

Retail in question

Auchan | RETAIL

2019 Annual Report

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Together, let's build retail for the post-COVID world

As large retailers, we face challenging transitions on all fronts – digital, environmental, economic, societal, shifts around diet and health – that remind us of our sector's tremendous social utility. We have to transform ourselves root and branch if we're to continue serving society's needs within this emerging paradigm. That's where our Auchan 2022 business plan comes in. It is designed to address all the big questions that are coming up for consumers, forward-looking retailers, and wider society about people's purchasing power – questions made more urgent by the state of the planet and recent crises. Our responses offer new prospects and open up the dialogue with customers, staff and producers in countries where we operate – both for the duration of the COVID-19 crisis, and beyond into the new normal.

Interview

“21st-century retailing is on its way. We’re ready for the new challenges it brings.”



Edgard Bonte
Auchan Retail Chairman

You put Auchan Retail's recovery plan into action in 2019 – what are the headline outcomes of that?

Simplifying governance and streamlining management has enabled us to clarify roles and speed up decision-making. For instance, we sold or closed some European and Asian stores where there was no hope of getting back to financial equilibrium, and we pulled out of two countries: Vietnam, where we realised that we hadn't managed to find the right business model, and Italy, where we entered the market in 1989 but had been suffering heavy losses since 2011. This was the first time in its history that Auchan had made decisions of such magnitude. In Asia, merging the managerial and operational organisations of Auchan and RT-Mart has boosted the performance of Sun Art, Auchan Retail's Chinese subsidiary, which serves as a testing ground for the Group's shift towards digitalisation.

What results has Vision 2025 yielded so far?

We're doubling down on the plan. We had to make some hard choices to improve profitability, and also design a business plan that carries through the vision on the ground. Our Auchan 2022 plan rests on two pillars that zero in on consumers' expectations. Firstly, we're going to shift from the position of distributor/retailer to being a group that chooses/designs a unique retail offer, filtered through the lens of our "good, healthy and local" mantra. Secondly, we want to forge links and facilitate experiences that improve people's lives by creating new phygital shopping journeys.

And yet disaffection for hypermarkets is a growing trend – how can that be reversed?

The hypermarket model was based on volume-led growth inside massive retail spaces, and that model has now reached its limits. But this large-scale format still has legs, we just need to rethink it. The idea is no longer to saturate a catchment area with our different formats, but to position them along the customer's path so they complement each other. Auchan Retail is reorganising itself into community localities across all our countries, with the hypermarket serving as a supply platform for the surrounding stores and phygital services. The hypermarket is opening up to become a physical marketplace. Regional producers and specialist non-food partners can bring their wares to the public in an experiential, service-oriented setting that facilitates social connection and participation.

The sudden COVID-19 pandemic has thrown the world into disarray, and no doubt your plans with it?

Hypermarkets were mobbed in the early days of lockdown, with people cramming their shopping carts to the brim. Then restrictions on going out and the fear of catching COVID-19 drove consumers to smaller, more local shops, and fuelled an explosion in online shopping solutions like Click & Collect or home delivery. People's shopping habits were already moving towards drive-in collection, lockers and delivery. The pandemic has intensified this shift and accelerated Auchan Retail's strategic focus on online ordering and convenience from 2020 onwards, in line with the objectives of our Auchan 2022 plan.

**Will the pandemic radically change shopping habits?
Or even encourage people to reduce their consumption?**

Bulk purchasing of ready meals very quickly gave way to a trend for home cooking and slow-cooked dishes, which favoured the traditional culinary trades and fresh, local foods that Auchan Retail already strongly championed. This epoch-defining pandemic refocuses attention on health as a primary factor in consumption. I don't know if people will consume less, but I'm sure they'll take a more responsible approach to buying things. But once the crisis has passed, there will inevitably be the question of people's purchasing power. Millions around the world, whether salaried or self-employed, are seeing their incomes shrink. Lower prices may win out over people's willingness to pay more for local and/or environmentally friendly products. It will be our responsibility to encourage our customers towards different consumption patterns and to make good, healthy and local products affordable and accessible!

**We've seen fishermen displaying their day's catch
on aisle ends, and car parks turned into mini farmers' markets.
Whose idea was that?**

The initiative came from the stores themselves. All around the world, they've opened up their premises to local growers. It's a natural and spontaneous evolution building on 30 years of responsible agricultural supply chains, and it's regenerating our vital relationships with producers.

**Faced with the double disruption of the company's recovery plan
and the COVID pandemic, Auchan Retail staff showed exemplary
commitment. How is it that they're so motivated?**

I think there's a dual explanation. Firstly, they quickly saw that our priority was to keep our staff and customers safe from the virus. We invested tens of millions of euros worldwide making sure they had the hand sanitisers, masks, visors, protection screens and gloves they needed. Once Auchan Retail employees felt reassured on that front, it freed up the second lever, which is their sense of working in the common interest. It united them in their heroic efforts to continue feeding millions of people while avoiding any shortages, panic or contagion. Now our customers are thanking our staff and their perception of our business has shifted – and it's all down to our staff. They've shown incredible dedication. People aren't so disparaging of what we do any more, they can see how useful it is to society.

**This global pandemic throws everything
– health, consumerism, human relations – into question
at the same time. What will this mean for you?**

This crisis has proved that retail plays a vital role in everyone's daily life. To keep people fed, of course, and meet their basic needs, but also to provide opportunities for encounters, discoveries and new experiences. The COVID-19 pandemic has revealed what's important to each of us individually, and it's a great opportunity for us to invent a different world. Retailing in the 21st century is on its way. And we're ready.

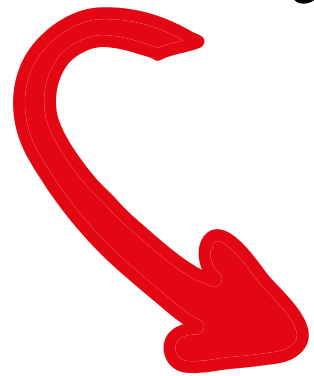
In December 2019, a virus appeared in China, triggering a health crisis that would grow – day by day, week by week – to unprecedented proportions. From Asia to Europe, then to Africa and the Americas, it swelled from an epidemic to a pandemic. All over the world, people were confined at home, life came to a standstill, and streets emptied. But retail stayed very much alive. All over the world, the retail sector demonstrated its ability to work through the crisis, to continue feeding people and show what an essential contribution it makes to society, the economy and life in general. From Wuhan to Madrid and Bucharest, from Dakar to Mulhouse and Moscow, our customers have been able to count on the efforts of Auchan Retail staff – dedicated, united, and proud to be a living embodiment of the company's values.

Thank you

To our logistics and warehouse teams, to the supervisors of our pasta, flour, eggs and household cleaner aisles who tirelessly restocked those shelves, to those who manned the floors and the cash registers, to the security guards exposed to a non-stop flow of customers, to the packers and the home-delivery drivers, whose inventiveness and responsiveness enabled them to deal with a tsunami of new customers and still keep smiling... Thanks to our loyal producers, who kept up supplies of fresh vegetables, fish and meat... Thanks to our industrial partners, our suppliers, hauliers and delivery truck drivers... Thanks to the charitable associations that spurred us to double down on aiding overloaded health workers and our most vulnerable, isolated and frightened citizens. Thank you and well done to all of you for demonstrating that:

Yes, retail can change lives
for the 8 billion people on Earth.

Auchan Retail in 2019



€46

billion in consolidated revenue excluding taxes



38%
France



29%
Asia



20%
Central and Eastern Europe



13%
Southern Europe



<1%
Africa

EBITDA⁽¹⁾

€1.8
billion



Customers

2.4
billion
customer transactions

An engaged employer

50%
of female managers

10
million hours
of staff training

229
projects supported
by foundations

People first

329,694
employees

8,894
trainees and people
on work-study courses

233,605
employee shareholders

(1) Operating profit from continuing operations excluding other recurring operating profit and expenses, and depreciation, amortisation and impairment.

Auchan Retail's

On 1 January 2020, Auchan Retail rolled out its new vision of retailing: fluid community localities, online convenience, a uniquely local and responsibly sourced offer, retailing that creates experiences and bonds that change lives.

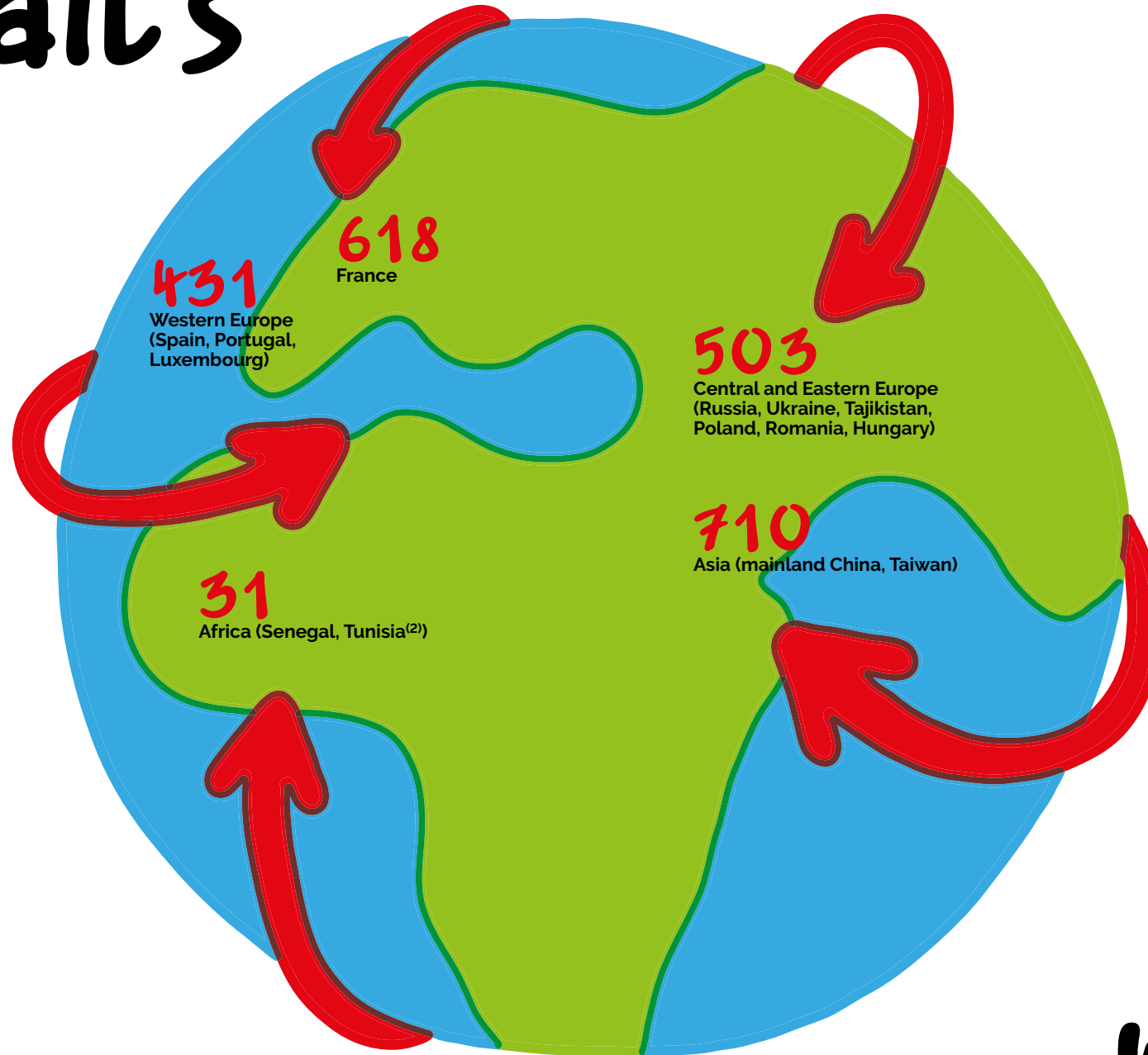
Welcome to 21st-century retailing.

2,293
sales outlets⁽¹⁾

augmented by e-commerce

3
continents

14
countries



Sales outlets⁽¹⁾

618 France	111 Poland
339 Spain	24 Hungary
82 Portugal	64 Romania
10 Luxembourg	684 Mainland China
277 Russia	26 Taiwan
26 Ukraine	31 Senegal
1 Tajikistan	

world

(1) Sales outlets under banner at 31 December 2019.
(2) Equity partnership with Magasin Général (81 sales outlets).

Does the hypermarket still serve a purpose?

Social hub

The hypermarket was born almost 60 years ago. Designed to give everyone access to everything under one roof and at the best price, it changed the lives of generations of customers. But now, everything is different, from consumers and buying patterns to the issues we face.

A new format tailored to what people want

The hypermarket format remains a fantastic resource – as long as it meets the true needs of shoppers and citizens. This means rethinking the hypermarket: what is it for, how does it function, and what does it sell? Every hypermarket must be redefined in the light of its clientele and the potential it can harness within its local ecosystem. This is Auchan Retail's bold game plan, and our goal is simple: we want to facilitate social bonds and experiences that improve people's quality of life, and support all the positive transitions – digital, environmental, economic, dietary and health-related – currently under way in the world. We at Auchan Retail believe in the hypermarket as a replanned, living, inclusive space: a place to buy everything under one roof and a social hub. In the following pages, we meet some of the people who are reinventing the hypermarket as an economic driver and a community asset.



Providing a new experience at a beauty space in a hypermarket in Russia.



Geoffroy, Cherbourg hypermarket manager – France

"We helped local growers to shift their produce throughout the COVID-19 crisis. We put up posters inviting them to contact us."

Hyper open to local producers...

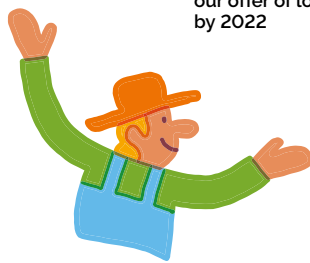
Auchan Retail wants to make the most of its hypermarkets' thousands of square feet by overhauling their traditional layouts to fit the needs of today's shoppers. The hypermarket is opening up, putting the accent on local partners, farmers and SMEs, enabling them to showcase their wares and sell directly to the public.

... and to specialist retailers

Auchan Retail is running some trials in specific product areas with a number of non-food retailers. In France, there's Électro Dépôt for electronics and household appliances, Boulanger for multimedia, and Cultura for cultural leisure pursuits, while sport is served by Decathlon in Ukraine, France, Spain, Portugal and Taiwan. Our staff, store directors and floor managers enjoy a great deal of independence to choose the most appropriate partners based on the tastes of their local clientele. Taking inspiration from digital marketplaces, hypermarkets are transforming themselves into a physical marketplace for their community locality.

(→ See Question 04)

x2
Our goal is to double our offer of local products by 2022



Roberto, director of Alcampo de Gran Canaria – Spain

"We're proud to present shoppers with good local products. Supporting our producers on the island is a genuine economic and social lever for Gran Canaria. It's also a real bonus for our customers – we're offering them products that are emblematic of Canaries quality."

21
stores in Ukraine sell 70 Decathlon items

Hypermarkets to create bonds and share experiences

Auchan Retail's biggest stores invite customers to try all sorts of things. There's wine tasting or cookery classes amongst the displays of fresh fruit and ready-to-pick herbs, and you can sample different coffees and learn about their origins, hear a talk about conscious consumption, get meal-planning tips at the deli counter from Auchan Retail's chef, and enjoy lunch at the in-store brasserie. This largest-scale Auchan Retail format is designed to promote interaction with food producers and in-store staff by offering workshops and events that make it an attractive, lively destination.



"We turn pastry-making into a real show here. With customers watching through the windows of the lab, our pastry chefs love to show off their skills!"



Xavier, pastry chef – Luxembourg

Pourvin, welcomer – Luxembourg

"Most of the young professionals who come to our afterwork socials had never set foot in a hypermarket before. It changed their mind, and now they see us as a local community hub!"

Aziza, organic section supervisor and nutrition consultant – Luxembourg

"With a deli hall named 'The Taste of Goodness' and a food court offering a world of flavours, the Luxembourg hypermarket is the ideal place to teach people about nutrition!"

... elsewhere



All over the world, Auchan stores showcase locally produced wares.



Making space for specialist household appliance, culture or sports brands, like in the Neihu 2 store in Taiwan.

Doing it differently...



Forging bonds and sharing experiences – that's also the promise of Senegal's first hypermarket, opened in the Mermoz neighbourhood of Dakar in late 2019.



Thanks to its services and food options, the Budaörs hypermarket in Hungary was voted 2019 "best shopping experience".



"The hypermarket in our community locality gives us the benefit of fresh-baked bread and ready-made deli dishes. Our customers can't resist the temptation to try them out when they come in to collect their orders."

Gaëlle, worker at Auchan's walk-in collection point in Lille - France

A logistics platform serving its community locality

Today's hypermarket isn't independent of its surroundings, but has a symbiotic relationship with its community locality. This is the customers' zone of consumption as identified by Auchan Retail - a concept that now delineates our thinking and our actions as a retailer. The hypermarket acts as a de facto logistics platform, a hub that sustains all our shops in its vicinity, whatever their format - whether by supplying "home-cooked" dishes from teams of chefs, using its purchasing power for big-name products or capitalising on its impressive storage capacity. Auchan Retail is rising to this logistical and organisational challenge in all countries.

(→ See Question 03)



In China, every sales outlet serves as an order preparation platform for deliveries within a 5-km radius.



"We want to tailor our offer to new consumption trends, including collecting and selling secondhand clothes."

Jean-Mathieu, group head of clothing - France

15

Auchan stores in France are home to Patatam corners

14 in 10

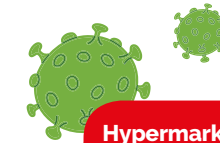
French people are converts to buying secondhand



Secondhand marketplace

Always in tune with emerging trends among shoppers, Auchan Retail is entering the secondhand market - starting with clothes. We're partnering with Patatam, the online secondhand clothing retailer, to the trial of a new model in 15 hypermarkets in France. A dedicated area is set up next to the regular clothing section, reselling customers' pre-loved garments at very affordable fixed prices. In exchange, customers selling their clothes get a €5 voucher to spend on new clothes in-store. It's a win-win, optimising everyone's fashion budget while promoting the circular economy and the transition to a more inclusive society. The hypermarket donates this sum to select charitable associations, again demonstrating its usefulness to society.

(→ See Question 13)



Hypermarkets in a post-COVID world

In the early days of lockdown, Auchan Retail hypermarkets were mobbed because they offer great choice and great prices, with plenty of stock when people were anxious about shortages. Then, with the restrictions on movement and the fear of getting infected, customers gravitated towards convenience stores, and especially online ordering, which skyrocketed. The pandemic has accelerated the shift towards drive-in collection, lockers and home delivery, confirming Auchan Retail's strategic focus on transforming its hypermarkets into platforms to supply the needs of all its surrounding store formats - in real time, even at moments of peak demand. And, seen in this light, the hypermarket format becomes very relevant again.

How do we share our taste for goodness?



Auchan Retail lets you try new things and enjoy new sensations and encounters. You can listen to a beekeeper explain the principles of organic honey, or taste some fine regional cheeses.

The food hall displays fresh local vegetables, seasonal fruit and the day's fish catch. In the central kitchen space, chefs busily prepare dishes on request. It inspires you to want to cook yourself, or even take a cookery class with Auchan Retail's chefs, right here in the store. We also bring the pleasures of eating well and affordably to university students with our "Chef on Campus" initiative at 20 major universities in France. This operation helps the students develop a taste for good food every day, even on a tight budget. Our staff reap some benefits too: for instance, in March 2020, Auchan Retail Poland launched a new online magazine for employees, *Food Ekspert!* It showcases "Pewni dobrego" products, which come from responsible supply chains and local producers, as well as Auchan brand products.

Taste adventures

What makes organic honey different? Just try it and see – for the sake of the bees and biodiversity, but mainly for your own pleasure! The food hall is located at the entry of the store and is bursting with colour and freshness. The aroma of slow-cooked dishes, watching skilled hands prepare food, seeing the chef's smile, picking your own lettuce from our in-store hydroponic garden – everything here will inspire you to cook! Just like at the market, chat to local producers at their stall and taste their wares. And, as well as goodness, there's solidarity: the Auchan Youth Foundation works to encourage a taste for goodness among children in the countries where it operates. In Ukraine, for instance, it's reworking the menus in school canteens in Kiev. In France, it supports the charity Sur la Route de nos Assiettes, which is undertaking a bicycle and train tour of France to get to grips with the food system through learning about the supply chains that produce quality products. (→ See Questions 01 and 05)



How can we put the individual at the heart of our retail model?



Inventing 21st-century retailing poses an exciting challenge that's both useful and necessary. But where to start? Auchan Retail wants to change people's everyday lives with a new model built around the individual. As we go about our everyday lives, Auchan Retail stores are designed to serve as convenient stages along the way. The "community locality" crystallises the new organisational logic of shopping with Auchan Retail: smaller, more frequent shopping trips that mix online ordering with visits to bricks-and-mortar spaces, depending on the individual's time and mood. This mesh is perfectly tailored to change our customers' lives and get them more closely connected to local food producers. In all the countries and regions where we operate, Auchan Retail is switching to a new way of organising itself based on community localities – a root and branch overhaul to suit the different ways individuals shop today. (→ See Questions 01 and 08)

The hypermarket, a community hub for sharing experiences



The power of complementarity

In 2019, Auchan Retail opened Senegal's first hypermarket in Dakar, followed by its e-commerce site in early 2020. Dakar locals can enjoy home delivery within three hours or – just an hour after ordering – they can collect their shopping themselves at the drive-in pick-up point, which is also the first in the country!



Are big retailers really serious about saving the farming world?



Auchan Retail turned out in strength at the 2020 Paris International Agricultural Show to showcase its achievements over several decades of striving for positive, forward-looking nutrition and farming practices. Our commitment and collaborations are bearing fruit, as a number of partner producers can testify. Auchan Retail's "responsible agricultural supply chains" approach is the primary lever in this battle, bringing together the farming community with regional industrialists.

Producers, cooperatives, food processing firms and manufacturers are all links in a chain of continuous progress, working side by side to ensure that tomorrow's food production is a force for good. People will benefit from the availability of traceable, good quality products. The planet will benefit from farming, breeding, slaughtering and processing techniques that put animal welfare and ecological concerns to the fore. Food producers will benefit from contracts that guarantee their volumes and a fair deal over the long term.

More support upstream

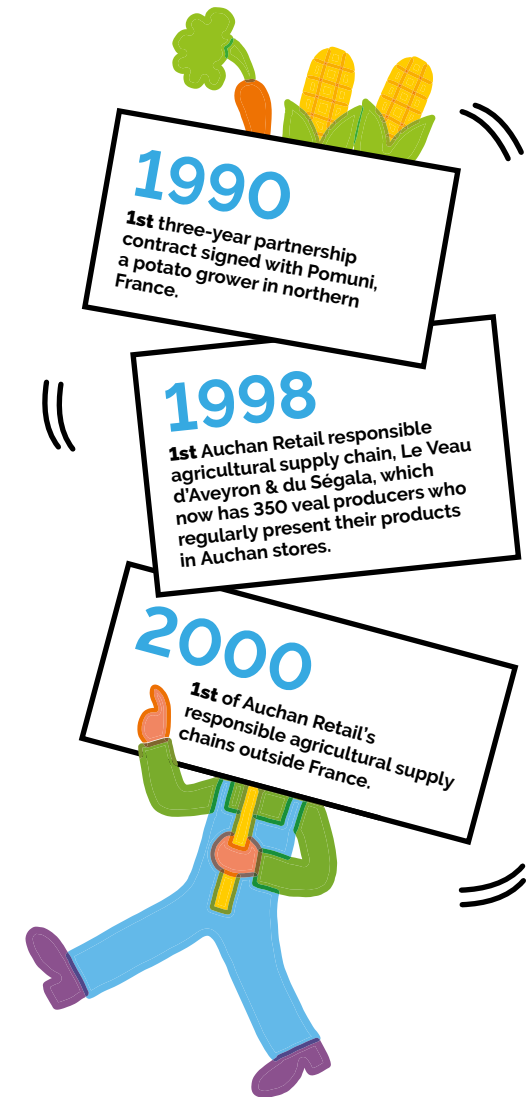
For over 30 years, Auchan Retail has been committed to bolstering the farming sector, and we're now associated with 500 responsible agricultural supply chains across the world. We've seen the positive impact these have had across entire regions, shoring up the viability of farms, livestock breeding, crops and agri-food SMEs, while perpetuating traditional – and often local – skills and jobs in associated trades, thereby supporting regional economic development. Auchan Retail is proud of this tried and trusted win-win partnership model, which has proven resilient. During the COVID-19 crisis, it served as an inspiration to support farmers. We provided them with a short-term means of selling their produce that provided a life-line to vulnerable local producers in countries like France, Spain and Poland. We had one simple goal: between us, we would keep the world fed.

(→ See Question 01)

"Auchan has been selling our products for over 45 years now! Not only has it enabled us to maintain our artisanal know-how and production facilities, but it has also saved jobs on the pig farms."

**Stéphane Malandain,
family meat-curing business
in Cany-Barville, France**

30 years of shared progress with the farming world



1990

1st three-year partnership contract signed with Pomuni, a potato grower in northern France.

1998

1st Auchan Retail responsible agricultural supply chain, Le Veau d'Aveyron & du Ségala, which now has 350 veal producers who regularly present their products in Auchan stores.

2000

1st of Auchan Retail's responsible agricultural supply chains outside France.

"The quality of our chickens is down to the conditions we rear them in. We've set up perches and things they can peck at, encouraging them to move around and explore the hedgerows we planted outside and the fallow fields nearby where we keep beehives."

Damien Dupas,
Lyré Fermier poultry farmer
in the Loire Valley, France



Accent on the local in Senegal

Some 90% of the vegetables and 100% of meat, chicken, fish and oil sold in Auchan stores in Senegal are locally sourced. This makes up 60% of the food on offer, with imports accounting for the remainder.

"Before Auchan came along, I worked with just 2 people and I was delivering limited amounts to small shops in Saly. Now I have 8 people working with me, plus a driver, and Auchan has made me a familiar face around Saly!"

Thérèse Diatta, grower of lettuces and herbs in Saly, Senegal

Embedded in regional Spain

To support local farming and cottage industries, Auchan Retail Spain offers a selection of products rooted in the geographical vicinity. Procedures for listing local and regional suppliers are more supple, helping them get into the distribution loop so their wares are on the shelves faster. This means shoppers can enjoy delicacies like multi-award-winning *longaniza oreada* sausage from the Aragonese Pyrenees, made to age-old recipes, and a Celtic variety of pork from the Galician Tres Fuciños cooperative, now that it can no longer sell exclusively to restaurants.

Ukraine: a 150-km farming radius

The Farm Produce scheme was launched in 2018 as a means of supporting growers and producers operating within 150 kilometres of its 3 participating Kiev stores. With good payment terms and free logistical support, by 2019 the scheme had attracted 25 local producers to sign up to supply 375 farm products displayed in a dedicated section.

Urban farming in Portugal

To boost urban and peri-urban agriculture, Auchan Retail Portugal partners with "zero kilometre" food production startups, and has planted an urban kitchen garden adjoining store premises where staff volunteers grow vegetables.

A French model to follow

With no fewer than 50 responsible supply chains newly set up in 2019, Auchan Retail France brings the best to shoppers and farmers, including French specialties like beef born, raised and slaughtered in Normandy; Belon appellation oysters; Emmental de Savoie – the oldest of the traditional French Emmentals – made with 100% raw milk; and pork loin seasoned with dry salt and spices, then cured for at least 6 months.

A responsible taste

Auchan Retail France's "Saveur" range of breads are baked fresh daily in over 100 bakeries, using certified CRC® wheat – meaning it's grown in a sustainable, environmentally friendly way. Making an essential contribution to French consumers' everyday lives, this responsible supply chain helps differentiate Auchan Retail and illustrates the brand's new position as the chooser/designer of a unique retail offer.



Agility in post-COVID retailing

The pandemic has reinforced Auchan Retail's links to local farming communities in every country, with measures like fast-tracking the listing of new suppliers, maintaining the size of orders placed with SMEs, and shifting over to 100% in-country procurement where production output and available stocks allowed it – for fruit and vegetables, for instance. Stores in every country took the lead by tailoring their sales models to local conditions and opening up their shelves, display areas and car parks to local producers. That way, small-scale suppliers, whose usual sales channels like restaurants and canteens were in hiatus, still had an outlet for selling their stocks of fruit, vegetables, meat and fish.



2019
500 Auchan Retail responsible agricultural supply chains worldwide! In 10 countries, blockchain helps us track products ranging from carrots, lettuces and potatoes to chickens, eggs, salmon and milk, from farm to table.

2020
700 responsible agricultural supply chains, 200 in France, 200 in Spain, 120 in Portugal, 50 in Poland, 50 in Russia, and counting...

2022
1,500 responsible agricultural supply chains worldwide – that's Auchan Retail's target.

"Alcampo guarantees to buy a set volume from us, and shares our commitment to offering customers quality products. That means we can grow our onions using farming practices that protect biodiversity on the land. Retailing is helping us maintain our traditions!"

Daniel Molina, onion farmer
in Aragon, Spain



Today's menu

All dishes made with 100% responsibly sourced ingredients

Starter

Sea bream tartare with caviar

Sea bream reared in Greek waters on **guaranteed GMO-free feed**. Aquitaine Caviar, **traditionally produced** in south-western France from sturgeons farmed in large, low-density ponds.

or

Frittata of chorizo and broccoli

Easy Brog is a delicious variety of broccoli grown in Spain, with tender stems of unique flavour and texture. Every part is edible, making it a **zero waste** product.



Main course

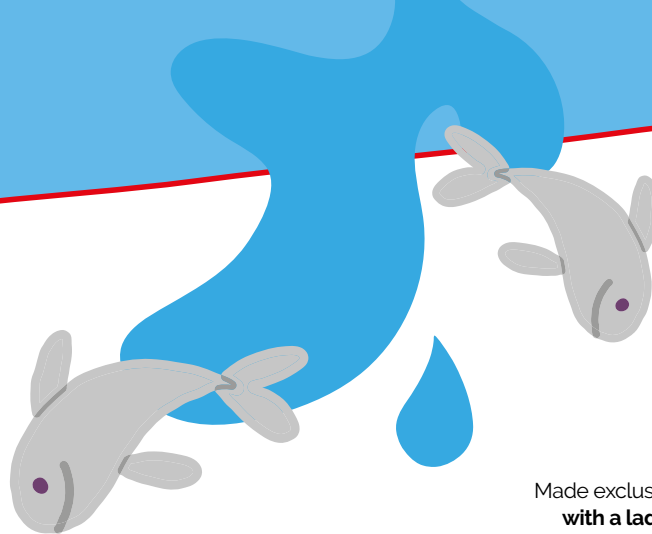
Pan-fried Ségala veal with tomatoes and fondant potatoes

Veal from calves **free-raised with their mothers** in the rolling hills of Ségala. **Sustainably grown** Samba potatoes from northern France. Cherry tomatoes grown by **family-run businesses** in central France and Brittany.

or

Polish Kluski with Puławska roast pork

An old Polish pig breed, reintroduced **with the cooperation of local farmers**.



Cheese course

Normandy Camembert with fresh green salad

Made exclusively from the milk of Normande cows, **manually moulded with a ladle** in the heart of Normandy and **bearing the AOP label**, a marker of France's gastronomic heritage.

or

Queijo Serra da Estrela with papo seco

This most famous of Portuguese cheeses is made with raw ewe's milk curdled with an infusion of thistle, and a brushed rind to give its characteristic taste and aroma. The fruit of **cheesemaking traditions** in the Serra da Estrela mountains, it boasts a **certified AOP**.



Dessert

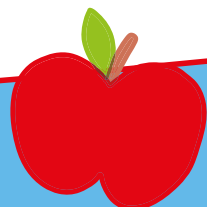
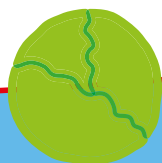
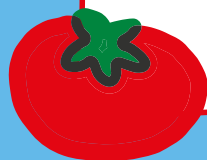
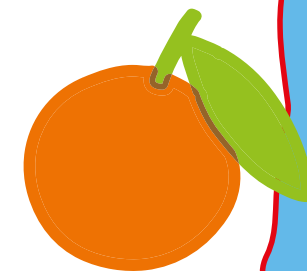
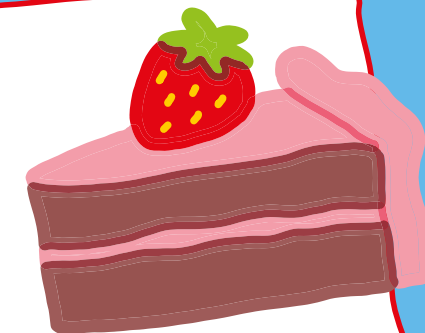
Banana mousse with kiwi and Corsican clementine coulis

A creamy mousse made with **Fairtrade bananas grown and ripened on the plantation** in southern Ghana, served with a coulis of Adour Valley IGP kiwis and **manually harvested**, IGP Corsican fine clementines.

or

Blueberry Kalach

Wild blueberries from Ukraine, **sustainably grown with all the know-how of local producers** for a unique taste!



Who can you trust for good food?



You are what you eat. We've all heard that – but do we really know what we're eating? All those preservatives, added sugars, fats, glyphosates, palm oil... Auchan Retail says enough's enough, it is time to stop and take stock. We have to learn to make discerning, measured choices, without going to extremes, so we can trust that the food we eat is good. Here are the keys to a safe and healthy diet.

Farming practices

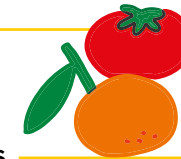
By late 2019, we had 500 responsible supply chains up and running, combining quality products, a fair deal for farmers, better animal welfare and biodiversity conservation. Our target is to have 1,500 of them – that's 40,000 partnerships – by 2022 so that we can offer twice as much fresh produce, and 50% of our seasonal fruit and vegetables will be locally sourced.

Traceability

The use of blockchain technology in 10 countries enables Auchan Retail shoppers to track vegetables from seed to plate – and meat from pasture to fork – simply by scanning the label.

Guarantees

So that customers know exactly what they're eating, every country will adopt nutritional labelling to be rolled out across all Auchan brand products by 2022. In France, all products sold online displayed the Nutri-score label by the end of 2019, and both Spain and Portugal are to follow suit.



Recipes

Spain and Russia have formed partnerships with chefs. In Senegal, a collection of easy or quick seasonal recipes – all nutritionally balanced – has been brought out to help people cook healthy meals.

Nutritional guidance

In France, a partnership with the Institut Pasteur in Lille helps customers stay on the right dietary track with balanced menu examples, events and an in-store nutritionist, along with personalised guidance, explanations and tips available on our info sheets, marketing materials and the Auchan&moi.fr website. Auchan Retail staff in Portugal have two nutritionists on hand to advise staff on things like planning meals for the family, making balanced snacks or reinforcing the immune system. Staff in their turn provide guidance to customers.

"Clean" food

Auchan Retail is "cleaning up" 100% of its own-brand products to make them free of GMOs, antibiotics, pesticides, gluten, lactose or any controversial substances, and with less salt, sugar and additives. We're going through all our recipes with a fine-toothed comb (700 in France in 2019).



Dietary shifts

Today's shoppers expect vegan and organic products at optimum value for money, and we cater to that. In 2019, Auchan Retail Poland was voted the country's top retailer with the widest range of vegan products. Source: Albert Schweitzer Foundation (intl) and Roslinnejemy (Polish).

Performance indicator

In France, La Note Globale is an indicator that measures the overall societal impact of food products so there's more transparency around their environmental, economic and social footprint. Devised with input from every operator along the supply chain, and their stakeholders too, it's an effective yardstick you can trust.



Trust will be the driver of post-COVID retailing

The pandemic has put health back at the forefront of everyone's concerns and is accelerating emerging trends. Consumers want to understand labelling so they know how products were farmed. They're increasingly aware of ecological issues and want to know where their food comes from, with a growing preference for locally-sourced products that benefit the social economy. The driver of post-COVID retailing will be trust in our system of food production.

How far can we co-design our offer with consumers?



“Shoppers want to take back control over what they consume.”
Well, now's the moment! Auchan Retail plans to develop an exclusive offer that fulfils all the requirements of today's consumers. How? By co-designing it with them.

“We follow your lead!”

It first began in 2014, when Auchan Retail put a call out on its Facebook page for people to post their best dessert recipe. The only rules were, it had to be original, and it had to use fresh, quality ingredients. Plenty of keen amateur pastry chefs answered the call, and the public voted for their favourites. Five finalists were invited to come and prepare their recipes live in the Délicéss facilities, where Auchan's branded desserts are made by this small artisanal business. A blind tasting was held with a jury of Auchan and other food industry experts, and after due deliberation they settled on a chocolate, orange and passionfruit mousse by Blandine as their top choice. This mousse duly appeared on the shelves in every Auchan Retail food section with Blandine's name on it. Next up were a pizza, a salad, Mathieu's soup in collaboration with Soup'idéale, a little family-run company in Arras, and "Madrileño chicken" by Jérémy, made by Gendreau, a family-run business in the Vendée region. The most important consideration for us at Auchan Retail is what our customers think. We want to understand their tastes, their opinions and their expectations. Getting them involved with the design of our own-brand products means they get to test and approve the flavours. What's more, consumers can rate them on Auchan's website or mobile app, and this valuable feedback helps our product development team keep pace with changing preferences.

Users can also rate our Cosmia beauty products on the Yuka app, where we analyse the scores ready to fine-tune things if necessary to retain brand loyalty. Auchan Retail has gone even further in Luxembourg, with an arena space inside the hypermarket where shoppers gather around circular tables and cosy sofas to enjoy product tastings and events, such as debates around retailing and what the future holds for the sector.

What about non-food products?

Auchan asked customers to choose the designs of its organic cotton InExtenso T-shirts for summer 2020. Following a Facebook campaign across nine countries that garnered almost 6,000 votes, an exclusive selection of patterns was chosen, leading to the production of an original and responsible collection available in stores now. This new capsule collection forms part of the InExtenso Lab project to reinterpret fashion codes for a more sustainable future. In France, for children's return to school in the autumn, a "Design your own schoolbag" competition is inviting entries from contestants aged 6 to 10. The prize for lucky winners is to receive a bag made to their own design! The competition is also being held in Hungary and Portugal.



Customers put forward their ideas and choose their favourite recipes.



In-house staff undertake development of the product and packaging.



Industry experts bring an additional level of stringency to product development.



SMEs Auchan Retail's foremost commercial partners, they bring the products to market.



Can a retailer's own brand successfully challenge the original brand?



Milk, beer, potatoes and ready meals with the Auchan label sit alongside the big-name brands in our aisles. These are products of better quality at own-brand prices. But do people realise?

Misconceptions

About quality

Own-brand products are cheaper, so they use lower quality ingredients, right? Or do they squeeze the manufacturers by negotiating prices right down? Whatever, there's something funny going on!

About origin

Own-brand products are made on the other side of the world, in countries with lower production costs. That's bad for the environment, as well as for the local economy, so it's all wrong. Or is there more to it?

About food safety

Own-brand products are designed, manufactured, packaged and put on the shelves in a hermetic loop, without any external controls. The retailer can do and say as they please. How can we trust them?

6,000

retailer own-brand food products in France, 4,000 in Spain, 1,700 in Ukraine, 1,200 in Poland

20% to 30%

product renewal each year in response to shifting consumer tastes

About quality

The reality

Saving money is often the main reason people opt for own-brand products – but that doesn't mean losing out on quality, flavour or nutrition. All Auchan-branded foods in all countries are free of any controversial substances and reformulated to ensure their nutritional profile meets the standards of a national label. In France, our R&D team is spurred on by the Nutri-score, which has given Auchan's tartiflette a B rating! Our frozen ready meals are as good as home-made ones, with the same ingredients, and nothing else added. Auchan Production teams are proud of the premium Gourmet products, our cheeses with terroir designations, and our fair-trade milk that gives producers an equitable deal. So how do we achieve that price difference for the same quality, perhaps even from the exact same producer? By saving on peripheral costs, like media spending and advertising.

About origin

We have our own-brand products made by local manufacturers. In France, for instance, 88% of food products carrying the Auchan label come from regional SMEs recognised for their know-how and committed to a long-term relationship with Auchan Retail. We buy our beer from a brewery in Saint-Omer. The next product we're lining up is a tea blend developed with Pagès, a tea and herbal infusions specialist in Le Puy-en-Velay founded in 1859. These products aren't simply picked out of a catalogue – they're designed specifically for and with Auchan Retail experts, from the selection of the finest ingredients right down to the packaging. Auchan's surimi made with pure fillet of blue whiting is manufactured exclusively for the brand by a producer in Saint-Malo, Brittany. Auchan Retail's goal is to retain the loyalty of quality producers by capitalising on our mutual trust. This is how our Auchan-branded ultra-fresh dairy supply chains came about, offering milk, butter and cream.

About food safety

A retailer's own-brand products engage its reputation and responsibility. Just one substandard product could jeopardise its credibility, so Auchan Retail doesn't take any risks. Our own-brand products are strictly controlled, with physicochemical tests carried out in the laboratory and organoleptic blind testing by sample groups of experts and consumers. Quality is our retail brand's absolute top priority. And it pays off! Auchan ham has earned "Best of Test" classification in Portugal. It took 2 years of dogged efforts to bring customers Auchan-brand organic milk in a line of organic yogurts also bearing the Auchan label. These products deserve to feature on every shopping list!

(→ See Question 03)

Local or online shopping: who will be the winner?



The consumer! That's our conviction at Auchan Retail, where we're rapidly learning new lessons from the global pandemic and accelerating efforts to find the right balance in phygital mode. Here's where we think retailing is headed.

The store as a hub

The COVID crisis is intensifying trends that were already apparent, and made the food industry a primary concern for everyone. In terms of sales channels, there's been very strong growth in drive-in collection, home delivery and local convenience stores. Inner-city retail formats are seeing high demand. The rebuilding of retail trade after lockdown offers an opportunity to redefine our models, both for physical and online shopping. "Contactless" sales – where ordering, payment and delivery involve no infection risk – are likely to become standard. But even as shopping moves online and mass retailing is increasingly called into question, the bricks-and-mortar shop will continue to act as a central hub for provisioning. It's going to have to fathom out what people are looking for when they spend an average of 2 hours and 40 minutes a week shopping outside their homes, understanding what drives them and what it can offer to provide more social value.

"Turning more local"

A noticeable trend in the last few years brought to light by sociologist Vincent Chabaud, "turning more local" illustrates society's demand for a more socially meaningful relationship with retailers. Hypermarkets are putting staff back on the floor in their deli, seafood and butchery sections. Specialist food shops are making a comeback in town centres. The shopping habits that people got into during the pandemic shone a light on the working conditions of order pickers, warehouse workers and delivery drivers. Chabaud also points to another trend that's expected to grow: a preference among consumers for brands and retailing models that care about their staff, workplace conditions and broader environmental issues. Consumer's loyalty will be built on shared values. Far from an e-commerce based on instant delivery, endless choice and low prices, it will be important to define a new form of "good" online consumption – one that benefits both people and the planet. It will be designed to supplement the stores and not stand in opposition to them.

The way forward X

Auchan Retail is experimenting and innovating with new formats that flesh out our community locality approach and bring services closer to our customers. We want to offer enough different ways to shop so every customer can do it in a way that suits them!

Retail lockers

Online orders are collected from a bank of lockers located in a workplace (head office, hospital, university) or an easy-access location like a car park or service station.

Click & Collect

In supermarkets that can't accommodate an Auchan Drive, orders are prepared directly in store instead of in a dedicated warehouse.



Auchan Box X

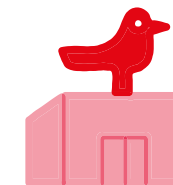
This module is conveniently located for customers in workplaces like head offices, hospitals or universities.

Auchan Piéton

Online orders are collected on foot from neighbourhood localities.

Auchan Drive

Online orders are collected by car in the hypermarket car park.





Online convenience, a top priority

Click to order, collect your groceries from a store, locker or drive-in, or have them delivered to your home: Auchan Retail customers have more choice at their fingertips, without going outside, than in the big shopping malls! But it's not enough to move everything online. Physical backup is needed too – hands-on tutorials and strong warranties on the website, and support in-store, where shoppers can see the products for themselves. We have to keep the sales outlets and remodel them.

Senegal

Auchan Retail has launched the country's first e-commerce site. And Dakar residents can now enjoy home delivery or pick up their orders from Senegal's first drive-in!

Taiwan

Uber Eats delivers from the 19 RT-Mart hypermarkets.

Poland

All Auchan Retail Poland stores now offer a Click & Collect service, covering a selection of 280 products from 9 sections of the store and available to be picked up in-store within 24 hours.

To make shopping simpler and keep customers safe during the COVID-19 pandemic, Auchan Retail Poland launched the online sale of pre-selected boxes for collection from the store's car park.

Romania

A partnership with the Romanian postal services enables the Auchan.ro website to supply home delivery of food products and

non-food orders within 24 to 48 hours. Initially available in Suceava, northern Romania, this service will gradually be rolled out nationwide. During the COVID-19 lockdown, Auchan Retail Romania helped keep its customers stocked up with essentials by offering "emergency baskets" delivered to their home within 48 hours.

Portugal

Auchan Retail Portugal set up "Despensa a porta", an online ordering service for essentials. The Auchan.pt website lists 400 product references available for home delivery anywhere in the country within 3 days. Orders are shipped from the Amadora store in partnership with DPD. Auchan Retail Portugal staff got this service up and running in just 2 weeks, showing how fast they are in responding to customers' needs.

Russia

An alliance between Auchan Retail Russia and delivery service iGoods aims to make



"The Romanian postal service will help us to once again make the 'Auchan difference' in every corner of Romania."

Tiberiu, brand director at Auchan Retail Romania



"Online sales are growing day by day. Our collaboration with iGoods will help us get even closer to our customers."

Galina, brand director at Auchan Retail Russia

online ordering easier than ever. The initial listing includes 12,000 grocery, own-brand and fresh produce items, with home delivery available in Moscow, St Petersburg, Tyumen and Nizhny Novgorod. The range will be expanded to 30,000 items in due course, with a wider delivery radius.

Ukraine

To keep pace with customers' needs, Auchan Retail Ukraine decided to partner with delivery services like Glovo, Raketa, City Drive and Zakaz to expand its home delivery, becoming the first retailer to offer this service nationwide. Customers can also buy 4,200 Auchan items at Rozetka.ua, Ukraine's biggest online store.

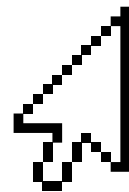
Spain

In around 20 Spanish hypermarkets, Alcampo uses WhatsApp for sales of household appliances and technological products. Customers contact a specialist salesperson via chat, phone or video to get advice or view the products, which are then delivered to their home (and paid for) within 2 to 3 days.

A cultural shift

Everything's changed with the pandemic, and the retail landscape is looking totally different. Auchan Retail has a role to play with all its stores.

The company's "smart phygital" expert, Guillaume, calculated that 60 supermarkets across France adopted Click & Collect in the space of just 3 weeks, taking it from a 5% to 10% share of revenue, with two-thirds of users being new customers. Auchan Piéton leads Auchan Retail's reconquest of the urban high street – its 500-metre radius of reach makes it the ultimate neighbourhood shop, whether a simple collection point or the Plus version that also caters to self-service impulse buys. Our contactless format – renamed Auchan Box – can be installed wherever there are no shops: in office buildings (including Auchan Retail France's head office), in gated communities like the Decathlon campus, and in recreational walking areas. Acting as a flagship for Auchan Retail's good, healthy food agenda, it carries a range that promotes a transition to better eating habits – including 60% organic and the best-rated Nutri-score products – and is rotated every 6 weeks in line with customer feedback. Auchan Box customers are encouraged to interact on social networks and form a phygital community, forging new and different bonds. In record time, the supermarkets managed to transform themselves into order-fulfilment stations to offer Click & Collect, and these organisational changes have given rise to a new mindset. Having experienced the phygital mode, staff then harnessed it to recruit new customers. A cultural shift is under way within Auchan Retail as we find fresh solutions and target different customers with our innovative formats.



Transforming shopping through technology: for or against?



How far can we allow artificial intelligence to go? Today it's facial recognition, granular analysis of till receipts, storing data on all the family's purchases – and tomorrow it may be sensors in the fridge. Auchan Retail's stance is straightforward: we're for AI, but only if it leads to a better customer experience and more responsible business practices. This divisive issue is at the very heart of tomorrow's retail.



against against against against for for for for for for for for for for for

The practical argument

→ Always making the same purchases puts a brake on behavioural change and culinary exploration, such as consuming less and in ways that are better for health and the planet, more positive for the local economy, producing less waste and in line with people's personal values. For Auchan Retail, the power of data must be at the service of more conscious consumption and help shoppers towards better buying decisions.

→ Personalised shopping changes your life! No need to remember the recurring items on your shopping list, it's done automatically. You're notified as soon as there's a money-saving promotion on your favourite products. And ordering online, then paying at an express checkout for loyal customers save you masses of time.

The ethical argument

→ Revealing information about where you are, what times you're at home, your tastes and those of your household can be to risk your personal data being shared with third parties so you're inundated with offers for related products that encourage over-consumption. OK, data has to be collected, but it has to be protected and well managed. That's the key to trust.

→ Traceability from field to plate thanks to blockchain tells us where our green beans or chicken come from and lets us favour local producers. It also tells us how the food in our plates was grown or farmed, and what treatment it underwent before being packaged.

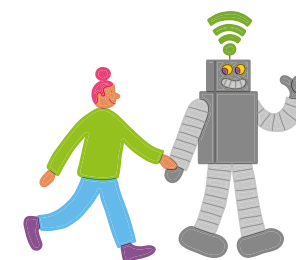
The health argument

→ The wondrous technologies of the future rely on the storage of highly personal data, or even hypersensitive information like financial details that would be put at risk by a cyberattack. And while social distancing can save lives in some instances, forging social bonds is still the best reason to engage in retail – and it's Auchan Retail's purpose.

→ Nutritional advice about the products listed on your till receipt can help you attain a more balanced diet. Facial-recognition store entrance systems, scanning articles on your smartphone and contactless payment – anything that limits physical contact is welcome during a public health crisis.

against against

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Are we turning our backs on consumerism?



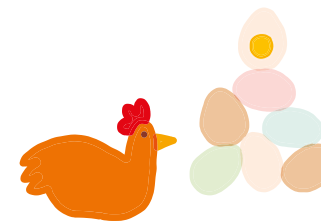
Eating healthy local food, making your own cosmetics or being mindful of what's in them, living without a fridge, aiming for zero waste... Year on year, these trends are growing in the most developed countries. Are our attitudes to consumerism changing?

Consuming less

In 2019, sales of food products and consumer goods in France fell by 1.4% in volume terms according to the IRI⁽¹⁾. The impact was felt across all formats, from hypermarkets (-2.3%) to convenience stores (-0.6%). People bought less food but also less clothing and beauty and hygiene products, in a general trend that was repeated in other countries. This phenomenon is explained in Europe by several structural factors. Populations are ageing, and older people consume less. New competition – such as the meal delivery goliaths – has entered the market. But above all, consumers of all ages have changed. They listen to the voices railing against over-consumption, and are sympathetic to those who encourage action on climate, economic and social issues. The coronavirus pandemic has accelerated these underlying trends. It has raised consumers' expectations that the price of a product shouldn't compromise people's health or purchasing power, or labour conditions for essential but invisible workers, or ecological imperatives. Some 64% of Europeans⁽²⁾ consider that companies have handled the crisis better than governments. Consumers are counting on business to commit to a new order, where they can consume better while retaining the same purchasing power.

Consuming better

This is the trend that's winning hearts and minds and changing habits – the nail in the coffin of the mass market. Rather than eating burgers every day, people now prefer to enjoy top quality meat as an occasional treat, buying it from the in-store butcher's counter so they can be sure the animal was humanely treated from breeding to slaughter. Rather than grab the first cheese off the shelf, shoppers now make their selection on expert artisanal advice, discussing seasonal differences, recipes and tips for wine pairings at the cheesemaker's stall in Auchan Retail's fresh produce market. Rather than throwing away clothes they've outgrown or no longer wear, people resell them to the hypermarket's secondhand section and exchange their voucher for a pair of jeans from InExtenso's new Green collection. The climate emergency is driving down the use of packaging and stimulating sales of loose produce, from dried fruit to oils and cosmetics. Auchan Retail is also focusing on the flip side of consumerism – food waste – in all its stores, with "Save it!" stands and initiatives in Poland, Spain, Portugal and France. We're going back to the fundamentals of retailing – to what's healthy, what's essential, what's good for us all. There are hundreds of reasons why society is moving away from hyperconsumption. Auchan Retail understands, and is assimilating them in its bid to win the trust of 21st-century consumers by putting the meaning back into retailing. (→ See Questions 01, 11 and 12)



Sources:
 (1) Institut de recherche et d'innovation (Institute of Research and Innovation).
 (2) Odoxa for *Le Figaro* and France Info, 10 May 2020.
 (3) Observatoire Cetelem, May 2020.
 (4) Ifop-Fiducial for the *JDD* and Sud Radio, 10 May 2020.

Reactions to COVID-19

57% of French people think there will be a lot of changes to their lifestyle ⁽³⁾ .	81% believe health will be the top priority over the coming months ⁽⁴⁾ .	92% think that people should continue to shop locally after the crisis ⁽⁴⁾ .
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What can big retailers do to counter food waste?



Auchan Retail's CSR policy focuses on three key strategic directions: promoting better nutrition, combating food waste and the use of plastics, and reining in our carbon footprint. We take a look at the war on food and packaging waste that's become a common cause for partners, staff and customers in all Auchan Retail countries.

Food with a heart

"Get to know the food shops near you, save their unsold wares from the bin, and treat yourself at bargain prices!" That's the promise of startup Too Good To Go, whose innovative app tackles food waste. Auchan Retail France, Spain and Portugal have signed up to the movement, offering a variety of unsold products from their hypermarkets and supermarkets every day at discount prices. By the end of 2019, nearly 300 stores in France had rescued over 400,000 meal boxes via the app. In Spain, Auchan Retail made waves with a new range of exclusive products that cut down on food waste. Consisting of dried vegetables for use in soups, the range makes the most of produce that would normally be thrown away because of its unsuitable size, shape or appearance. This new offer manages to rescue 10% of those vegetables!



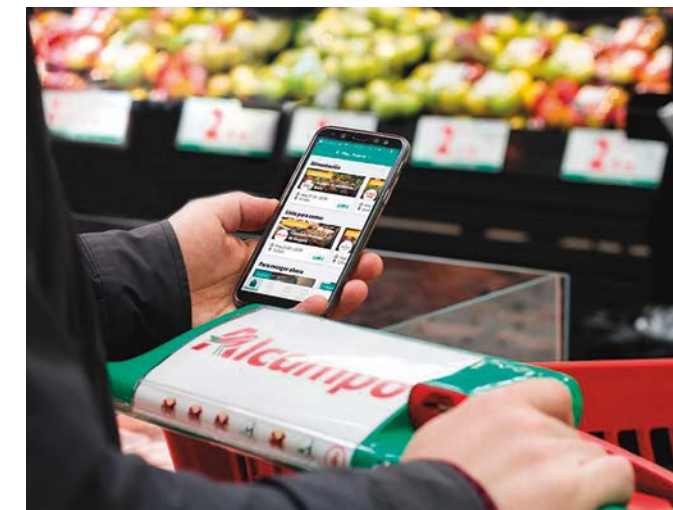
Lucie Basch, founder of Too Good To Go



"Nearly 9 million tonnes of food are thrown away every year in France because it's reached its use-by date – in other words, just to be on the safe side. We're taking all that waste and turning it into a resource."

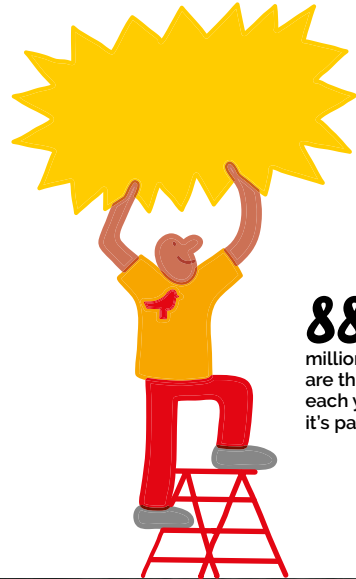


+400,000
meal boxes rescued by Auchan Retail through Too Good To Go



“Save it!” corners

At the beginning of 2020, Auchan Retail France made another stride in the battle against food waste by signing up to the use-by/best-before dates pact initiated by Too Good To Go, along with 30 or so other food industry operators. The pact clarifies the difference between “use by” dates (food is safe to eat until this date) and “best before” dates (food tastes best if consumed before this date) and sets out 10 commitments along the food supply chain to rescue products that are past their best-before date. Manufacturers should state on the packaging that the product is still safe to eat. Retailers can install sections selling items at a discount, and train their staff about this new way of combating food waste. Called “Save it!” corners (“antigaspi” in French), these are springing up all over France and are a force for good all around – less waste, better prices and lower carbon emissions. This new way of shopping more responsibly is also a way of according more respect to the products.



88
million tonnes of food
are thrown away in France
each year – 10% of it because
it's past its best-before date.



53%
of French people don't know
the difference between
the “use-by” date (expiry date)
and “best-before” date.



Nearly
30
million meals – that's about
the equivalent in products
that Auchan Retail donated
to food banks in 2019.

Not just food products, either

Everything can be resold nowadays, from electrical appliances and furniture to luxury garments. Giving a second life to non-food products is another way of rejecting throw-away culture and promoting the circular – or solidarity – economy. Auchan Retail is riding the secondhand wave, starting with clothes. Fifteen hypermarkets in France have set up zones for selling on pre-loved garments, in exchange for vouchers that can be redeemed for new clothes in the adjacent aisles. Household appliances and home tech products also get a new lease of life, thanks to the workshops Auchan runs to help customers repair them. Over 490,000 items a year are being mended! ([→ See Question 01](#))

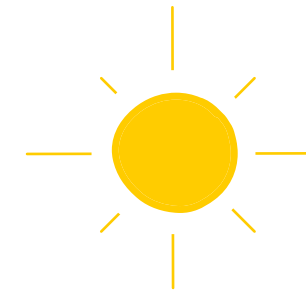


1,273,000
tonnes of electrical and electronic
products are thrown out in France
every year.

Zero plastics: can big retailers get there?



Cutting down on plastic ranks high among Auchan Retail's international CSR priorities – from checkout bags to the wrapping on fruit and vegetables, the cling film used for deli cheeses, or the trays that Auchan's own-brand ready meals come in. Here are some milestones in a battle that's gradually winning ground throughout our stores.



2017

Twelve Auchan Retail countries stopped giving away single-use plastic bags free at the checkouts, instead offering more eco-responsible options for a small fee: biodegradable, compostable potato starch bags in Spain, shopping bags made from recycled PET bottles in Poland and Hungary, and, in China, bags made from limestone powder that decompose within 6 months under sunlight.

eco-friendly range made from cornstarch, wood, cardboard, sugarcane pulp or paper pulp – thereby cutting plastic use by 2,000 tonnes a year.

2022

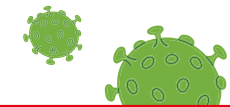
Our goal is zero plastic packaging on loose fruit and vegetables in all Auchan Retail stores worldwide! Our commitment: 100% reusable, recyclable or compostable packaging on our own-brand products.

2020

One year on from signing France's pact on plastic packaging, Auchan Retail France has taken 3 big strides forward. Around 100 tonnes of plastic have already been avoided following the introduction of reusable mesh bags for fresh produce in all stores, reusable or recyclable packaging on own-brand products and using alternatives to plastic to make the signs that identify organic products. Auchan Retail is also a signatory to the European Plastics Pact, a public-private initiative promoted by a Europe-wide coalition of businesses, states and NGOs that aims to streamline the use and end-of-life disposal of single-use packaging and plastic products in order to reduce the release of plastics into the environment. Meeting this huge challenge is central to Auchan's 2022 strategic plan.

2019

Eight countries, including Spain, France, Russia, Poland, Portugal, Luxembourg and Taiwan, are trialling green alternatives to plastic packaging, bringing in bags of organic cotton or reusable polyester mesh for deli products and loose fruit and vegetables. Auchan Retail Poland lets customers bring their own containers to the deli counter, while Auchan Retail Luxembourg allows them in its cheese and charcuterie sections. Two years ahead of European regulations, Auchan Retail swapped single-use plastic tableware for a new



Reactions to COVID-19

When the pandemic set in, we saw a return to more packaging on everything and in every country – from film-wrapped cheeses and cured meats to bags worn as gloves in the fresh produce aisles, measures were introduced to avoid customers touching or contaminating products, and to halt the spread of the virus. Now the question is, how do we redesign our packaging without going back to using plastic? There are many avenues to be explored, including new compounds and recyclable or compostable materials – and we're making it a priority.

What concrete steps will reduce our carbon footprint?



With our stores, transport and production of food and clothing, retailers generate carbon emissions in a hundred and one ways. Auchan Retail has identified the main sources and set to work on reducing or eliminating them one by one.



What Auchan Retail measured

A 2019 review of Auchan Retail's global carbon footprint showed that 86% of our emissions were caused by the products we sell – their production and transport – while the company's consumption of energy and fluids accounted for only 3%. Time to take action!

COP21: mission accomplished

On the occasion of COP21 in 2015, Auchan Retail committed to shaving 20% off its electricity use by 2019, compared with 2014 figures. That target was achieved, and now we're looking further ahead. Targets for 2022 include reducing our stores' energy use by 25% (compared to 2014, like for like), phasing out the most harmful refrigerants, undertaking LED relamping across all sites and operating with 50% low-carbon electricity, mainly solar.

Not just a passing fad

In 2019, Auchan Retail committed to the Fashion Pact, a global coalition of 56 businesses in the garment industry striving to combat global warming and protect biodiversity and the oceans. Auchan Retail swiftly launched its first collection of 100% eco-designed InExtenso jeans – manufactured using 20% recycled cotton and 40% less water, putting green fashion within the reach of a wider public.

New "clean-delivery" solutions

Auchan Retail Spain is exploring innovative transport models for last-mile delivery. Twenty-eight Alcampo supermarkets offer home delivery through a startup whose green multimodal fleet mixes pedal tricycles and electric bikes with electric or gas-driven vans, and even delivery on foot. The result? A saving of 4.5 tonnes in CO₂ emissions over 1 year. This service has already been extended to 12 supermarkets in Logroño (La Rioja), and Auchan Retail Spain is also trialling a new pilot project in 3 stores, with deliveries by LPG van.

Watch this space...



Can retail ever deliver (genuine) solidarity?



Auchan Retail has supported the young and the vulnerable for over 20 years through the foundations we're involved in around our stores. The COVID pandemic has brought the countries of Auchan Retail's world to a standstill, one by one, highlighting people's essential needs, shining a stark light on inequalities, shaking everything up and revealing a formidable strength: solidarity Auchan-Retail-style. It's a new way of seeing and experiencing retail – as a connector and a vector for forging bonds.

Supporting our health workers in action

Auchan Retail staff everywhere ramped up their efforts and inventiveness to support health workers on the frontline and salute their monumental dedication. Stores set aside special shopping hours, delivered groceries on site to hospital workers, donated ready meals and fresh produce, and even provided equipment like plastic clogs for Strasbourg's district nurses. In Romania, Auchan Retail initiated a call for the country's economic actors to fund a pre-hospital medical facility in Bucharest. The centre was opened 19 days later, and a 2nd project was launched to provide 350 beds in Cluj-Napoca.



Shoulder to shoulder with our producers

Cooperating with agricultural producers up and down the supply chain is in Auchan Retail's DNA, and this global crisis has tightened those bonds more than ever. Stores spontaneously put in place fast-track systems for listing new suppliers, opening up their displays and drive-in areas to the region's farmers and fisheries to help them sell their fresh produce, meat and seafood products. The solidarity that helped rescue French production and farms – like the mini-farmers' market in Auchan Retail's Tours car park, and an aisle-end display given over to cheese producers in Valenciennes – was mirrored in all countries.

(→ See Question 01)



United as essential workers

A massive sense of solidarity grew up between our employees as they pulled together around a common cause. Across back offices, collection points and in the stores on the frontline, staff in food and non-food sectors collaborated with colleagues from other departments, functions and hierarchical levels, veterans and new recruits alike – all single-mindedly focused on keeping our customers fed, overcoming supply shortages and coping with record demand for contactless deliveries. Auchan Retail staff are proud of the essential services they provide, earning our customers' thanks day after day.



210,000
apples donated to frontline health workers



In the heart of neighbourhoods

Orders to our drive-ins went through the roof, leading to a surge in collections. To minimise trips and the risk of spreading the virus, Auchan Retail accelerated its joint delivery service with startups Yper and Shopopop. We also stimulated solidarity among neighbours in the city of Lille, as well as in Loire-Atlantique, getting locals into new habits!



To the doorsteps of the most vulnerable

Volunteers in Île-de-France brightened the days of elderly or isolated people, and those living with disabilities, by home-delivering their Auchan Retail shopping. Staff at Auchan's Les Martres-de-Veyre supermarket in Puy-de-Dôme joined forces with their local rugby club, whose players took charge of the deliveries. Auchan Retail Poland's stores prepared hundreds of food packages for children who were missing out on school and hot meals. Auchan Retail Spain made a cash donation to the Red Cross to support people at risk of social exclusion, while Auchan Retail Portugal donated food to those most vulnerable to COVID infection.



The new voices of retail

Out in September
– our series of podcasts
From Seed to Plate.



And find us on social media

 AuchanRetail  Auchan Retail  @Auchannews  Auchan Retail

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