



PRESS TRIP TO RUSSIA | SEPTEMBER 2017

PRESS KIT

Auchan | RETAIL



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Auchan | RETAIL

2002

The first Auchan hypermarket was opened in Mytitschi, a town in the Moscow suburbs.

The "Ramstor" hypermarkets were bought from the Turkish group Enka. Auchan Russia became the owner of 1 hypermarket and the long-term lessee of 11 other hypermarkets.

2007

2009

The first Nacha Radouga was opened in Kalouga. Having built on the success of this test store, Auchan Retail now operates 10 Nacha Radouga stores.

Auchan Retail Russia launched the employee shareholding programme. Today, more than 28,800 out of 41,000 employees (69%) hold shares in the company.

2010

Launch of the e-commerce business.

2012

Acquisition of the Real stores in Central and Eastern Europe from Metro Group. Auchan Retail Russia becomes the owner of 16 Real hypermarkets (Now Ашан stores).

Launch of the responsible sources project to offer farmers co-financing, training and a long-term partnership, and start of construction work on the meat processing factory in the Tambov region.

2015

2016

Launch of the "Suppliers' voices" website, a portal that facilitates partnerships with local suppliers.

The first LillaPois store was opened in Moscow, a differentiating beauty & drugstore format.

The meat processing factory in the Tambov region was opened.

2017

The first Moy Ашан ultra-convenience store was opened in Moscow.

Now 15 years old, Auchan Retail Russia has 41,000 employees and 307 stores in 112 towns and is the largest foreign employer in the country.

EDITORIAL

Welcome to Auchan Retail Russia.

Here, as in all 14 countries in which we operate, Auchan Retail is reinventing itself, driven by our 2025 Vision: ***Auchan is changing lives***, so that, in 2025, the 8 billion inhabitants on our planet can live better daily lives.

This vision, developed alongside our employees, sets our direction between now and 2025. From Russia to Portugal, via Hungary, Spain, France, Italy, China, Senegal... Auchan Retail is becoming a multi-format and phygital retailer and is reinventing the customer experience.

Committed to phygital retailing, we are combining all our physical formats - hypermarkets, superstores, supermarkets, ultra-convenience stores - in a single banner per country, supplementing them with the power and flexibility of digital retailing. We are also providing tailored solutions to match the local contexts in each country by developing new models, our differentiating formats.

As campaigners for good, health and local, we are redefining the role of the retailer as we strive, on a daily basis, to contribute to the balanced diets of employees and customers, while ensuring that our actions are environmentally friendly.

In Russia, like everywhere else in the world, our transformation is moving forward. The historic formats are found at all stages of the customer experience under a single banner: **Ашан**. As an additional measure, differentiating models such as LillaPois, a drugstore concept, and Nacha Radouga, a discount brand, offer new solutions.

As the 3rd largest food retailer in the country, Auchan Retail Russia is also stepping up its initiatives in favour of good, health and local and is helping to develop Russian agriculture and the promoting high-quality food.

2025 VISION: AUCHAN CHANGES LIVES!

In March 2017, the company unveiled its vision, developed collectively with its employees thanks to 210,000 contributions from all business lines and all countries. The challenges? Integrating and making the best use of digital retailing and using the responses of local people to meet the new expectations of employees and consumers. Accordingly, under the banner "*Auchan is changing lives*", the company is reinventing itself so that, in 2025, the 8 billion inhabitants on our planet can live better daily lives.



PHYGITAL MULTI-FORMAT RETAILING

At Auchan Retail, format now means multi-format and phygital.

In order to win over consumers who are most definitely onmi-channel in their approach to shopping, Auchan Retail is developing phygital retailing, a combination of physical and digital retailing.

Enhanced by digital retailing, the stores in all formats offer access to a huge range of products. The products offered in the largest stores are now available in the smallest formats.



CAMPAIGNERS FOR GOOD, HEALTH AND LOCAL

Auchan Retail is restoring meaning to the role of the retailer by uniting all its stakeholders around a wide-ranging movement: "Campaigners for good, health and local". Through this sustainable initiative, which was launched in April 2017 in 14 countries, Auchan Retail is seeking to actively contribute to the balanced diets of all its customers and to the pleasure of eating, while ensuring that its actions are environmentally friendly.

Auchan Retail selects local, fresh and seasonal products, develops responsible sources, supports associations via its foundations and trains its employees and actively encourages their wellbeing. Wherever they are around the world, Auchan Retail's 345,000 employees campaign for responsible discounting and for a business that places people at the heart of its concerns.





Auchan.ru

ПРОДОЛЖАЙТЕ ПОКУПКИ ОНЛАЙН

Товары для дома и семьи



Ашан
ГАРАНТ НИЗКИХ ЦЕН



Auchan.ru
ПРОДОЛЖАЙТЕ ПОКУПКИ ОНЛАЙН



Ашан
ГАРАНТ НИЗКИХ ЦЕН

ГИГИЕНА

98

61

82

75

19

72

ЖЕНСКОЕ ПОДП

ЖЕНСКОЕ НИЗКО

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AUCHAN RETAIL RUSSIA

PORTRAIT

Auchan Retail began retailing in Russia in 2002 when it opened its first hypermarket in Mytishi, in the Moscow suburbs. The company has a presence today in more than 112 towns, from St Petersburg to Barnaul, or in Moscow.

With 307 stores over four formats (hypermarkets, superstores, supermarkets, ultra-convenience stores), all supplemented by a retail website launched in 2010, Auchan Retail Russia today serves 475 million customers. One of the leaders in the Russian food retail market, the company has 41,000 employees and is the country's largest foreign employer.

307 stores

3rd largest food retailer in Russia

41,000 employees

1st foreign employer in Russia

MULTIFORMAT AND PHYGITAL RETAILER

AUCHAN RETAIL RUSSIA HEADS TOWARDS A SINGLE BANNER

15 years after first its opening in Russia, **Ашан** has established itself as the favourite brand of Russian consumers. For the third year in a row, it was voted the favourite brand of Russian consumers in the retail category. 200,000 people voted for the quality of products and services offered by **Ашан** employees in Russia.

In line with Auchan Retail's worldwide vision, Auchan Retail Russia is currently in the process of converging all its food formats under this banner - hypermarkets, supermarkets, superstores and ultra-convenience stores - all supplemented by the auchan.ru website.





HYPERMARKETS

The hypermarket is Auchan Retail Russia's premier and largest format, adding to its appeal by offering the full product range and the latest innovations. Auchan Retail opened its first hypermarket in Mytishi, in the Moscow suburbs, in 2002. Today, 62 AaH hypermarkets, with a floor area of between 8,000 and 20,000m², offer up to 55,000 SKUs.

E-COMMERCE

auchan.ru supplements the non-food offering for customers in each of the formats. Auchan Retail Russia launched its sales website in 2010. It now offers 40,000 SKUs. Linked to all the physical formats to increase the product range, it also offers delivery to 2,000 collection points countrywide as well as home delivery.



SUPERMARKETS

In October 2016, the first АшаН supermarket was opened in Moscow offering a new, decidedly multi-channel model. Intended to meet the daily needs of residents and offering, in stores with a floor area of between 500m² to 3,000m², a varied range of food and non-food products, the 189 Russian supermarkets are gradually moving under the АшаН banner. 23 have already adopted the new concept, installing, for example, a real bakery.



SUPERSTORE

A king in town with its magnified fresh market and essential non-food offer, superstores have a floor area of between 2,000 and 6,000m². They rely on the strength of traditional fresh products and offer up to 15,000 SKUs. Passionate about their work, the teams of artisan butchers, bakers, fishmongers, etc. add value to their products and offer personalised advices to customers. Deliveries to the city centre enhance the customer experience.

Auchan Retail has opened 30 Auchan City superstores in Russia.



ULTRA-CONVENIENCE STORES

The launch of the first two Moy АшаН ultra-convenience stores in 2016 was met with surprise in Moscow's liveliest neighbourhoods.

With floor areas of between 200m² and 600m², this format offers a wide choice of day-to-day products, together with a range of "homemade" ready-to-eat products, breads and pastries, to satisfy customers' snacking needs.

Auchan Retail Russia now has 13 ultra-convenience stores.

INNOVATION

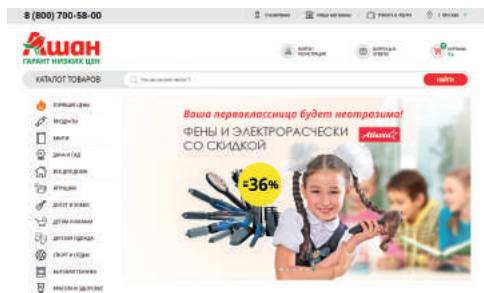
PROTOTYPING POINTS OF SALE,
ENHANCING THE CUSTOMER EXPERIENCE,
DIFFERENTIATING FORMATS, ETC
**AUCHAN RETAIL RUSSIA IS EXPERIMENTING
NEXT-GENERATION RETAILING**

AUCHAN RETAIL IS COLLABORATIVELY REINVENTING THE CUSTOMER EXPERIENCE

Innovation is no longer an option, it's a state of mind. In Russia, like everywhere else in the world, Auchan Retail has developed an innovative ecosystem to offer its customers a continually improved experience. Launched in 2014, Click & Collect is now available in all stores. Result: 85% of Internet orders in Russia are collected from the self-service collection points.

Auchan Retail Russia is also setting its sights on m-commerce. Developed in partnership with two start-ups, its mobile app will be launched at the end of 2017 and will incorporate Auchan Pay: a payment solution (wallet), from the beginning of 2018.

At Moy **Ашан**, Auchan Retail Russia has installed innovative technologies for the Russian market and is reinvigorating the customer experience: LED screens and lighting, electronic labelling, aroma marketing, etc.



AUCHAN RETAIL USES AUDASTORES TO SWIFTLY PROTOTYPES ITS VARIOUS FORMATS

Born out of the Auchan Retail Vision, Audastores are stores that act as full-scale prototyping laboratories where new merchandising, implementation and brand expression methods are tested under real conditions. Each country is currently involved in creating an Audastore for each format.

Two Audastores are now operational in Russia. Both based in Moscow, the first is a hypermarket and the second is an ultra-convenience store.

**IN EVERY COUNTRY,
AUCHAN RETAIL IS DEVELOPING
FORMATS THAT MEET LOCAL NEEDS**

In addition to standard formats, Auchan Retail uses differentiating models to meet the specific, local needs of consumers in each country.

> LILLAPOIS

On 19 August 2016, Auchan Retail launched a new concept in Moscow: LillaPois. A Russian offshoot of the differentiating format launched in Italy in 2014, this 200m² space is dedicated to care, health and beauty. The country now has 3 stores.



> NACHA RADOUGA

Nacha Radouga is the Auchan discount format, designed for towns with between 100,000 and 500,000 residents.

Based on self-service checkouts and polyvalent employees, this discount model, launched in 2009, was recognised as the best concept in Russia in 2011.

With floor areas of between 4,000 and 5,000m², the 10 Nacha Radouga stores offer 12,000 SKUs (70% food products and 30% non-food products).

CAMPAIGNERS FOR GOOD, HEALTH AND LOCAL

AUCHAN RETAIL RUSSIA STRIVES, ON A DAILY BASIS, TO ACT IN THE INTERESTS OF ITS CUSTOMERS, EMPLOYEES, SOCIETY AND THE PLANET

In all countries in which it operates, Auchan Retail uses its know-how to offer consumers good, healthy and local products, looking out for the well-being of its customers and employees, promoting a more humane and environmentally friendly society. This active campaign is rolled out on a country-by-country basis so that it can be adapted to local situations.

As the 3rd largest food retailer in the country, Auchan Retail Russia plays an active role in developing Russian agriculture and in promoting high-quality food.

The company has also launched *Quizz*, Auchan Retail's well-being *MOOC*, for its employees. As an additional measure, the stores roll out specific initiatives co-developed with the employees.



AUCHAN RETAIL RUSSIA TAKES CARE OF ITS EMPLOYEES

In July 2017, Auchan Retail Russia launched its Health project by launching *Quizz*, Auchan Retail's well-being *MOOC*, in all countries. Do you have a question about an ingredient? Do you need health advice? *Quizz* is an educational and fun platform that is teeming with recommendations, tips and practical information to help you take better care of yourself and your family.

At the same time, employees, like the cashiers at Auchan Sokolniki, suggest job-specific training courses. Employees voted to hold the first two sessions on exercises for better posture.



A PANEL OF RUSSIAN EXPERTS TO PROMOTE HEALTHY EATING

IN TAMBOV, AUCHAN RETAIL CREATES THE FIRST MEAT SUPPLY CHAIN IN RUSSIA

A pioneer with almost 20 years' experience of creating sustainable partnerships in agriculture, Auchan Retail is exporting its know-how to Russia. In July 2017, the company opened its own meat processing factory in the Tambov region, near the village of Streltsy, 450km from Moscow. Auchan Retail thereby offers sustainable prospects for local farmers while guaranteeing to its Russian consumers the traceability of high-quality meat.

In its start-up phase, this factory is designed to process pork. From 2018, it will process beef and other small livestock. Initially, production capacity shall be around 250 tonnes of finished product per week, with the aim being to reach 1,400 tonnes per week within 5 years, covering fifty per cent of the demand of group stores in the country.

€ **51** m of investment

14,000 m²

300 employees

To help its customers adopt a healthy eating, Auchan Retail has created expert panels for all countries that bring together independent scientists. Nutritionists, cancer specialists, allergy specialists, toxicologists and sociologists share their expertise with Auchan Retail's teams, issue recommendations, approve decisions adopted and improve the composition of Auchan products. In Russia, this panel includes among its members representatives of the Russian Research Institute for Food and Biotechnology, the Russian Research Institute for Occupational Medicine and the Moscow N1 Medical University.



Le traitement
des carcasses
et des demi-carcaasses



La réception
de la viande
de bœuf sous
le contrôle
du service vétérinaire



Le désossage
sur les lignes
verticales, le parage



La fabrication
des demi-produits



L'emballage,
l'étiquetage
et la logistique



La vente

PLACING PEOPLE AT THE HEART OF ALL IT DOES

AUCHAN RETAIL RUSSIA THREE TIMES VOTED BEST EMPLOYER OF THE YEAR

AN AMBITIOUS HUMAN PROJECT ENHANCED AT THE LOCAL LEVEL

In order to change its customers' lives, Auchan Retail relies primarily on its 345,000 employees. As such, the company has developed a project that aims to take care of each and every employee, at all times while they work at Auchan. Put together jointly with employees through based on the expectations expressed in the 2016 commitment and satisfaction survey, answered by 84% of employees, it covers three major areas: "I want a sense of well-being", "I want to achieve my ambitions" and "I want a job that has meaning". To meet these expectations, Auchan Retail has made nine commitments which, from 2017, take the form of global and local initiatives.



HEALTHY EATING JOURNEYS IN STORE

Auchan Retail Russia employees are committed to welcoming children from nearby orphanages and social service establishments into stores to increase their awareness of the basics of good nutrition. Using a shopping basket of products, they learn a few simple rules for cooking dishes that are both tasty and healthy. A way of giving meaning to their jobs.



6 YOUNG TALENTED RUSSIANS BROUGHT INTO THE EXECUTIVE GRADUATE PROGRAM

In 2016, Auchan Retail welcomed the first intake of its Executive Graduate Program, a four-year international course run with and accredited by two major French business schools, Essec and CentraleSupélec. Open to both young managers at Auchan Retail and young graduates from universities and major engineering and business schools, the first intake welcomed 21 participants from 9 countries (China, Spain, France, Hungary, Italy, Poland, Portugal, Poland and Russia).

This programme brings together talented individuals from all backgrounds and trains them in the Auchan Retail's business and structures, so that, after four years, they are able to move into managerial posts in the various countries.

Oksana, Karina and Vladislav are the three talented Russians in the first intake. They are currently following this training course, built around theoretical and practical teaching ("blended learning", co-development, "reverse mentoring", a six-month international experience, seminar in China, etc.).

Building on the success of the first intake, the Executive Graduate Program welcomed its second intake in September. Elena, Anna and Alexey have recently joined the scheme.



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ABOUT AUCHAN RETAIL

Operating in 17 countries, Auchan Retail's brands are present in all food retail formats with 3,715 points of sale: hypermarkets, superstores, supermarkets and convenience stores, alongside online shopping and Drive outlets in certain countries. To build a successful and modern retail model, Auchan Retail ensures that its customers are always a core concern, through discount pricing, the choice and diversity of its offering, quality of service, tailoring to local markets and factoring in of multi-channel shopping trends.

2016 FIGURES

€51.7 billion in excl. taxes revenue
35th largest employer worldwide
345,365 employees
262,977 employee shareholders
11th largest food retailer worldwide
2.7 billion customer checkouts

www.auchan-retail.com

www.rapportannuel2016.auchan-retail.com



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Auchan Retail

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