

2014
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2015

CSR* REPORT

* Corporate Social Responsibility.



picard

Chaque jour a un goût nouveau



Picard celebrated its 40th anniversary in 2014

Quite literally a success story in sustainability.

For this fourth report on Sustainability, we have measured once more the spread of the principles of corporate responsibility within Picard's very DNA, and with our suppliers.

Our efforts in raising awareness has borne its fruit as recorded by the rising active participation of the teams; it's the case with our ISO 50001 certification project (energy management) that mobilized 6 different services for almost a year.

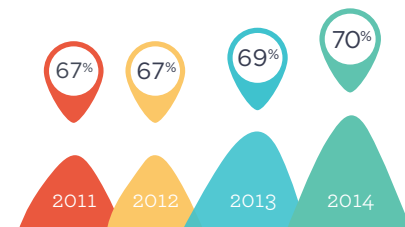
ARNAUD BRULAIRE *Head of sustainability*



01 Picard products: increasingly responsible innovation!

The support of French producers and industry channels

With 70% of our products processed in France (and just 14% outside Europe), we are accentuating our efforts to develop French channels.



Turnover percentage achieved in France with French suppliers.



LAMB FROM THE SOUTH-EAST

For the first time, Picard has decided to support a local partnership with lamb farmers for distribution specific to the SE region of France. The farmers are owners and managers of their operations that produce on average 160 lambs per month.

We selected lambs from the Lacaune race of sheep, raised on family farms situated in the counties of Aveyron, Tarn and Lozère.

The lambs are raised with their mothers in the sheepfold until the age of 30 days on average, at which point they are fed an exclusively herbivorous diet, with minerals and vitamins, and also unlimited fodder (straw and hay).



100%

of our
BEEF
comes from
French farms.

Supporting French channels



TROUT ERIC MEZRICH

(Sales Manager Fresh/Frozen AQUALANDE)



« We have supplied Picard since 2002. From the outset, Picard was involved in the overall process with the goal of obtaining an outstanding trout. We brought a professional look at the entire trout sector, with total control over the process, from the egg to the finished product. Aqualande is committed to **sustainable and responsible** aquaculture. Since 2004, all our farms are certified AGRI confidence in Environment Quality NFV 01-007, which engages our fish farmers to **conserve water or restock rivers**. We now think of our fish farmers as the guardians of our rivers.

All our farms are AFAQ 26000 appraised, we are the first aquaculture company to gain this evaluation. For example, we chose not to use antibiotic treatments, working specifically on the welfare of fish and monitoring the fishes' health.

By result, in 10 years, veterinary treatments have been divided by 4. »



WHITING PHILIPPE GALL

(President - BOULONNAIS FISHERMEN'S' TRADING POST)



« With Picard, we are in a reciprocal relationship of accompaniment that strives for excellence. For each new product, we detail the supply sector, note the fishing areas and capture mode, we guarantee the time between fishing and freezing, and **we target the size of the fish to ensure that the fish have already reproduced**. This expertise is fully realized on our site at Boulogne-sur-Mer, from the manual cutting of the products to the full control of the freezing process.

Fishing at Boulogne is centuries old **and boats are passed from father to son for generations, and we are all committed to sustaining this activity**.

Among our responsible approaches, there is a continued work on fishing gear, but also the **creation of the first trawler with a hybrid engine that enables a 40% reduction of fuel consumption.**»

Ready meals: a range of tasty meals



This new range of products from French fisheries and livestock farms and developed with a «homemade» spirit exemplifies our ambition to develop local industries.



Responsible sea produce

Greenland halibut

M. MULHENHOFF
(ROYAL GREENLAND Country Manager France)

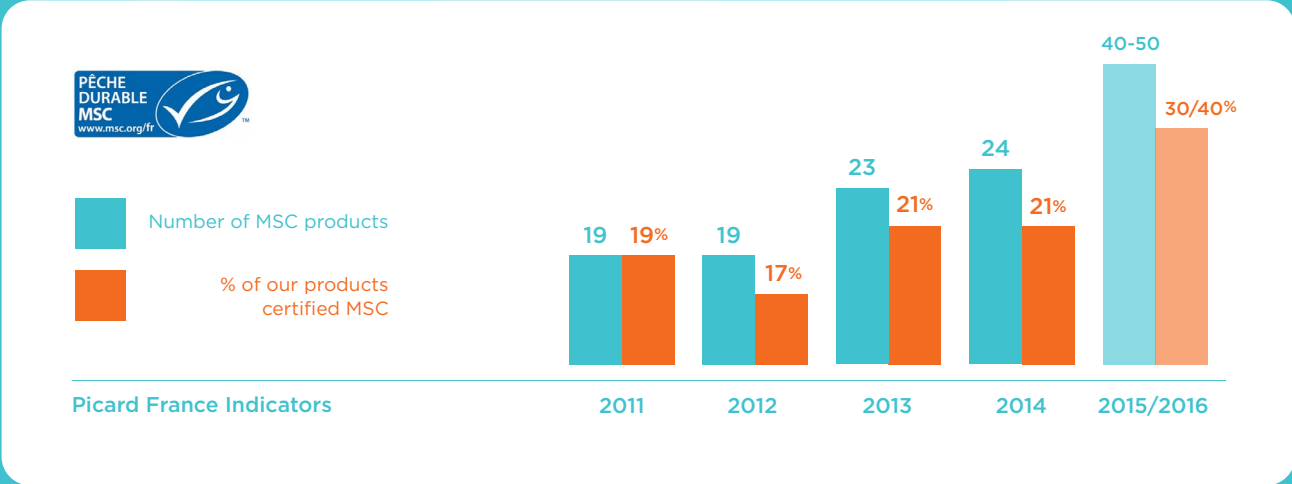


« To work with Picard is to engage in a privileged relationship because **Picard attaches great importance to the quality of its relationships with its suppliers, namely an extraordinary sense of loyalty and continuity.** We focus largely on coastal fisheries with small boats where mariners fish using a longline.

We are proud of our small-scale fishing which has very little impact on the environment. The spawning grounds are located on the high seas between Canada and Greenland, but we do not fish in those waters. Thus we have the assurance that we will bring no harm to the species. »



The development of the MSC ecolabel for sustainable and well-managed fisheries. (www.msc.org.fr)



Example of a responsible channel

The Madagascar shrimp.

Our partnership with our supplier UNIMA allows us to offer a shrimp whose production is more environmentally friendly. At the base of this eco-model, low density breeding which generates no polluting effluent and enhances bio security.

Other measures are put in place as much for aquaculture as for fishing:

Aquaculture sites carefully designed

TO AVOID DESTRUCTION OF MANGROVE

5 to 10 shrimps per m²

against **100 to 200** in intensive farming.

-78% of CO₂

Reducing the carbon footprint of aquaculture shrimp through reduced energy consumption and a program of

REFORESTATION.

-43%

of fishmeal in their diet over the **3 coming years** by substituting with **VEGETABLE PROTEINS.**

Installation of **SUPERFLUOUS CATCH REDUCTION** devices on the nets

(which have reduced these to 7 kg for 100 kg of shrimp against a world average of 500 to 2000 kg for 100 kg of shrimp).



STÉPHANE JACKIW (Head of distribution, UNIMA)



« Our partnership with Picard began over 15 years first with our fishing business then our farming activity in Madagascar in the late 90s.

The brand occupies a special place in our company, we have close and historic collaboration with a common goal: providing the best to our consumers. »

Innovation: teamwork that lasts...

DELPHINE COURTIER (Head Buyer, Marketing and R&D)



« Trust and long-term partnership are manifest in our trade relations as we make 75 % of our turnover with suppliers we've had over 10 years. This year we wanted to go further by committing contractually on a 3-year partnership with one of our suppliers. He was thus able to invest in improving its production facilities and manage its business in a more serene way. »

SOME SUCCES STORIES

- Noilly Scallops - Kermad (1996)
- Chocolate vanilla café raspberry Macarons - Tipiak (1996)
- Moelleux au chocolat - Bindi (2000)
- Crunchy chocolate and Raspberry macaron - Pasquier (2000)

... for ceaselessly healthier products

LES CÔNES GLACÉS

ELODIE SAVINA

(R&D project manager Picard)



« For the development of this range, there was the real will on the part of Picard to take into account the nutritional issue. So we told our manufacturers to comply with the maximum levels of sugar and fat. Picard pushed its manufacturers to use new ingredients and a **true partnership was formed to develop this new range of 9 cones.** »

JULIE THEROULDE

(Ysco)



« The development of the new range of ice-cream cones was a great challenge; innovative, and forward-thinking. We have a long-term relationship with Picard as we have worked together since 2001.

Picard accompanies us and shows great responsiveness, for example by organizing tastings 24 hours after sending samples. »



The advantages of this new range:



SUGAR

Sugar quantities greatly reduced while maintaining a gourmet product thanks to chicory fiber!



PALM OIL



VEGETABLE EXTRACTS

Fruit and vegetable concentrates, not dyes.



SYRUPS

No glucose syrup or glucose-fructose in the ice creams or sorbets.



PURÉES

Significant amounts of fruit puree to minimize the amount of added flavors in recipes.



CRÈME FRAÎCHE

As fat, and not the more economical vegetable fats which are lower quality.

Organic innovations for vegetarians... and everyone else !



ORGANIC CEREAL GALETTES

Picard innovates with organic cereal galettes which are an alternative to animal protein and meet the needs of our vegetarian consumers, and non-vegetarian consumers !

ORGANIC BEEF BURGERS

JEAN MEUNIER (Convivial - Auvergne)



« I created Convivial in 1989 in Clermont Ferrand. In 1992 we started the organic certification process and produced ground beef in partnership with the farmers' cooperative, Bourbon l' Archambault SICABA . At SIAL 98 we met Picard who was interested in our Organic ground beef. Picard quality standards have allowed us to evolve gradually.

A commitment to organic farming involves the work of almost a generation, we must prepare the ground, endorse the administrative commitment over 3 years of conversion, start producing whilst overcoming health issues, it is an approach that your purchases and marketing services understand. This relationship is the basis for a lasting partnership.

Eating organic is to act in favour of the environment and commit to durability as was done with your services. “



37

organic references in 2014.

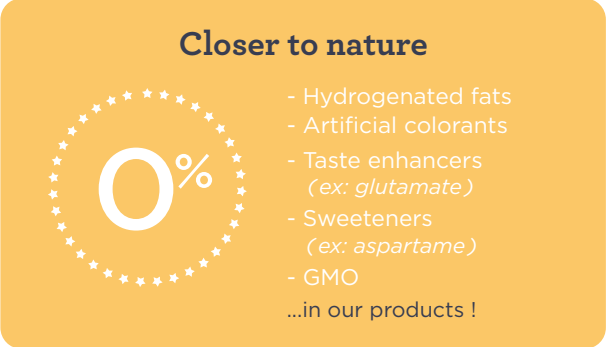
Quality at the service of our clients and the environment

ELIZABETH BOUTON
(Head of Quality & Sustainability)



« Picard standards have always been characterized by the taste, nutrition and health of our products.

But we know that other issues must be taken into account to provide responsible products. That is why we have decided to launch, **in 2015, a social and environmental audit program on the upstream chain of our products** because our responsibility extends to the farmer, the livestock farmer, or the fisherman. »



Picard commits to agroecology :

Since 2014, Picard has initiated a partnership project with one of its vegetable suppliers and INRA.
The goal: to help our suppliers strive towards more environmentally friendly agronomic practice, drawing particular inspiration from natural processes to develop our farms. This 3-year project began in 2015 with 3 Brittany farmers.
The first results are expected by the end of 2016...

HELPING GROUND COVER

- To avoid erosion,
- To avoid the loss of organic matter and water.

(Example : intercultural planting such as phacelia, mustard or rapeseed that also enrich the earth with natural nitrogen).

HELPING PLANT DIVERSITY

To stimulate beneficial interactions, and natural defence against infections.

PROMOTE THE PRESENCE OF SHELTERS

Such as hedges to attract auxiliary cultures.
(pollinating insects, pest predators...).

HERE'S WHAT OUR COLLABORATORS SAY ABOUT THE PROJECT :

VINCENT FALOYA
(Researcher at the INRA of Rennes)

« INRA is involved in this project because of its « Research and Development » aspect; we put much hope in this **ambitious project which aims to design and develop more environmentally friendly cultivation systems, based on agroecology.** »

BERNARD DE LA MORINIÈRE
(Farmer)

« The goal for me is to put intelligence back into our systems. Land has long been considered an inert support and we have forgotten that the ground is alive; this soil, living and fragile, is to be respected in order to combine ecology and agricultural productivity. »

GILLES LE MEUR
(Farmer)

« Passionate about my job, I want to work on substantive issues to pass on a healthy farm to my children. **This project of Picard's initiative is a good way to move forward on the issues that concern us daily.** »

JÉRÔME PARAISO
(ARDO)

« The project which is offered to us today is especially exciting as it proposes a more global approach. We believe that innovative solutions carried by agroecology will help us to meet our future challenges: to produce better and more sustainably, while preserving and enhancing our natural resources. »

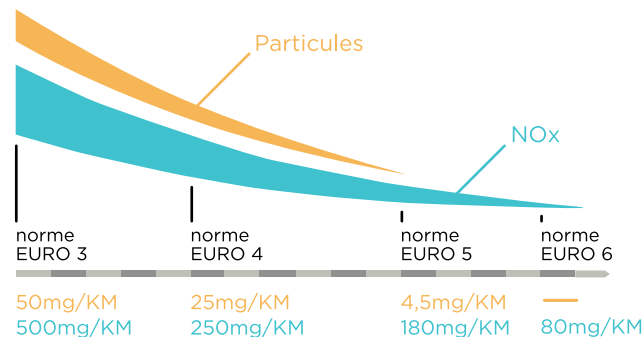
02 Transports

A more modern, less polluting fleet of trucks

The type of truck greatly affects the amount of greenhouse gases and pollutants emitted during the transport of goods.

That is why we encourage our carriers to use trucks conforming to the latest and highest European standards.

Thus in 2013, 77% of trucks delivering our stores met Euro 5 and Euro 6 standards. In 2014 this figure rose to 86% !



Silent and eco-drive urban delivery



70% of our deliveries are made in trucks compliant with the Piek standard that ensures maximum sound level of 60 decibels, less than a conversation.



Drivers who deliver our stores are trained in eco-driving, thus reducing fuel consumption and emissions of greenhouse gas associated with the delivery of our stores.



93% of home delivery drivers are trained in eco-driving. Which resulted in a fuel consumption decrease of 2% in 2014.



To go further

The Grand Lyon urban night delivery project

As part of the partnership with the Demeter club, the project aims to show that night deliveries night are virtuous on several levels :



ECONOMICAL

Despite time unloading being longer at night, the commercial speed is higher.

SOCIAL

Stress reduction during operational implementation and reduction of the risk of accidents.

ENVIRONNEMENTAL

Traffic decongestion at peak times and reduced local pollution.



2 SOLUTION COMPARATIVE



Vehicle with "classic" mechanical refrigerating system:

2 DIESEL ENGINES

1 engine for the truck
1 engine for the refrigerating system



Vehicle with cryogenic solution:

1 DIESEL ENGINE

1 engine for the truck
No motor for the refrigerating system

THE 2ND SOLUTION ALLOWS US -31% OF CO2 EMISSIONS AND SILENT TRUCKS.

03 Picard is committed to the climate !

Less energy: ISO 50001

In 2014, Picard's collaborators mobilized to prepare the Certification **ISO 50001 Level 2 obtained in 2015 for all our stores, our seafood packaging site, and our laboratory.**

The ISO 50001 provides guidelines for **developing a methodical energy management in order to focus on energy performance.**

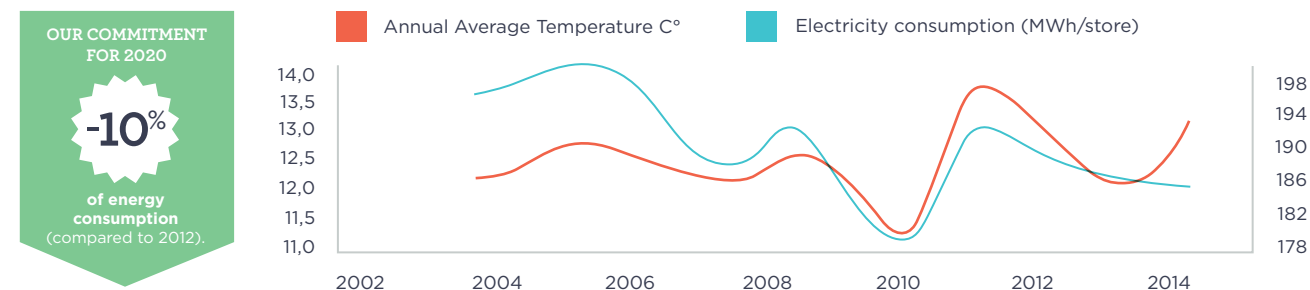
Its main goals are
DEALING WITH ENERGY SHORTAGE

and the long term increases in its price, whilst contributing to the reduction of greenhouse gasses.

2014 Results

We continue to reduce our constant climate energy consumption.

GOAL REACHED : -2% of consumption vs 2012, -5% vs 2005.



Less CO2 emissions

Energy accounts for 18% of emissions of greenhouse gases in our stores, so our energy performance approach will reduce this share. But we also act on the primary contributor: **liquid coolants which represent almost 30% of these emissions.**

For this we develop more and more refrigeration systems using natural coolants such as propane for our new freezers or CO2 itself (it is also a very good coolant, and much less damaging to the climate than former liquids).

OUR COMMITMENT FOR 2020

-20% **GES emissions**
(compared to 2011).

* Liquid coolant: The liquid coolant's main property is to evaporate at a low temperature under atmospheric pressure. Coolants are used in refrigeration production systems (air conditioning, freezer, refrigerator, etc.)

To go further : our laboratory store in Rueil Malmaison (August 2015)

An exemplary store that combines all the technological solutions to achieve...

ENERGIE
-40%

ENERGY
consumption

CO2
-50%

GREENHOUSE GAS
emissions

A dual system to evacuate the heat from the freezers to reduce the consumption of air conditioning :

FREE-COOLING : a «free» means of cooling using the outside air when fresh enough, especially at night.

WATER CIRCUIT : water piping system that recovers the heat of the store freezers and takes it outside before it heats the store or, if necessary provides heating and hot water.

SOLAR PANELS : 150m² of photovoltaic panels were installed on the roof, enough to cover the annual consumption of the store's cold room.

Natural refrigerants (CO2 and propane) whose global warming power is 1000-4000 times less than the old fluids.

100% LED lighting consuming **40% LESS** than our old T8 lights.

Refrigeration equipment **RUNNING ON CO2** air conditioning, cold room.

New generation of propane freezers consuming **30% LESS ENERGY**

04 Social and human responsibility

Agreements that structure our social responsibility

ON PROFESSIONAL EQUALITY

A first agreement with a positive assessment is the basis for the next, even more ambitious one.

Upon expiry of the new agreement, the objectives will be:

- To promote the hiring of men in regions that are over-feminised in comparison with the network average.
- 100% of supervisor employees outside the store network will follow the « Diversity » training.
- 80% of store managers with at least 5 years of seniority will have completed the training « Developing your Managerial Qualities ».
- Improve by 10% the part-time training rate.
- Increase by 30% the implementation rate of professional interviews.
- Achieve 100% of employees return to work interviews returning from an absence of lasting at least 12 months.

ON WORKING CONDITIONS

An agreement on difficult conditions at work has resulted to date in 20 studies that gave rise to 7 tests of which 2 are completed, and a progressive deployment on :

- The self-defrosting trays.
- The automated washer.

ON INTERGENERATIONAL INTEGRATION

An agreement foresees measures for :

- Hiring and integration of new entrants.
- The continued employment of employees aged 50 and over.
- Capitalization and transfer of skills within all jobs descriptions.

ON HANDICAP

Although there is still no agreement on disability, it is an issue of importance that we continue to structure with :

- 2 handicap referents, one for the stores, one for support functions.
- An HR team fully trained on the subject.

OUR EMPLOYEES



31,5 ANS

the average age of
a Picard collaborator

70%

of collaborators are women,
36% of whom are on the man-
agement committee

IN-HOUSE TRAINING



189

collaborators benefitted from
internal promotion

33 154

hours of non-project training
were given this year

05 Picard active member of society

Partnership Picard – WWF



Shared values and preoccupations :

**REDUCE THE CARBON
FOOTPRINT**
of food products.

REDUCE CONSUMPTION
of energy
and greenhouse gasses.

Encourage the French
to become
**SUSTAINABLE
CONSUMERS .**

The Picard Foundation

BEC HELLOUIN CHARLES & PERRINE HERVÉ-GRUYER *(Ferme du Bec Hellouin)*



The micro-agriculture practiced in Bec Hellouin is conducted entirely by hand on a small acreage, which is proving extraordinarily productive thanks to practices inspired by nature: permanent cultivation on hills, staggered cropping, agroforestry. Since 2011, a research program has scientifically validated that 1000 square meters cultivated allowed to create a full-time market

garden, that paid decently. Wishing to encourage the emergence of forms of agriculture that respect the planet as well as the health of consumers, the Picard Foundation joined other foundations supporting this study, including the Fondation de France.

ARBRATATOUILLE FABIEN LIAGRE *(Arbratatuille)*



In recent years, agroforestry, which combines crops and trees (or animals), is rooted in the French landscape. The project Arbratatuille brings together a group of growers and researchers to improve their knowledge in such practices and increase the overall performance of the association. The group is testing various innova-

tions around the care to be given to trees and light management, the presence of auxiliaries and their role in the biological fight, or to improve the taste and quality of commercial vegetables. This project, supported by the Fondation de France has received assistance from the Picard Foundation.

Signature convention Enseigne Responsable



It is in the presence of the Ministry of Ecology and Sustainable Development, professional federations, member brands and partners of the association, that PICARD and the brands BIOCOOP, MAISONS DU MONDE, McDONALD'S FRANCE, LES MOUSQUETAIRES and TRUFFAUT, became signatory stores to the convention of responsible brands.

An approach that allows retailers to show their willingness to commit to:

DEMONSTRATE

their willingness to consider sustainable development in all its components.

INTEGRATE

sustainable development in their commercial strategy.

TO IMPLEMENT

sustainable development within their brands, promote it to their customers and suppliers.

This voluntary commitment is part of the National Ecological Transition Strategy 2015-2020, and participates in its implementation with measurable objectives. Picard commits to help the climate at the Conference of Paris:

COP 21 PARIS 2015

Picard commits to help the climate at the Conference of Paris :

Solutions COP 21

GRAND PALAIS

from 4 to 10 DECEMBER 2015

(Consumer hub, diet, daily life. Trade and Climate Pavilion)



Conclusion

PHILIPPE PAUZE

CEO of PICARD



PICARD realized relatively early, the interdependence of its own future and its environment and therefore the significant issues related to the respect and protection of human and natural resources throughout the food production chain.

This vision has naturally led us to take very concrete commitments to contribute in our own way, to work towards significantly improving the environmental impact of our business:

REDUCE

our emissions of greenhouse gasses

of **20%**

by 2020.



Support **FRENCH PRODUCTION.**



Perform **SOCIAL & ENVIRONMENTAL REVIEWS**

of the entire upstream chain of our products.



Favour a new form of agriculture that is **MORE RESPECTFUL TO THE ENVIRONMENT.**



Limit **FOOD WASTE**

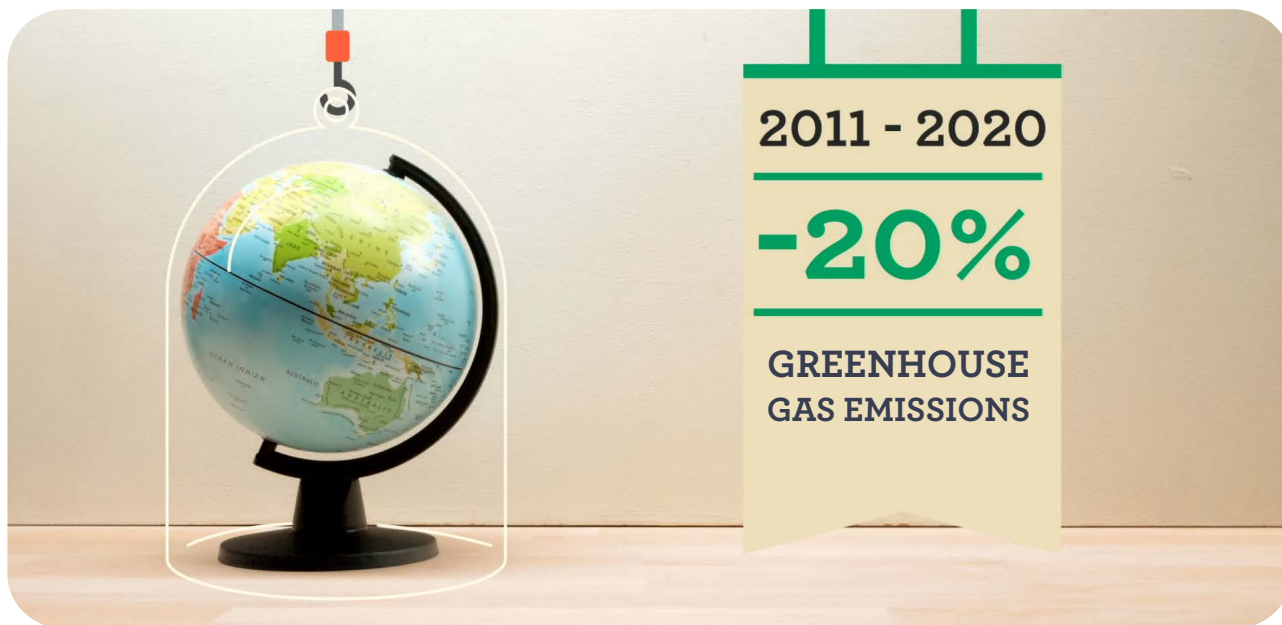
Our recent connection with the WWF association with whom we share values and willingness to act, extend somewhat more this series of commitments in the long term.

At PICARD, more than ever, environmental issues are at the heart of our organizational model. Because we are convinced that there will be no sustained growth without sustainable development.

	GRENELLE INDICATORS	PICARD FRANCE INDICATORS	2012	2013	2014
GLOBAL ACTIVITY		Turnover <i>(in M€)</i> Number of stores <i>(at 31/12)</i> Workforce <i>(au 31/12)</i>	1 380 892 4 472	1 323 914 4 475	1 358 926 4 519
SOCIAL	The total number and distribution of employees by gender, age and geographical area.	Share of men Share of women Share of CDD at 31/12 Share of 16 to 25 Share of 25 to 35 Share of 35 to 55 Share of 56 and older	29,5% 70,5% 7,0% 26,2% 39,8% 31,9% 2,1%	29,8% 70,2% 6,3% 23,6% 40,6% 33,6% 2,2%	29,9% 70,1% 7,5% 22,8% 39,1% 35,1% 3,0%
ENVIRONMENT	Hiring and dismissal	Total hires in CDI Transformation of CDD to CDI Total dismissals	799 266 236	556 212 235	524 204 227
	Wages and their evolution	Number of internal promotions Average annual salary <i>(payroll €/employee monthly average full time equivalent)</i>	241 (erratum 2013) 24 304	165 (erratum 2014) 25 212	189 25 797
	Organisation of work time	Number of part time employees <i>(CDI population)</i>	1 117	1 338	1 110
	Organisation of social dialogue	Participation in elections of employee representatives Number of meetings with employee representatives	24,8%	Not applicable 186	Not applicable 165
	Results of collective agreements	Agreements signed in the company during the year	3	6	2
	Health and safety at work	Rate of frequency of workplace accidents <i>(n° of accidents/ n° working hrs x1 000 000)</i> Employees trained in safety in the year Company safety expenditure <i>(in k€)</i>	41 1 104 6 261	45 1 354 5 976	40 1 309 4 451
	Policies implemented for training	Payroll devoted to training Total number of training hours	3,93% 45 764	3,31% 32 637 (erratum 2014)	3,38% 33 154
	Measures in favour of male female equality	Percentage of women on the management committee Percentage of women among collaborators	50% 70,2%	36% 70,5%	36% 70,1%
	The measures taken in favour of employment and inclusion of persons with disabilities	Rate of employment of handicapped workers at 31/12	6%	5,70%	6,80%
	Policies against discrimination	Number of executives trained in diversity management		21	40
ENVIRONMENT	Preventative measures, recycling and elimination of waste	Freezers used 2nd hand <i>(gifts to charity organisations, low price sales)</i> Recycle rate of cardboard boxes used in stores Rate of Picard waste <i>(warehouses + stores + food bank)</i> Percentage of lighting tubes (T8) recycled after use	98% 100% 0,56% 100%	98% 100% 0,55% 100%	98% 100% 0,49% 100%
ENVIRONMENT	Water consumption and water supply depending on local constraints	Water consumption per store (m3)	52,1 (erratum 2012)	52	ND
	The consumption of raw materials and measures to improve efficiency in their use	Annual weight of commercial publications <i>(tonnes)</i> Percentage of PEFC certified paper in commercial publications Packaging rate <i>(g.of packaging per kg of sold products)</i> Packaging weight saved through eco-conception <i>(Tonne)</i>	4 768 100% 89,7% (erratum 2012) 14	4 879 100% 88,1 1,5	4 336 100% 89 0
	Energy consumption, measures to improve energy efficiency and use of renewable energy	Energy consumption of stores <i>(100% electricity)</i> in Mwh Energy consumption per store <i>(in Mwh)</i> Percentage of renewable energy used	16 7605 188 0	169 849 186 0	172 439 186 0
	Greenhouse gas emissions	Picard Carbon results <i>(excluding products)</i> in equivalent CO2 Tonnes <i>(T.eq CO2)</i> Carbon results per store <i>(T.eq CO2/store)</i> Carbon footprint per € of Turnover <i>(g.eq CO2/€)</i>	196 274 (year 2011) 133 (year 2011) 92 (year 2011)	224 000 137 99	Next Carbon Footprint results in 2015
	Measures taken to preserve or develop biodiversity	Number of organic references Number of MSC products	36 19	34 23	37 24
COMMITMENTS	Regional employment and development	% of turnover made with French suppliers	67%	69%	70%
	Actions of partnership or sponsorship	Donations to the Restos du coeur and food bank <i>(Tonne)</i> Activity in favour of the Telethon (€)	136 (272 000 meals) 180 000	194 (386 000 meals) 85 001	63 (126 000 meals) 81 286

Find Picard's actions and our commitment to sustainable development on video.

VISIT PICARD.FR



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