to the Covid-19 crisis, including those relating to the components of the compensation awarded to the Chairman and Chief Executive Officer and the non-executive members of the Board of Directors. 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:	Independence rate:	Independence rate:
2/3	2/3	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 included in the minutes to the Board meeting.

ACTIVITY OF THE BOARD COMMITTEES IN 2020

Attendance rate

98.6%

In 2020

Audit Committee	Appointments and Compensation Committee	Governance and Social Responsibility Committee
7 meetings	6 meetings	9 meetings

Audit Committee

Composition as of 23 March 2021

	Role	Independence	1st appointment/ last renewal	Number of meetings	Rate of attendance
Frédéric Saint-Geours	Chairman		17/06/2020	7	100%
	Member		17/06/2020		
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 last updated on 25 March 2020. The Board of Directors' Internal Rules also set out the Committee's responsibilities.

Activity of the Audit Committee in 2020

The Audit Committee met seven times in 2020 (versus 13 times in 2019). In addition to examining the annual and interim financial statements and the half-yearly reports on the work of the internal auditors and the Risks, Compliance and Internal Control department, the Audit Committee monitored progress on the asset disposal plan, reviewed the refinancing strategy and performed a preliminary review of related party transactions to obtain assurance that the agreements struck the right balance between the interests of the related parties and those of Casino. The attendance rate was 100%, as it was in 2019. The meetings lasted an average of three hours and forty minutes.

The Chief Financial Officer, the Group Chief Accountant, the Group head of Consolidation, Reporting and Accounting Standards, 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 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 Corporate Development and Holdings Director, the Chairman of Immobilière Groupe Casino, the Director of International Coordination, and the Chairman of Mayland (Group subsidiary) 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.

■ *Monitoring of the asset disposal plan and the deleveraging trajectory*

During 2020, the Committee was regularly updated on the status of the plan to dispose of non-strategic assets – including the sale of Vindémia and Leader Price – the Group's net debt and liquidity position, and its compliance with the hard covenants specified in the documentation for the 2019 refinancing transaction. The Group's refinancing needs for the period to 2024 and the planned refinancing strategy were a core focus of the Committee's work.

In connection with its review of the 2019 annual financial statements and the 2020 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. The Committee's review of the financial statements focused in particular on the accounting treatment of asset disposals and the Covid-19 impacts, and it also examined the Group's main risk exposures as well as the accounting options selected with respect to provisions. It examined the appropriateness of the accounting methods and treatments used in the financial statements and the effective completion of the Statutory Auditors' engagement. A specific presentation was made to the Committee on the first-time application of IFRS 16 (based on full retrospective application).

The Committee was informed of the change in the Group's credit rating. It examined the IT capex budget.

It also reviewed the Statutory Auditors' annual audit plan and proposed fee budget.

■ *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 reviewed the reports on internal audits conducted during the year on compliance issues (Sapin II Law). It approved adjustments to the 2020 audit plan to include an audit of health and safety measures, and also signed off on the 2021 internal audit programme.

The six-month interim reports of the Risks and Compliance department and its Group Internal Control unit, and the priorities for 2021, were also presented to the Committee by the Internal Control Director and the Director of the Risks and Compliance department and Ethics Officer. The Committee was updated on the phased deployment of the Group internal control standards, the launch of self-assessment exercises and the Covid-19 impact. 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 identified risks. The presentation also included information about managing Covid-19 business interruption risk.

The Group's Information Systems Security Director presented the results of the department's annual monitoring of the cyber crime prevention plan, as well as the changes made to address the new systems security issues arising from the massive shift to homeworking during the Covid-19 crisis.

As part of its compliance and risk management assessment, the Committee also referred to the work overseen by 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 to its review of the non-financial information statement and Senior Management's duty of care plan.

The Committee approved the non-audit engagements assigned to the Auditors and acknowledged the latter's confirmation that there were no identified situations or risks that could affect their independence in the past fiscal year. The procedure for approving non-audit services was also examined and validated.

■ *Prior review of related-party agreements*

As part of its responsibility for examining related party agreements, including agreements entered into in the normal course of business on arm's length terms, in the first quarter of 2020 the Audit Committee reviewed 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 shared its conclusions and opinion with the Governance and Social Responsibility Committee which was tasked specifically by the Board to protect the corporate interest in connection with the safeguard proceedings initiated at the level of Casino's parent companies (see also section 5.5.5 below).

The Audit Committee examined, during a joint meeting with the Governance and Social Responsibility Committee, the proposed change in the partnership between Mayland Real Estate (a wholly-owned Polish subsidiary of Casino) and Centrum Krakow (a Luxembourg-based subsidiary of Foncière Euris and Rallye) concerning the Serenada/Krokus real estate project named Krakowianka, in Krakow. Their examination was based on a series of reports prepared by financial, real estate and legal experts.

The Audit Committee expressed an opinion on relations and financing arrangements between Casino Finance and Cnova NV, the proposed extension of the current account agreement between Casino Finance and Mercialys, and the regulated agreements that remained in force in 2019.

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 2019, including transactions outside the scope of the Committee's prior review procedure.

In accordance with the internal rules governing the procedure for identifying and assessing ordinary related party agreements, the Committee also reviewed Senior Management's latest annual report on these agreements.

The Chairman of the Audit Committee reported to the Board on all of the Committee's 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 safeguard proceedings initiated at the level of Casino's parent companies.

Appointments and Compensation Committee

Composition as of 23 March 2021[1]

	Role	Independence	1st appointment/ last renewal	Number of meetings	Rate of attendance
Nathalie Andrieux	Chair	●	15/05/2018	6	100%
	Member		15/05/2018		100%
Laure Hauseux	Member	●	11/10/2019		100%
David de Rothschild	Member		15/05/2018		83%
Independence rate		**2/3**			

(1) Gilbert Delahaye's term of office expired at the end of the Annual General Meeting of 17 June 2020.

The number of members of the Committee was reduced from four to three on 17 June 2020, when Gilbert Delahaye stepped down from the Board (see also section 5.2.3 above).

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 of the Committee is an Independent Director.

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 are set out in its Charter, which was updated most recently on 25 March 2020, primarily to reflect legislative changes that took place 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 2020

The Appointments and Compensation Committee met six times in 2020 (versus four times in 2019). The attendance rate was 95.80% in 2020 (100% in 2019). Meetings lasted an average of two hours. The Committee made recommendations to the Board on the proposed re-elections and appointments of Directors and the composition of the Board to be submitted to the Annual General Meeting of 17 June 2020.

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 was informed that Casino was no longer required to have a Director representing employees as provided for in Articles L. 22-10-7 (formerly 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 reviewed the membership of the Committees.

It was consulted about the method of determining the Chairman and Chief Executive Officer's fixed and variable compensation for 2020, the financial and non-financial criteria and the variable component for 2019 based on the achievements and objectives set in March 2019. For the determination of the 2020 compensation policy, the Committee recommended the inclusion of CSR objectives in the performance objectives for the three-year long-term incentive plan to reflect the Group's priorities in terms of gender balance (objective concerning the proportion of women in Senior Management positions as of 2022) and environmental protection (CO_2 emissions reduction in France by 2022). It also recommended setting a more challenging quantitative CSR objective for the 2020 annual bonus scheme.

The Committee also recommended awarding a special bonus to the Chairman and Chief Executive Officer for 2019, in recognition of his decisive contribution to the smooth execution, in an exceptional environment, of the Group's strategic transformation and deleveraging transactions, supported by the asset disposal plan. The Committee considered that this contribution went above and beyond the scope of the annual objectives set in March 2019. It subsequently reviewed the analysis of this special bonus by the Afep-Medef High Committee on Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*) and the Company's explanations as to why the bonus was justified and complied with the Afep-Medef Code, and reported on its review to the Board of Directors and the Governance and Social Responsibility Committee.

The Committee was also consulted concerning the determination of the final amount of the 2017 long-term incentive bonus awarded to the Chairman and Chief Executive Officer by the Board of Directors on 6 March 2017 and approved by the Annual General Meeting of 5 May 2017, based on actual performance in relation to the plan's objectives.

It was also informed during the year of the compensation of other Executive Committee members and reviewed the overall compensation of each member of the Executive Committee.

The Committee reviewed the proposed say-on-pay resolutions to be presented at the Annual General Meeting of 17 June 2020 and the corresponding Board reports, concerning the components of the Chairman and Chief Executive Officer's 2019 compensation, the compensation policy applicable to him for 2020, the required disclosures related to his compensation including pay ratios, and the 2020 compensation policy for Directors which now has to be submitted to the Annual General Meeting for approval. It also reviewed the sections of the Chairman's Corporate Governance Report, which can be found in the 2019 Universal Registration Document, relating to matters for which he is responsible.

The Committee made recommendations concerning the allocation of the total compensation for 2020 awarded to the Directors and the members of the Board's Committees, the Lead Director, the Chairs of the Board's Committees and the Non-Voting Director. It recommended that they waive 25% of their compensation for the months of April and May 2020 and that a corresponding amount be paid to the Solidarity Fund set up by Fondation de France, the public hospitals and Institut Pasteur to support medical staff at the front line in the battle against Covid-19.

The Committee was also consulted about proposals to allocate free shares to managers of the Group and recommended that the Board approve the proposals.

At the end of the year, the Committee began considering future changes to the structure of the Chairman and Chief Executive Officer's compensation package and discussed this matter with the Governance and Social Responsibility Committee.

The Human Resources department reported to the Committee on the updated succession plans for the Business Units' Management Committees and for Casino's key executives, its annual review of the talent pools available for succession planning, and the development plans and action plans for the Group's key resources implemented in 2020.

On this matter, the Committee noted the changes in the composition of the Management Committees, particularly in France, in line with the objective of increasing the proportion of women in Senior Management positions, which is a major pillar of the Group's human resources policy on gender diversity and equal opportunity. It also noted the results of the new initiatives launched in 2020 to accelerate progress in this area.

The Committee once again also ensured in 2020 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 of 23 March 2021

	Role	Independence	1st appointment/ last renewal	Number of meetings	Rate of attendance
Catherine Lucet	Chair Member	●	15/05/2018 15/05/2018	9	100%
Nathalie Andrieux	Member	●	15/05/2018		100%
Christiane Féral-Schuhl	Member	●	17/06/2020		100%
Frédéric Saint-Geours	Member		17/06/2020		100%
Independence rate		**3/4**			

The composition of the Committee was last modified on 15 May 2018 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 monitor 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 8.3 of this Universal Registration Document).

Activity of the Governance and Social Responsibility Committee in 2020

During 2020, the Governance Committee met nine times (versus seven times in 2019). The attendance rate was 100%, as it was in 2019. 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 in connection with the safeguard proceedings:

  Four exceptional meetings were held with the participation of the Independent Directors, including a joint meeting with the Audit Committee during which the Audit Committee performed its preliminary review of related party agreements. The court decision approving the parent companies' safeguard plans (see Rallye press release dated 2 March 2020) and the possible avenues of appeal were presented to the Committee, along with the applicable provisions in the event that the safeguard plans are modified or not executed. The Committee was informed of the Rallye derivatives refinancing transactions and the related agreement with Fimalac (see joint press release published by Rallye and Fimalac on 30 March 2020 and the Rallye press release dated 17 July 2020). It obtained assurance concerning the reiteration of the strict confidentiality agreement governing exchanges of information between Casino and its parent companies during the execution of the safeguard plans. The Committee was also called on to examine the related party agreements with the parent companies concerned by the safeguard plans (renewal of the strategy consulting agreement with Euris and changes to the partnership between Mayland, a subsidiary of Casino, and Centrum Krakow, a subsidiary of Foncière Euris and Rallye, in Poland). It checked that all necessary information was available to obtain assurance that each agreement was aligned with Casino's corporate interests and the financial terms were balanced for each of the parties. For this examination, the Committee referred to the work and opinions of the Audit Committee and the reports of the parent companies' independent legal and financial advisers. All reports presented to the Committee and minutes of its meetings were submitted to the Board of Directors.

- As regards its governance responsibilities:

  The Committee recommended that the Board of Directors authorise a dialogue between the Lead Director and investors as part of discussions restricted to issues of governance and the Board's functioning based on publicly available information.

  The Committee examined the results of the independent review of the Board's practices, presented by the consultant retained to perform the review, as well as the Lead Director's annual report on the same subject, the meeting of the Independent Directors and the conditions under which the duties of Chairman and Chief Executive Officer were respectively performed in 2019. It reported on its work to the Board of Directors.

  The Committee examined the size and composition of the Board and its Committees in relation to the Group's diversity policy, regulatory changes (Pacte Act of 22 May 2019) affecting the appointment of Directors representing employees on the Boards of Rallye-Casino group companies, and the proposals concerning the re-election and election of Directors.

  It reviewed the clarifications and amendments to be made to the Internal Rules of the Board of Directors, the Charters of the Board's Committees, the Articles of Association and the Insider Trading Policy, primarily to reflect changes in the law and in the revised version of the Afep-Medef Code dated January 2020.

  It also reviewed the Board of Directors' Corporate Governance Report included in the 2019 Universal 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 Committee on Corporate Governance, recommendations made by shareholders, proxy advisers and non-financial rating agencies, and the ensuing discussions. Reports on the Annual General Meeting and discussions with investors and proxy advisers were presented to the Committee. It reviewed the analysis by the Afep-Medef High Committee on Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*) of the special bonus awarded to the Chairman and Chief Executive Officer and helped draft the reply to the Commission sent by the Chair of the Appointments and Compensation Committee. It was informed about the Appointments and Compensation Committee's views on the structure of the Chairman and Chief Executive Officer's compensation package and the proposed changes, which it discussed.

  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.

- As regards its Corporate Social Responsibility (CSR) responsibilities:

  As was the case in 2019, the Committee reviewed and discussed the corporate social responsibility (CSR) policy presented by the Group CSR Director, which is being implemented by the Company as part of its growth strategy. The review focused primarily on the defined strategies and priorities and how they were managed in France and Latin America, and the results achieved. 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 2019.

  It discussed Monoprix's CSR strategy, as presented by the banner's CSR Director.

  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, 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.

  To enable it to monitor implementation of the Senior Management duty of care plan, the Committee was informed of proceedings initiated against the Company in connection with cattle farming practices in Brazil. On 21 September 2020, the Company received a formal notice requiring it to fulfil its duty of care obligations and support efforts to prevent deforestation in South America.

  During a meeting postponed until January 2021, the Committee examined changes in the Group's ESG ratings in 2020, the issues discussed during on-going conversations with stakeholders, implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and climate-related risks and opportunities scores. It also discussed the Group's climate impact reduction objectives for 2021 and the related action plans.

  The Human Resources department made a presentation to the Committee on action taken by the Group in 2020 to support the gender equality policy and the objectives concerning the proportion of women in Senior Management positions, the results obtained in 2020, and the areas of improvement to be addressed in 2021. The purpose of this presentation was 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 – 2020 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, Independent 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 (ten meetings) and all meetings of the Audit Committee (seven meetings). She chaired all meetings of the Governance and Social Responsibility Committee (nine meetings).

In respect of 2020:

- The Lead Director chaired a meeting of the Independent Directors in February 2021 to discuss a variety of matters. The Chairman of the Audit Committee also attended. A similar meeting organised in January 2020 was devoted to reviewing the assessment of the practices of the Board and its Committees carried out in 2019 by the firm Emeric Lepoutre & Partners. She reported on the meeting to the Governance and Social Responsibility Committee and then to the Chairman and Chief Executive Officer.
- The Lead Director reported to the Governance and Social Responsibility Committee 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 in question concerning any actual or potential conflicts of interest. The Board's practices concerning, in particular, the organisation of its discussions and decisions, the information given to Directors and the quality of its committees' practices, were confirmed as being good by the consultants tasked with performing the three-yearly independent assessment of these practices, the results of the self-assessment exercise carried out in 2020 and discussions with the Independent Directors. The Chairman and Chief Executive Officer was informed by the Lead Director of the observations and recommendations made, most recently for the 2021 assessment.

- 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 Committee on Corporate Governance. The Committee 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 potential conflicts of interest were 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) during meetings attended by all Independent Directors and expert advisers. She ensured that the Board of Directors' internal rules and the Committees' Charters were reviewed and adapted whenever necessary. She reported to the Board on all her work and discussions, in particular the results of the assessment of the Board's practices and the proposals of the Committee and the Independent Directors on the response this assessment. She recommended that the Lead Director should continue to talk to shareholders from time to time, on a case-by-case basis. She reported to the Audit Committee and the Board on the Committee's monitoring of compliance with legal and regulatory requirements concerning the corruption and bribery prevention and detection programme and personal data protection measures, and its 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 recommended pursuing the process to select a candidate for election as new Independent Director no later than the 2021 Annual General Meeting in order to comply once again with the ratio recommended by the Afep-Medef Code.
- The Lead Director reported on her February 2020 shareholder dialogue meeting and suggested organising further meetings with investors in 2021.
- As a member of the Audit Committee, she participated in all of its work, which included reviewing progress in implementing the non-strategic asset disposal plan, the strategic goals and the budget, assessing the Covid-19 impact and related measures, examining related party transactions and their alignment with the corporate interest, and examining measures to strengthen the Group's financing structure. She obtained assurance that procedures were performed to enable the Directors to fully and freely exercise their judgement and fulfil their responsibilities concerning the Group's strategy and its asset disposal and deleveraging plan, the capital allocation policy and related party transactions.
- 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 (Émeric Lepoutre & Partners) to perform a fresh independent assessment 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 Directors unanimously recommended that the chairmanship of the Audit Committee remain unchanged after the 2020 Annual General Meeting, as it was fully satisfactory and was necessary in the current environment, which required in-depth knowledge of the Group.

The implementation of a framework to follow 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.

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 on site in 2020, to have an Executive Summary for lengthy reports and presentations, and to improve the technical methods for remote attendance at Board and Committee meetings.

For 2020, the assessment was overseen by the Lead Director who sent questionnaires to all of the Directors in early January 2021, assisted by the Secretary of the Board. An executive summary of the responses to the questionnaire was drawn up after the meeting of Independent Directors held on 2 February 2021 and was reviewed by the Governance and Social Responsibility Committee before being submitted to the Board of Directors. The main points highlighted in the executive summary were as follows:

The Board and its Committees continued to function effectively during a year shaped by the Covid-19 crisis, helped by the availability and involvement of Senior Management and the Directors, who made up for the absence of physical meetings, and by the increasingly close cohesion between the governance bodies (Board, Committees, Senior Management). The use of videoconferencing software was greatly appreciated and helped to improve the technical and relational quality of virtual meetings.

The Directors noted that their earlier suggestions had been taken into account, concerning in particular:

- presentations by the heads of the Business Units and budget presentations;
- the preparation of executive summaries in introduction to more detailed presentations;
- regular communication of information between two Board meetings.

For 2021, the Directors' main recommendation was to pursue the Board's consideration of future changes to its business areas and the sustainable growth strategy, especially as regards new businesses and related activities. They also recommended performing more systematic analyses of competitors' strategies, and reverting to physical Board meetings/strategy seminars, including visits to the Group's sites, once the Covid-19 restrictions have been lifted.

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 are also compiled in the Insider Trading Policy adopted in March 2017 and most recently updated in March 2020, 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 holding and controlling company, of which Jean-Charles Naouri is Chairman and majority shareholder. Euris provides permanent advisory services on strategy and development (currently 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 procedure for reviewing agreements with related parties 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. 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. 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).

Under the agreement, the amount paid in 2020 to Euris by the Company for services provided in 2020 was €1,030,000 excluding VAT.

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 2020 was €3.2 million, excluding VAT (€2.63 million excluding VAT in 2019). 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.

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 (regulated agreements), 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 (regulated 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 2020 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 2020 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. 22-10-12, 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 provided in Article L. 22-10-12 (formerly Article L. 225-39) of the French Commercial Code, instituted by Order 2020-1142 of 16 September 2020, 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 or 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 December 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.

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 are allocated at cost plus a 10% mark-up.

In January 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.

At its meeting in March 2021, the Committee examined the second report on arm's length agreements entered into or performed in 2020, which were unchanged and did not lead to the Committee making any observations or requesting additional information. In particular, the Committee examined the services provided by Euris under the strategy consulting agreement (continuous advice and specific high value-added advice on complex issues requiring an excellent knowledge of the Group and a cross-functional vision), and noted that the agreement's implementation terms were unchanged.

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 of the consistency of the safeguard plans prepared by the holding companies with Casino's strategic objectives, as determined by the Board;
- 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 monitor 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.

Four regular monitoring meetings were organised in 2020 (versus three in 2019), which also were attended by the Independent Director who is not a member 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 2020).

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 representing in value terms at least one year of Directors' compensation (calculated based on the Director's basic individual compensation and the weighted average price of the Company's shares for the previous year). Each Director has one (1) year from the date of their election or re-election to increase their shareholding to this minimum level.

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 2020. Due to their professional commitments, some members were unable to participate in all of the special meetings organised at short notice.

2020	Board of Directors (10 meetings)	Audit Committee (7 meetings)	Appointments and Compensation Committee (6 meetings)	Governance and Social Responsibility Committee (9 meetings)
Jean-Charles Naouri	100%			
Nathalie Andrieux	100%		100%	100%
Josseline de Clausade(1)	100%			
Gilbert Delahaye(2)	100%		100%	
Jacques Dumas	100%			
Christiane Féral-Schuhl	80%			100%
Laure Hauseux	100%	100%	100%	(4)
Didier Leveque	100%			
Catherine Lucet	100%	100%		100%
Odile Muracciole(3)	100%			
Thomas Piquemal(1)	100%			
David de Rothschild	90%		83%	
Frédéric Saint-Geours	100%	100%		100%
Michel Savart	100%			
Gilles Pinoncély (Non-Voting Director)	90%			
Gérald de Roquemaurel (Non-Voting Director)	90%			

(1) Appointment (Saris and Fimalac) effective as from 17 June 2020.
(2) Term as a Director representing employees ends 17 June 2020.
(3) Representative of Matignon Diderot as from 4 March 2020.
(4) Laure Hauseux participated in the meetings dedicated to the specific assignment entrusted to the Committee in connection with the safeguard proceedings.

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.
Proportion of independent members (paragraph 9.3 of the Afep-Medef Code concerning independent directors) *"... In controlled companies – within the meaning of Article L. 233-3 of the French Commercial Code – at least one-third of Directors must be independent ..."*	At the close of the Annual General Meeting of 17 June 2020, the one-third rule was no longer complied with and the Board announced that it was looking for a candidate for election as a new Independent Director. Subject to the election of Independent Directors at the Annual General Meeting to be convened on 12 May 2021, the one-third rule will once again be complied with in line with the undertaking given by the Board of Directors at the 2020 Annual General Meeting.

5.6. INFORMATION ON THE AGREEMENTS MENTIONED IN ARTICLE L. 22-10-10 OF THE FRENCH COMMERCIAL CODE

To the knowledge of the Board of Directors, no agreements were made in 2020, 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

6.1. Chairman and Chief Executive Officer's compensation 350

6.2. Compensation of non-executive corporate officers 360

6.3. Compensation of Non-Voting Directors 364

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 in respect of or during 2020 in consideration of their position and the disclosures required by Article L. 22-10-9 I (formerly Article L. 225-37-3 I) of the French Commercial Code, as well as (ii) a description of the 2021 compensation policy for the corporate officers as required by new Article L. 22-10-8 (formerly Article L. 225-37-2) of the French Commercial Code, which are respectively subject to an *ex post* and *ex ante* vote at the 2021 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 work and the recommendations of the Appointments and Compensation Committee, in accordance with its duties as presented in Chapter 5. The Board of Directors ensures that the compensation policy is consistent with the Company's corporate interests and the interests of shareholders and stakeholders.

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 consulting firms specialising in compensation, which advise the Board and 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 hand, 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 2020 or granted to him in respect of that year – Disclosures required by Article L. 22-10-9 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 2020 were set by the Board of Directors on 25 March 2020 and approved at the Annual General Meeting of 17 June 2020 by 99.48% of votes cast.

6.1.1.1. Components of the compensation paid to the Chairman and Chief Executive Officer in 2020 or granted to him in respect of that year

For 2020, 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 25 March 2020, to apply the same compensation structure as in 2019 (fixed, annual and long-term variable) but to introduce a quantitative CSR objective for the assessment of the multi-annual variable compensation, in accordance with market practices and trends and with the challenges of Casino's CSR policy.

To determine the method of setting his overall compensation for 2020, a specialist consulting firm was asked to conduct a new review of the Chairman and Chief Executive Officer's total compensation, after those performed in previous years, focusing on the structure, level and positioning of the compensation relative to market practices among SBF 120 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 practices and with the Group's strategic commitment to developing its CSR policy.

Based on benchmarking studies conducted by the specialist consultant, the structure of the Chairman and Chief Executive Officer's annual variable compensation is in line with market practices as regards the number and type of criteria used, the heavy weighting of the quantifiable financial objectives and the addition of non-financial quantifiable CSR objectives. The award of conditional long-term variable cash-based compensation is also in line with market practices and recommendations.

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 25 March 2020, his compensation for 2020 approved by the shareholders at the Annual General Meeting of 17 June 2020 comprised a fixed component, a conditional annual variable component and a conditional long-term incentive component (assessed over a three-year period), determined as follows:

Fixed compensation for 2020

His gross fixed basic compensation was €480,000, unchanged since 2013.

2020 conditional annual variable compensation

His 2020 target variable compensation was set at a gross amount of €624,000, if all of the objectives were met.

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 2020 bonuses of members of the Executive Committee, as follows:

Exclusively quantitative objectives:

- Three quantitative financial objectives aligned with Casino's priority operating and financial objectives for 2020, reflecting a more demanding performance requirement in France.

  The pre-set objectives, which are consistent with the Group-level quantitative financial 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.

  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, which was the same as for 2019 – i.e., based on the average of the scores assigned to Casino by the following three rating agencies: FTSE Group, Vigeo Eiris and DJSI – but the vesting conditions were made more challenging, with the target level set as Casino's average score for 2019 plus one point, i.e., 75/100 and the minimum level corresponding to Casino's average score for the last two years, i.e., 73/100.

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, each of which counting for one-third or 30%;
- the CSR objective accounted for 10% of the target amount, which is in line with the compensation practices observed at the time the components of compensation were set.

Outperformance, which was determined on the basis of a coefficient of 175% of fixed compensation – in line with market practices – is reduced to 167.5% of fixed compensation insofar as it only applies to the quantitative financial objectives and not the CSR objective.

The gross annual variable compensation therefore amounts to a maximum of €804,000, or 128.8% of the target amount (€624,000), namely 118.8% for the three financial criteria and 10% for the CSR criterion.

On that basis, in strict application of the terms and conditions set by the Board of Directors on 25 March 2020 and approved by the Annual General Meeting of 17 June 2020, the Board of Directors reviewed the results achieved at its 24 February 2021 meeting and determined the amount of variable compensation due for 2020, 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 (excluding fuel and calendar effects)	30	39.6	39.62%
2. EBITDA(1) France	30	39.6	Not met
3. Free cash flow France(2) *(€ millions)*	30	39.6	31.05%
Quantitative CSR objective(3)	**10**	**10**	**5%**
		128.8	**75.7% (€472.15k)**

(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.

The total annual variable compensation due for 2020 therefore came to a gross amount of €472,145, representing 75.7% of the target amount (€624,000) and 98.4% of fixed compensation.

In 2019, the total gross variable compensation was €174,720, representing 28% of the target amount (€624,000) and 36.4% of fixed compensation. This variable compensation was paid following shareholder approval at the Annual General Meeting of 17 June 2020 (5th resolution).

Pursuant to Article L. 22-10-34 (formerly Article L. 225-100) of the French Commercial Code, payment of the variable portion of the compensation for the 2020 financial year thus determined is contingent on approval of the Company's 2021 Annual General Meeting.

Long-Term Incentive (LTI) bonus granted for 2020

In order to maintain a significant proportion of variable compensation within the Chairman and Chief Executive Officer's overall compensation (70%) and to continue to take into account the Group's longer-term performance, in 2020, it was decided to once again grant him a long-term incentive (LTI) bonus, assessed over a three-year period, which includes, for the first time, a quantitative non-financial objective based on CSR.

The inclusion of a CSR objective 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.

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. There is no guaranteed minimum.

Payment of the LTI is contingent on a continuing service requirement and the achievement of three performance conditions assessed at the end of a period of three financial years (2020-2022). The performance conditions are based on:

- 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;
- growth in the Group's average EBITDA/net sales ratio over the three-year period. A 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;
- a 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 of 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 is as follows:

- 50% of the target amount for the Group's average EBITDA/net sales ratio criterion;
- 30% of the target amount for the relative TSR criterion;
- 20% of the target amount for the CSR objective, i.e., 10% for each of the two related criteria.

These criteria are consistent with those set in the LTI plans for the Group's key managers in 2020.

Additional compensation paid in 2020

At its meeting of 25 March 2020, on the recommendation of the Appointments and Compensation Committee and based on the findings of a specialised consulting firm, the Board of Directors decided to propose a supplement to the 2019 compensation policy for the Chairman and Chief Executive Officer as approved at the Annual General Meeting on 7 May 2019, by granting him additional compensation that reflects his critical contribution to the successful completion of essential and exceptional operations that are strategic in terms of securing the Group's future and that were carried out in complex and unusual circumstances.

These exceptional and complex circumstances did not prevail when the 2019 compensation policy for the Chairman and Chief Executive Officer was set by the Board of Directors in March 2019, only arising after the Annual General Meeting of 7 May 2019. It was therefore not possible for the Board of Directors to anticipate the payment or principle of this compensation when it set the 2019 compensation policy for the Chairman and Chief Executive Officer in March 2019.

In addition, this compensation was allocated for achievements outside the scope of the strategic and operational objectives set in March 2019 in the 2019 variable compensation policy for the Chairman and Chief Executive Officer:

- further disposals of property and commercial assets amounting to more than one billion euros, including Leader Price, the disposal process for which commenced in September 2019 and was completed on 20 March 2020, further to substantial changes in the Group's transformation plan and deleveraging strategy as decided by the Board in June and in August 2019;
- the strengthening of the Group's liquidity and financial structure in November 2019, with inflows of €3.8 billion;
- the business reorganisation in Latin America and public offer for the Colombian subsidiary.

This compensation was 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 and met the principles set out in Article 25-1-2 of the Afep-Medef Code.

Accordingly, 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, the Board of Directors decided to propose the payment to the Chairman and Chief Executive Officer of additional gross compensation of €655,000. This additional compensation was approved by a majority of 91.34% at the Annual General Meeting of 17 June 2020.

Other components of compensation and benefits of any kind granted to the Chairman and Chief Executive Officer in 2020 in consideration of his position

There were no changes in these compensations components in 2020 compared with 2019, which were as follows:

- The Chairman and Chief Executive Officer received gross compensation for service as Director of €12,500 in 2020, 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 Annual General Meeting of 17 June 2020.
- 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 compulsory employee benefits scheme (*régime collectif obligatoire de prévoyance*) open to all executive employees.
- He did not receive benefits of any kind in 2020.

6.1.1.2. Compensation granted or paid to the Chairman and Chief Executive Officer by Casino, Guichard-Perrachon in respect of and during 2020

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 2018, 2019 and 2020 was as follows:

	2018 (for information)		2019 (for information)		2020	
(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	460,000(7)
Variable compensation	357,740	454,020	174,720	357,740	472,145	174,720
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)	360,000(6)
Directors' compensation	12,500	12,500	12,500	12,500	12,500(8)	12,500
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Sub-total	**1,330,240**	**946,520**	**1,147,220**	**850,240**	**1,444,645**	**1,007,220**
Additional compensation	None	None	655,000	None	None	655,000
TOTAL	**1,330,240**	**946,520**	**1,802,220**	**850,240**	**1,444,645**	**1,662,220**

(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 2018 or 2019 in respect of the three-year cash-based LTI plans granted as of 2017 and assessed over three financial years.
(3) Target amount (LTI assessed over three years, 2018-2020), to be paid in 2021.
(4) Target amount (LTI assessed over three years, 2019-2021), to be paid in 2022 (potentially).
(5) Target amount (LTI assessed over three years, 2020-2022), to be paid in 2023 (potentially).
(6) Final amount of the LTI (2017-2019), based on the achievement of pre-defined performance criteria.
(7) Taking into account a 25% reduction in his compensation for April and May 2020 as requested by the Chairman and Chief Executive Officer in view of the Covid crisis. All of the members of the Executive Committee as well as the other Directors and Non-Voting Directors also volunteered to take the same reduction in their compensation. The corresponding amounts were donated to the Common Solidarity Fund set up by the Fondation de France, the APHP and the Pasteur Institute, for the benefit of the healthcare staff working on the Covid-19 front line.
(8) Final amount paid in 2021 in respect of 2020: €11,979 after the reduction referred to in Note (7).

6.1.1.3. Stock options and share grants awarded by the Company during 2020

(€)	2019	2020
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 2020 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 2019 and 2020 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 compulsory employee benefits scheme (*régime collectif obligatoire 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 provisions of Article L. 22-10-9 of the French Commercial Code, at its 23 March 2021 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 (updated in February 2021) and defined the method of determining the pay ratios to be disclosed. There were no changes to the method defined for 2019, 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 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 net sales and EBITDA France (scope used for bank covenants: EBITDA France Retail + Cdiscount), which has replaced Group trading profit. These criteria are consistent with the internal key performance indicators used for variable compensation and LTI plans.

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 and Casino, Guichard-Perrachon pay ratio, with LTI on the grant date

	2016	2017(1)	2018(1)	2019(1)	2020(1)(2)
Compensation of the Chairman and Chief Executive Officer in year Y	**€495,500**	**€1,597,620**	**€1,426,500**	**€1,330,240**	**€1,782,220**
% change in the compensation of the Chairman and Chief Executive Officer	0.0%	224.4%	-10.7%	-6.7%	34.0%
Information on the scope of the listed company					
Average compensation of employees	**€1,855,634**	**€1,138,165**	**€1,343,302**	**€1,227,107**	**€1,353,424**
% change in the average compensation of employees	165.3%	-38.7%	18.0%	-8.6%	10.3%
Ratio relative to the average compensation of employees	**0.3**	**1.4**	**1.1**	**1.1**	**1.3**
% change in the ratio compared to the previous year	-57.1%	366.7%	-21.4%	0.0%	18.2%
Ratio relative to the median compensation of employees	**0.6**	**3.0**	**2.1**	**1.0**	**1.8**
Information on the extended scope(3)					
Average compensation of employees	**€29,891**	**€30,351**	**€30,635**	**€31,475**	**€31,729**
% change in the average compensation of employees	3.6%	1.5%	0.9%	2.7%	0.8%
Ratio relative to the average compensation of employees	**16.5**	**52.6**	**46.6**	**42.3**	**56.2**
% change in the ratio compared to the previous year	-3.5%	218.8%	-11.4%	-9.2%	32.9%
Ratio relative to the median compensation of employees	**21.1**	**67.7**	**60.2**	**54.5**	**72.8**
% change in the ratio compared to the previous year	-0.2%	220.9%	-11.1%	-9.5%	33.6%
Company's performance					
Change in Group organic net sales Y-1	**0.30%**	**5.70%**	**3.20%**	**4.70%**	**3.60%**
Change in organic EBITDA France Retail + E-commerce at constant exchange rates Y-1	**-26.74%**	**18.24%**	**-1.59%**	**7.25%**	**0.85%**

(1) Including LTI of €480 thousand 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. Accordingly, the amount paid in 2020 for the LTI granted in 2017 (€360 thousand) is not included.
(2) Including the additional compensation of €655 thousand paid in 2020 for the coordination of new strategic operations in 2019.
(3) Fully consolidated companies in mainland France (including Corsica), representing more than 80% of the workforce in France.

6.1.2. Long-term incentive (LTI) bonus granted in 2018 for 2018-2020 and to be paid in 2021

Pursuant to the resolution proposed at the Shareholders' Meeting of 15 May 2018, payment of the LTI granted to the Chairman and Chief Executive Officer in 2018 and assessed over a three-year period (2018-2020) is also contingent on shareholder approval at the 2021 Annual General Meeting.

The principles and criteria for determining and granting the LTI, set by the Board of Directors on 6 March 2018 and approved by the Annual General Meeting of 15 May 2018 with a majority of 99.08%, 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 (2018-2020). The performance conditions, each of which accounts for 50% of the incentive, are based on:

- growth in relative total shareholder return (TSR) (comparison between the average of the last 120 closing prices in 2020 and that of 2017, taking into account the amount of the dividends per share paid during the period) compared with the TSR growth of a peer group made up 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 was calculated on a straight-line basis, by reference to the positioning of the Company's TSR between the peer group's highest TSR and median TSR, with the peer group's median TSR representing the minimum LTI achievement level;
- changes in the Group's average EBITDA/sales ratio over the period. A minimum achievement rate was set (4.8%), with the portion of the LTI for this criterion calculated on a straight-line basis between the minimum and maximum points.

These criteria are consistent with those set in the LTI plans for the Group's key managers in 2018.

If the performance conditions were satisfied, the maximum and target level would be equal to 100% of the fixed compensation component, representing a gross amount of €480,000. There is no guaranteed minimum.

On that basis, at its 24 February 2021 meeting, the Board of Directors reviewed the results achieved and determined the ultimate amount of LTI granted in 2018.

OBJECTIVES Target amount: €480k (100% of fixed compensation)	Maximum target *(as a % of the target level)*	Achieved *(as a % of the total target)*
1/ Growth in relative Total Shareholder Return (TSR) from 2018 to 2020:	50%	Not met
Corresponding variable component *(in thousands of euros)**	€240k	
2/ Growth in the Group's average EBITDA/net sales ratio from 2018 to 2020:	50%	50%
Corresponding variable component *(in thousands of euros)**	€240k	€240k
TOTAL	**€240K**	**€50K**
TOTAL		**€240K**

* *Straight-line calculation between the minimum and maximum points.*

The LTI granted in 2018 therefore came to a gross amount of €240,000, representing 50% of the target amount (€480,000 gross) of fixed compensation.

6.1.3. Compensation policy for the Chairman and Chief Executive Officer for 2021

Pursuant to Article L. 22-10-8 (formerly Article L. 225-37-2) of the French Commercial Code, at its 24 February 2021 meeting and in line with the principles set out in section 6.1 above, the Board of Directors set the compensation policy for the Chairman and Chief Executive Officer for 2021, making sure to keep it aligned with the Company's best interests and strategy and with the best interests of the shareholders and other stakeholders. This policy will be submitted for shareholder approval at the 2021 Annual General Meeting. In setting this policy the Board of Directors was also guided by the principles contained in the Afep-Medef Code (comprehensiveness, balanced compensation components, comparability, consistency, clear methods and rules, and proportionality).

Prior to the decision taken by the Board of Directors on 24 February 2021, the Appointments and Compensation Committee conducted its annual review of the components making up the Chairman and Chief Executive Officer's compensation package for the purpose of making its recommendations to the Board. In order to carry out this review it consulted with the Governance and Social Responsibility Committee and drew on various analyses and recommendations of external specialists enabling it to make comparisons between (i) the structure of the Chairman and Chief Executive Officer's compensation, its level and how it has evolved, the weightings assigned to each compensation component (particularly the annual and multi-annual variable components) and the performance criteria, and (ii) the practices of comparable companies, especially those of which the Chairman and Chief Executive Officer is the controlling shareholder or a member of the controlling shareholder's family. They therefore make it possible to assess how the executive corporate officers' compensation is positioned with regard to market practices and the recommendations of the specialised consulting firms appointed.

Based on the recommendation of the Appointments and Compensation Committee and the above-mentioned analyses, the Board of Directors felt it was necessary to make some changes to the Chairman and Chief Executive Officer's compensation for 2021. The reasons for this decision were that (i) his fixed annual compensation of €480,000 is significantly out of sync with the compensation practices applied by comparable groups, which has an ensuing limiting effect on the amount of variable compensation he can earn, and (ii) the Chairman and Chief Executive Officer's current total target compensation is much lower than the median of SBF 120 companies, and is therefore not competitive.

Consequently, based on the analyses and conclusions of the compensation, governance and legal specialists consulted, acting pursuant to the recommendations of the Appointments and Compensation Committee, and taking into account the general economic environment and/or Casino's specific operating context, the Board of Directors decided to keep the Chairman and Chief Executive Officer's fixed compensation at its current level (i.e., €480,000) and to adjust the variable portion – which is conditional and not guaranteed – in line with market practices.

In order to determine the conditional variable portion of the Chairman and Chief Executive Officer's compensation, the Board of Directors based its decision on the following principles:

- setting target and maximum amounts of variable compensation that (i) reflect the importance placed by the Company on achieving the underlying strategic objectives, (ii) are aligned with the Chairman and Chief Executive Officer's actual performance, and (iii) are consistent with the median amounts of variable compensation applicable in comparable groups for assessing such performance;
- only using quantifiable objectives, i.e., no qualitative objectives;
- using challenging performance indicators that reflect the Group's strategic priorities and incorporate both financial criteria and CSR criteria, in line with the Group's priority of developing its CSR policy, with performance measured against these indicators yearly and/or over several years;
- rewarding over-performance with respect to all of the performance criteria applicable to the Chairman and Chief Executive Officer's conditional annual variable compensation rather than just for the financial criteria;
- setting the conditional multi-annual variable compensation such that it represents the majority of the Chairman and Chief Executive Officer's overall variable compensation and introducing an over-performance measurement, to align the Chairman and Chief Executive Officer's interests more closely with the Group's long-term performance, particularly with the aim of creating shareholder value and driving sustainable growth;
- having a compensation package that is consistent with those of the members of the Executive Committee and the Group's salaried employees.

On that basis, at its 24 February 2021 meeting, acting on the Appointments and Compensation Committee's recommendations and following a positive opinion issued by the Governance and Social Responsibility Committee, the Board of Directors set the principles and structure of the Chairman and Chief Executive Officer's compensation for 2021, as follows:

Fixed compensation for 2021

Gross fixed compensation has been set at €480,000, unchanged since 2013.

2021 conditional annual variable compensation

With respect to the variable portion of the Chairman and Chief Executive's 2021 compensation, the target amount has been raised to a gross amount of €825,000 for a 100% achievement rate, representing 172% of his fixed compensation but less than 100% of the median basic salary of SBF 120 companies (€900,000), in line with market practices and the recommendations of the specialists consulted by the Group.

Over-performance will now be measured and rewarded with respect to all of the criteria (financial and non-financial, versus only financial previously). The over-performance amount will represent 150% of the Chairman and Chief Executive Officer's total target variable compensation, i.e., in the event of over-performance his maximum annual variable compensation would be a gross amount of €1,237.5k, representing 257.8% of his fixed compensation and 137.5% of the median salary for SBF 120 companies, in line with market practices.

The annual variable compensation will remain entirely contingent on the achievement of objectives that reflect the Group's strategic priorities. These objectives are as follows:

Exclusively quantitative objectives:

- Two quantitative financial objectives have been set that reflect the Group's strategic priorities of increasing its profitability and cash generation in France, in line with market expectations.

  For these financial objectives it has been decided to focus and reinforce the assessment of the Group's performance in terms of EBITDA France and cash flow (CAF) France (versus sales, EBITDA France and free cash flow France in 2020). The reasons for this are:

  - Growth in EBITDA France (EBITDA for retail France and Cdiscount, after lease payments) is a key indicator for measuring improvements in profitability and is the main driver for growth in cash generation, which helps the Group to deleverage. It is also an essential indicator for ensuring that the Group respects the covenants of its most recent refinancing operations, as these covenants are based on the ratio of gross debt to EBITDA France. The Board also considers EBITDA to be a more appropriate criterion than sales for measuring the Group's growth. This is because the Group's main priority growth drivers (which primarily generate fees, revenues from services and other income) only make a low contribution to the sales figure.
  - The CAF criterion is a relevant indicator for measuring structural cash flow generation as free cash flow can be impacted to a greater extent by year-on-year volatility in working capital due to the operating context (Covid, implementation of the asset disposal plan, etc.).

  The above two objectives that have been selected are straightforward and relevant and are consistent with the Group-level quantitative objectives used to set the 2021 bonuses of members of the Executive Committee.

  Each criterion has been set a pre-defined minimum threshold, a target level for 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.

- The non-financial quantitative CSR objective is the same as that applicable for 2020. Its achievement will be measured based on the average of Casino's scores assigned by the following three rating agencies: FTSE Group, Vigeo Eiris and DJSI.

  A minimum threshold and a target value have been set, corresponding to 73/100 and 75/100 respectively compared with the actual average of 74/100 achieved in 2020. As was the case in 2020, therefore, the target level still represents the average of the scores achieved the previous year plus one point, in line with the Group's aim of improving on this indicator.

  These levels are still ambitious given the rating agencies' increasingly exacting requirements and the Covid crisis which has made it difficult to put in place action plans for this indicator. In addition, the score of 74/100 is already high and positions Casino in the top ranks for CSR performance.

  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 2021 annual variable compensation is still mostly based on the achievement of financial objectives.

  The weighting of the three criteria is as follows:

  - the financial objectives still account for 90% of the target amount and up to 135% in the event of over-performance, with the EBITDA criterion accounting for 60% and the CAF criterion accounting for 30%, or 90% and 45% respectively in the event of over-performance;
  - the CSR objective accounts for 10% of the target amount and up to 15% in the event of over-performance.

The breakdown of these quantitative criteria and their relative weighting in determining the Chairman and Chief Executive Officer's 2021 variable compensation are as follows:

Target amount: €825k	Variable component target	Variable component maximum
Quantitative financial objectives (90%):		
1/ EBITDA[1] growth (after lease payments)	**60%**	**90%**
Corresponding variable component	€495k	€742.5k
2/ CAF[1] growth (after tax)	**30%**	**45%**
Corresponding variable component	€247.5k	€371.25k
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%[2]**	**15%[3]**
Corresponding variable component	€82.5k	€123.75k
TOTAL	**€825K**	**€1,237.5K**

(1) Scope used for bank covenants: EBITDA France Retail + Cdiscount, based on a comparable scope of consolidation.
(2) Average of the scores achieved in the previous year plus one point, i.e., 75/100, and a minimum threshold set at 73/100.
(3) Average of the scores obtained in 2020 plus one point, i.e., 76/100.

Pursuant to Article L. 22-10-8 (formerly Article L. 225-37-2) of the French Commercial Code, payment of the annual variable compensation for 2021, whose amount will be determined based on achievement of the above-defined objectives, will be contingent on shareholders' approval at the Company's Annual General Meeting to be held in 2022.

Long-Term Incentive (LTI) bonus for 2021-2023

In accordance with market practices and the recommendations of external firms of compensation specialists concerning the proportion of variable compensation in the make-up of aggregate compensation, and more particularly concerning the assessment of the Group's longer-term performance, the Board of Directors decided to amend the Chairman and Chief Executive Officer's long-term conditional compensation in 2021 by making the LTI account for the majority of his overall compensation.

Consequently, the terms and conditions for determining the LTI have been amended as follows:

- The target amount, if the performance conditions are met, has been set at €1,237.5k, representing 257.8% of the Chairman and Chief Executive Officer's fixed compensation (corresponding to 137.5% of the median salary for SBF 120 companies), in line with market practices.
- Over-performance is now incorporated and applied to all the criteria, and represents 150% of the target amount.

  Consequently, if the Chairman and Chief Executive Officer over-performs all of his objectives, his multi-annual variable compensation could represent a maximum gross amount of €1,856,250.
- There is no guaranteed minimum.

  Payment of this LTI will be contingent on a service requirement (other than in the cases set out below) and will still be subject to the achievement of three performance conditions, adjusted to reflect the Group's strategic priorities. As in previous years, these performance conditions will be assessed at the end of a period of three financial years (2021-2023).
- The three performance conditions are the same as those used for the 2021 share grant plans for key managers and are aimed at ensuring the Group's profitable and sustainable growth for the medium and long term and aligning the interests of Casino's executives with those of its shareholders and other stakeholders. The performance conditions are based on the following objectives:
  - Two quantitative financial objectives:
    - Growth for EBITDA France[1] (after lease payments), replacing the ratio of EBITDA to consolidated net sales.

      EBITDA is an indicator that enables measurement over the medium and long term of (i) improvements in the Group's profitability, and (ii) structural growth in cash, which helps the Group to deleverage. It is also a more effective measure of the Group's overall growth as the EBITDA/net sales ratio used previously did not sufficiently take into account the Group's priority growth drivers (in particular, Cdiscount's GMV and GreenYellow and RelevanC's revenues).
    - Growth in underlying diluted earnings per share[2] (replacing TSR).

      In the past, TSR has been significantly impacted by volatility in the Casino share price caused by factors other than the Group's performance (shorting attacks, speculation, etc.). EPS growth is therefore a more representative indicator of long-term value creation.
  - A CSR objective assessed, as in 2020, on the basis of two criteria each accounting for 50% – 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.

    The minimum threshold set for the criterion related to reducing CO_2 emissions (380 kT) corresponds to the target objective for 2020 (on a same-scope basis). The target value (370 kT) and maximum value have been set bearing in mind the progress made in 2020, although given the fact that many action plans have already been put in place to reduce GHG, much more effort will be needed to raise performance for this indicator after 2022 than before then.

(1) Scope used for bank covenants: EBITDA France Retail + Cdiscount, based on a comparable scope of consolidation.
(2) Underlying net profit, Group share corresponds to net profit from continuing operations as defined in the accounting principles set out in the consolidated financial statements, adjusted to exclude (i) the post-tax effect of other operating income and expenses and non-recurring financial income and expenses, and (ii) the impact of applying IFRIC 23 rules.
The underlying EPS figure used is adjusted for the effects of potentially dilutive instruments.

The target for the gender diversity criterion has been set at 36% with a minimum threshold at end-2023 of 34.5%. This target is in line with the Group's goal of 40% by 2025 and represents a 2-point increase compared with the 2022 target (set in the 2020 LTI plan). The minimum threshold corresponds to the aforementioned 2022 target plus 0.5 points.

- The weighting of the three criteria will be as follows:
  - 50% of the target amount for the EBITDA criteria and up to 75% in the event of over-performance;
  - 30% of the target amount for the EPS criteria and up to 45% in the event of over-performance;
  - 20% of the target amount for the CSR objective and up to 30% in the event of over-performance i.e., 10% for each of the related criteria for the target amount and 15% for each of the related criteria if the objective is over-performed.

For each of the three performance criteria, the minimum achievement threshold, the target level (corresponding to achieving the trajectory set in the business plan), and the maximum level – representing over-performance – have all been pre-defined.

The decision to renew the cash-based LTI plan is also consistent with (i) market practices and recommendations given regarding the weighting of the variable component within the overall compensation structure, and (ii) the aim of factoring in long-term shareholder value creation and the Group's strategic priority of developing the CSR policy in order to drive sustainable growth.

- Based on the recommendations of the Appointments and Compensation Committee, the Board also set the terms and conditions that would apply to the payment of the Chairman and Chief Executive's LTI bonus if he retires or dies before the bonus vests and/or is paid. These terms and conditions are as follows:
  - If the Chairman and Chief Executive Officer retires, he will receive his LTI bonus calculated on a pro rata basis up to his retirement date, applying the relevant performance criteria. This provision is in line with (i) guidance issued by the AMF, (ii) the recommendations of the Afep-Medef Code, as confirmed by the French High Committee on Corporate Governance, and (iii) the market practices of SBF 120 companies. The amount thus due will be paid on the originally scheduled payment date.
  - If the Chairman and Chief Executive Officer dies, his LTI bonus will be paid to his heirs in an amount corresponding to the initial target amount. This provision is in line with (i) the provisions of Article L. 225-197-3 of the French Commercial Code relating to the vesting of shares under share grant plans when a beneficiary dies, and (ii) market practices of SBF 120 companies.
- The compensation policy set by the Board of Directors for the Chairman and Chief Executive Officer does not provide for the payment of any exceptional compensation for 2021.

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 2021, 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 2021 Annual General Meeting, i.e., a maximum gross amount of €12,500 (unchanged).

The Chairman and Chief Executive Officer has never been awarded any stock options or performance shares. He was expressly excluded from the list of beneficiaries under the terms of the resolutions voted at the Extraordinary General Meeting of 17 June 2020.

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 compulsory employee benefits scheme (*régime collectif obligatoire de prévoyance*) open to all executive employees.

He will not receive benefits of any kind in 2021.

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 of any substantial changes that may be made where appropriate.

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, 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 paid to the non-executive corporate officers in 2020 or granted to them in respect of that year – Disclosures required by Article L. 22-10-9 I of the French Commercial Code

Upon the recommendation of the Appointments and Compensation Committee, at its meeting held on 16 December 2020, the Board of Directors set the principles for allocating compensation to the Directors, Board Committee Chairs and members and the Lead Director for 2020, based on the compensation policy for non-executive corporate officers validated by the Board of Directors on 25 March 2020 and approved by the shareholders at the Annual General Meeting of 17 June 2020. The Board also approved the compensation for payment.

The allocation criteria used for the 2020 compensation policy 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 2020 in respect of 2019 and compensation granted in respect of 2020 (paid in January 2021) is as follows:

- In respect of 2019:
  - Basic compensation paid to Directors
    The total gross compensation per Director is set at €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 is 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 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.
  - Additional compensation for Board Committee Chairs
    An additional gross amount of €10,000 was allocated to each specialised Committee Chair.
- In respect of 2020:
  - 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 Committee Chairs remained unchanged (see above).
    An additional amount was allocated 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 practices and reasonable in terms of amounts, but noted that the basic compensation of the Directors was below the first quartile of the market.

- Additional compensation for the Lead Independent Director
The additional gross compensation was increased to €15,000 in 2019 to reflect the new responsibilities conferred on the Lead Director.

Summary of compensation paid or granted in 2020 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 2019 and 2020 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 2019 (for information)		Compensation paid in 2020					
			Compensation for service as a Director for 2019					
			Director		Committees			
Director	Compensation for service as a Director (for 2018)	Other compensation[1]	Fixed	Variable	Fixed	Variable	Total	Other compensation[1]
Nathalie Andrieux	57,645	-	8,500	15,231	23,000	22,000	68,731	-
Josseline de Clausade[2]								438,703
Diane Coliche[3]	12,500	556,309	4,250	8,250	-	-	12,500	553,464
Gilbert Delahaye[4]	41,000	98,241	8,500	16,500	6,500	9,500	41,000	98,394
Jacques Dumas[5]	21,270	799,686	4,250	8,250	-	-	12,500	883,289
Christiane Féral-Schuhl	31,588	-	8,500	15,231	6,500	12,500	42,731	-
Laure Hauseux	33,774	-	8,500	16,500	8,125	28,875	62,000	-
Didier Lévêque	12,500	-	4,250	8,250	-	-	12,500	-
Catherine Lucet[6]	76,646	-	8,500	16,500	38,000[6]	36,000	99,000	-
Odile Muracciole[7]								199,166
David de Rothschild	32,756	-	8,500	10,154	6,500	9,500	34,654	-
Michel Savart[8]	12,500	703,302	4,250	8,250	-	-	12,500	712,779
Frédéric Saint-Geours	79,750	-	8,500	16,500	23,000	36,000	84,000	-

(1) Compensation for Directors and/or other compensation and benefits of any kind paid by Casino's controlled subsidiaries.
(2) Elected as Director on 17 June 2020. Other compensation paid in 2020: €438,703, including gross variable compensation of €145,100 in respect of 2019, gross fixed compensation of €291,382 and benefits in kind of €2,221.
(3) Term ended on 3 March 2020. Other compensation paid in 2020: €553,464, including gross variable compensation of €169,000 in respect of 2019, gross fixed compensation of €380,000 and €4,500 in benefits in kind, excluding exceptional and/or conditional compensation of €59,050. In 2019, excluding exceptional bonus and deferred conditional variable compensation of €240,000.
(4) Term ended on 17 June 2020. Other compensation paid in 2020: €98,394, including gross variable compensation of €13,422 in respect of 2019 and gross fixed compensation of €84,972.
(5) Other compensation paid in 2020: €883,289, including gross variable compensation of €405,000 in respect of 2019, gross fixed compensation of €475,243, €3,100 in benefits in kind, excluding gross exceptional compensation of €1,000,000. In 2019, excluding gross exceptional compensation of €1,366,731.
(6) Including the additional annual Directors' compensation of €15,000 paid to the Lead Director.
(7) Elected as Director on 4 March 2020. Other compensation paid in 2020: €199,166, including gross variable compensation of €62,000 in respect of 2019 and gross fixed compensation of €137,166 and excluding exceptional compensation of €120,000.
(8) Other compensation paid in 2020: €712,779, including gross variable compensation of €272,300 in respect of 2019 and gross fixed compensation of €440,479.

Total compensation paid in 2020 to the corporate officers (including the Chairman and Chief Executive Officer, for service as a Director) for service as Directors in 2019 amounted to €518,000 versus €507,426 the prior year, including compensation paid in 2020 to Sylvia Jay for service as a Director in 2019 until her term ended on 29 July 2019.

The variable component represents a significant proportion of the total compensation allocated to the Directors.

Compensation awarded in respect of 2020 by the Company to each of the corporate officers, other than the Chairman and Chief Executive Officer, for service as Directors was as follows:

	Compensation in respect of 2020* (paid in January 2021)				
	Director		Committees		
(Gross amounts in €)	Fixed	Variable	Fixed	Variable	Total
Nathalie Andrieux	8,146	15,812	22,042	28,208	74,208
Josseline de Clausade(5)	2,302	3,300	-	-	5,602
Diane Coliche(1)	708	825	-	-	1,533
Gilbert Delahaye(2)	3,896	9,213	2,979	5,937	22,025
Jacques Dumas	4,073	7,906	-	-	11,979
Christiane Féral-Schuhl	8,146	12,513	6,229	15,104	41,992
Laure Hauseux	8,146	15,812	12,458	34,042 (3)	70,458
Didier Lévêque	4,073	7,906	-	-	11,979
Catherine Lucet	8,146	15,812	36,416 (4)	30,042	90,416
Odile Muracciole(6)	3,188	7,081	-	-	10,269
Thomas Piquemal(5)	4,604	6,600	-	-	11,204
David de Rothschild	8,146	12,513	6,229	13,104	39,992
Frédéric Saint-Geours	8,146	15,812	22,042	29,625	75,625
Michel Savart	4,073	7,906	-	-	11,979

(1) Term as Director ended on 3 March 2020.
(2) Director representing employees until 17 June 2020: compensation calculated on a pro rata basis.
(3) Including the compensation of the independent Director, who is not a member of the Governance and Social Responsibility Committee, for her participation in the Committee's work.
(4) Including the additional annual Directors' compensation of €15,000 paid to the Lead Director in respect of 2020.
(5) Directors since 17 June 2020: compensation calculated on a pro rata basis.
(6) Director since 4 March 2020: compensation calculated on a pro rata basis.
** Taking into account the 25% reduction in the compensation for April and May 2020 requested by all of the Directors, Committee Chairs and members and the Lead Director. The corresponding amounts were donated to the Common Solidarity Fund set up by the Fondation de France, the APHP and the Pasteur Institute, for the benefit of the healthcare staff working on the Covid-19 front line.*

Total gross compensation paid in January 2021 in respect of 2020 to corporate officers (including the Chairman and Chief Executive Officer for service as a Director) amounted to €491,242.

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 Annual 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 controlling shareholder, 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 only with the express agreement of the parties.

6.2.2. Compensation policy for non-executive corporate officers in respect of 2021

In accordance with the provisions of Article L. 22-10-8 (formerly Article L. 225-37-2) of the French Commercial Code, 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 2021 compensation policy for non-executive corporate officers to be submitted to the 2021 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 practices.

At its 24 February 2021 meeting, the Board of Directors decided to apply the same compensation policy in 2021 as in 2020 for the non-executive corporate officers for their 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 for members of the specialised Committees

  An additional amount will be paid as follows (unchanged from 2020) 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 2020 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.
- 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 2021 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 of any substantial changes that may be made where appropriate.

Moreover, under the authorisation granted by the shareholders at the Annual General Meeting of 16 May 2016, the compensation paid to Non-Voting Directors is included within the total amount of compensation allocated to Directors approved by the shareholders at the 2009 Annual General Meeting.

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 16 December 2020 to pay basic compensation in respect of 2020 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 €49,734[(1)] in 2020 in respect of 2019 (versus €52,871 paid in 2019) and a total amount of €47,916 in 2021 in respect of 2020[(1)].

(1) Taking into account the 25% reduction in the compensation for April and May 2020 requested by all of the Directors, Committee Chairs and members and the Lead Director, as well as the Non-Voting Directors. The corresponding amounts were donated to the Common Solidarity Fund set up by the Fondation de France, the APHP and the Pasteur Institute, for the benefit of the healthcare staff working on the Covid-19 front line.

Chapter 7

Casino and its shareholders

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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 B2 with a stable outlook by Moody's Investors Service since 6 August 2020 (B1 with a negative outlook previously);
- a term loan ("Term Loan B") rated B+ with a negative outlook by Standard & Poor's since 22 October 2019 and B2 with a stable outlook by Moody's Investors Service since 6 August 2020 (B1 with a negative outlook previously);
- 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 and Caa1 with a stable outlook by Moody's Investors Service since 6 August 2020 (B3 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)*
2019	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
	April	37.50	34.23	5,132	182
	May	35.55	30.75	5,440	181
	June	36.32	32.40	7,846	273
	July	33.77	21.58	11,945	319
	August	25.51	21.75	10,938	251
	September	23.75	20.10	9,679	211
	October	22.64	19.04	6,704	139
	November	25.54	19.13	6,011	140
	December	25.90	23.52	5,542	147
2021	January	29.49	25.19	8,332	230
	February	28.91	24.89	6,336	172

Five-year stock market performance

	2016	2017	2018	2019	2020
Share price *(€)*(1)					
high	55.34	57.19	53.48	50.08	42.85
low	34.38	45.59	25.37	27.29	19.04
31 December (closing price on 30 December)	45.59	50.56	36.34	41.70	25.19
Market capitalisation at 31 December *(€ millions)*	5,060	5,612	3,988	4,521	2,731

(1) Source: Euronext Paris.

7.1.2. Other listed companies

The market capitalisations of the major listed companies provided below are based on Bloomberg data.

Cnova N.V. (Netherlands)

The company's shares have been traded on Euronext Paris since 23 January 2015.

Euronext Paris	2016	2017	2018	2019	2020
Closing price *(€)*[1]					
high	5.27	5.26	4.46	3.70	3.50
low	2.00	4.28	3.56	2.32	2.22
31 December (closing price)	5.18	4.40	3.60	2.48	3.00
Market capitalisation at 31 December *(€ millions)*	2,285	1,516	1,243	856	1,036

(1) Source: Bloomberg.

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 Distribuição (GPA) – Sendas Distribuidora S.A. (Assaí) (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.

	2016	2017	2018	2019	2020
Closing price *(BRL)*[1]					
high	61.86	80.85	87.51	98.43	94.50
low	32.90	54.30	63.92	78.00	55.00
30 December (closing price)	54.75	78.93	80.98	87.65	75.05
Market capitalisation at 31 December *(BRL millions)*	14,567	21,041	21,609	23,613	20,140
Market capitalisation at 31 December *(€ millions)*	4,280	5,324	4,863	5,240	3,160

(1) Source: Bloomberg.

The new company's shares, Sendas Distribuidora S.A., have been traded on the Novo Mercado segment of the B3 SA – Brazil, Bolsa, Balcão – since 1 March 2021, as well as on the NYSE (United States) through a level 3 American Depositary Receipt (ADR) programme.

These listings follow on from the reorganisation and spin-off of Companhia Brasileira de Distribuição (GPA) assets, including the cash & carry business (Assaí) and the more traditional food retailing businesses of GPA.

Casino Group holds 41% of Companhia Brasileira de Distribuição (GPA) and an identical stake in Sendas Distribuidora S.A., whose operations are now exclusively dedicated to the cash & carry business in Brazil (see Chapter 2, page 21).

At 5 March 2021, following a week of trading, the Assaí share closed at BRL 75.00 and the company's market capitalisation came to BRL 20,126 million. In parallel and on the same date, GPA's market capitalisation was BRL 6,148 million and its share price at closing was BRL 22.91 *(source: Bloomberg)*.

Almacenes Éxito (Colombia)

The company's shares are traded on the Colombia Stock Exchange (Bolsa de Valores).

	2016	2017	2018	2019	2020
Share price *(COP)*[1]					
high	16,860	16,640	18,500	17,980	15,940
low	12,300	14,620	11,920	12,360	10,000
31 December (closing price)	14,900	16,560	12,400	13,880	13,890
Market capitalisation at 31 December *(COP millions)*	6,669,304	7,412,327	5,550,294	6,212,748	6,208,830
Market capitalisation at 31 December *(€ millions)*	2,121	2,076	1,490	1,683	1,483

(1) Source: Bloomberg.

7.2. DIVIDEND

Dividends paid in respect of 2017 and 2018 are indicated below. No dividend was paid in respect of 2019.

Year	Dividend per share	Dividend eligible for 40% deduction	Dividend not eligible for 40% tax deduction
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 28) over the past five years:

Year	2015	2016	2017	2018	2019
Total payout	350.1	343.6	341.4	339.1	-
% of underlying net profit, Group share	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 17 June 2020 authorised the Board of Directors to buy back, or to order the buyback of, Company shares as provided in Articles L. 22-10-62 (formerly 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 market's 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 17 June 2020, 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.

In 2020, the authorisation was used exclusively in connection with the Company's liquidity agreement (see below).

Transactions completed in 2020 and until 28 February 2021

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, effective 1 January, to take account of the changes in regulations governing these agreements, in accordance with AMF decision 2018-01 dated 2 July 2018. The new agreement replaced the previous agreement signed on 11 February 2005. As of the January 2019 contract signature date, the liquidity account held zero shares and €30 million.

In 2020, a total of 822,271 shares were purchased under the liquidity agreement at an average price of €28.65 per share, and 822,271 shares were sold at an average price of €28.27 per share (including 515,009 shares purchased and 515,009 shares sold using the shareholder authorisation given on 17 June 2020). At 31 December 2020, the liquidity account held zero shares and €29.5 million.

From 1 January 2021 to 28 February 2021, a total of 494,517 shares were purchased at an average price of €27.43 per share and 471,517 shares were sold at an average price of €27.39 per share. At 28 February 2021, the liquidity account held 23,000 shares and €28.9 million.

Other stock transactions

In 2020, the Company did not buy back any shares for any employee share grant plans, stock option plans or savings plans.

No shares were bought back between 1 January 2021 and 28 February 2021.

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. The Board of Directors did not cancel any shares in 2020.

Over the 24-month period beginning 27 February 2019 and ending 28 February 2021, the Board of Directors cancelled 1,303,186 shares (effective from 13 June 2019) representing 1.20% of the Company's capital.

Summary of stock transactions

The table below shows details of treasury shares bought and sold between 1 January 2020 and 31 December 2020 and between 1 January 2021 and 28 February 2021, 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 2019	**829,329**	**0.76**
Shares purchased under the liquidity agreement	822,271	
Shares sold under the liquidity agreement	(822,271)	
Shares purchased	0	
Shares sold	0	
Shares cancelled	0	
Free shares granted	(187,843)	
Number of shares held at 31 December 2020	**641,486**	**0.59**
Shares purchased under the liquidity agreement	494,517	
Shares sold under the liquidity agreement	(471,517)	
Shares purchased	0	
Shares sold	0	
Shares cancelled	0	
Free shares granted	(12,052)	
Number of shares held at 28 February 2021	**652,434**	**0.60**

At 31 December 2020, the Company owned 641,486 shares (purchase cost: €21.6 million) with a par value of €1.53. Based on the closing price at 31 December 2020 (€25.19), their market value totalled €16.2 million.

At 28 February 2021, the Company owned 652,434 shares (purchase cost: €21.8 million) with a par value of €1.53. Based on the closing price at 26 February 2021 (€26.58), their market value totalled €17.3 million.

Treasury shares are allocated for the following purposes:

- 23,000 shares to the liquidity agreement;
- 629,434 shares to cover stock option plans, employee share ownership plans or share grant plans for Group employees.

On 31 December 2020, 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 Annual General Meeting to be held on 12 May 2021 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. 22-10-62 *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 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. 22-10-56 *et seq.* of the French Commercial Code, any savings plan in accordance with Articles L. 3332-1 *et seq.* of the French Labour Code, or any grant of free shares made under Articles 22-10-59, L. 22-10-60 and L. 225-197-1 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 market's 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 28 February 2021, after deducting the 652,434 own shares held by the Company, this would correspond to 10,190,189 shares and a maximum amount of €1,019 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 sixteenth resolution of the Ordinary General Meeting of 17 June 2020.

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 2020, 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 28 February 2021.

Changes in share capital over the past five years

From 1 January 2016 to 31 December 2020		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		
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
2020	-	-	-	-	165,892,131.90	108,426,230

No capital transaction occurred from 1 January 2021 to 28 February 2021.

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 17 June 2020, the Board of Directors was 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
Share grants of existing or new shares to employees of the Company and related companies	2% of the total number of shares outstanding on 17 June 2020 (i.e., 2,168,524 shares)	Without PE*	17 June 2020	38 months	16 August 2023

* *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 2020, other than those related to free share grants.

Pursuant to the authorisation granted by the Annual General Meeting of 17 June 2020, the Board of Directors granted rights to 14,510 existing shares in 2020. The rights will vest if the grantee is still employed by the Company at the end of the vesting period.

As all the authorisations are expiring, the Annual General Meeting of 12 May 2021 will be asked to renew them.

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.

This authorisation was not used in 2020.

The Annual General Meeting of 12 May 2021 will also be asked to renew this authorisation.

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 they hold or represent, 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 or she is entitled to this right.

As such, the double voting right assigned to fully paid-up registered shares 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."

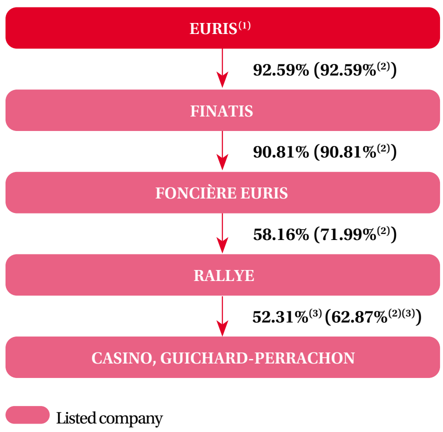
Double voting rights may be withdrawn by decision of the Extraordinary General Meeting, after approval by a special meeting of holders of double voting rights.

At 31 December 2020, a total of 148,877,859 voting rights were attached to 107,783,816 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 2021 and the number of treasury shares held directly or indirectly by the Company, a total of 148,858,490 voting rights were attached to 107,772,868 shares carrying voting rights as of 28 February 2021.

Controlling shareholder

The diagram below shows the Company's position within the Group as of 28 February 2021:



(1) Euris is controlled by Euris Holding, itself controlled by Jean-Charles Naouri.
(2) Theoretical voting rights as described in Article 223-11 of the AMF's General Regulations.
(3) Including 8.73% of the Casino share capital held in fiduciary trust (6.33% of theoretical voting rights).

Changes in share capital and voting rights

The ownership of share capital and voting rights as of 31 December 2018, 2019 and 2020 and as of 28 February 2021 is as follows:

	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[2]	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[4]	962,719	0.9	0	0	962,719	(0.6)[5]
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[2]	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[4]	830,257	0.8	0	0	830,257	(0.6)[5]
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 December 2020	**Number**	**%**	**Number**	**%**	**Number**	**%**
Public	39,005,042	35.97	41,766,647	28.05	41,766,647	27.93
of which shares in registered form	3,703,557	3.42	6,465,162	4.34	6,465,162	4.32
of which shares in bearer form	35,301,485	32.56	35,301,485	23.71	35,301,485	23.61
Rallye group *(including Fiducie Rallye – Equitis Gestion)*[2][3]	56,716,271	52.31	94,005,269	63.14	94,005,269	62.87
of which Rallye + other shareholders acting jointly	47,248,016	43.58	84,537,014	56.78	84,537,014	56.54
of which Fiducie Rallye/Equitis Gestion	9,468,255	8.73	9,468,255	6.36	9,468,255	6.33
Vesa Equity Investment	10,838,863	10.00	10,838,863	7.28	10,838,863	7.25
Casino Group Employee Mutual Funds	1,223,640	1.13	2,267,080	1.52	2,267,080	1.52
Treasury shares[4]	642,414	0.59	0	0	642,414	(0.43)[5]
TOTAL	**108,426,230**	**100.0**	**148,877,859**	**100.0**	**149,520,273**	**100.0**

28 February 2021	Shares Number	Shares %	Voting rights exercisable at Annual General Meeting[1] Number	Voting rights exercisable at Annual General Meeting[1] %	Theoretical voting rights[1] Number	Theoretical voting rights[1] %
Public	42,401,541	39.11	45,155,256	30.33	45,155,256	30.20
of which shares in registered form	3,689,740	3.40	6,443,455	4.33	6,443,455	4.31
of which shares in bearer form	38,711,801	35.70	38,711,801	26.01	38,711,801	25.89
Rallye group *(including Fiducie Rallye – Equitis Gestion)*[2][3][6]	56,716,271	52.31	94,005,269	63.15	94,005,269	62.87
of which Rallye + other shareholders acting jointly	47,248,016	43.58	84,537,014	56.79	84,537,014	56.54
of which Fiducie Rallye/Equitis Gestion	9,468,255	8.73	9,468,255	6.36	9,468,255	6.33
Vesa Equity Investment	7,435,547	6.86	7,435,547	4.99	7,435,547	4.97
Casino Group Employee Mutual Funds	1,219,509	1.12	2,262,418	1.52	2,262,418	1.51
Treasury shares[4]	653,362	0.60	0	0.00	653,362	0.44[5]
TOTAL	**108,426,230**	**100.00**	**148,858,490**	**100.00**	**149,511,852**	**100.00**

(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) On 31 July 2015, Rallye signed an equity swap agreement on 840,495 notional shares expiring on 31 July 2018. The swap may be settled by transferring title to the 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 20 April 2020, Alpétrol was liquidated with the universal transfer of its assets, including the above-mentioned lending agreement, to L'Habitation Moderne de Boulogne (wholly owned by Rallye) (AMF 220C1338).

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 (the lender) to Rallye (the borrower) to 6,866,454 shares.

Rallye signed a private agreement with Cobivia and L'Habitation Moderne de Boulogne on 25 May 2020 for the merger by absorption of Cobivia and L'Habitation Moderne de Boulogne into Rallye effective 29 June 2020. As a result of this transaction, the above-mentioned lending agreements were cancelled by absorption (AMF 220C2376).

(3) Rallye (controlled by Foncière Euris, which in turn is controlled by Jean-Charles Naouri) crossed below the statutory threshold of 50% of Casino, Guichard-Perrachon's capital on 20 July 2020, holding 47,248,016 Casino, Guichard-Perrachon shares (i.e., 43.57% of its capital) and 84,537,014 of its voting rights (i.e., 56.53%) (AMF 220C2603).

The threshold was crossed as a result of the fiduciary trust-management (fiducie sûreté-gestion) *agreement entered into on 10 July 2020 between Rallye and Equitis Gestion SAS (the trustee), and the transfer by Rallye, in the context of said agreement, of 9,468,255 Casino, Guichard-Perrachon shares as collateral for financing secured from F. Marc de Lacharrière (Fimalac), it being specified that:*

- *under the terms of the fiduciary trust agreement, as long as no early repayment has been notified to the trustee, the voting rights attached to the 9,468,255 Casino, Guichard-Perrachon shares held in trust may be exercised by the trustee acting on the instructions of Rallye; and*
- *any distribution, notably dividends, with regard to the 9,468,255 shares held in trust will be immediately allocated to the early repayment of the above-mentioned financing.*

Under the above-mentioned agreement, Equitis Gestion (controlled by IQEQ) crossed above the 5% statutory thresholds for Casino, Guichard-Perrachon's capital and voting rights on 20 July 2020, holding 9,468,255 shares and the same number of voting rights, representing 8.73% and 6.33% respectively (AMF 220C2603). These include shares pledged by Rallye as part of the above-mentioned fiduciary trust agreement (see Shares held as collateral below).

(4) Casino holds 928 shares through Germinal, an indirectly wholly-owned company.

(5) Voting rights that will become exercisable again if the underlying shares cease to be held in treasury stock.

(6) The Paris commercial court confirmed, with regard to 28 February 2020 rulings, in accordance with Article L. 626-14 of the French Commercial Code, the inalienability of all shares held by the Euris group companies subject to safeguard proceedings (Rallye and its parent companies Euris, Finatis and Foncière Euris) for the duration of their safeguard plan, barring the exceptions provided by said rulings to ensure, in particular, the proper implementation of said plans.

To the best of the Company's knowledge, no shareholder other than (i) Rallye, (ii) Vesa Equity Investment (controlled by Daniel Křetínský), (iii) Equitis Gestion (controlled by IQEQ) and (iv) 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 28 February 2021.

On 31 December 2020, the Company conducted a survey of holders of bearer shares. The survey identified 42,526 direct holders or nominees (versus 39,966 in 2019), together holding 46,034,067 shares (versus 46,081,654 in 2019) representing 42.46% of the share capital (versus 42.50% in 2019).

The number of the Company's bearer and registered shareholders is estimated at more than 47,000 (45,000 in 2019) and the percentage of share capital held by private shareholders is estimated at 19.5% (17% in 2019) (sources: survey of identifiable bearer shareholders carried out on 31 December 2020 and shareholders' register).

Statutory disclosure thresholds

Between 1 January 2020 and 28 February 2021, the following notifiable interests were 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.
Vesa Equity Investment(2)	17 January 2020	Increase	6,120,139	6,120,139	5.64	4.24	220C0251
Vesa Equity Investment(2)	27 February 2020	Increase	7,460,000	7,460,000	6.88	5.17	220C0846
Vesa Equity Investment(2)	21 April 2020	Decrease	7,589,061	7,589,061	7.00	4.99	220C1374
Vesa Equity Investment(2)	16 June 2020	Decrease	5,258,896	5,258,896	4.85	3.46	220C2082
Morgan Stanley Corp.	26 June 2020	Increase	5,818,474	5,818,474	5.37	3.83	220C2295
Morgan Stanley & Co International Plc(3)	26 June 2020	Increase	5,806,673	5,806,673	5.36	3.82	220C2295
Morgan Stanley Corp.	29 June 2020	Decrease	6,801	6,801	0.01	0.004	220C2317
Morgan Stanley & Co International Plc(3)	29 June 2020	Decrease	0	0	-	-	220C2317
Rallye(4)	20 July 2020	Decrease	47,248,016	84,537,014	43.57	56.53	220C2603
Equitis Gestion(5)	22 July 2020	Increase	9,468,255	9,468,255	8.73	6.33	220C2603
Vesa Equity Investment(2)	30 July 2020	Increase	5,685,315	5,685,315	5.24	3.74	220C2902
Vesa Equity Investment(2)	3 September 2020	Increase	7,752,359	7,752,359	7.15	5.18	220C3509
Vesa Equity Investment(2)	30 October 2020	Increase	11,035,899	11,035,899	10.18	7.38	220C4848
Vesa Equity Investment(2)	9 December 2020	Decrease	10,838,863	10,838,863	9.99	7.25	220C5429
Vesa Equity Investment(2)	23 February 2021	Decrease	7,435,947	7,435,947	6.86	4.97	221C0446

(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 Daniel Křetínský.
(3) Controlled by Morgan Stanley Corp.
(4) Controlled by Foncière Euris, which in turn is controlled by Jean-Charles Naouri.
(5) Controlled by IQEQ.

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 five 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 is 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 2020, Group employees held 1,775,738 shares representing 1.64% of the share capital and 1.89% of the voting rights, of which:

- 1,223,640 shares through employee savings plans and different mutual funds;
- 552,098 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 2020, shares held directly by members of the Board of Directors represented 0.09% of the share capital and 0.12% of the voting rights exercisable in General Meetings. On the same date, with the addition of the 8.73% of capital and the corresponding 6.36% of voting rights held in fiduciary trust, 55.05% of the share capital and 65.19% of the voting rights were controlled directly or indirectly by these members.

On 28 February 2021, Casino shares held directly by members of the Board of Directors represented 0.09% of the share capital and 0.12% of the voting rights. On the same date, with the addition of the 8.73% of capital and the corresponding 6.36% of voting rights held in fiduciary trust, 55.05% of the share capital and 65.20% 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 2020 and up until 28 February 2021 by officers and persons who were related parties on the transaction date were as follows:

Date	Shareholder	Financial instrument	Purchase/sale	Number	Amount *(€)*
30 March 2020	Par Bel 2 SAS, legal entity related to Euris, Director	Shares	Stock options	10,412,700	-
20 April 2020	Hervé Daudin, Executive Director, Merchandise Director and Chairman of Achats Marchandises Casino	Shares	Purchase	5,421(1)	35.69
20 April 2020	Jacques Dumas, Permanent representative of Euris, Director	Shares	Purchase	7,326(1)	35.69
20 April 2020	Julien Lagubeau, Chief Operating Officer	Shares	Purchase	5,495(1)	35.69
20 April 2020	Jean-Paul Mochet, Chairman of Monoprix and Chief Executive Officer of Franprix	Shares	Purchase	3,663(1)	35.69
20 April 2020	Tina Schuler, Chief Executive Officer of Leader Price, Casino Supermarchés, Géant Casino and Casino Proximité	Shares	Purchase	3,663(1)	35.69
20 April 2020	David Lubek, Chief Financial Officer	Shares	Purchase	1,466(1)	35.69
1 July 2020	Karine Lenglart, Director of M&A	Shares	Purchase	1,315(1)	33.29
31 July 2020	Thomas Piquemal, Permanent representative of Fimalac, Director	Shares	Purchase	2,500	23.48
1 December 2020	Hervé Daudin, Executive Director, Merchandise Director and Chairman of Achats Marchandises Casino	Shares	Purchase	5,326(1)	24.39
1 December 2020	Jacques Dumas, Permanent representative of Euris, Director	Shares	Purchase	1,250(1)	24.39

(1) Vested free shares.

Shares held as collateral

At 31 December 2020, 53,635,704 registered shares were held as collateral, including:

- 43,988,424 shares held by Rallye and pledged to secure credit facilities (i.e., 40.57% of Casino's share capital);
- 9,468,255 shares, formerly pledged to financial institutions as part of derivative transactions, transferred on 17 July 2020 by fiduciary trust agreement between Rallye and Equitis Gestion as collateral for financing secured by Rallye from F. Marc de Lacharrière (Fimalac) (i.e., 8.73% of Casino's share capital).

At 31 December 2020, only 3,257,584 Casino shares held by Rallye (i.e., 3.0% of the Company's share capital) were not 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. GRANTS OF FREE SHARES, SHARE PURCHASE OPTIONS AND SHARE SUBSCRIPTION OPTIONS

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 and strengthen the commitment and/or loyalty of key managers both in France and abroad. The share grants are contingent on beneficiaries remaining with the Company until the end of the vesting period (three years) and, barring exceptions, on the achievement of performance conditions evaluated as from 2016 over a three-year period (the "Key manager plans").

  The criteria for share grants through "Key manager plans" are in line with those set for the Chairman and Chief Executive Officer's long-term incentive bonus (LTI) awarded for the same year as set out in Chapter 6 (section 6.1.3, pages 358 and 359).
- 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. The receipt of the portion of the beneficiary's bonus awarded in the form of share grants is therefore deferred and share grants 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 2020, pursuant to the authorisation given by the Extraordinary General Meetings of 15 May 2018 and 17 June 2020, and based on the favourable opinion of the Appointments and Compensation Committee, the Board of Directors made a total of 304,202 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:

- 289,692 shares were granted by the Board of Directors at its meeting of 27 April 2020 (representing 0.27% of the share capital on the grant date);
- 14,510 shares were granted by the Board of Directors at its meeting of 16 December 2020 (representing 0.01% 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.

Share grants

Details of the various plans outstanding at 31 December 2020 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 beneficiaries	Number of shares granted by the Board of Directors	Number of grants cancelled	Number of grants outstanding at the period-end
13 May 2016	20 April 2017	20 April 2022	21 April 2022	2	5,666	1,416	4,250(1)
15 May 2018	15 May 2018	15 May 2021	16 May 2023	59	177,117	72,665	104,452(2)
15 May 2018	15 May 2018	15 May 2023	16 May 2023	3	7,326	473	6,853(2)
15 May 2018	15 May 2018	15 May 2021	16 May 2021	1	1,500	0	1,500(3)
15 May 2018	13 December 2018	14 December 2021	14 December 2021	4	32,218	19,725	12,493(3)
15 May 2018	7 May 2019	7 May 2022	8 May 2024	57	184,608	45,646	138,962(4)
15 May 2018	7 May 2019	7 May 2024	8 May 2024	2	7,809	0	7,809(4)
15 May 2018	7 May 2019	31 January 2021	8 May 2021	6	15,553	808	14,745(3)
15 May 2018	7 May 2019	31 March 2021	8 May 2021	3	5,252	0	5,252(3)
15 May 2018	12 December 2019	31 July 2021	13 December 2021	29	27,626	5,407	22,219(3)
15 May 2018	12 December 2019	31 October 2021	13 December 2021	3	8,939	0	8,939(3)
15 May 2018	12 December 2019	12 December 2021	13 December 2021	11	19,260	10,085	9,175(3)
15 May 2018	12 December 2019	12 December 2022	13 December 2022	6	28,043	0	28,043(3)
15 May 2018	27 April 2020	27 April 2023	28 April 2025	46	160,033	564	159,469(5)
15 May 2018	27 April 2020	27 April 2025	28 April 2025	2	8,171	0	8,171(5)
15 May 2018	27 April 2020	31 March 2022	28 April 2022	6	8,805	0	8,805(3)
15 May 2018	27 April 2020	27 April 2021	28 April 2022	1	108,457	0	108,457(4)
15 May 2018	27 April 2020	27 April 2023	28 April 2023	1	4,226	0	4,226(3)
17 June 2020	16 December 2020	31 July 2022	17 February 2022	8	14,510	0	14,510(3)
TOTAL					**825,119**	**156,789**	**668,330**

(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 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.

(2) 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.

(3) The share grants are contingent only on the beneficiaries remaining with the Company until the vesting date.

(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 (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.

(5) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of three performance conditions assessed over a three-year period (2020, 2021 and 2022): (i) the Group's average EBITDA/net sales, concerning 50% of the initial grant; (ii) growth in TSR compared to a sample of nine European companies in the Food Retail index, concerning 30% of the initial grant; and (iii) a CSR condition based on two criteria: gender balance in top management positions in 2022 in France and environmental protection (CO_2 emissions reduction in France by 2022), concerning 20% of the initial grant.

Under share grant plans introduced on 13 May 2016, 20 April 2017, 25 April 2018, 13 December 2018 and 7 May 2019, shares vested in 2020 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 beneficiaries	Number of shares granted by the Board of Directors	Number of grants cancelled	Number of shares vested in 2020
13 May 2016	13 May 2016	13 May 2020	13 May 2020	3	7,178	3,093	4,085(1)
13 May 2016	20 April 2017	31 January 2020	1 February 2020	1	245	0	245(2)
13 May 2016	20 April 2017	20 April 2020	21 April 2022	61	156,307	99,209	57,098(3)
5 May 2017	25 April 2018	1 February 2020	26 April 2020	16	11,955	5,581	6,374(2)
15 May 2018	13 December 2018	1 July 2020	14 December 2020	2	2,630	1,315	1,315(2)
15 May 2018	13 December 2018	1 August 2020	14 December 2020	7	4,144	1,513	2,631(2)
15 May 2018	13 December 2018	1 December 2020	14 December 2020	10	13,088	658	12,430(2)
15 May 2018	7 May 2019	7 May 2020	8 May 2021	1	103,665	0	103,665(2)
TOTAL					**299,212**	**111,369**	**187,843**

(1) The share grants were 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 were 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.

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 2020.

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 11 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;
- six 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 Committee met last on 25 September 2020 by conference call given the public health situation associated with the Covid-19 pandemic and will meet again during the first half of 2021.

Chapter 8

Additional information

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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

Joint stock company (*société anonyme*) 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

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.

Where applicable, the Board includes, in accordance with the provisions of Article L. 22-10-7 (formerly 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.

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 or she 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, 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 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 23 March 2021 (see pages 390 *et seq.*).

8.1.2. Allocation 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. 22-10-28 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. 22-10-28 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 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.

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 or its agent may, under applicable legal and regulatory conditions, ask the main custodian of financial instruments at any time, directly or through one or more intermediaries in accordance with Article L. 211-3 of the French Monetary and Financial Code, for the name or, if it is a legal entity, the corporate name, the nationality, the year of birth or, if it is a legal entity, the year of incorporation, the postal and, if necessary, the email 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, as well as any other information provided for by the applicable legal and regulatory provisions.

When a financial institution identifies, in the list it is responsible for drawing up, following a request referred to in the first paragraph above, an intermediary mentioned in the seventh paragraph of Article L. 228-1 of the French Commercial Code registered on behalf of one or more third-party shareholders, it will forward this request to him or her, unless the Company or its agent expressly objects at the time of the request. Said registered intermediary is required to forward the information to the financial institution, which is responsible for disclosing it, as the case may be, to the Company, its agent or the main custodian.

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 or 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 372 *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, with the exception of voting rights attached to Casino shares placed in a fiduciary trust by Rallye in connection with the financing by Fimalac of the repayment of Rallye's derivative transactions.

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 384 *et seq*.

The powers of the Board of Directors are described on pages 300 and 386. The Board's powers to issue and buy back shares are described on page 373 and pages 369 and 370, 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 274 (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.

(1) Concerning 9,468,255 Casino shares held by Rallye, placed in fiduciary trust in favour of Fimalac (see Rallye press release dated 17 July 2020). Under the terms of the fiduciary trust agreement, as long as no early repayment has been notified to the trustee, the voting rights attached to the 9,468,255 Casino Guichard-Perrachon shares will be exercised by the trustee acting on the instructions of Rallye; any distribution – notably dividends – will be immediately allocated to the early repayment of the financing.

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 High Committee on Corporate Governance (*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 operations, 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 on expiry of their term. Every year, one-third of the Board is re-elected.

Recommendations of 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 are subject to the shareholders' ratification at the next General 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 rise to above 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 General Meeting held to approve the financial statements for the financial 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 or 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 must indicate the names of the Director(s) attending the meeting via videoconference or telecommunication, and mention any technical disruption or incidents that occurred during the meeting.

Directors taking part in Board meetings via videoconference 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 is not deemed present for the purpose of calculating the quorum and majority.

The Board of Directors may also invite 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 must indicate whether or not videoconference or means of telecommunication were used, and list those Directors who participated by those means, and, in this respect, 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 Meeting.

The total amount of compensation thus allocated by shareholders at the General 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 by law, 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, based on effective attendance at Board meetings;
- any member of the Board of Directors can also receive additional compensation based on his or her specific experience or the specific tasks the Board assigns to him or 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 duties 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. Each Director has one (1) year from the date of his or her election or re-election to increase his or her shareholding to this minimum level. Directors' Casino shares must be held in direct registered or administered registered form in accordance with the conditions set forth by the laws and regulations in force. 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 also decides how Senior Management authority should be exercised, either by the Chairman of the Board, or by a natural person, 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. 22-10-8 of the French Commercial Code which is presented in such report.

It summons General 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 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 sufficiently comprehensive.

The Board is kept regularly informed and regularly reviews trends in the Group's business and results, its key risks, such as 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 are 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 Meeting. He/she is responsible for ensuring that the Company's corporate bodies operate correctly and, in particular, that Directors are able to perform their duties successfully.

The Chairman is elected for a period that cannot exceed his or her term of office as Director. If, while in office, the Chairman reaches the age limit specified in the Articles of Association, he or she remains in office until the end of his or her current term.

In case of the death or temporary inability to act of the Chairman, the Board of Directors may designate a Director to serve as acting Chairman. In the event of temporary inability to act, the acting Chairman is appointed for a set period, which may be renewed. In the event of death, the designation is valid until the election of a 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 or she exercises said powers within the limits of the Company's corporate purpose, subject to the powers specifically vested, by law, in shareholders' meetings 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 business goodwill or other intangible assets,
  - issues of securities by directly or indirectly controlled companies,
  - issues or acceptances of loans, borrowings, credit facilities or short-term advances,
  - settlements or arbitration agreements, in the event of a dispute,
  - disposals of real property or 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 or 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 Euro Medium Term Note (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 or she may also issue commercial paper subject to a ceiling of €2 billion.
- Repurchase of debt securities

  The Chief Executive Officer is 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 an EMTN programme subject to a maximum amount currently capped at €9 billion, 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 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 or 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 or she remains in office until the end of his or her current term.

In the case of the temporary inability to act of the Chief Executive Officer, the Board of Directors appoints an acting Chief Executive Officer until such time as the Chief Executive Officer is able to resume exercising his or her duties.

At 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, if he or 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 also decide, insofar as may be required, to invite any person of its choice to its 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 Committee meets at least three times per 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 attend a meeting in person, he or she may participate via any means of telecommunication. The Chairman, or any Committee member to whom authority has been delegated for that purpose, 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, in particular, including 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 arrange, insofar as may be required, 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, the Audit Committee, acting under the authority of the Board of Directors, is responsible for following up on issues pertaining 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 reviewing and approving the annual and interim financial statements.

As part of its role of supervising the process for preparing accounting and financial information, the Audit Committee reviews the Company's and the Group's annual and interim financial statements, together with the accompanying reports, before they are approved by the Board of Directors. It ensures that the financial statements are consistent with the other information available to it and assesses the appropriateness of the accounting policies applied and their compliance with the accounting standards in force.

As part of its role of supervising the process for preparing financial information, it provides recommendations, where applicable, to guarantee the integrity of that information.

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.

In this respect, the Audit Committee holds discussions with the Statutory Auditors, including, if it so wishes, without the Company's representatives being present, and reviews their audit reports and conclusions.

■ *10.2.2. Statutory Auditors*

The Audit Committee organises the procedure for selecting the Company's Statutory Auditors and receives information on the selection procedures implemented by the Group's subsidiaries. As such, the Committee reviews and makes a recommendation on the candidates to be presented for appointment or re-appointment at the General 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 in the applicable regulations. In particular, it reviews their relationships with the Company and its subsidiaries and provides an opinion on their fees.

The Audit Committee approves services other than the audit of the financial statements that may be provided by the Statutory Auditors or members or their network in accordance with the applicable regulations. It defines the approval procedure for such services in accordance with the conditions set forth by the relevant authorities, where applicable.

It monitors the progress of the Statutory Auditors' work.

The Audit Committee reports to the Board of Directors on the results of the audit 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, while ensuring that its independence is not 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 is also responsible for examining any transactions or 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 internal audit, accounting and legal teams that are able to anticipate and protect against risks and 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 exceeds, during a given financial year, (i) €10 million per transaction and, beyond the aggregate €10 million threshold, (ii) in €1 million increments for all further transactions.

Related parties are:

(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 business transactions carried out in the ordinary 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 payment does not follow the standard operating procedure in place within the Group.

This prior review is governed by a specific charter 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 force 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 powers of Senior Management, as provided for in Article 8 of the Board of Directors' Internal Rules, which may be permitted in exceptional circumstances. If an exception is granted, the Chief Executive Officer may, after the Audit Committee has expressed 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 procedure 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 procedure for identifying and reviewing arm's length agreements in force 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 Committee. Nevertheless, the Chairman of the Board of Directors participates in the procedure for selecting new Directors.

The 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 attend a meeting in person, he or she may participate via any means of telecommunication. The Chairman or any Committee member to whom authority has been delegated for that purpose, draws up an agenda and sends it to each Committee member before the meeting.

Together with the Chief Executive Officer, the Appointments and Compensation Committee can rely on the cooperation of the Group's Human Resources department, particularly whenever the Committee is informed on 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 information for setting 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 policy 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. Appointments

The Committee is responsible for:

- reviewing the composition of the Board of Directors;
- implementing the procedure for 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;
- making recommendations of candidates to be appointed as members of the Board's specialised Committees;
- reviewing potential candidates 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 set forth 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 Committee.

The Committee meets at least twice per 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 attend a meeting in person, he or she may participate via any means of telecommunication. The Chairman, or any Committee member to whom authority has been delegated for that purpose, 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 the 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. The Committee makes recommendations, where applicable;
- preparing information for the Board of Directors' review of corporate governance-related issues;
- annually reviewing the draft report on corporate governance and submitting any observations 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 its Chairman may submit for review or that it independently chooses to discuss.

  In this respect, the Governance and Social Responsibility Committee ensures the implementation of a Directors' Code of Conduct and updates it on a regular basis, as 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 operations.

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, reviews the Group's commitments and policies in the area of ethics and corporate social, environmental, and societal responsibility, the application and implementation of such policies and the results thereof, and expresses or makes any opinion or recommendation to the Board of Directors.

Together with the Audit Committee, it ensures that there are systems for identifying and managing the principal risks relating to such subjects and for ensuring compliance with applicable laws and regulations (particularly the prevention and detection of corruption and influence peddling).

The Governance and Social Responsibility Committee reviews reporting procedures relating to non-financial information and key non-financial performance indicators used and analyses the Group's participation in non-financial indices.

The Governance and Social Responsibility Committee reviews the information disclosed annually in the management report in respect of non-financial information pursuant to applicable legal requirements and provides its observations prior to approval thereof by the Board of Directors.

The Governance and Social Responsibility Committee reviews 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 also reviews 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 to it 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 expresses any opinion or makes 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 operations, 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 potential issues.

The Lead Director can attend Committee meetings of which he or 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 or her duties.

V. Non-Voting Directors

Article 14. Non-Voting Directors

The Ordinary General Meeting may appoint Non-Voting Directors, either natural persons or legal entities, from among the shareholders. The Board of Directors may appoint a Non-Voting Director subject to ratification at the next General 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 who reaches the age of 80 while in office is required to resign at the Ordinary General 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 General 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 reasonably prudent person acting 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 agenda.

If he or 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 suited to the exercise of their duties.

Article 17. Protection of the Company's interests – Conflicts of interest

Even though he or 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 or she will 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 he or she might be directly or indirectly involved. In this case, he or 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 interest 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' operations

Directors must pay careful attention to the manner in which powers and responsibilities are respectively assigned to and exercised by the Company's 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 operate effectively. The Board of Directors discusses its operations once per year.

The Board of Directors also routinely conducts an assessment of its own operations.

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 or she holds in other French or foreign companies. He or she must inform the Company as soon as possible regarding any new office or professional function he or she accepts. Additionally, whenever he or she exercises executive duties for the Company, he or 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 his or her duties. He/she must make every effort to attend all Board meetings, shareholders' meetings, and the meetings of any Committees on which he or she serves.

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 or her duties is shared on a strictly personal basis. He or 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 or her unemancipated minor children, or his or 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 or 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 notify the AMF and the Company of any transactions he or she has 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 or 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. The most recent update was approved on 23 March 2021.

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 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".

29 March 2021
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 2019

  the management report, the consolidated financial statements, the parent company financial statements and the accompanying Statutory Auditors' reports are presented in the 2019 Universal Registration Document, which was filed with the *Autorité des marchés financiers* on 29 April 2020 under No. D.20-0403, on pages 2 to 39, 40 to 150, 151 to 179, 40 to 47, and 151 to 154.

- 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 149, 150 to 180, 37 to 42, and 147 to 150.

Other information contained in the 2019 Universal Registration Document and the 2018 Registration Document has, where applicable, been replaced by or updated with the information contained in this Universal Registration Document. The 2019 Universal Registration Document and the 2018 Registration Document 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:

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8.7. ANNUAL FINANCIAL REPORT – CROSS-REFERENCE TABLE

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8.8. BOARD OF DIRECTORS' MANAGEMENT REPORT – CROSS-REFERENCE TABLE

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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:

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Financial Communications and Investor Relations

Lionel Benchimol
Phone: +33 (0)1 53 65 64 17
lbenchimol@groupe-casino.fr

or

Phone: +33 (0)1 53 65 24 17
IR_Casino@groupe-casino.fr

Shareholder Relations

Toll-free number: 0 800 16 18 20 (from France only)
E-mail: actionnaires@groupe-casino.fr

To convert bearer shares to registered shares, contact:

BNP Paribas Securities Services – CTO

Shareholder Relations
Grands Moulins de Pantin
9, rue du Débarcadère,
93761 Pantin, Cedex, France
Phone: +33 (0)1 40 14 31 00
Monday to Friday from 8:45 am to 6:00 pm (CET)
E-mail: paris.bp2s.service.actionnaires.nominatif@bnpparibas.com

Casino, Guichard-Perrachon

A French *société anonyme* (joint stock company) with share capital of €165,892,131.90.

Registered office

1, cours Antoine Guichard, CS 50306
F-42008 Saint-Étienne Cedex 1, France
Tel.: +33 (0)4 77 45 31 31
Fax: +33 (0)4 77 45 38 38
The Company is registered in the Saint-Étienne Trade and Companies Registry under No. 554 501 171.

Paris office

148, rue de l'Université
75007 Paris, France
Phone: +33 (0)1 53 65 64 00

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

groupe-casino.fr/en @Groupe_Casino