

Sustainable Development



2013 report

picard

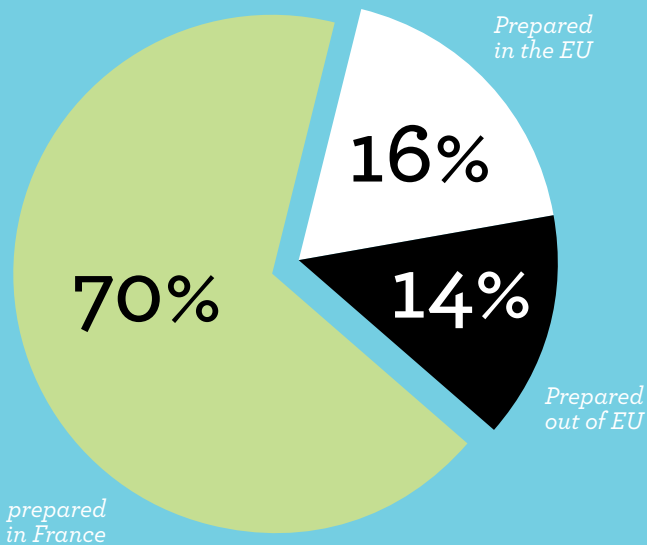
Chaque jour a un goût nouveau





At the origin of our products: choosing a responsible approach.

A CHOICE MADE IN FRANCE



70%* of our products are made in France.

We favour France for the preparation of our products and make it a point to propose an offer that values regional know-how, with products such as mirabelle plum and damson from Lorraine, veal from Aveyron and scallop from Saint-Brieuc.

*71% in number of references which represents 69% of the turnover

BLUE, WHITE AND RED MEAT



73% of our meat comes from the French soil and our beef is **100% French**.*

*The indication "French production" is affixed only on our products of French origin while the indication "prepared in France" is meant for ingredients coming from another country but processed on the French territory.

34

ORGANIC REFERENCES

A pioneer in its market, Picard offers organic products since 1998.

FROM THE FISHING NET TO THE PLATE

95% of our seafood follows the process of simple freezing and immediate transformation in the fishing country.



Fisherman → Auction → Processor Fishing Country → Packaging → Picard Warehouses → Picard Stores

"Contrary to a widespread practice, our fishes are never sent to Asia to be cut at low price. Our will is to reduce the number of steps and to shorten distances."

Élizabeth Bouton, Director of Quality at Picard

SINCE 2010, PICARD IS COMMITTED to sustainable and well managed fishing.

21%

of our seafood is labelled MSC* i.e. +20% in one year.



*Marine Stewardship Council.

"I have been working with Picard for 14 years: it started in trust and it's still the case today. Their specifications are demanding but it allows us to be at the forefront and less sensitive to competition."

Hervé Favrou, Coq Marée (Dieppe)



The preparation of our products: an authentic know-how

CLOSER TO THE NATURAL



THE REAL PLUS IS WHAT'S NOT THERE

Our products are conceived in order for our customers to avoid consuming more than

6g of salt per day at most

Our maximum level of salt complies with the recommendations of the NNHP*. For example: for 300g of soup, it represents 0,75g of salt.

*National Nutrition and Health Program.

 **58.000** analyses/year on our products

+16% compared to 2012

317 batches refused (209 in 2012)

less than **45 complaints** per million of units sold.

A FAMILY STORY

50% of our turnover

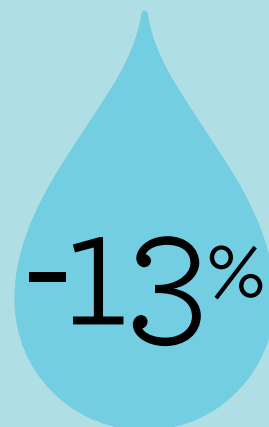
is achieved with suppliers that we have worked with for **more than 15 years** et **75%** with suppliers of **more than 10 years.**

"We have been working with Picard since 1977. The traceability and security have been reinforced, the volumes have strongly increased."
Patrick Stempfel, Kermad, Brest

GROWING FRESHNESS IN YOUR PLATE

73% of our raw* vegetables are frozen in less than **2 days** after harvest.

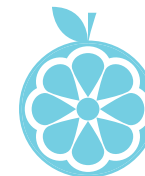
The more fragile a product, the faster we freeze it in order to preserve its vitamins. Thus, our broccoli florets and extra Fine beans are frozen less than 4 hours after harvest.



Reduction of palm oil since 2011.

Only 8% of our products contain palm oil and 100% of our palm oil is balanced by the purchase of GreenPalm certificates supporting the production of sustainable palm.

A FILL OF VITAMINS



Recent studies* show that frozen products can be nutritionally **compared** to fresh products just after harvest. The latter progressively lose their vitamins from the 1st day of storage onwards, whereas they are better preserved in their frozen state.

* Source: Leatherhead Food Research (R. Burch. Nutritional content of fresh vs frozen foods. Leatherhead Food Research. 19/04/2013).

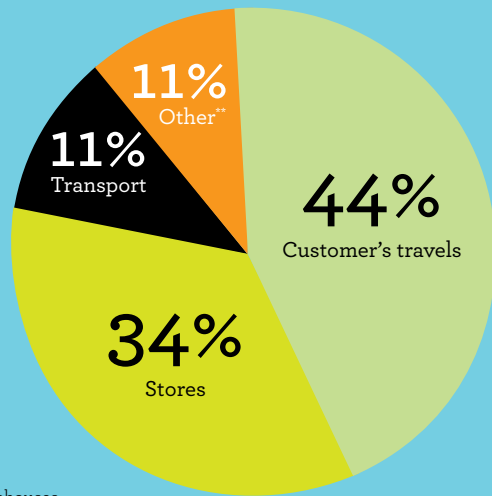
"We have been working with Picard since 1982, the year Freshpack was created. We have a close collaboration, a dedicated team and a "novelty-quality-product" process targeted primarily for Picard."
Jacques Dutertre, Freshpack, Boulogne-sur-Mer



Transport & distribution: a constant search for optimization.

CARBON ASSESSMENT

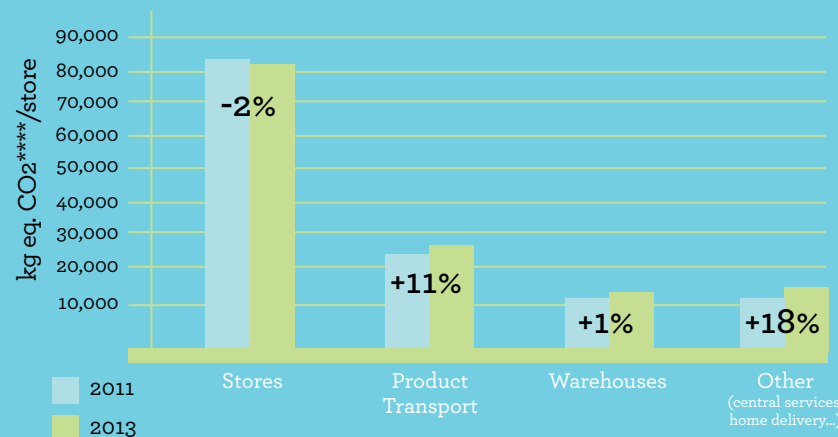
Carbon Footprint 2013
Total = 224,000 T.eqCO₂*



*We notice that despite a global increase of our emissions, essentially due to an increase of our IT investments and a lesser performance of our transports***, our stores have reduced their emissions by 2% thanks to a decrease in energy consumption and a decrease of refrigerant fluid leakage.*

***Due to smaller orders and trucks that are less filled.

Evolution of the Carbon Footprint between 2011 and 2013 (Greenhouse gas emission generated per store)



**Warehouses, administrative services, home delivery, laboratory...

-2% emission from our stores thanks to a decrease in energy consumption and a decrease of refrigerant fluid leakage.

SAYING NO TO WASTE

Only
1%

of our manufactured products are thrown away during distribution:
0.5% by Picard + 0.5% by our customers

ALWAYS MORE SORTING

We are committed to facilitating sorting for our customers by indicating the sorting instructions for each packaging element on most of most Picard products.



*Think about sorting - Disposable tub and plastic film - Recyclable cardboard - Instructions may vary locally.

-40 million BAGS/YEAR

since the elimination of free bags in 2010

and the emphasis on more ecological packaging: basket, cardboard boxes, iceboxes...

"For more than 20 years, Picard Surgelés has subscribed to Eco-Emballages, the eco-organism that manages the collection, the sorting and the recycling of household packaging waste in France. The brand has reinforced its commitment, signing the Green Point Pact at the end of 2012, which gathers a community of companies committed to produce differently, to better sorting and recycling more household packaging."

Caroline Bourhis, business relations manager at Eco-Emballages



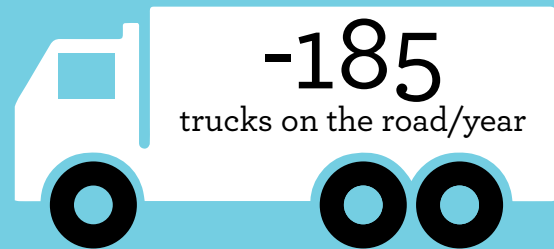
Transport & distribution: a constant search for optimization.

THAT'S A WRAP!

Since 2010,
220 packages
have been improved at Picard.



-30 tons
of waste



GREENER TRUCKS BEING TESTED



EURO 6 truck with a more
powerful refrigerating unit.

This refrigerated truck will comply with
the standard EURO 6 and will be equipped
with an automated box that will help reduce
its emission of particles and CO₂:
Results in one year!

CO₂ Cryogenic refrigerating unit.

This truck produces cold without using
an engine, simply by relaxing a fluid such as
CO₂ or nitrogen. The CO₂ being the most
successful from an environmental point of view,
its total Carbon Footprint represents 1/4th
of the footprint of a standard heat engine.

3 IDEAS FOR CLEANER TRANSPORT

Improve the loading rate
of the trucks and reduce
the distances travelled.



Urban night delivery:
an experiment to be extended... every day.

This experiment conducted in Lyon will help us:

- Reduce travel time and polluting emissions.
- Lower the risk of traffic-jams.
- Improve the reliability in delivery timings.



Training in energy-efficient driving.

Today 30% of home-delivery deliverymen
have been trained in energy-efficient driving
in order to consume less fuel and therefore
pollute less. 100% will be trained
by the end of 2015.

IDEAS TO MOVE FORWARD

Picard will soon enter the **Demeter Club**,
whose objective is the promotion and
the implementation of concrete actions,
measurable and respectful of the 3 spheres
of Sustainable Development: economic, social
and environmental. The work conducted there is,
for example, the optimization of plans
and logistic organization, urban logistics
(**the Great Lyon Project**), packaging, the follow-up
of environmental indicators as well as social
capital and community involvement.

*"By the end of 2015 we will be
equipped with a delivery reporting
system known as TMS (Transport
Management System). It will allow
us to have better control over transport
parameters such as the mileage
of empty trucks or the filling rate
of the trucks. This tool will help us
reduce the travelled distances
per ton transported."*

Yves Moine, Director, Supply Chain



Our stores: living spaces in line with our values.

GRADUATED SUMMA
CUM LAUDE

100%

of our 914 stores

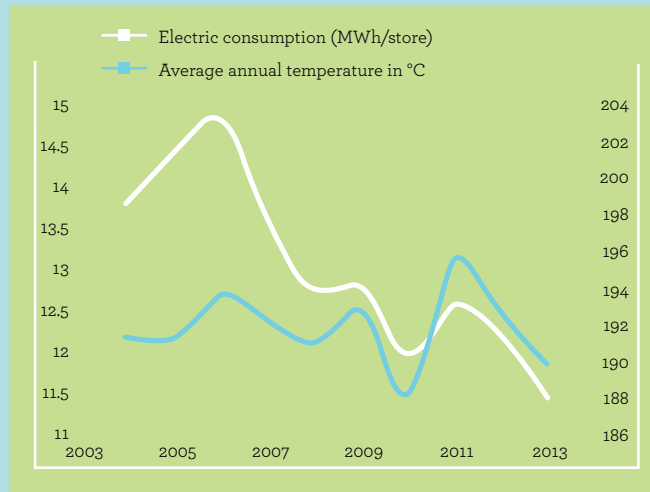
have received the Certification
ISO 50001 (level 1)
aiming at improving
energy efficiency.

To achieve that, the Picard teams have been able to prove their knowledge of the factors that weigh on the stores' consumption (outside temperature, attendance, defrosting of freezers...), identify the most energy-consuming areas, set goals for reduction (-2% by the end of 2014 as compared to 2012) and measure the results of their action.*

But that's not all: after obtaining level 1 in 2013, we are aiming at the level 2 certification for 2015!

BRIGHT IDEAS

-2% on electric
consumption this year
-6% over 10 years



Despite the climate fluctuation that impacts strongly impacts our stores, we have reduced our electric consumption by 2% this year and by 6% over the past 10 years, thanks to our collaborators' awareness program and to the progressive expansion of efficient electric equipment...

-18%

refrigerant fluid
leakage in 2 years

thanks to greater vigilance. But we are also working on new systems such as refrigerating plants that function with CO2 and propane, which are much less harmful on the climate.

70% of our freezer displays are equipped with LED lighting.

100% LED lighting is being tested in 4 of our stores, even though the lighting level is not yet perfect, the technology evolves quickly and is very promising.



40 to 50%
savings
expected
on lighting.

147 stores have already replaced standard lighting with T5 new generation lighting, consuming 20% less.

WE ARE TESTING...



in 3 stores, *new air conditioning technology based on CO2, more silent, more respectful of the environment, and devoid of refrigerant fluid, which has a strong global warming effect.*
To be continued...

Auto-defrost freezer: in progress!

"Auto-defrost technology seems to generate less electricity consumption for the freezers that are under heavy use from our customers, since they are more subjected to frost. In these conditions, the auto-defrost freezer consumes 5% less than a standard freezer. The freezers that are less opened consume 3% more. Tests must be conducted on a larger scale but we are on the right path!"

Philippe Roussel, Maintenance Manager



A social and human responsibility.

PORTRAIT OF OUR EMPLOYEES

34-years-old

the average age of Picard associates.



71% of our associates are women,

36% of which are

in the executive committee.

COMPETENCE KNOWS NO COLOURS

21 managers

have already been trained on awareness against prejudices of age, origin and gender during the recruitment process and the management of the teams.

More than **1,000 managers** will be trained on this topic by the end of 2016.

CONNECTING GENERATIONS...

A new intergenerational agreement provides better integration for **the over 50 and under 26-years-olds**: experienced associates will accompany newcomers and share **their skills and experience**.

...AND BEING THOUGHTFUL WITH SENIORS

10% of employees of ages 50 and up: it's our aim for 2016.

2 ideas to help them on a daily basis

- a follow-up of their work conditions and the adjustment of their activity

- reducing their activity with the introduction of a suitable weekly rest.

AVERAGE SALARY ON THE RISE

+4% in a year

SIDE BY SIDE FOR GREAT CAUSES



386,000 meals

distributed to the food bank

85,000€

 allocated to the **Telethon**

80,000€

 allocated to the call number **Allo Parents Bébé** (young parents helpline)

CONTINUING EDUCATION



411

 associates have benefitted from an internal promotion.

22,668

hours of off-project training have been distributed this year.

DISABILITY: EQUAL RIGHTS FOR ALL

5.3% of our employees are disabled. 4 ideas to develop this figure:

1. Structure a specialized HR team.
2. Implement durable positions.
3. Inform, raise awareness and remove obstacles.
4. Increase the hiring of disabled workers.



Every month, we publish a **catalogue in Braille** to allow visually impaired persons access to all our products.



Cutting edge technology

At the 1st French user of a 100% SSD storage technology developed in the Silicon Valley, Picard has been able to double its storage capacity without increasing its energy consumption.

The goal for 2016: total withdrawal of old generation hard discs at the Picard data centre for a 100% SSD data storage.

AN INCREASING GOURMET COMMUNITY

facebook 140,000 fans this year



Heading	GRENNELLE (article R. 225-105)	Picard markers (France)	2011 France	2012 France	2013 France	
Global Activity		Turnover (in M€)	1,275	1,380	1,323	
		Number of stores (on 12/31)	864	892	914	
		Number of employees (on 12/31)	4,169	4,472	4,475	
Social	Total workforce and staff distribution by sex, age and geographical area	Percentage of men	29.2%	29.5%	29.8%	
		Percentage of women	70.8%	70.5%	70.2%	
		Ratio of fixed term contracts (on 12/31)	5.9%	7%	6.3%	
		Ratio of 16 to 25 year old	24.9%	26.2%	23.6%	
		Ratio of 25 to 35 year old	40.5%	39.8%	40.6%	
		Ratio of 35 to 55 year old	32.4%	31.9%	33.6%	
		Ratio of over 56 year old	2.1%	2.1%	2.2%	
		Hiring and firing	Total hires with open-ended contracts	730	799	556
			Transformation of fixed-term contracts into open-ended contracts	257	266	212
	Total of layoffs		237	236	235	
	Evolution in wages	Number of internal promotions	450	491	416	
		Annual wage average (total workforce wages €/monthly average workforce equivalent to full time)	24,093	24,304	25,212	
	Work organization	Number of employees working part time (within open-ended contracts)	905	1,117	1,338	
	Social dialogue organization	Participation rate in personnel representatives elections	not concerned	24.8%	not concerned	
		Number of meetings with personnel representatives	180	198	186	
	Review of collective agreements	Internal agreements signed within year	0	3	6	
	Work health and safety	Workplace accidents frequency ratio (number of accidents/ number of worked hours x 1,000,000)	40	41	45	
		Personnel trained for security within year	928	1,104	1,354	
		Company security expenses (in k€)	5,495	6,261	5,976	
	Training policies	Portion of payroll dedicated to training	3.20%	3.93%	3.31%	
		Total training hours	51,385	45,764	35,637	
	Gender equality measures	Percentage of women on the board	50%	50%	36%	
		Percentage of women in overall staff	71.2%	70.2%	70.5%	
	Disabled employability & integration measures	Disabled personnel ratio on 12/31	5%	6.30%	5.70%	
		Anti discrimination policies	Number of managers having undertaken diversity training	not concerned	launching 2013	21
	Environment	Waste prevention, recycling and disposal	Ratio of freezers recycled (gifts to nonprofit and discount sales)	/	98%	98%
			Ratio of recycling for cardboard boxes used in stores	100%	100%	100%
Ratio of food waste at Picard (warehouses and stores)			0.6%	0.5%	0.6%	
Percentage of end-of-life recycling for light tubes (T8)			100%	100%	100%	
Water consumption and sourcing based on local constraints		Water consumption per store (m3)	66.2 (erratum 2011)	52.1 (erratum 2012)	52	
Raw material consumption and measures taken to improve their efficiency		Annual weight of published material (in tons)	4,855	4,768	4,879	
		Percentage of PEFC paper in advertising material	100%	100%	100%	
		Packaging ratio (packing grams to sold product kilos)	90.76 (erratum 2011)	89.7 (erratum 2012)	88.1	
		Packaging weight avoided through eco-design (tons)	16	14	1.5	
Energy consumption, measures taken to improve their efficiency, renewables usage		Overall store energy consumption (100% electricity) in Mwh	163,375	167,605	169,848	
		Energy consumption per store (100% electricity) in Mwh	189	188	186	
		Percentage of renewable energy used	0	0	0	
GHG emission		Picard carbon footprint (excluding products) in CO2 ton equivalent (T CO2 eq)	184,725 (year 2009)	196,274 (year 2011)	224,000	
		Carbon footprint (T CO2 eq/store)	124	133 (erratum 2013)	137	
		Carbon footprint per € of turnover CA (g.CO2 eq/€)	92	92 (erratum 2013)	99	
Measures taken to preserve or develop biodiversity	Number of organic products	36	36	34		
	Number of MSC products	19	19	23		
	Percentage of turnover done with French suppliers	67%	67%	69%		
CSR commitments	Pertaining to job creation and regional economic development					
	Sponsoring and philanthropy	Donations to "Restos du cœur" (non profit) and food banks (in metric tons)	144 (ie 288,000 meals)	136 (ie 272,000 meals)	193 (ie 386,000 meals)	
		Participating in Téléthon fundraising (€)	225,000	180,000	85,000	



Tomorrow starts Today:
our commitments.



in 2014

Launch of the Picard Foundation under the aegis of the Fondation de France.

For a food industry more respectful of nature and man
FIRST PROJECTS SUPPORTED:

THE BEC-HELLOUIN
MICRO-FARM

Biodiversity to create productivity:

 **300** 

species of plants

organically grown on 1 hectare,
with a yield superior to that
of traditional vegetable gardening.

ARBRATATOUILLE

Implemented in the South
of France, experimental
farms test out the
profitability of growing
vegetables in an
agroforestry system:
tomatoes, peppers,
zucchinis are
protected and fed
under the trees.

7
experimental
farms

*Mixed from responsible sources.

