

# Auchan | RETAIL



2016 was a year of reconstruction – a year for mobilising our people to reinvent Auchan and forge a new shared future. It was a year of formulating the Auchan Retail Vision and its new values. A year of rethinking the customer experience in the digital era. And it was a year to reaffirm the role a retailer plays in the lives of its customers, staff and partners. Vision 2025 is about regaining momentum and moving forward with a winning and unique energy. To deliver the Vision of “Auchan changes lives”, we wrote the manual for new-generation retailing. Here it is, from A to Z.

## AUCHAN REINVENTS ITSELF FROM A TO Z

- A** Auchan Retail
- B** Be a campaigner for health and goodness
- C** Committed to a new style of retail
- D** Develop our network worldwide
- E** Excellence
- F** Format
- G** Global
- H** Human
- I** Innovation
- J** Junior generations
- K** Kilos
- L** Local
- M** Make our brand stronger
- N** New generation
- O** Openness
- P** Products exclusive to us
- Q** Quality at a discount
- R** Responsible
- S** Smile
- T** Together
- U** Unique
- V** Vision 2025
- W** [www.auchan](http://www.auchan)
- X** Customer Xperience
- Y** Yoff
- Z** Zebra



les produits  
Auchan



la carte  
de fidélité



Auchan.fr

le point retrait



le



la livraison  
à domicile



la rôtisserie



# AUCHAN RETAIL

For 55 years Auchan has been a retailer that really cares about people and acts on its principles. This activist legacy is the wind beneath the wings of Auchan Retail. So hold on tight - Auchan Retail is ready to soar! The world is changing, and so are we. Under one brand, and through every possible format, we have our sights set on linking up with today's omnichannel consumers. Because we still care about making their lives better every day.



## AUCHAN RETAIL REINVENTED



With its new Vision 2025, an ambitious corporate project, a unifying plan for a single brand, and motivated, dynamic staff, Auchan Retail is reinventing itself – so that in 2025, the 8 billion people on our planet will live better, every day.

### THE WORLD IS CHANGING, AND SO ARE EXPECTATIONS AMONG CONSUMERS AND STAFF

We see it all around us, every day: the world is changing, and fast. Consumers and employees are focusing more and more on wellbeing and quality of life. They're increasingly drawn to healthy good food and thinking local. Their lives are also more and more omnichannel, connected and multi-device. New players with innovative and streamlined economic models – whether American or Chinese – have seen it coming and are forcing us to rethink how we do things. We had to reinvent Auchan. In 2016, with the 96,000 contributions we collected among staff in all sectors from every country, we formulated Auchan Retail's Vision 2025.

### AUCHAN CHANGES LIVES - THAT'S OUR VISION AND WE'RE PROUD

Auchan Retail is transforming itself to reinvent the customer experience around what's good, healthy and local. How? In France we've developed 30 agricultural supply lines in two years and we're aiming for 50 by the end of 2017.

In Russia, Portugal, Ukraine and Hungary we've strengthened our partnerships with local producers. To better serve our more urban and connected omnichannel customers, we're evolving our physical formats towards a "phygital" offer. The idea is to give customers the best of the physical format, enhanced by the power and versatility of digital. In France, for instance, My Auchan presents all the products on offer on the Auchan.fr and Auchandirect.fr websites. In China, the O2O (online to offline) service means customers can have their orders delivered within 30 minutes in neighbourhoods around the store. Hungary, Ukraine and Portugal launched e-commerce operations in 2016.

### AT AUCHAN RETAIL, OUR PEOPLE ARE OUR NO. 1 ASSET

2016 was a busy year for our staff: continuing to provide great customer service, focusing increasingly on activism on behalf of consumers, colleagues and the planet, opening 12 stores (mainly in China and Russia), discovering new countries (Senegal, Vietnam and Tajikistan), laying the groundwork for future successes, contributing to the formulation of Vision 2025 – and all the while, delivering solid results, since our revenue is rising in 11 countries and overall profitability is improving. These incredible efforts by all Auchan staff deserve a huge round of applause and illustrate our company's commitment to putting the values of humanity, wellbeing and an appreciation of good service at the heart of our Vision.

### A SINGLE BRAND TO STRENGTHEN OUR APPEAL

Auchan changes lives – that's our brand promise, rooted in people's everyday experience and in the landscape of the regions we operate in. We are capitalising on a single banner identity for each country, Auchan and its local variants, and on simplified product brands for a more legible and differentiated offer. The convergence of all our banners under the Auchan brand has begun in France, Russia, Senegal and Vietnam, with equal success in each case. Auchan is changing, but we're retaining our traditional role of discount retailer. In 12 countries, Auchan Retail was recognised as the most inexpensive banner in 2016, and we've signed new purchasing partnerships in France and Spain to bolster our position as price leader. In 2016, Auchan Retail reinvented itself from A to Z in response to the two major challenges of the coming decade: gearing up for the impact of digital on our business, and being responsible corporate citizens in the face of our employees' and customers' new expectations.



**WILHELM HUBNER,**  
CHIEF EXECUTIVE OFFICER

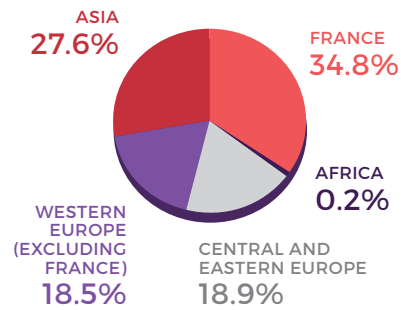


# AUCHAN RETAIL IN FIGURES

## REVENUE

€51.7  
billion

CONSOLIDATED REVENUE  
EXCLUDING TAXES



+0.7%

COMPARED TO 2015 AT CONSTANT  
EXCHANGE RATES



## EBITDA<sup>(1)</sup>

€2.17  
billion

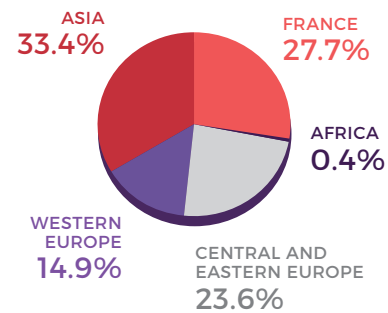
+1.3%

COMPARED TO 2015 AT CONSTANT  
EXCHANGE RATES

## CURRENT INVESTMENTS

€1.45  
billion

IN CURRENT INVESTMENTS

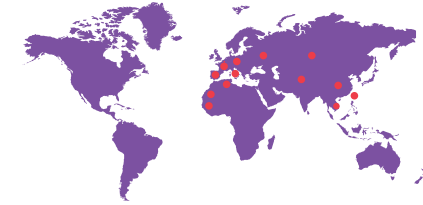


## INTERNATIONAL HORIZONS



11th

LARGEST FOOD RETAILER IN THE WORLD



OPERATIONS IN

17

COUNTRIES ON 3 CONTINENTS

## CUSTOMERS

2.7

billion  
CUSTOMER CHECKOUTS

85

customers  
PER SECOND

## PRODUCTS

30.3

billion  
ITEMS SOLD

960

items sold  
EVERY SECOND

## PEOPLE FIRST

345,396

EMPLOYEES

INCLUDING

262,977

EMPLOYEE SHAREHOLDERS

35th

LARGEST EMPLOYER WORLDWIDE<sup>(2)</sup>

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

(2) Source: Fortune 500.

# THE AUCHAN RETAIL TEAM



Auchan Retail's Management Board would like to thank customers and staff of the My Auchan convenience store at 327, rue de Vaugirard in Paris for their warm welcome during our visit and for the informal photo op.



**WILHELM HUBNER**  
Chief Executive Officer

**CLAIRE KORALEWSKI**  
Chief Innovations and Customer Officer

**PATRICK COIGNARD**  
Executive Chairman Spain  
and Non-Executive Chairman Portugal

**FRANÇOIS COLOMBIÉ**  
Executive Chairman Poland  
and Non-Executive Chairman Ukraine

**XAVIER PRÉVOST**  
Chief Efficiency Officer



**PATRICK ESPASA**  
Executive Chairman France

**ISABELLE BOUVIER**  
Chief Finance & Assets Officer

**JEAN-PIERRE GERMAIN**  
Executive Chairman Russia



**BRUNO MERCIER**  
Executive Chairman China  
and Non-Executive Chairman Taiwan

**PHILIPPE BAROUKH**  
Executive Chairman Italy  
and Non-Executive Chairman Hungary



**JEAN-DENIS DEWEINE**  
Chief Product Officer

**PHILIPPE SAUDO**  
Director of Human Resources  
and Non-Executive Chairman Senegal



**FRANÇOIS REMY**  
Executive Chairman Luxembourg  
and Non-Executive Chairman Romania

**LUDOVIC HOLINIER**  
Chief Performance Officer

All names listed from left to right.



# BE A CAMPAIGNER FOR HEALTH AND GOODNESS

Consumers are increasingly focused on the impact of food on their own health and that of their children. Auchan Retail takes their concerns to heart, making it a central responsibility to provide its millions of customers every day with varied, accessible and nutritious food that contributes to a balanced diet and makes eating a real pleasure. So far we've made huge strides! With staff training, improved recipes for Auchan-branded products, concentrating on local, fresh and seasonal produce, fostering exemplary practice in different food sectors, and promoting this healthy fare in all our stores. Because Auchan Retail has long experience in this field, we are now stronger than ever at providing good, healthy and local food, everywhere in the world. Welcome to the heart of responsible discounting.







# COMMITTED TO A NEW STYLE OF RETAIL

~~CHORE~~

Auchan Retail has struck the word “chore” from its dictionary, and eliminated it from its customers’ vocabulary too. We prefer “retailers”. We are retail traders, not distributors. We select our products and producers, we know our customers – and no two are the same – and we create stores that are central to the community and make shopping a pleasure. We are retailers with a difference: attentive in a world where everything moves fast, responsible in a very competitive sector. We are Auchan Retail.

# AUCHAN – A REALLY DIFFERENT RETAILER

In 2016, we launched e-commerce in Ukraine. Personally, I think e-commerce is great: buying online is straightforward, easy and very convenient.



**ANTON**  
PGC Manager, soft drinks  
Auchan Petrivka in Kiev (Ukraine)

I'm glad I can get involved in the Auchan Youth Foundation's work with young people. We're helping them grow up hopeful for the future, and, like us, willing to stand up for their beliefs.

**LIN**  
Management controller  
(Taiwan)



It's a company that exercises fair trade. The environmental protection and the staff welfare are for real.



**SERGIO**  
Supermarket Manager  
in Saragossa (Spain)

Taking the time to be with customers, that's what I like in my sales job, and that's what we do every day at Auchan.

**OLGA**  
Adviser in Lillapois Beauty,  
Moscow (Russia)



Making nutritious food available to everyone is what motivates me to get up every morning!

**MANUELA**  
Hypermarket worker  
in Milan (Italy)



Auchan is a different kind of retailer, because it adapts to its customers' changing needs. I'm especially a fan of the breakfast deal that's cheaper than the café next door, and delicious.



**SOPHIE**  
Customer of the Vaugirard My Auchan store  
in Paris (France)

Auchan is a retailer with a difference because it uses IT to simplify the way our staff work in the store.

**KIM ANH**  
Manager of  
the Auchan Tran  
Binh Trong store in  
Ho Chi Minh-City  
(Vietnam)



Auchan sells loose products, so I can choose and weigh them myself. That makes me feel respected, and that makes all the difference!



**THUY TRANG**  
Customer of the Auchan  
supermarket in Ho Chi Minh-City  
(Vietnam)

We use Cosmia products at home every day. We especially like the camomile and honey shampoo because it's so gentle. Our kids love it! That's why I always recommend it to our customers.

**GIUSY**  
Pharmacist in the Hygiene & Beauty  
department of Auchan Merate (Italy)



An Auchan retailer likes the product. Like our fish counter, which is bigger and more attractive than our competitors!



**TERESA**  
Hypermarket  
worker in Warsaw  
(Poland)

Thanks to the charitable work of Auchan staff, the children of our association have become more self-assured, more sociable, and more at ease.



**JOÃO**  
President of a charity supported  
by Auchan's Youth  
Foundation (Portugal)

The fruit and veg is cheaper than in the local market, and what's more, it's cool in here!

**ALIMA**  
Customer of the Yoff  
supermarket  
in Dakar (Senegal)



Auchan is a different kind of retailer because we always pay attention to our customers. For instance, the communications manager in our store answers their queries in real time on WhatsApp and Viber.



**MARINA**  
Checkout operator  
in a My Auchan in Moscow  
(Russia)







# DEVELOP OUR NETWORK WORLDWIDE

With 126 store openings in 2016 from Europe to Asia and Africa, Auchan Retail now has a presence in 17 countries – and there's more to come. In a fast-moving world, we set out to win over both city-dwellers and rural communities with a single brand across multiple formats, supported by digital channels. We rely on partners and franchisees to add further momentum to our own expansion. Our priority is growth in countries where we already have a presence, along with laying the groundwork for launching into new high-potential countries. We're always finding new ways of doing things in our bid to bring Auchan Retail closer to our customers.



# AUCHAN RETAIL TODAY

## WESTERN EUROPE FRANCE, SPAIN, PORTUGAL ITALY, LUXEMBOURG

→ 2,586 stores under banners  
→ 162 Drive outlets  
→ 53.3% of revenue including taxes from stores under banners

## CENTRAL AND EASTERN EUROPE RUSSIA, UKRAINE, POLAND, ROMANIA, HUNGARY, TAJIKISTAN

→ 474 stores under banners  
→ 18.4% of revenue including taxes from stores under banners

## AFRICA SENEGAL, MAURITANIA, TUNISIA<sup>(1)</sup>

→ 8 stores under banners

## ASIA CHINA, TAIWAN, VIETNAM

→ 476 stores under banners  
→ 9 Drive outlets  
→ 28.3% of revenue including taxes from stores under banners

↓  
**OPERATIONS IN 17 COUNTRIES**

↓  
**3,715 POINTS OF SALE WORLDWIDE**

→ 1,003 hypermarkets under banners  
→ 2,541 supermarkets and convenience stores under banners  
→ 171 Drive outlets

↓  
**AUGMENTED BY E-COMMERCE**

## ↓ ↓ POINTS OF SALE UNDER BANNERS

FRANCE	751
SPAIN	545
PORTUGAL	49
ITALY	1,598
LUXEMBOURG	5
RUSSIA	300
UKRAINE	11
POLAND	110
HUNGARY	19
ROMANIA	53
TAJIKISTAN	1
CHINA	446
TAIWAN	31
VIETNAM	8
SENEGAL	6
MAURITANIA	2

Points of sale under banners, figures at 31 December 2016

(1) Equity partnership with Magasin Général (81 points of sales).



## EXCELLENCE

Here's what this word means to us at Auchan Retail: expertise, efficiency, and exacting standards for ourselves and others. Success doesn't come by accident, and every victory has to be earned. Competition is fierce in terms of quality, whether for products, services or customer relations. Shoppers have plenty of choice and will only choose us over the competition if we deserve it. They value convenience, while employees are looking for straightforward working practices. Progress, ambition and passion are our watchwords. We have to put our hearts and souls - now and in the future - into changing lives for everyone, in every country, and keep improving every day so we're the best. Our teams at Auchan Retail take pride in excellence, and we're all right behind Vision 2025.

## FROM AUCHAN'S SHELVES TO TOP MANAGEMENT



**Training brings excellence to every corner of Auchan Retail.**

### ↓↓ TRAINING IN CATERING AND CULINARY TRADES

A strategic focus on fresh food and the promise of healthier eating is spurring Auchan Retail to boost its training in catering and the culinary trades across the world. In 2016, 6,979 interns and 4,981 people on work-study courses benefited from work experience offering them precious learning opportunities. Auchan Retail's Polish hypermarkets linked up with Warsaw University to smoothe the path for students entering the workforce, with in-store training and practical case studies that earned them learning credits. In Portugal, Auchan Retail presented the government with a strategic plan for recruiting 177 young graduates over three years. In every Russian region where Auchan Retail is present, the banner runs its own training colleges to teach fishmongering, catering, butchering and the management of fruit and vegetables. A similar curriculum covering salesmanship and the catering and culinary trades has been delivered by Auchan Retail Hungary for the past two years. Auchan considers that everyone should have access to learning these trades,

including young people and those living with a disability. That's why Auchan Retail Ukraine has teamed up with an association of parents whose children have autism, to set up a baking and patisserie training course that will help the youngsters get into the workforce. This project won the special 20th-anniversary prize awarded by the Auchan Youth Foundation.

### ↓↓ EXECUTIVE GRADUATE PROGRAM

Calling all young employees and graduates of the best higher education institutions! Auchan Retail is recruiting its next generation of management board members for fast-track training in international retail and the company's corporate values. Several thousand candidates have applied from eight countries in Europe and Asia. After a stringent selection process to single out only the very best and most motivated, the first cohort of 21 – including six Auchan Retail employees – embarked on this four-year international qualification programme. It blends theory and practice, intercultural coaching, and reverse

mentoring designed to challenge the current leaders and regenerate Auchan's excellence. Following this initial success, the second intake will be even more ambitious with 42 talented young individuals taking part from nine countries: Portugal, Spain, Italy, Hungary, Romania, France, Poland, Russia and China.

### ↓↓ LIFE: THE LEARNING INSTITUTE FOR EXCELLENCE

Auchan Retail's training institute is called the Learning Institute For Excellence, or LIFE – which says it all. Offering much more than just training, the institute invites programme participants to go through an all-round learning experience offering an agile response to the new skills development needs of executives. On a pop-up campus, intensive sessions called "Life weeks" will focus the managers' thinking through novel and digital methods, such as hackathons and design thinking, and a diversity of locations and audiences. Initiated by its Steering Committee (see Laurent Choain's comments, left-hand page) the institute's programmes have been adapted to bolster the strategic goals of our corporate transformation. Our business performance was the first theme for the new series of Life Weeks in 2016, while the second session propelled the company into the digital era.



"LIFE BRINGS TOGETHER AUCHAN RETAIL MANAGERS OF EVERY KIND, FROM DIFFERENT COUNTRIES AND DIFFERENT SECTORS. THIS INTERDISCIPLINARY MIX MAKES FOR A MELTING POT OF CULTURES AND APPROACHES, SO NEW IDEAS – EXCLUSIVE TO AUCHAN – CAN EMERGE."

**LUDOVIC HOLINIER**  
CHIEF PERFORMANCE OFFICER  
CHAIRMAN AUCHAN RETAIL VIETNAM AND  
CHAIRMAN OF THE LIFE STEERING COMMITTEE

"The businesses that get the best out of their people know how to set up internal think tanks to anticipate and guide the complex transformation of organisations. And they are the first interface with external best practice. This win-win situation explains why I wanted to be involved with LIFE."

**LAURENT CHOAIN,**  
CHIEF PEOPLE AND COMMUNICATION OFFICER FOR MAZARS,  
FOUNDER MEMBER OF THE LIFE STEERING COMMITTEE SINCE ITS INCEPTION







# FORMAT

When we talk “format” at Auchan Retail, we mean “multiformat”, for a diversified and smooth shopping experience. In an increasingly urbanised world where city-dwellers are set to reach 4 billion, it’s essential for people to be able to shop locally for everyday products that satisfy their urban tastes, with snack foods, organic produce and bread baked fresh on site. City-centre superstores are important, offering an extensive range of fresh produce and non-food basics. Out-of-town hypermarkets continue to strengthen their appeal, lining up complete ranges alongside the latest innovations. Online shopping supplements all the other formats – even the smallest – and brings consumers even more choice. Auchan Retail’s multiformat approach meshes together the physical and digital to create the “phygital”. We know the secret is to keep in direct contact with all our customers.

## LIVING MY AUCHAN LIFE: SHOPPING AT AUCHAN IN RUSSIA

Like everywhere else, Moscow has put the linear buying experience behind it. Everyone lives life at their own pace and does their shopping when it suits them, using whichever format they come across or choose to seek out – maybe swapping back and forth, depending on their mood.

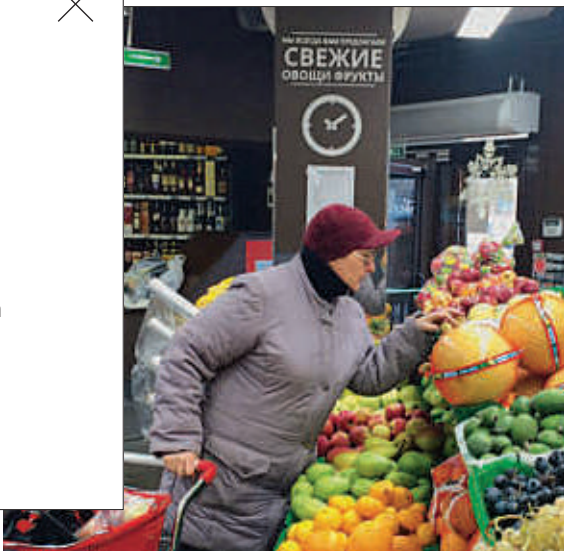


## AUCHAN.RU EVERYTHING, RIGHT AWAY

The Auchan Retail Russia website displays the entire non-food offer – from international household names to national favourites, along with own-brand cosmetics and multimedia products. In Moscow, as in all the world's capitals, our delivery service defies trends and opening times, and Auchan changes lives.

## AUCHAN SUPERMARKET A NEW LIFE

The new-generation Auchan supermarket is becoming more agile. It measures between 500 and 3,000 square metres depending on where it's sited, and bolsters local ties with residents by selling a range of food and essential non-food items in a self-service setting. All under one roof!



## MY AUCHAN TO EVERYONE'S TASTE

The first two ultra convenience stores opened in 2016 were a pleasant surprise for residents in Moscow's liveliest districts. Their wide range of ready-to-eat products, breads, and "homemade" pastries makes them the locals' first choice for food on the go. As well as food products, they cover everyday household essentials – and all within a floor area of 300 square metres. Not enough space to get lost in, but enough to find what you need!



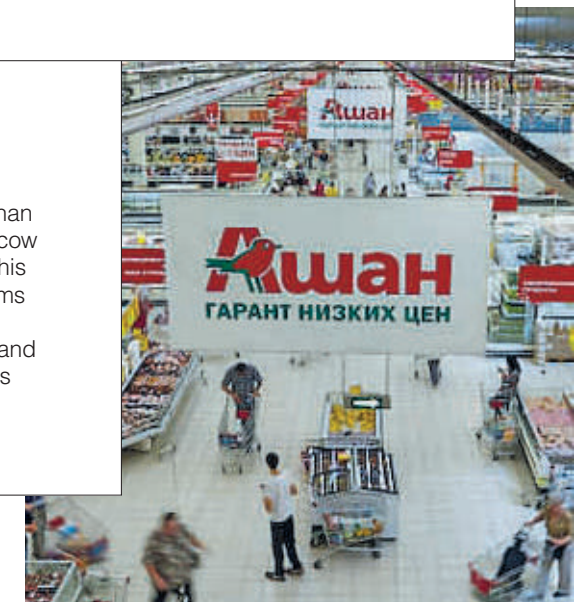
## AUCHAN CITY THE SUPERSTORE

City-centre superstores provide 2,000 to 5,000 square metres of shopping space with a focus on food and the appeal of traditional fresh produce. Here, our teams of keen butchers, bakers, fishmongers, and other professional foodies spread out their wares and really engage with customers, sharing tips and giving advice. Non-food products are limited to seasonal essentials. A city-centre delivery service adds another plus to the customer experience.



## AUCHAN HYPERMARKET RUSSIA'S 100TH

Fourteen years after first arriving in Russia, Auchan Retail has opened its 100th hypermarket in Moscow – a symbol of the attractiveness of this model. This one offers around 23,400 food and non-food items across 5,970 square metres of floor area. In all, 174 members of staff are at customers' service and a Click & Collect pick-up point means customers can order what they need on auchan.ru.







## GLOBAL

Operating at a global scale gives us a large-scale view of the challenges and opportunities – and the bargaining power to match. Auchan Retail leverages those strengths to keep our promise of offering low and competitive prices. We also team up with other retailers to increase our negotiating strength through group buying, so our customers gain more purchasing power. Being a global company in today's market means Auchan Retail can design its own textile and cosmetics lines, place bulk orders and have them produced by the world's leading manufacturers. That way, the Auchan Retail customer's shopping basket also goes global.



## GLOBAL BRANDS



### IN THE NAME OF STYLE

Stiff competition from specialist banners makes it hard to keep your head above water in non-food sectors. But fashion, sport and home interiors are part of our customers' lives and add to the pleasures of shopping. So Auchan Retail decided to take up the gauntlet and turn its non-food provision into a major draw – despite the inherent marketing, production and commercial challenges. Our own-brand family includes Cosmia for health and beauty, Qilive in multimedia, Actuel in home decoration and In Extenso for clothing. We call them “destination” brands because they are so attractive that people visit Auchan Retail stores especially to buy them. These specialised ranges are an invitation to enjoy

your leisure time with Auchan Retail's exclusive – and of course very affordable – toys and branded products for sport (Cup's), gardening (Gardenstar) and luggage (Airport). What's their secret? Auchan Retail naturally relies on its talented teams to design these unique product lines. Making the most of our size, we place bulk production orders with manufacturers of top consumer brands, and we globalise our logistics. We trust our merchandisers to push these own-brand lines heavily within stores worldwide – and it's working. The Cosmia range comprises 900 products developed in-house, produced by the best manufacturers and distributed in all the countries where there's an interest. The In Extenso fashion brand is a real hit in the hypermarkets, to the extent that in Romania, two stand-alone boutiques opened in shopping malls in spring 2016 – just like an independent fashion label! The ultimate goal is for Romania to become a centre of clothing expertise for Auchan Retail.



9 million  
BABY BODYSUITS  
SOLD EVERY YEAR



### IN THE NAME OF AFFORDABILITY

Buying quality at the best price is a question of negotiation. To stack the odds in our favour, Auchan Retail joins forces with other distributors that share the same vision of retail and even the same DNA. A case in point is Boulanger, the French household appliance and multimedia specialist that sells 20,000 products online and through its 130 shops. Our agreement covers the entire spectrum of white, brown and grey goods by French and international makes, totalling over €2.1 billion a year in purchasing – making our duo France's second-largest purchaser.



## BOULANGER & AUCHAN

THIS ALLIANCE OF TWO FLAGSHIP BRANDS HAS BECOME THE

no. 2 BUYER IN FRANCE IN  
HOUSEHOLD APPLIANCES AND MULTIMEDIA.

## PURCHASING PARTNERS

Our partnership with Parashop, a pioneering French health and beauty chain known for quality, is set to give the sector a jolt. By grouping our purchasing from all suppliers, both partners will benefit from a boost in competitiveness that we can pass on to consumers so they get the best in health and beauty at the best possible price.

### ZOOM COSMIA

In 2016, Auchan Retail rolled out its new beauty and skincare line, Cosmia, in 14 countries. The range covers make-up, facial skincare and bodycare, shower gel, shampoos, and more. In total, customers can choose from more than 900 specially developed quality products, all at a very affordable price. Cosmia's extensive range meets everyone's needs, from products that the whole family can use, through to a line of natural cosmetics, and the most specialised formulations like shower gel for sensitive skins, or hypoallergenic make-up.



# HUMAN

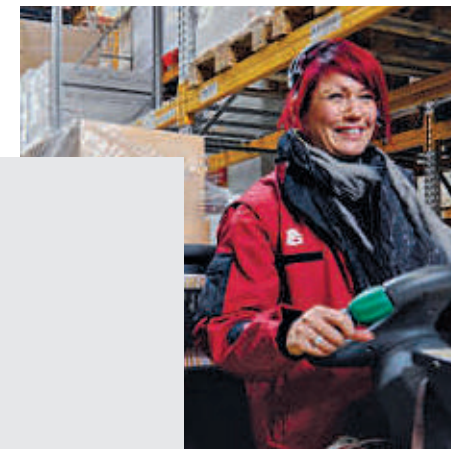
Tomorrow's world will be more connected, and without a doubt life will also be more collective - more focused on sharing and solidarity. Tomorrow's world will be more human. At Auchan Retail, we put our people at the heart of our business.

Wellbeing in the workplace, freedom of expression, and openness to ideas and opinions - goodwill is the rule for everyone. We don't shy away from risk-taking. We allow people to make mistakes, we foster capacity-building and employee shareholding - because trust builds trust in a virtuous circle. What's more, our solidarity with social issues allows all our staff to express their humanity to the full at Auchan.





## AUCHAN RETAIL HUMANITY IN ACTION



### ALCAMPO

#### TREATING EVERYONE THE SAME

In 2016 Alcampo was presented with the Reina Letizia Prize by Spain's queen to recognise its achievements in integrating people with disabilities into the workplace. Wanting to ensure everyone has the same access to shopping, Alcampo was the first distributor to install a video interpretation service for deaf people in all its stores. Available throughout opening hours, it uses a videoconferencing platform with a video-interpreter to enable real-time communication between deaf and hard-of-hearing people through the medium of sign language.



### EMPLOYEE SHARE OWNERSHIP

#### REWARDING CONTRIBUTION

Auchan was awarded the Grand Prix for employee share ownership by France's Federation of Employee Shareholders (FAS) in 2016 – the first time it competed. Our employee shareholding scheme, launched in 1977, is a cornerstone of Auchan's history and spirit. Now operating in nine countries, it enables 262,977 employees – with total assets of €1.5 billion – to share in value creation on two levels. Having a stake in the local company that employs them boosts staff's day-to-day engagement, and being a shareholder of a major international corporation reinforces their pride in belonging to the company. The scheme is tailored as closely as possible to the needs of staff, distinguishing itself in the eyes of the FAS Grand Prix jury.



### DAY OF SOLIDARITY

#### NON-PROFITS HIT THE HEADLINES

A highlight of the Auchan Youth Foundation's 20th anniversary celebrations, our day of solidarity involved all Auchan Retail employees in opening their doors to the various non-profit organisations they support, and encouraging customers and colleagues to join their cause. Over 18,000 staff members across 651 sites orchestrated the mass event on the same day, highlighting Auchan's support for 466 non-profits that provide aid to nearly 128,000 people. Yet another reason to take pride in working and shopping at a retailer that knows the meaning of solidarity.



### 3.7/5

#### OUR SCORE IN FRANCE

The 2016 Glassdoor<sup>(1)</sup> rankings saw 3,600 French companies evaluated by the people who know them best – their staff. Auchan was voted tenth-best employer with an overall score of 3.7 out of 5. "At Auchan, what counts is being a team player. We're not judged based on how long we've worked here, our age or our place in the hierarchy – we're a team, and that's all that matters," says a checkout operator at the Luxeuil-les-Bains Auchan in Franche-Comté, eastern France.



(1) Online recruitment interface.



### FIRST-CHOICE EMPLOYER

#### SETTING AN EXAMPLE IN UKRAINE

In 2016 the Ukraine magazine *New Times* published a Top 20 of companies Ukrainians dream of working for, chosen from among almost 700 businesses. Auchan Retail Ukraine ranked 14th, leading the retailers and taking the top slot among companies employing between 1,500 and 5,000 people. Criteria included working conditions, work-life balance, and labour policies.





# INNOVATION

Everything is changing and accelerating. Innovation is no longer an option, it's a necessary mindset. But the long wait for a return on investment reins in bold thinking, so innovation tends to fuel more discussion than actual experimentation. Not at Auchan Retail, where we make sure we harness all our powers of inventiveness. Our "Creative Attitude" approach brings employees on board to make sure the best ideas are tried out. Our stores become experimentation grounds in all sorts of ways. We trial novel sales approaches like Alcampo's bulk sale of make-up in Spain, technological initiatives like the shopping lists dictated aloud at Chronodrive in France, and people-focused innovations like Makerland, a lab opened in an Italian shopping mall that co-designs products with customers. For us, the ultimate *raison d'être* of innovation is to improve people's lives - whether customers or staff. See the new world of shopping in the chapter on "X for Customer Xperience".





# JUNIOR GENERATIONS

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Auchan hasn't just been focusing inwards as it's grown over the years. It has looked beyond its store shelves, car parks and website pages to see generations of young people growing up without necessarily finding their place in society. Auchan staff have not only shared in the company's success, they have also taken part in actions of solidarity, both instore and working with its foundations. The Auchan Youth Foundation is 20 years old and has racked up 915 projects, with 250,000 young people supported and 50,000 employees who have reached out to them. Our Goût du Partage Foundation promotes healthy eating in the neighbourhoods around our stores in France. The Auchan Generation Foundation gives support and assistance to Russian children. The Weave Our Future Foundation (WOF) strives to improve living and workplace conditions for workers in countries where Auchan sources its supplies. This commitment to our junior generations over the years is what keeps Auchan forever young.



## ETERNAL YOUTH AT AUCHAN



Let's hear it for the junior generations! Auchan shows solidarity with young people through the Auchan Youth Foundation, Taste of Sharing Foundation and Auchan Generation Foundation, which are active across 12 countries in the fields of health and nutrition, social inclusion and education, and the Weave Our Future Foundation, which is dedicated to improving living and working conditions for workers in countries from which Auchan sources its products.



### AUCHAN YOUTH FOUNDATION STAFF STAND UP FOR YOUNG PEOPLE

In 2016 the Auchan Youth Foundation called for international projects worthy of marking 20 years of staff engagement in supporting young people. The appeal, christened "Together for Youth", drew responses from 238 Auchan sites in nine countries. Each country selected an original charitable initiative, which was presented before the Foundation in Paris. Awards went to three national projects, which each received a grant. In France, children in hospital got to enjoy a magic show; in Portugal, an educational kitchen garden was set up to combat obesity, while stores in Taiwan held bread-wrapping workshops for young people with mental disabilities. The Foundation's 2016 budget doubled to €1.7 million, showing the best of Auchan solidarity.

### TASTE OF SHARING FOUNDATION GOOD IDEAS FOR EVERYONE

Auchan Retail supermarkets in the north of France have made space in among their aisles for a range of produce called "Idées de Saison" (seasonal ideas), which is grown in two local organic market gardens that employ people under social insertion contracts.



**FONDATION**  
**Auchan**  
POUR LA JEUNESSE  
SOUS L'ÉGIDE DE LA FONDATION DE FRANCE



### AUCHAN GENERATION FOUNDATION SUPPORT FOR OVER 15,000 YOUNGSTERS

After five years in operation, the Auchan Generation Foundation in Russia is taking stock. It has backed 332 initiatives in three fields: support for children and young people in difficulty, sport, and the retail professions. Some 1,800 employees are involved and more than 15,000 youngsters have benefited, while €5.2 million in grants have been awarded. Auchan Generation Foundation is now a fixture in Russia's social landscape. Each year, it receives over 600 requests for funding. The 66 projects selected for 2016 have continued the momentum. The project "The World Around Us" enabled 200 orphans between ages 9 and 17 to enjoy a summer camp and find out about jobs they could go into one day. In the retail professions field, a competition for "the most innovative project" was won by an app to help neighbours deliver shopping to each other. That idea is definitely the Auchan Generation!

### PACT FOR YOUTH 2020 UKRAINE COMBATS YOUTH UNEMPLOYMENT

More than 23% of people aged 15 to 24 in Ukraine are jobless and want to leave the country. Auchan Retail decided to try and convince them to stay. Its "Retailers of Tomorrow" programme introduced over 130 students to trades within the company in 2016 through visits, sharing experiences, and work placements. What's more, Auchan Retail is among the 30 companies in Ukraine that signed the Pact for Youth 2020 and committed to create 10,000 jobs or internships before then. The first and only retailer to be a signatory, Auchan Retail Ukraine has taken on 250 interns and hired 30 young graduates since 2016.



### FONDATION WEAVE OUR FUTURE

**FONDATION**  
SOUS L'ÉGIDE DE LA FONDATION DE FRANCE

### WEAVE OUR FUTURE FOUNDATION EIGHT PROJECTS IMPLEMENTED IN 2016

Weave Our Future is empowering workers through capacity-building centres in 18 factories in Cambodia. In Vietnam, it's identifying health needs in our Vietnamese factories and providing training for 100 nurses and basic hygiene training for 1,200 female workers. In Bangladesh, it is partnering with NGO GK Savar – which has 40 years of experience in the health sector – to launch a pioneering health insurance scheme. Eventually, healthcare costs of over 20,000 textile workers and their families will be covered. The scheme is jointly funded by factory owners, workers themselves, and the WOF Foundation, which will support the pilot and inject €1.8 million over at least four years to ensure it is sustainable. Weave Our Future is coming into its own and its programmes will be extended to other countries.





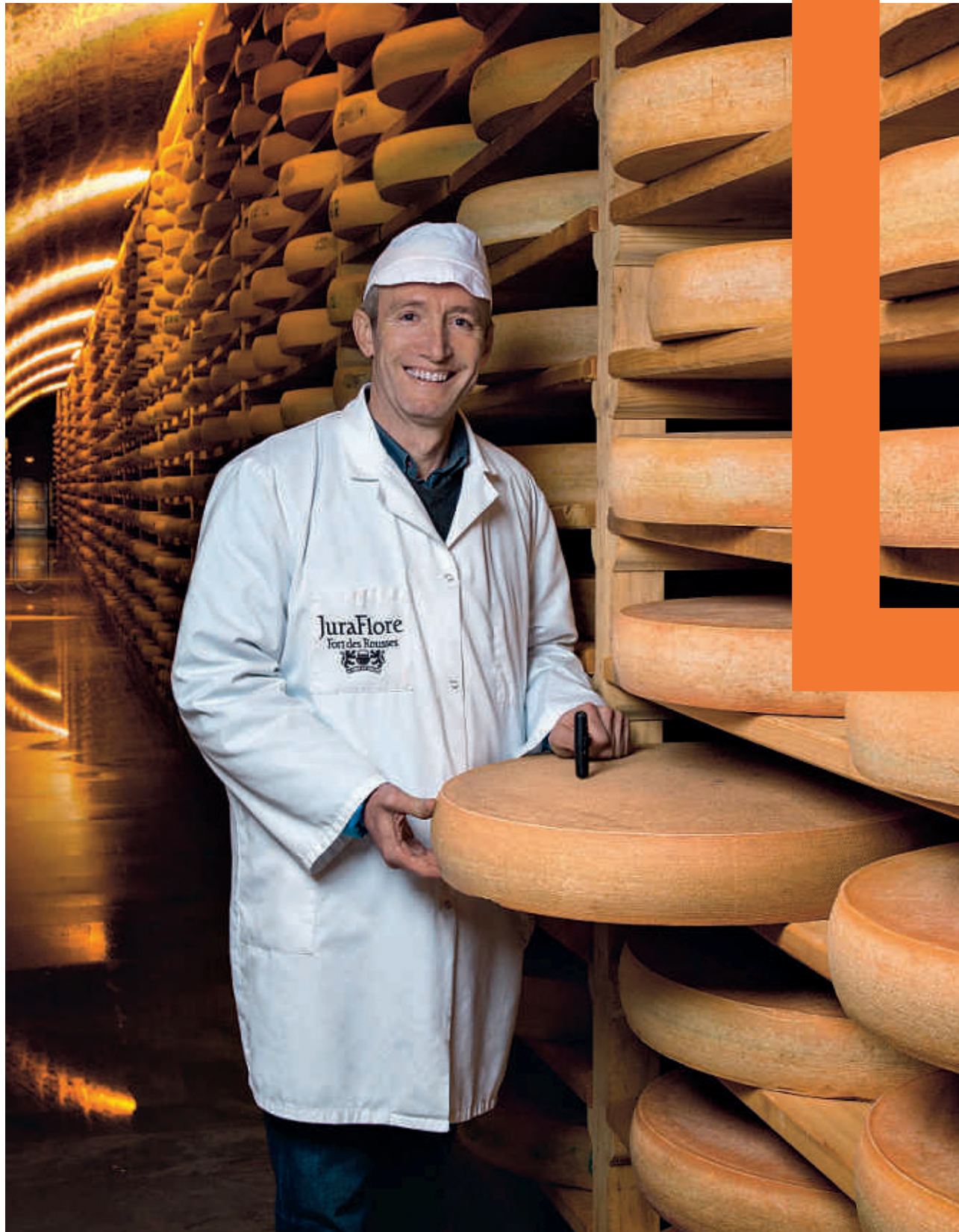
## KILOS

Auchan Retail wages war every day on the wastage of food, materials and energy. And it all adds up: in 2016, over 11,000 tonnes of packaging were saved in France, 12.1 million kilowatt-hours were saved in Spanish hypermarkets, and 81 tonnes of food were given to food banks in Poland.

Our Auchan Production division combats excess by reducing the use of unhealthy ingredients: in France 90 tonnes of salt, 810 tonnes of fat and 800 tonnes of sugar have been eliminated from its products since 2008, on the base reference of an equivalent sales volume. And it's the same battle in Spain.

We promised to offer healthier eating and we don't take our promises lightly!





# LOCAL

At Auchan Retail, we think local and we act local. Our agricultural supply chains and sourcing from local producers allow us to meet our commitments in areas such as nutritional quality, responsible fishing and carbon impact. We purchase from local SMEs and hire people who live locally to our stores, helping to boost the real economy. Our events and promotions inject life into the daily lives of local people and our actions for charity bring humanity into our stores. We're always getting closer to our customers - reaching out to them in their cities, in their neighbourhoods, downstairs from their apartment blocks, and now in the palm of their hands with apps to make shopping easier. We're part of local life, and we like it that way.

Opposite: Auchan France responsible cheese division with JuraFlore, a cheesemaker founded in 1907 that keeps alive traditional values and know-how around the Comté, Morbier and Bleu de Gex varieties.





# ALWAYS CLOSER

## ↓↓ WHO PROTECTS THE AGRICULTURAL SECTOR?

TUNA, MILK, PORK, ETC.

Auchan's responsible approach, backed up by a string of expert panels, extends to the shelves of its stores. The number of responsible supply chains recently swelled to 40 when tuna, regional French honey and organic goat's cheese won approval in 2016. These supply chains guarantee traceability, respect for people and the environment, a fair deal for producers, and affordable prices for consumers. The three-way partnerships take things a stage further on this last point: they ensure fair payment for everyone in the supply chain – breeders, processors and distributors – while ensuring quality products and affordable prices for the customer. A good example of this is the three-party agreement on milk signed in 2016 between Auchan Retail France, the Laiterie de Saint-Denis-de-l'Hôtel dairy and producers in the Loire Valley. This three-year contract covers 10 million litres of Auchan milk. The same approach and same guarantees also feature in Auchan's tripartite agreement with Le Porcilin, a grouping of 20 breeders from the Nord-Pas-de-Calais area, and the Bigard abattoir. These supply lines and partnerships reinforce Auchan's position as a responsible discount chain and prove that there is a way out of the crises hitting the agricultural industry.

## ↓↓ WHICH BANNER OPENS ITS ARMS TO SMEs?

PRIORITISING THE "REAL ECONOMY" FROM FRANCE TO CHINA

Consumers are now demanding partnerships with SMEs. In 2016, when Auchan celebrated its 55th anniversary in France, 320 SMEs were in attendance at Lille's Grand Palais. In Russia, six local supplier forums were held to meet over 300 businesses. The "controlled production" brand in Spain is used to distinguish over 400 products made by SME partners, while in Portugal the Vida Auchan banner showcases local products. In China, Auchan Retail employees help SMEs optimise their packaging or logistics and get their products approved, and in Ukraine they help local producers develop quality management and food safety systems. Hungary leads the way on local sourcing, with 75% of Auchan products supplied by Hungarian companies, accounting for 96% of revenue. Auchan Retail doesn't just distribute SME products in its stores, it opens up the world to them. In Romania, for instance, the banner helps promote own-brand Romanian products, with 30 product lines from seven producers (a total of 120,000 units) finding export outlets. In Italy, Auchan Retail facilitates the large-scale export of made-in-Italy products via an online sales platform. In 2016 it enabled the export of over 1,300 products from 145 SMEs to 26 countries, from France to Russia and China, for a combined revenue of over €49 million – up 62% compared to 2015.

## ↓↓ WHO ADDS COLOUR TO ITS STORES?

FROM THE 55TH ANNIVERSARY IN FRANCE TO A WORLDWIDE MONSTER HUNT

Auchan's 55th anniversary in France triggered an omnichannel mass of festivities that got all its customers involved. There were some outstanding offers, entertainment, gifts, surprises and a chance to blow out the birthday candles together! When the *Pokemon Go* game was released in summer 2016, it sparked a worldwide hunt for monsters. Auchan played along in its own way, launching Pokedrive where participants could win the iconic game console by catching the monsters hidden in Auchan Drive stores.

## ↓↓ WHO SETS THE PULSE RACING IN THE REGIONS?

LOCAL COMMUNITY INITIATIVES

Auchan Retail's stores across the globe serve as meeting places for people living in disadvantaged neighbourhoods, as well as being a venue for outreach work and solidarity projects. Non-profits, customers and employees join forces to organise food donations and collect clothes, toys and school supplies. For the last 15 years, staff at Auchan Retail Italy have been appealing to residents and customers for Telethon donations, raising a total of more than €30 million for research into genetic diseases. In 2016, the Fondazione Telethon prize hailed the common spirit of solidarity shown by workers at Simply, Auchan and Lillapois in their unique show of commitment.







# MAKE OUR BRAND STRONGER

In this digital era, we are uniting our forces under a single banner: the Auchan brand. We are here to serve our customers, committed to improving their quality of life as far as we can – starting with their health. They'll be able to eat better food every day from our safe, nutritious ranges, enjoy comfort at home with our household and wellbeing products for the whole family, and rediscover the joys of easy, lively and friendly shopping. Auchan is universal: a retailer and a product brand, online and in the real world, bringing together all the staff, formats, countries and customers in the world with its new attributes of exacting quality, attractive pricing, appealing design, passion for the job, and commitment to service.





# NEW GENERATION

The world is changing, every day and in every way, and we ourselves often play a part in these changes.

Digital is turning our habits upside down, the GAFAs companies are taking on increasing importance, modes of distribution are changing, and consumers want something different - they're looking for convenience, efficiency, "phygital" solutions. That means us. We've decided to do some soul-searching at Auchan Retail so we can reinvent ourselves to be a better fit with today's generation of consumers.

We are modern and appealing retailers who serve senior citizens while also attracting young people. We're here to deliver with a difference - different locales, different formats, and different services to cater for different needs. We at Auchan Retail are setting the tone for next-generation retailing by going back to the fundamentals of our role: being activists for good, healthy and local produce, and offering a new customer experience in the digital era.



# OPENNESS

Excellence guides us, trust carries us along, and openness is what makes change possible. We're always looking around, drawing inspiration from rising trends and new patterns of behaviour among younger people so we can reinvent ourselves in the right way. Keeping an open mind, we combine different fields of know-how to take a fresh approach because openness and diversity allow us to learn and move forward. We trial new ideas, make corrections and improvements, quickly reproduce the results to make them even better, take risks, start again, and keep inventing.





## PRODUCTS EXCLUSIVE TO US

There are things you'll find at Auchan, but nowhere else – both food and non-food products, developed and selected by our teams in cooperation with our partners. We stay on top of market trends, deciphering innovations, anticipating what customers want, being very careful about the impact our products have on our planet and our customers' health. One rule is set in stone: every Auchan product must be better, in terms of price and quality, than that of the national or international leading brand. This is so our customers never go anywhere else, and keep buying more and more Auchan products.



FRESH  
PRODUCTS STAMPED  
AUCHAN PRODUCTION



**1 IN 3** IS AN AUCHAN  
PRODUCT

One food product in every three sold in Auchan Retail stores is an Auchan-branded product, which justified a dedicated company: Auchan Production Alimentaire. It handles design and development of these "in-house" products, trend forecasting, recipe formulation, selection of manufacturers – mainly SMEs – and packaging.



**300,000**  
TESTERS PER YEAR

The moment of truth – almost 300,000 consumers test Auchan Production Alimentaire products each year, and their opinions help us improve the specifications.



**30,000**  
LABORATORY  
ANALYSES

After production is set in motion, there's no question of deviating. Over 30,000 analyses are performed by independent laboratories to guarantee products continue to taste as good as the original.



**FROM 20% TO  
30%**  
CHEAPER

One last rule that's important: a product stamped Auchan Production Alimentaire is always 20%-30% cheaper than the equivalent product – of the same quality, naturally – from a national brand. Eating well for less is accessible to everyone.







## QUALITY AT A DISCOUNT

Quality at a discount means good prices for products that meet Auchan's exacting quality standards. All-round quality: in our products, on our physical or digital sites, in our services, and in our customer relations. Quality is honoured in Russia, where the International Day of Quality celebrates Auchan products. Our customers elsewhere gain quality of life, too, thanks to our responsible retailing at discount prices – we are leaders on price in 12 of the countries we operate in. What we sell is quality – full quality, nothing but quality, and at guaranteed discount prices!





## RESPONSIBLE

It's exciting and motivating to feed and clothe people of all ages, and equip their homes so they're comfortable. Auchan Retail is a responsible retailer with strong principles that we apply consistently. Providing tasty, wholesome products that are good for your health tops the list. We source locally, bringing work to producers in the regions around our stores as part of our strategy to put down roots in the community. Employee share ownership gives staff from all countries a stake in Auchan and a personal incentive to contribute. We are always open to their ideas, because everyone can play a part in the progressive approach and momentum of solidarity that forge Auchan Retail's unique personality.

**HEALTH**  
**EATING WELL**

The main reason customers come to Auchan is to buy groceries, which is why we're reducing fat, sugar and salt content in our products, and what's more, we encourage good eating habits. On the Simply Market blog in Spain, the sole topic of debate is healthy eating. Every issue of *Naturally Auchan* in Poland, a magazine with a 100,000 print run, is full of seasonal recipes and nutritional advice. Fruit and vegetables are less expensive in Auchan Retail Russia than at the market, because that's the only way to get people to eat this type of produce. Portugal's 2016 Healthy Food Programme held 520 in-store tastings with specially trained employees playing an active role and helping teach 42,000 customers to eat better. A total of 416,041 people visited the programme's website featuring recipes, interviews with nutritionists and tips about getting active. Auchan's commitment to healthy living also applies to its staff. Hypermarkets in Russia invite doctors, dieticians and sports coaches to answer questions from employees during two days focusing on health. Auchan Poland supermarket employees can access health insurance for the symbolic price of one zloty (25 cents). It's a commitment that makes all the difference.



**BIODIVERSITY**  
**THE TASTE OF NATURE**

Hypermarkets in Spain distribute 140 different "Zone Natura 2000" products – wines, cheeses, charcuterie and oils produced on fragile natural sites using sustainable agricultural methods. In 2016, 220 Auchan Retail Ukraine employees took part in the major nature clean-up organised by NGO Let's Clean Up Ukraine. In Poland, the Czestochowa hypermarket is supporting a scheme to clean up the nearby Poraj lake, while Auchan Retail France is setting up bee hives on and around 70 stores.

**RESPONSIBLE FISHING**  
**A 10-YEAR STRUGGLE**

From threatened shark species to deep-sea animal life, Auchan Retail never fails to remove from its nets any endangered species or fish lured with artificial aggregating devices. We focus our fishing on free-swimming schools in areas where the population base is high enough. We are also launching our first line-caught product.



**IMPROVING LIFE AT WORK**  
**OCCUPATIONAL HEALTH IN THE SPOTLIGHT**

Auchan Retail France and Bureau Veritas recently surveyed working conditions in hypermarkets, uncovering three main sources of hardship: noise, night work and mechanical vibrations. Measures implemented straightaway include introducing quieter trolleys made of plastic and handling equipment that vibrates less. A silent checkout till was trialled, shelving and pallet heights were brought down to a maximum 1.80 metres, and €1.5 million was spent on purchasing lifting gear.



**FOOD WASTE**  
**AN ORGANISED RESPONSE**

How can you cut food waste from hypermarkets and supermarkets by a quarter? A study by France's Environment and Energy Agency, Ademe, asked the question in a survey that our Dury and Boulogne-sur-Mer hypermarkets took part in. The avenues explored – including staffed fresh produce departments, donations to non-profit organisations, and awareness-raising among staff and customers – have generated savings of €70,000 a year. To reduce the volume of discarded products, Romania trains staff in stock management, and Ukraine in product loss. Luxembourg packages unsold food into food parcels for the needy, totalling 139 tonnes of food in 2016.

**BRAILLE LABELLING**  
**A WORLD FIRST**

Auchan Retail is the world's only major banner to label its own-brand products in Braille, making 1,750 products easily recognisable to blind and partially sighted people in its hypermarkets, through a system certified by a specialist association.

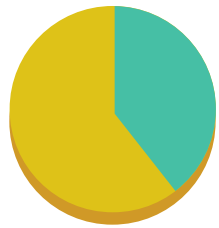
**EASTERN EUROPE**  
**AUCHAN WINS TOP AWARD**

Auchan Russia took the top spot in the 2016 Eco-friendly Supermarket rankings, heading the list of the country's 12 largest retail networks for its responsible approach covering areas as diverse as infrastructure, staff training, waste management and environmentally friendly products. Ukraine's national Business for Change competition saw 26 companies across all sectors present their CSR schemes. Auchan Retail won the Reducing Inequalities prize in recognition of its support for the Rodyna non-profit, which uses a variety of methods to teach alternative communication to disabled children to supplement or replace speech or writing.



# CSR INDICATORS

## ENVIRONMENT



**65%**  
OF WASTE IS RECOVERED BY THE HYPERMARKETS ON AVERAGE

**-4.9%**  
ELECTRICITY CONSUMPTION PER M<sup>2</sup> OF FLOOR AREA

**-8.8%**  
GREENHOUSE GAS EMISSIONS RELATED TO REFRIGERANTS PER M<sup>2</sup> OF FLOOR AREA

**100%**  
OF STORES SELL PRODUCTS BY WEIGHT, GENERATING LESS PACKAGING TO POLLUTE THE PLANET

## PEOPLE FIRST

**345,396**  
EMPLOYEES

OF WHICH  
**262,977**  
EMPLOYEE SHAREHOLDERS

## SOCIETAL

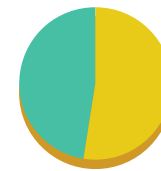
**336**  
NON-PROFIT PROJECTS SUPPORTED BY THE FOUNDATIONS

**18 million**  
MEALS DISTRIBUTED TO FOOD BANKS IN FRANCE

**€3 million**  
ALLOCATED TO THOSE PROJECTS

**193**  
"INITIATIVE CLAUSE SOCIALE" SOCIAL AUDITS CARRIED OUT IN FACTORIES WHERE OWN-BRAND PRODUCTS ARE MADE

## WORKFORCE



**47.1%**  
WOMEN MANAGERS

**4,981**  
WORK-STUDY CONTRACTS

**15,929,794**  
HOURS OF TRAINING

**6,979**  
INTERNS TAKEN ON

**9,504**  
EMPLOYEES WITH A DISABILITY

**12,647**  
MEETINGS HELD WITH LABOUR REPRESENTATIVES

**41,781**  
HIRES ON LONG-TERM CONTRACTS



## SMILE

The pleasure of shopping has to be reinvented every day, because satisfying our customers takes time and effort – as well as commitment from our staff. Customers' smiles have to be earned. We are streamlining processes at Auchan, behind the scenes, in our logistics, and right out onto the shelves. From now on, Auchan customers are invited to give their opinion in the stores. They just have to ask and a manager will come and talk to them, answer their queries and take note of their comments. That's how we want to become the favourite among employees and customers in Spain, Italy, Romania, China, and elsewhere.





# TOGETHER

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This is our vision of Auchan in 10 years' time: working in collaborative mode, employing thousands of people in a broad range of jobs, at all levels and in all countries. The first staff survey we carried out in 2016 showed Auchan teams were unequivocal about what they want: less top-down management and more collaborative working! That gives us a clear and motivating guiding principle that will serve as a springboard for the renewal of the Auchan spirit. We are a community of skilled professionals, all passionate about customer satisfaction, service, and products, all interconnected and working towards the same goal. Together, we're reinventing Auchan from A to Z and we're inventing next-generation retailing.



## UNIQUE

Auchan is a universal company, united under a single umbrella brand, and serving a universal customer. Universal in what way? It's a company that fits today's lifestyle, multiformat and connected, because that's how customers live now. It's a responsible company because customers know that their act of purchasing can save the local economy and the planet. It's a brand more committed than any other to eating well and living well – because now we're living longer and longer, we may as well stay in shape, independent and happy. We think that's a universally agreed viewpoint.





# VISION 2025

## AUCHAN CHANGES LIVES

Together, in 2025, we will set the tone for new-generation commerce.

We are responsible advocates of tasty, healthy, local products.

We are an example to others, through the quality of our exclusive products, our selected offer, our discount prices and the excellence of our customer experience.

Our ever-more customised innovation and services simplify everyday shopping and change the lives of our increasing numbers of customers, whose numbers grow by the day.

We put people, well-being and a passion for service back at the core of all our action.

*Together, let's reinvent Auchan!*



## WWW. AUCHAN

To be physical or digital? That is not the question. We are all a bit of both. People are rarely 100% one or the other, they may seek information online and buy in-store, or vice versa, come into the store to look for inspiration and then make their purchases online. Auchan Retail has designed its digital ecosystem to mesh with its physical offer. This is where simplicity is really created for the customer, while the retailer gets added value. To be phygital or not? That is no longer the question.



## ON THE ROAD TO PHYGITAL



### AUCHANDIRECT POLAND: FIVE YEARS OLD

From its Warsaw base, Auchandirect serves more than 2 million inhabitants in total, delivering to the Polish capital and 25 surrounding towns. It has won the loyalty of customers with its carefully selected product lines and outstanding customer service. In a bid to boost growth, Auchandirect became the first e-retailer to create a responsive website, meaning the service is accessible on all types of electronic device. Long live m-commerce!



### MILAN GETS DOWN TO SHOPPING 2.0

As Auchan Retail Italy launches online shopping in Milan, it's leaving nothing to chance: there's a website (spesasimply.it) accessible on PC, tablet or smartphone, as well as home delivery and in-store pick-up. The site has attracted over 350,000 visits in just five months.



### ITALY DISCOVERS 24/7 BEAUTY

Nine thousand perfume, personal hygiene and baby care products by Lillapois are accessible throughout Italy via the e-commerce site shop.lillapois.com.



### PORTUGAL UPS THE PACE

Portugal's e-commerce platform has been revamped with a one-stop site for food and other products so you can order everything in one go from a choice of 34,000 items. It's a multi-device site, and individual customers are recognised across all channels. Visits have increased by 5.3% and revenue by 25%.



### HUNGARY SWITCHES TO PHYGITAL

Hungary opened its 20th store in November 2016 along with the first online version: Törökbálint. Accessed at online.auchan.hu, the site offers a fast and convenient buying experience with almost 12,000 food products on sale at the same price and with the same promotions as in physical stores. It's a genuine alternative channel for Hungarian customers.



### THE BEST WAY TO START THE SCHOOL YEAR

It's as you like! You can visit the hypermarket and be tempted by all the products you see, or order online 24/7 from the 4,000 back-to-school essentials. Better still, upload the list of your child's stationery and school kit needs (even if it's handwritten) and send it to Auchan's new LIST&GO service. Select home delivery and take the hassle out of starting the autumn term.



### NEW! FRESH FOOD ONLINE

How would you like your fish? Tell us on Auchan Frais, and our food experts – offering 300 fresh products – will prepare them how you like. Whether it's a platter of charcuterie or cheese, some Wagyu beef, caviar, or even a birthday cake with a personal message, order it online! Choose a day to pick it up in your hypermarket, and hey presto, it'll be there waiting for you! So – would you prefer your fish descaled?



### DIGITAL: AUCHAN TOPS THE CHARTS AGAIN

Auchan Retail France ranks among Europe's top 10 retailers for digital power, according to US business intelligence service L2. Auchan.fr comes sixth in the top 20 digital marketplaces with the highest SEO growth in 2016 – the key to visibility on the web. At the Favor'i ceremony organised by Fevad, French internet users gave Auchandrive.fr second place in the online Supermarket/Hypermarket category.





# CUSTOMER XPERIENCE

Today's path to purchase is nothing like the linear sales funnel of old. Nowadays, the consumer decision journey resembles much more the pretzel's intertwined form. The interactions between physical and digital are multiplying, there's a fluid back-and-forth on mobile apps, computers, tablets, and in-store – and soon, connected objects will be added to the mix. As they journey around this pretzel, how customers feel will colour their shopping experience before, during, and after their purchase of a product or service. To leave them with a nice flavour in the mouth when they finally get around to "tasting" the pretzel, retailers must ensure they had a smooth journey. At every turn, responses must be personalised to offer the right mix in terms of offer, services, relations, loyalty and emotions. A pick'n'mix of organic, bulk, digital, push notifications, point rewards, smiles, recognition – something for everyone, to keep customers coming back for more of the Auchan Retail Xperience.





# AUCHAN: NEVER CEASING TO AMAZE YOU!

## GAMING DAYS AUCHAN CREATES A BUZZ IN POLAND

Auchan took everyone by surprise when it organised its first gaming days in 75 Polish hypermarkets, starring eight top gamers from *League of Legends*. The event was broadcast in real time and streamed throughout stores, with social networks covering the occasion on a massive scale and generating hundreds of thousands of connections over a single weekend.



## 48 HOURS NON-STOP IT HACKATHON IN FRANCE

The hackathon is the number one creative process for startups, with participants shutting themselves away in an attempt to come up with a new idea in record time. Auchan Retail enrolled all its IT teams in the exercise in 2016, focusing on the omnichannel customer experience. Participants explored phygital commerce, testing out the working and thinking processes that the next generation of Auchan's digital natives will use. So, it was ready, steady, go – your 48 hours start now! Four mixed teams of Auchan employees, startups and IT students conjured up 10 projects, with four selected for prototyping in 24 hours. This innovative experience should enhance the service customers enjoy.



## 25-HOUR CHALLENGE FRESH FOOD MARATHON IN PORTUGAL

This idea accelerator set a twofold challenge: to ramp up Auchan's service in fresh produce – its greatest strength – and to encourage teamwork. The Creative Attitude panel selected the innovators, who then embarked on a 25-hour innovation drive, using the latest project development techniques and with support from seasoned experts. See their ideas soon in Auchan's stores?



## 1ST STARTUP FAIR CHANGING LIVES

To launch itself into the culture of new thinking, Auchan Retail France organised its first startup fair in 2016. Staff and innovators cross-fertilised concepts and projects on the digitisation of food, the collaborative economy, recruitment 2.0 and robotics. Coming soon, new experiences "in store" for our customers!



## SIMPLIFYING THE PROCESS MOBILITY AND EFFICIENCY

Department managers in our Luxembourg stores use tablets to carry out most of their daily work directly on the shop floor, with a user-friendly interface that processes management, procurement and merchandising tasks. These tablets, used in conjunction with electronic labels, ensure stocks don't run out and the shelves stay well filled.







### ORGANIC

The range of organic products in Auchan Retail stores is rising to meet growing demand. For instance, France enjoys 541 own-brand organic products, including 50 costing under €1! Auchan Retail is also rolling out a special format in city centres to attract healthy eaters, known as "Cœur de Nature".

### SOMETHING NEW

Takeaway gourmet food at Punto Caldo, snacking at high bar tables in Punto Ristoro – just two of the ways supermarkets and convenience stores in Italy are changing lives and the shopping experience. Revamped hypermarkets also serve up products fresh from the patisseries, bakeries and pizzerias. At the Fish and Mix counter, the customer is king! You choose your own fish, ingredients and seasoning and leave with your papillote ready for the oven. This concept was tested on the seafood counter in the Englos hypermarket in France and when it proved a big hit, it was rapidly rolled out across French hypermarkets. Also in France, at the Michelin plant in Clermont-Ferrand, the 3,000 employees now have their own after-work Drive store right on company premises, which opens at the end of the working day. For beauty addicts, one aisle is clearly not enough, so Auchan Retail is expanding Lillapoix – a chain of specialist drugstores rivalling the biggest names in the business. In Italy, the Lillapoix network now has 58 franchised stores only two years after the first one opened. This distinctive format was recently exported to Russia. The innovations have only just begun.

### MAD ABOUT PHYGITAL

MyAuchan Moscow is inaugurating the new-generation multichannel buying journey. Customers order online from anywhere they like, then pick up purchases from their closest Auchan store, where they're ready and waiting. It's a great way to save time – provided you're not tempted to buy a few extras on the spot, which is something 42% of phygital fans do!



### LESS PACKAGING

Auchan Portugal sells make-up products loose (without packaging) in the Faro and Setúbal cosmetics departments. And Auchan France is marketing stationery for the new school year, like pencils, erasers, glue, scissors and paints, in single units. Far from driving up consumption, it enables shoppers to buy just what they need, and reduces the ecological footprint of packaging.

### BOOMING O2O SERVICES IN CHINA

China is the world's leading e-commerce market, demonstrating its digital leadership in O2O services (online to offline, and vice versa). It's an effective way to improve the customer experience, as they can switch smoothly from one channel to another. Auchan Retail China lets customers living within a 3 km radius buy or order products online and have them home-delivered within the hour.

### ALL MOBILE

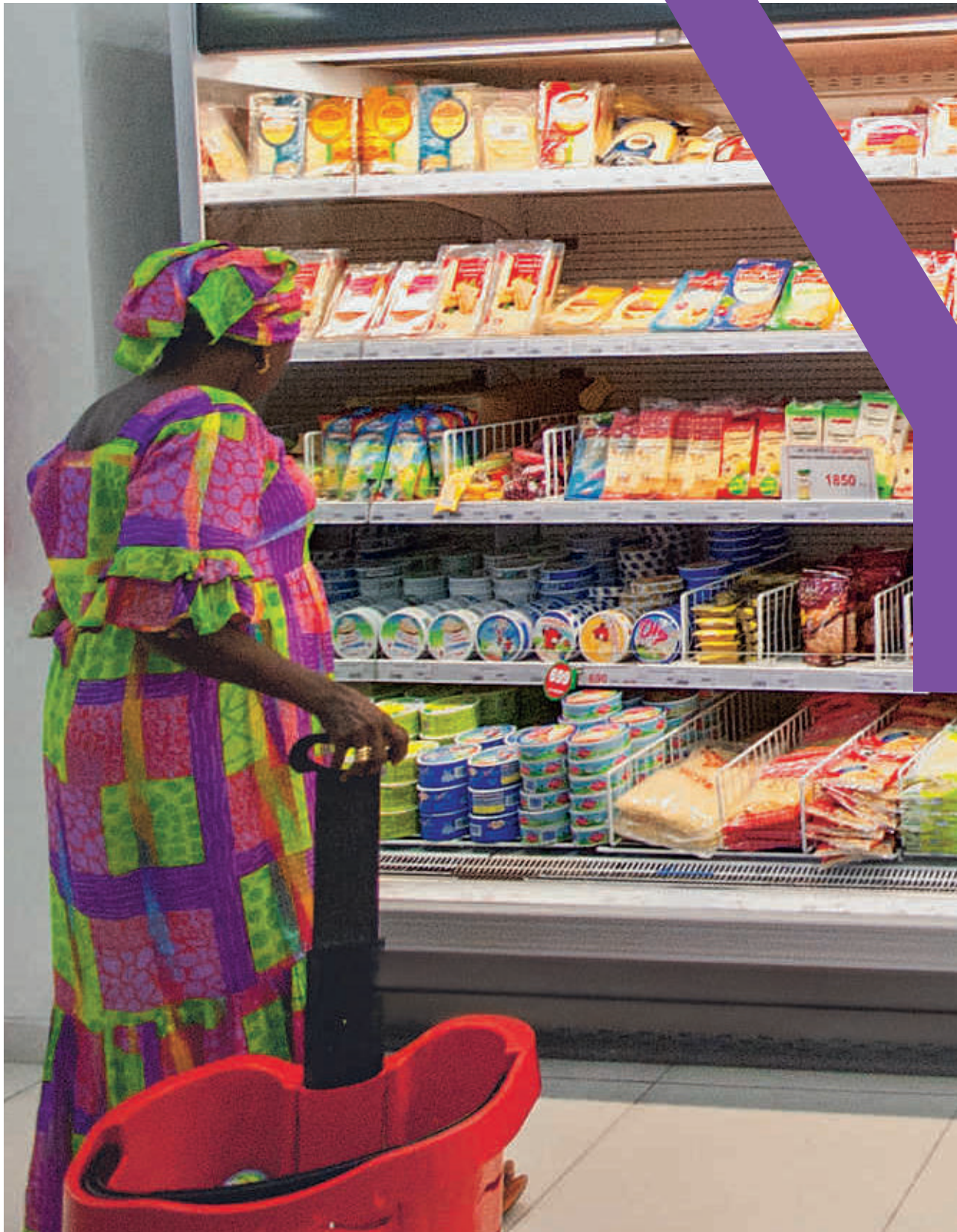
Mobile technology is the ideal in-store shopping assistant, as demonstrated at Auchan Retail Italy: upload a shopping list from your PC, scan the products in your trolley and pay without going through checkout. And here's another new experience, this time in Ukraine: the MyAuchan mobile app guides you smoothly through the store by geolocating products and sending you push alerts about any bargains using iBeacon technology.

### LISTENING TO CUSTOMERS

In China, as in several of its French and Russian stores, Auchan is going the extra mile to listen to customers, asking them at checkout if they're satisfied. This Net Promoter Score (NPS) means issues are tackled in real time. As soon as a customer expresses dissatisfaction, a member of staff approaches them to sort out the problem, doing everything possible to make shopping a pleasure.







## YOFF

In the Yoff district of Dakar, Auchan is reinventing the local supermarket (the first own-brand store in Africa). The team there told us the story of a local woman who walked past on her way to shop at the traditional market next door, without daring come in. Even when her sister invited her to accompany her, the answer was: “No, no, no – well, okay then.” And when she got to the fresh fruit and vegetable section, she got a shock: such a selection, such neat displays, so clean, good quality, and lower prices than in the market and in the neighbourhood shops! A new concept of local retailing that you’ll also find in Moraleja (Madrid, Spain); Daumesnil (Paris, France); Tan Binh (Ho Chi Minh City, Vietnam); Sokolniki (Moscow, Russia); and Neihu (Taipei, Taiwan).



## ZEBRA\*

The mystery of their stripes remains unsolved despite generations of scientists' studies, and legend has it that they have the power to "blur the lion's vision". They're agile, creative, different, unique – and that's what Auchan's all about. Turning routine on its head, reinventing retailing over and over again, changing the lives of our customers every day, and earning their loyal custom – there's really no mystery to it.

\* Not sold at Auchan.






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