



ANNUAL AND
SUSTAINABILITY REPORT

2015



WELCOME

This is the eighth consecutive year that GPA has published its Annual and Sustainability Report. In this publication, we recount the principal achievements of the Group and its businesses in 2015.

For the sustainability indicators, the report follows the methodology utilized internationally by the Casino Group and considers the topics of most importance to GPA, as identified by means of a survey of materiality conducted in 2014.

If you would like to comment on the content of this report, email us at comunicacao.corporativa@gpabr.com.

Your opinion is most welcome.

Good reading!



This symbol will appear in the Report whenever the content addresses the capture of synergies among the Group's businesses.



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1 MESSAGE FROM THE BOARD OF DIRECTORS

It is with confidence that I present GPA's results for 2015. During this very challenging year, discipline, commitment and professionalism were instrumental in lending continuity to the Company's sustainable growth strategy and consolidating our leading position as a Brazilian retailer.

We have achieved our goals and are now a better company, proving that our efforts have paid off.

In 2015, we strengthened our multi-format, multi-channel and multi-regional performance. We invested in remaining competitive and in a strong integration plan, which allowed each business model to focus even more closely on the customer and further develop its core activities.

Highlights included major improvements in internal processes and the capture of synergies. GPA maintained its expansion plan, which reflects our long-term strategy and confidence in Brazil. One hundred and eighteen new stores were opened, paying special attention to higher-return formats, guided by excellent customer service and respect for our stakeholders' interests.

Over the year, sustainability was further consolidated as one of the Company's strategic goals and was integrated into several high-impact projects, in keeping with the Casino Group's guidelines.

“ GPA MAINTAINED ITS EXPANSION
PLAN, WHICH REFLECTS OUR
LONG-TERM STRATEGY AND
CONFIDENCE IN BRAZIL ”

We base our actions on good corporate governance practices which, along with the major initiatives implemented in all of GPA's undertakings, made it possible to end the year better prepared for the challenges we face in an even more demanding economic environment than we have been observing in Brazil. With our business model, the rigorous implementation of our plans and the quality of our professionals, we are confident that we will continue on the pathway to success.

In 2016, we will continue to defend the values that make us strong – combining respect for local cultures and corporate spirit with innovation – in offering products and services that meet customers' needs and the new demands of society and our stakeholders. We will continue to apply principles that promote social development, the appreciation of diversity, responsible management and the delivery of consistent results.

Confident in the Brazilian economy's ability to bounce back, and in order to effectively respond to evolving consumer behavior, we will continue investing in all types of formats, especially cash & carry, premium and convenience outlets.

On the strength of their engagement and professionalism, I know that the management teams and all our employees, supported by the Board of Directors, will create the right conditions for achieving excellence, to best serve the needs of our customers.



Jean-Charles Naouri
Chairman of the Board of Directors

2 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The year 2015 was one of great challenges for Brazil, and a period in which resilience and commitment were even more determinative for achieving results and overcoming obstacles. Once again, GPA, focused on meeting its clients' demands through its multi-format, multichannel and multiregional approach, followed through on its strategy and, together with important adjustments in operating processes and to the economic scenario, reached its objectives.

In 2015, we invested in a robust plan for synergies, especially in back-office areas, so that each business unit could focus even more on its objectives, evolving and reinforcing its competitive edges.

This was also a year in which, despite the challenging environment, we followed through on our plan for organic growth and arranged to open 118 stores, with an emphasis on the proximity models, with the *Minuto Pão de Açúcar*, and wholesale self-service, with *Assaí*.

At *Assaí*, we opened 11 new stores and gained market share. The chain posted solid net sales growth of 25.5% for the year, and EBITDA growth of more than 40%, and generated, for the first year, sufficient cash to finance its own growth.

With total focus on identifying client demands at their different times of purchase at the various formats, we made progress in projects that contributed significantly to offering the best buying experience at each of our stores. Thus, we evolved in offering products and services in keeping with the positioning of each

banner; we expanded innovative projects, as in the case of the Mobile Stores, at Via Varejo and at *Extra*, and in the expansion of the *Minuto Pão de Açúcar*; and advanced in opening *Assaí* units, among other initiatives. These actions, beyond contributing to evolving sales, have ensured advances in market share.

At Multivarejo, the banners showed flexibility and agility in adapting the mix of products and services, each following its calling and positioning, in accordance with client needs and as compatible with the economic context.

Pão de Açúcar once again reinforced its leadership in the premium supermarket segment, and has been recording successive gains in market share for two consecutive years. The proximity format enjoyed increased customer traffic and sales, and offered, through the *Minuto Pão de Açúcar* and *Minimercado Extra* brands, different models of stores in accordance with the different profiles of the clientele served by their banners.

At *Extra*, we continued our strategy for competitiveness and modernized 62 hypermarkets and supermarkets. These measures contributed to the recovery of client traffic and improved sales. Nonetheless, the banner's results fell short of the Company's objectives. For the next year, the focus will be on continuing to revitalize the stores and the competitiveness of prices, reinforcing the quality and mix of perishables and reducing breakage, toward improving operating efficiency and maintaining the profitability of the format.

Via Varejo, even in a challenging environment for the durable household goods market, advanced in measures to adapt the Company to the scenario, and made adjustments in its structure, optimizing processes and rationalizing expenses. Furthermore, the intensification of commercial initiatives as of the third quarter facilitated recovering market share and a better level of sales.

At Cnova, it is worth noting that this was another year of GMV growth and increased marketplace participation, and of development of actions focused on improving client service.

In keeping with Casino Group guidelines, GPA has Sustainability as a strategic pillar and is reinforcing its five commitments: Valuing Our People; Conscientious Consumption and Supply; Transformation in the Chain of Value; Managing Environmental Impacts; and Engagement with Society. In 2015, all the banners developed important actions for each of these themes. We saw important results in diversity with our goals for hiring people with special needs, and we worked in effective actions to promote women's participation in positions of leadership. We also remained committed to mitigating risks to the environment, playing a positive role in society, in keeping with the principles of the United Nations' Global Compact.

This was a year in which we also evolved in the practices of governance at all our businesses. We have active committees and have developed processes that seek to ensure benefits for all those involved, always respecting the rights and interests of our stakeholders. GPA has always had as principle the respect for the laws and regulation,

which added by ethics and integrity commitments, constitutes the main basis of our Compliance Program.

We have a better company and are better prepared for 2016. We will remain fully focused on the client, while maintaining rigor and discipline in investments and in actions that will ensure the Company's sustainable growth, generating value for our shareholders and for society.



Ronaldo Iabrudi
Chief Executive Officer



3 GPA

WHO WE ARE

GPA, a company in the Casino Group, is **Brazil's largest retail and distribution group**. Headquartered in São Paulo, the Company closed 2015 with more than 160,000 employees*, 56 distribution centers and 2,181 stores spread among 20 Brazilian states and the Federal District.

To meet the demands of its diverse client profiles at their various times of purchase, GPA has a **multichannel, multi-format and multiregional approach**. With five Business Units, the company brings together some of the most recognized brands in Brazilian retail.

GPA has been committed to Sustainability for many years, and this is being reinforced in keeping with the vision of the Casino Group. Each business has developed actions that set them apart, whether in offering products and information for more conscientious consumption, in implementing actions to reduce its environmental impact, or in the programs to value employees and engage society.

¹ The number of employees also contemplates employees on leave.

BUSINESS UNITS

Multivarejo

– Brings together the retail food segment operations, with the *Pão de Açúcar*, *Extra*, *Minuto Pão de Açúcar* and *Minimercado Extra* chains, and manages stations and drugstores that operate with these banners. The Business Unit is also responsible for the exclusive brands division, with *Qualitá*, *Taeq*, *Finlandek*, *Club des Sommeliers*, *Casino*, *Pra Valer* and *Caras do Brasil*.



Proximity

A solution for clients seeking day-to-day convenience and practicality under different models of stores that operate with the *Minimercado Extra* and *Minuto Pão de Açúcar* brands. The stores have approximately 300 m2 of sales floor. There are 311 stores, including 249 *Minimercado Extra* and 62 *Minuto Pão de Açúcar*.



Pão de Açúcar

GPA's premium supermarket format, it offers products ranging from the basics to the most sophisticated. The chain is known for pioneering launches and offering innovative services in retail, such as wine consultants and attendants specialized in cheeses. In 2015, the banner continued to be a point of reference in promoting concepts of healthfulness and sustainability, bringing innovations to customers, whether through existing programs like the recycling stations and the *Caras do Brasil* line of products, or through new initiatives like the Sustainable Food Truck. The banner also has a delivery system for on-line sales at www.paodeacucar.com.br. In 2015, the chain had 185 stores.



Extra

The brand operates hypermarkets, supermarkets and e-commerce for foods, with *Extra Delivery*, as well as drugstores and fuel stations. Under the one-stop-shopping concept, it offers clients a great variety of products and services, at competitive prices. It had 137 hyper stores and 199 super stores. The *Extra* stores have sought to increase their operating efficiency, whether through reducing the consumption of natural resources, building awareness among their customers and employees regarding food waste, or the work of engaging the communities surrounding the stores.

Assaí Atacadista

Acts in the wholesale self-service (cash & carry) segment, focused on serving clients from micro- and small companies, as well as end consumers seeking savings in bulk purchases. The chain ended the year with 95 stores. Assaí's recently inaugurated stores bring outstanding energy, water and operating efficiency, and the banner continues to expand its sustainability programs for customers and employees.



Via Varejo

— A leader in the retail segment, specializing in durable household goods and furniture, Via Varejo is present in more than 400 municipalities in Brazil, with bricks-and-mortar stores with the *Casas Bahia* and *Pontofrio* brands. In 2015, Via Varejo reinforced its sustainability actions in its operations, including the *Reviva* program, which aims to recycle wastes from the stores, and the social projects of the Fundação Via Varejo. Via Varejo is a publicly traded company whose shares are listed (VVAR11) on the BM&FBovespa.



Casas Bahia

Active 58 years in the national market, *Casas Bahia* sells appliances, durable household goods and furniture. The chain's mission is to make its consumers' dreams come true, offering facilitated access to credit, and working with a management model focused on simplicity, respect and total dedication to clients, employees, suppliers and commercial partners. With 760 stores, it is present in 20 states and the Federal District.

Pontofrio

With 254 stores, the banner is focused on providing to the diverse client profiles a broad supply of technology suitable to their needs and items that best adapt to their day-to-day lives. It works with a great variety of products and services, and offers forthcoming and specialized service both during and after sales.





Cnova

Created in June of 2014 based on the association between Cdiscount and Nova Pontocom, Cnova is one of the largest e-commerce companies in the world, bringing together operations in the segment in seven countries, including Brazil and France. In Brazil, the operation includes Extra.com.br, Pontofrio.com, CasasBahia.com.br, Cdiscount.com, Barateiro.com and Partiuviagens.com.br, as well as B2B solutions through the eHub.com.br and *Pontofrio Atacado* platforms. The Company also provides advertising solutions on the sites, customized reports for the industry and a marketplace (a sales model that aggregates offers from different stores on a single site, with the possibility of making various purchases in a single transaction). Cnova's shares are listed on the NASDAQ and Euronext Paris.

GPA Malls

The Business Unit responsible for managing real estate assets and administering commercial spaces operated by the Group's stores.



WHERE WE ARE

2,181 STORES IN BRAZIL

TOTAL STORES BY BRANDS AND FORMATS

 760

 254

 336

 249

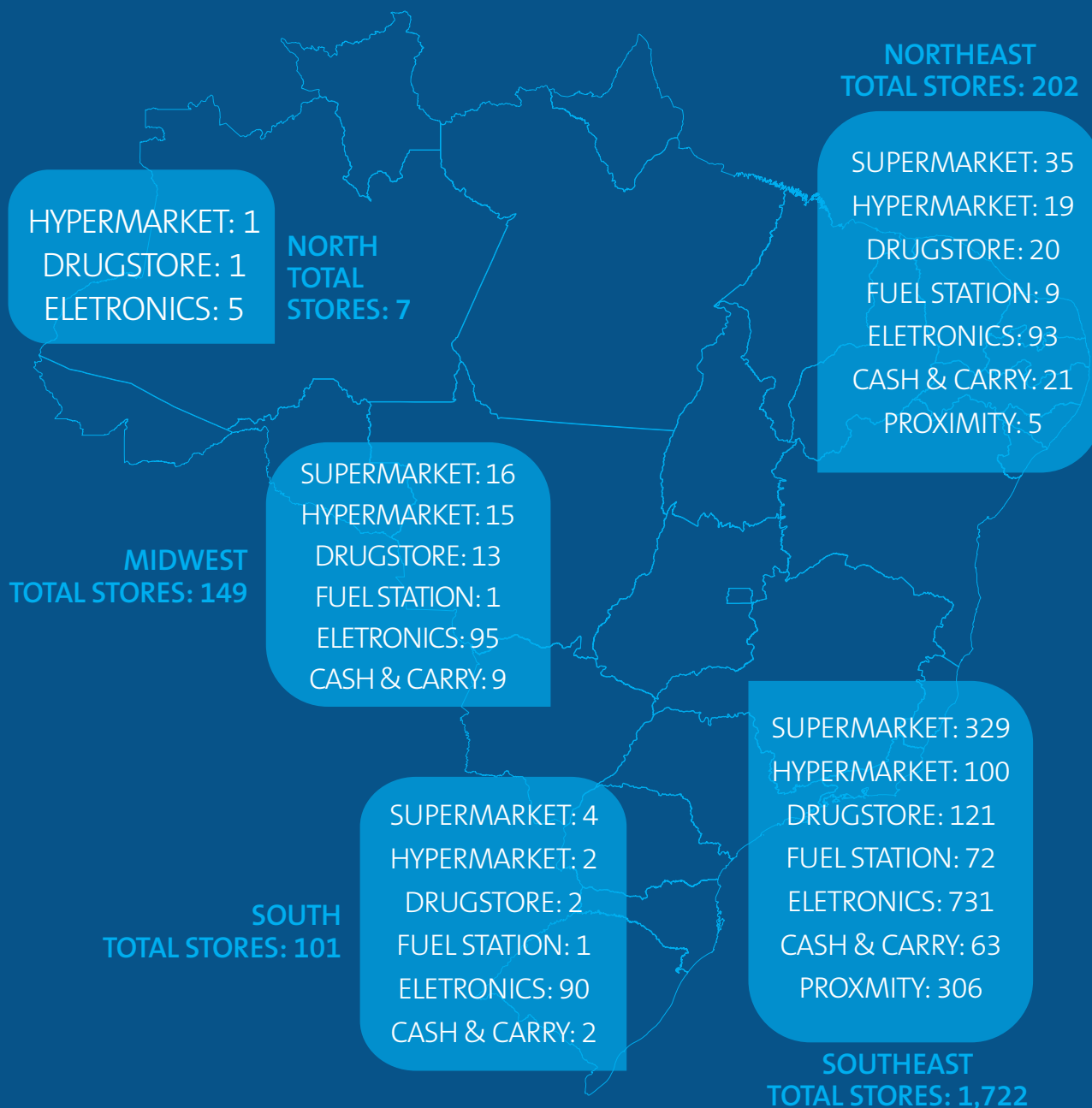
 185

 157

 83

 95

 62



HIGHLIGHTS OF THE YEAR

Closed the year with invoicing of R\$76.9 billion and 2,181 stores.

Reached inclusiveness of 4,286 employees with special needs, an increase of 34% over the prior year.

Hosted the Brazilian Encounter of the International Labor Organization's Global Business and Disability Network, with approximately 170 participants.

Released GPA's Letter on Commitments for Diversity.

Rationalized expenses and reduced costs at all the businesses.

Launched the internal Diversity campaign, "Equal is being different like everybody".



Broke a record with the 2015 Day of Solidarity, collecting 700 metric tons of food.

Collected more than 13,300 metric tons of recyclable materials with *Pão de Açúcar* and *Extra* recycling stations, which were donated to cooperatives.

Advanced in capturing synergies among the businesses, simplifying processes and ensuring better efficiency, highlighted by back office departments.

Reinforced controls and programs to monitor the chains of value: GPA directly conducted 12 social audits with the *Initiative Clause Sociale* (ICS) methodology at suppliers' factories.



Assaí's net sales grew 25.5% and it had strong organic expansion, inaugurating 11 stores, resulting in advances in market share.

*Multivarejo inaugurated 73 Proximity stores (27 *Minuto Pão de Açúcar* and 46 *Minimercado Extra*), as well as 5 new *Pão de Açúcar* units, 1 *Extra Supermercado* and 1 fuel station.*

*Multivarejo's exclusive brands took on 215 new items in 2015, and it tries to bring products for more conscientious consumption among customers, like *Taeq* brand products or organic products.*

**Pão de Açúcar* focused on monitoring, improving the level of service, differentiating customer service and a mix always filled with new items afforded continuous gains in market share over the last 24 months. Forty-one stores were revitalized in 2015, with investment for the banner in improving equipment and in client comfort.*

Investments in store remodeling reached their highest level in the last three years. The modernizations took place at all the banners in the Food segment, with greater emphasis on the *Extra* banner. Actions in energy efficiency implemented at 137 *Extra Hiper* stores are a focus in these remodels and afforded 25% energy savings.



Via Varejo implemented measures to improve operating efficiency, like moving to a more suitable headcount, optimizing expenses and closing stores with losses. The company gained market share in the last quarter of the year and assured its position of leadership in the market.

Cnova tripled the number of Cnova marketplace stores in one year: more than 1000 partners, offering more than a million products.

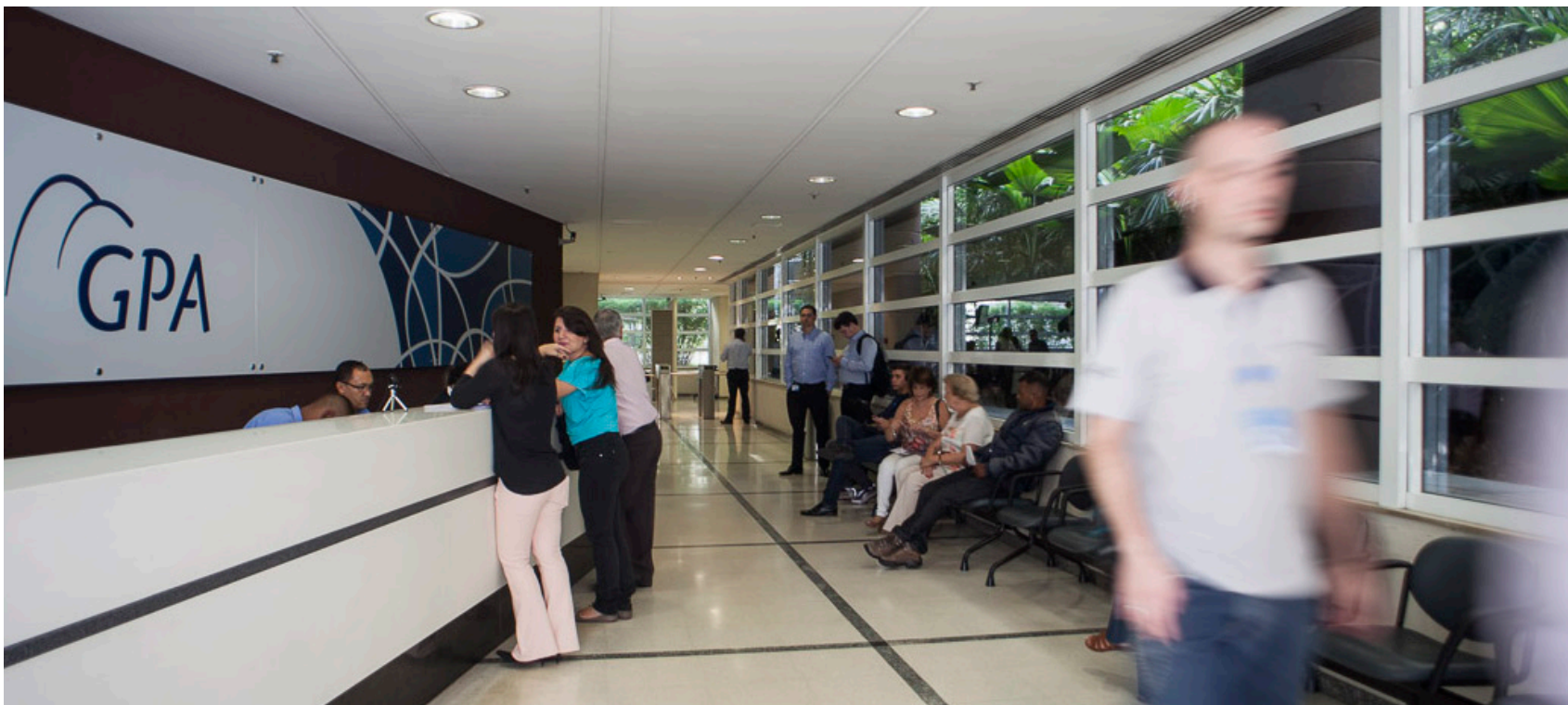
Increased the number of stores participating in the Click & Collect project from 100 in 2014 to more than 1,300.



COMMITMENTS

GPA is a signatory to principles and pacts developed by national and international institutions, and participates in discussions of the sector and in relation to good practices and sustainability.

- **The Global Compact** – Since 2001, GPA has been a signatory to the Global Compact, a UN initiative to engage the private sector to conduct business following commitments relating to human rights, labor relations and the environment, among other areas.
- **Instituto Akatu** – Since 2003, GPA has been a strategic partner of the *Instituto Akatu*, which works to raise consciousness and mobilize society for conscientious consumption.
- **Instituto Ethos** – Since 1999, GPA has been associated with the *Instituto*, whose mission is to mobilize, sensitize and help companies manage their business in a socially responsible manner.
- **National Pact to Eradicate Slave Labor** – Committed to abolishing from its chain of production companies that utilize slave- or slave-like labor, GPA signed the National Pact to Eradicate Slave Labor in 2005.
- **Associação Cempre** – GPA joined the Business Commitment to Recycling (*Compromisso Empresarial para Reciclagem* - Cempre), which promotes the concept of integrated management of solid municipal waste, post-consumption recycling and environmental education with a focus on the theory of the three Rs (reduce, reuse and recycle).
- **ABVTEX (Associação Brasileira do Varejo Têxtil)** – Participation seeks to promote and defend the interests of the textile and clothing industry and trade.
- **Pact on the Right Way** – GPA adhered to the *Pacto na Mão Certa* in 2012. The initiative is promoted by *Childhood Brasil* and the *Instituto Ethos*, toward encouraging companies to publicly commit to engage in actions to fight the sexual exploitation of children and adolescents along Brazilian highways.
- **Abras (Associação Brasileira de Supermercados)** – GPA is associated with the Abras, an association representing the Brazilian supermarket sector, which maintains an open dialogue in negotiations with municipal, state and the federal governments.
- **Apas (Associação Paulista de Supermercados)** – GPA is a member of the Apas, a trade group that brings together supermarket businesspeople in the state of São Paulo with the objectives of integrating the chain of supply, professionalizing the sector, guaranteeing excellence in operations and noting retail trends.



HOW WE OPERATE

GPA operates with a broad portfolio of businesses, consisting of supermarkets, hypermarkets, proximity stores, units specialized in durable household goods, furniture and e-commerce, as well as fuel stations and drugstores. The Group is focused on serving the different client profiles and the diverse purchasing needs of Brazilian consumers.

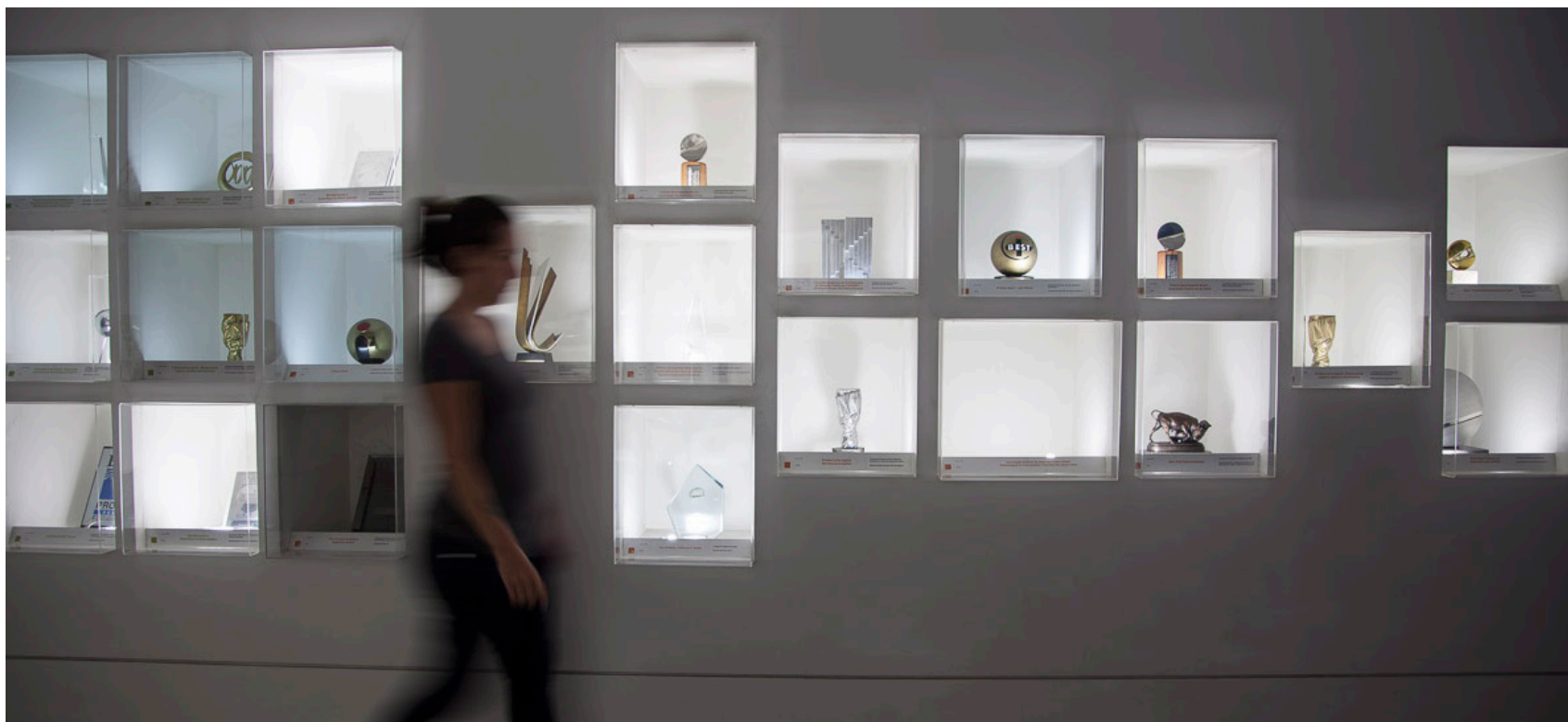
The Company has, among its priorities, the client as the center of decisions, with the generation of value to its investors and to society, disseminating its culture of activity guided by social responsibility and ethics. The Group's sustainable growth is, among these premises, directly connected with seeking excellence in the model of governance and of management, in relationships with its stakeholders and in the engagement of employees.

CORPORATE GOVERNANCE

GPA adopts solid corporate governance policies guided by transparency and respect for society, investors and shareholders. The Group's management model encompasses all its Business Units, respecting the characteristics and positioning of each banner, while developing a corporate vision of the processes, with institutional administration in the context of the Group.

The Company is listed on Corporate Governance Level 1 of the BM&FBovespa, has adopted the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and follows the requirements of the Brazilian Securities

Commission (*Comissão de Valores Mobiliários* - CVM) and the BM&FBovespa. Outside of Brazil, GPA is subject to the regulation of foreign companies listed in the United States, by the U.S. Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE). Via Varejo joined BM&FBovespa Corporate Governance Level 2 in 2013. Cnova NV shares are in turn listed both on NASDAQ, the electronic stock exchange in New York that brings together large technology and e-commerce companies, and on Euronext Paris.



Best practices

In addition to following the guidelines of the Sarbanes-Oxley Act (SOX), the Company constantly tries to improve management through actions that go beyond those required for companies listed on Corporate Governance Level 1. For this reason, there are five independent members (45% of the total) on its Board of Directors. There is also an Ethics Committee composed of executive officers, and a Committee on Disclosure and Trading, to discuss compliance with the Company's Policies for Securities Trading and the Disclosure and Use of Material Information and the Safeguarding of Confidentiality. In February of 2015, the Company also developed and published a new version of its Related-Party Transaction Policy.

Model of governance

In the model of governance adopted by GPA, the two main bodies – the **Board of Directors** and the **Board of Executive Officers** – have well defined roles and responsibilities for the conduct of the businesses:

- Responsible for the general orientation of the businesses, the **Board of Directors** currently has 11 members: 3 representing the Casino Group, 3 representing the Éxito Group, and 5 independent directors. The members have mandates of two years, and reelection is permitted. The responsibilities of the Board of Directors include conducting the corporate governance process, electing officers and supervising upper management.

The Board of Directors is currently supported by five Advisory Committees formed by representatives of the Board of Directors itself and by external members specializing in their areas of activity. The members of the Board of Directors and of the Advisory Committees, including the external members, receive fixed monthly compensation unrelated to their actual participation in meetings. This form of compensation is in line with general market practice and the Company's interests.

- **The Board of Executive Officers** is formed by professionals with market experience, and its principal task is to follow the guidelines relating to managing the businesses established by the Board of Directors. Its members are compensated as follows: (i) fixed compensation reflected in a base salary; (ii) sharing in the Company's results, in accordance with previously established goals; and (iii) a stock option plan. The evaluation of the executives follows a meritocratic and behavioral model, which encompasses self-assessment and evaluation by superiors, peers and subordinates, based on competencies expected of the function exercised.

Both the Board of Directors and the Committees conducted self-assessments of their activities in 2015, an annual procedure called for in the respective internal regulations focused on identifying the possibilities for improvement in the form of actuation of each body, which process culminated in revising these internal regulations and preparing plans of action.

Advisory Committees

- **Audit Committee:** Formed of three independent members, of whom two are external. Its principal attributes are: analyzing the quality and integrity of the financial statements, quarterly information and the report of the administration; evaluating the effectiveness of the structure of internal controls and the internal and independent audit processes; ensuring compliance with the Company's Related-Party Transaction Policy and evaluating it; and monitoring the risk exposures of that policy.
- **Finance Committee:** Formed of three members, of whom one is independent, the Committee's principal attributes are: recommending and monitoring the adoption of the best economic and financial standards, as well as the process of implementing and maintaining these standards; analyzing and reviewing the budget; analyzing and reviewing the economic and financial viability of the investment plans and programs; analyzing, reviewing and recommending measures and actions for negotiating any mergers and acquisitions or any similar transaction involving the Company or any of the entities it controls; analyzing and reviewing economic and financial indices, cash flow, and the Company's policy on indebtedness; monitoring the average cost of the capital structure, and evaluating and discussing alternatives for raising new funds; analyzing and recommending opportunities in relation to financing, in addition to analyzing and discussing the needs for working capital; assisting the Board of Directors and the Board of Executive Officers in analyzing the Brazilian and global economic environments and their potential impacts on the Company's financial position; and monitoring standards for trading in securities.
- **Human Resources and Compensation Committee:** Composed of five members, including one who is independent, its main tasks are to discuss and propose the model for the Company's organizational structure; assess and propose to the Board of Directors policies for managing and developing personnel, as well as guidelines to attract and retain talent; identify potential leaders and accompany the development of their careers; examine and debate the methods adopted for recruitment and hiring; examine the candidates to be chosen for the Board of Directors and Committees; examine and recommend to the Board of Directors the candidates for the position of CEO, as well as the candidates selected by the CEO for the Board of Executive Officers; examine and discuss the compensation policy for members of the administration; periodically present to the Board of Directors their assessment of the efficacy of the compensation policies; and debate and propose to the Board of Directors criteria for the annual performance evaluation of the Officers, as well as make recommendations for the individual assessments of the Board of Executive Officers.

- **Sustainable Development Committee:** Composed of three independent members, of whom one is external. Its main tasks are to monitor best practices for sustainable development; review the annual reports; assess new business formats in accordance with best practices for sustainable development; help promote responsible use by interested parties; recommend modifications in the Company's investment strategies; recommend waste management programs; and encourage small producers and food safety.
- **Corporate Governance Committee:** Composed of five members, of whom three are independent. Its main tasks are to monitor best practices and policies for corporate governance; ensure the proper functioning of the bodies; review the Bylaws, codes, practices and internal regulations; report to the Board of Directors on market practices and regulations; monitor the implementation of legal requirements; monitor and review the Related-Party Transaction Policy; and manifest itself on situations of conflict of interest. In 2015, it reviewed the Related-Party Transaction Policy.

Related-Party Transaction Policy

In 2014, the Board of Directors approved GPA's Related-Party Transaction Policy. The Company's upper management has systematically monitored all the decisions and affairs that involve related parties regardless of the amount, provided that transactions in the normal course of business in amounts of up to R\$100 million must be analyzed only by the Audit Committee. GPA discloses its transactions among related parties in its financial statements, and in its *Formulário de Referência*.

Board of Directors*

Members meet in the ordinary course six times per year, and extraordinarily whenever needed. They are elected by shareholders for mandates of two years.



Chairman
Jean-Charles Naouri



Vice-Chairman
Arnaud Daniel Charles
Walter Joachim Strasser



Independent Member
Eleazar de Carvalho Filho



Independent Member
Luiz Augusto de Castro Neves



Independent Member
Maria Helena S. F. Santana



Independent Member
Roberto Oliveira de Lima



Independent Member
Luiz Aranha Corrêa do Lago



Member
Yves Desjacques



Member
Carlos Mario Giraldo Moreno



Member
Filipe da Silva Nogueira



Member
José Gabriel Loaiza Herrera

Board of Executive Officers*



CEO
Ronaldo Iabrudi



Vice-President for Finance
Christophe José Hidalgo



Vice-President for Personnel
Antonio Salvador



**GPA Wholesale Businesses Officer and
President of the Assaí Chain**
Belmiro Gomes



Investor Relations Officer
Daniela Sabbag

*composition until March 22, 2016

*composition until April 27, 2016

Corporate structure

Founded in 1898 in France, the Casino Group is one of the world's leading food sellers, with annual invoicing of 46.1 billion Euros. A shareholder in GPA since 1999, it became the controlling shareholder in June of 2012. On August 21, 2015, it transferred 50% of its indirect stake in GPA to the Éxito Group, a Colombian controlled entity. With the change, the Casino Group came to hold indirectly 50% of the common shares (ON) and 6% of the preferred shares (PN), totaling 22.5% of GPA's total capital, and Éxito 50% of the common shares, with 18.7% of the total capital.

GPA's capital stock (CBD) is represented by 265.7 million shares, including 99.7 million common (ON) and 166 million preferred (PN). The freely traded shares (Free Float) represent 58.7% of the total shares issued.

SHAREHOLDERS	ON	% ON	% TOTAL	PN	% PN	% TOTAL	TOTAL	%
Éxito Group	49.8	50.0%	18.7%	0.0	0.0%	0.0%	49.8	18.7%
Casino Group	49.8	50.0%	18.7 %	9.9	6.0 %	3.7 %	59.7	22.5 %
Officers and Directors	-	0.0 %	0.0 %	0.0	0.0 %	0.0 %	0.0	0.0 %
Shares in Treasury	-	0.0 %	0.0 %	0.2	0.1 %	0.1 %	0.2	0.1 %
Free Float	0.1	0.0 %	0.0 %	155.9	93.9 %	58.7 %	155.9	58.7 %
Total	99.7	100.0 %	37.5 %	166.0	100.0 %	62.5 %	265.7	100.0 %

Capital markets

In 2015, GPA shares (PCAR4) closed the year trading at R\$41.90 on the *Bolsa de Valores de São Paulo* (BM&FBovespa). The average daily trading volume was R\$85 million. Meanwhile, the ADRs (CBD) closed 2015 trading at US\$10.50 on the New York Stock Exchange (NYSE). The average daily trading volume was US\$16 million.

Company shares were traded in 100% of the trading sessions of the BM&FBovespa and the NYSE. At the end of the period, GPA's market capitalization was R\$11.1 billion.

Codes and policies

To ensure efficient management and sustainable practice, GPA's model of Corporate Governance also involves a combination of codes and policies that furnish guidelines and procedures to be followed by all employees and other constituencies. The documents, which are available to be read or downloaded at the Investor Relations site (www.gpari.com.br), are the:

- Code of Moral Conduct (*reviewed in 2015*)
- Disclosure Policy
- Trading Policy
- Related-Party Transaction Policy (*reviewed in 2015*)

Risk management

To ensure assertive action and cement a solid management model, GPA has a corporate platform for risk management that is run by the Office of Risks, Compliance and Internal Controls. The risks – financial, operational, strategic and regulatory – have been mapped, analyzed and prioritized by category, in accordance with their degree of criticality and impact on costs and operations. Their economic, social and environmental aspects have also been considered. These risks are monitored periodically by the Board of Executive Officers for all the Business Units.

In 2015, a variety of actions were taken to improve the company's risk management processes, including:

- Strong action by the Audit Committee, with independent members.

- Creation of the compliance program relating to the anti-corruption law, as well as e-learning training programs for certain groups of employees.
- A communications plan focused on upper- and mid-level leadership, in addition to a specific plan for each constituency.
- Strengthening of a channel for complaints for all the constituencies at all the Business Units.

Model of management

GPA's focus is on the client, and its business strategy is based on offering the best choice, where and how clients prefer, to meet to their demands and priorities.

Beyond the corporate management that governs the Company and its Business Units, 2015 saw the consolidation of the model of specialized management at Multivarejo, with departments for each banner (*Extra*, *Pão de Açúcar*, *Minuto Pão de Açúcar* and *Minimercado Extra*). The objective is to focus more on the strategies and guidelines for each model, constituency and store format.

In 2015, the initiatives for operating efficiency and Group synergies were also expanded. The Business Units stopped assuming services that did not form part of their core business, with the expansion of the SSC (Shared Services Center), better sharing of the Distribution Centers and centralization of other areas in the corporate structure, like Legal and IT. The constant search for possible synergies will continue to be a priority in 2016.



Back office

The pursuit of operating efficiency, simplified processes, rationalized expenses and cost reductions advanced in 2015 with the capture of synergies among the companies in the Group. An independent consultancy was contracted to detail the risks and prerequisites of each action and prepare plans to exploit the synergies. For them to be advantageous to all the Business Units involved, every process to be deployed is analyzed by Executive Committees, which ensure governance during the process. Through the end of 2015, **more than 20 fronts for synergy were discussed with upper management, and in 2016, other actions should be deployed.**

- Information Technology – Since 2014, the department has negotiated with suppliers of services and software to reduce costs on projects and contracts, thanks to sharing and economies of scale at GPA. In the last year, the department's expenses have decreased roughly 20%.
- Maintenance – To have better control of the maintenance services provided and optimize processes, in 2015, the Company conducted a pilot project at 46 Multivarejo stores (*Extra* and *Pão de Açúcar*), focused on maintaining food refrigeration, electricity, air conditioning and generators. The initiative created a centralized maintenance model. In 2016, the project will be replicated at the remaining retail food stores.
- Client Service – A Client Service corporate department was created to standardize the quality of service across all the Group's businesses.

In addition to the work that is being done among GPA's companies, synergies with the Éxito Group were identified, to be progressively captured in upcoming years. The synergies will directly benefit GPA's operations in Brazil and Éxito's in Colombia, Argentina and Uruguay. Some examples include:

- Remodeling the textile strategy at GPA utilizing Éxito benchmarking.
- Combined procurement negotiations with food and other suppliers in Latin America.

- Developing new proximity formats in Brazil and cash & carry in Colombia.
- Combined purchases of operating equipment.
- Combined negotiations on IT, insurance and other contracts.
- Developing loyalty programs utilizing benchmarking from the Éxito companies.
- Putting together a shared services center for Latin America.
- Exchanging best practices in the Malls and Real Estate operations.



Multichannel Approach

The multichannel approach is part of GPA's strategy in offering the best product and service opportunities, in accordance with consumer needs, in order to serve them at different times in the channels of their choice. At the leading edge of the market, and backed by a successful model in Europe, the Click & Collect project, which is called *Retira Fácil*, allows on-line purchases at the sites operated by Cnova to be collected from bricks-and-mortar stores, without any shipping cost, affording more convenience and streamlining for the consumer. In 2014, there were 100 points available for collecting purchases. In 2015, this number grew to more than 1,300 points.



Commercial

GPA's Commercial department is responsible for a front of activities that seeks to improve relationships with suppliers and also access and **create synergies between the Group's various Commercial departments**, and thus promote a broader offering of products suiting client needs.

In the Brazilian domestic market, Via Varejo, backed by its broad expertise in the area, came to operationalize the trade in durable household goods and appliances for Cnova and Multivarejo.

In the context of synergies in Latin America, the countries with companies controlled by the Casino Group will encourage combined negotiations among themselves, whether with local suppliers or combined imports, and also share suppliers.

In 2015, GPA also reinforced the application of the Social Ethics program, which is focused on controlling and monitoring the suppliers with higher social risks in production, in line with the Casino group's guidelines.



Logistics

In 2015, GPA inaugurated the **first Distribution Center (DC) to meet demand at Via Varejo (stocking electronics and furniture) and Multivarejo (groceries and other items)**. Located in Cabo de Santo Agostinho, 7 km from the Port of Suape, an important economic center in Pernambuco, in the Northeast, the 75,000 m² DC can be expanded to 100,000 m², and has installed capacity for 60,000 palettes. The undertaking also began as one of the Company's most technological in terms of lighting and infrastructure.

With the new DC, the local stores will cease to be restocked from São Paulo, improving the level of service, diminishing costs and ensuring agility in supplying products, delivering to clients and the import process. The site will meet part of the growing logistics demands of nine states in the region.

Also in 2015, **the sharing of two DCs between Via Varejo and Cnova, those of Camaçari (BA) and Jundiaí (SP), was consolidated**. The entire operation of the DCs came to be shared, including both freight and structure, which promoted a reorganization of distribution centers by SKU (stock keeping unit – a unit of inventory control). Beyond the cost reduction generated by the sharing, client services and delivery times improved: in the Northeast, delivery times fell from an average of nine days to five.

In Jundiaí, where the Via Varejo Center had operated, Cnova came to occupy a warehouse, centralizing an operation that previously had been handled by two different centers (Aldeia da Serra and Tamboré). With that, there was a 25% **reduction in logistics costs**. For 2016, the objective is for another 24 Via Varejo Distribution Centers and depots to be shared, including the durable household goods sold by Multivarejo. Via Varejo will distribute all these items in common.

TIES STRENGTHENED

Clients are a focus of GPA's strategy and operations, and as a result, the *Pão de Açúcar Mais* and *Clube Extra* programs had important advances in 2015:

Pão de Açúcar Mais – The *Pão de Açúcar* loyalty program completed **15 years in 2015** with roughly **3.8 million clients**, and gained a new **technological platform**. With it, clients can exchange their points for purchase vouchers directly at the cash register, and not only on-line, and decide whether they want to use them at that time. The reformulation of the program also contemplated the launch of a cell-phone app. Another new element is the exclusivity of 100% of the offers available in *Pão de Açúcar* stores directed toward *Mais* clients. In 2016, clients will also receive personalized recommendations for purchases and offers on the app, and get offers from *Minuto Pão de Açúcar* applicable only to them.

- SHARE SALES **68%**

- ITEMS IN THE BASKET: **12.5**
(6.2 FOR NON-LOYALTY CUSTOMERS)

- TOTAL BASE: **3.8 MILLION**
(AN INCREASE OF 20% OVER JANUARY OF 2015)



Clube Extra – The *Extra* loyalty program now has more than 6 million registered clients, growing 71% in its first year in operation. For every R\$1.00 spent at the *Extra* chain (hyper, super and proximity stores, fuel stations, drugstores and e-commerce), registered clients receive one point, which can later be exchanged for purchases. Program benefits include a discount on products and categories, in addition to immediate access to the award bonus at the cash register, where they can use the amount to knock down the total for the purchase. The visual look of the program was reformulated to better fit *Extra* branding. Clients get direct mail with personalized offers in accordance with their profiles, and the promotions for the chain's anniversary campaign were totally dedicated to *Clube Extra* participants.

- SHARE SALES: **36.0%**
- ITEMS IN THE BASKET: **17.6**
(10.2 NON-LOYALTY CUSTOMERS)
- TOTAL BASE: **6.5 MILLION**
(AN INCREASE OF 71% OVER JANUARY OF 2015)

Another highlight is the **unprecedented partnership** signed between **GPA** and the **Multiplus Fidelidade** loyalty program, a leader in the segment in Brazil, permitting the transfer and redemption of *Multiplus* points for more than 2,000 *Casas Bahia*, *Extra*, *Pão de Açúcar* and *Pontofrio* stores throughout Brazil.



RESULTS



27%*
OF GROSS
MARGIN

**R\$
1.348
BILLION**

of gross
debt
reduction

R\$ 3.818*

OF **ADJUSTED EBITDA⁽¹⁾**

6.8% OF
MARGIN



4.4%*

of growth in
selling expenses,
general and
administrative, value significantly
below inflation



R\$ 2 BILLION
of consolidated investments

*Cnova (Cnova Brazil and international operations) results are not included,

⁽¹⁾ EBITDA adjusted for other incomes and operating expenses

Operating performance

GPA began to consolidate Cnova's international operations as of August of 2014, and as such, the 2014 results reflect just five months of these operations. For better comparability between periods, the discussion below with reference to gross margin, operating expenses and EBITDA do not contemplate Cnova's results (Cnova Brazil and international operations) in 2014 and 2015.

Throughout 2015, the Company was challenged in various ways: demand was pressured by an environment in recession, which mainly affected non-food sales, and expenses were impacted by high inflation. Facing this scenario, the Company adopted measures to adjust itself to the new reality of the macroeconomic environment.

Consolidated gross margin stood at 27.0%, compared to 28.1% in 2014, reflecting Via Varejo's lower contribution to the Company's gross profit, as a function of the measures toward competitiveness adopted to recapture sales levels.

The efforts to optimize expenses and improve efficiency implemented over the course of the year at all the businesses reflected nominal growth in selling, general and administrative expenses of just 4.4%, significantly below inflation, even with the costs relating to the inauguration of 118 stores in the year. This result contributed to an EBITDA as adjusted for other operating expenses and revenues of R\$3.818 billion, with a margin of 6.8%.

Financial result, indebtedness and profit

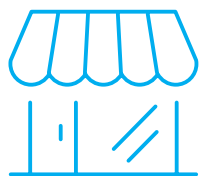
It is worth highlighting **the Company's important work on cash management during the year, which resulted in important optimization of cash. The net financial expense totaled R\$1.648 billion, an increase of 9.3%, significantly less than the 26.8% increase in the interest rate in the period.** In addition, the Company has been continuously reducing the level of leverage in recent years to further strengthen its financial capacity. Accordingly, **gross debt fell R\$1.348 billion, and 2015 ended with a high level of cash reserves, at approximately R\$11.0 billion, resulting in a net cash position of R\$5.511 billion, up R\$1.214 billion from 2014.**

Despite the abovementioned challenges in the macroeconomic environment, the Company closed 2015 with net income for the controlling shareholders, as adjusted by Other Operating Expenses and Revenues, of R\$595 million, with the food segment standing out.

Investments

Consolidated investments totaled R\$2 billion in 2015. During the year, 118 stores were opened, including 91 in the food segment and 27 *Casas Bahia* stores. In the food segment, beyond opening new stores, there were investments in remodeling. Moreover, following the strategy of investing in projects that aim to lend power to the things that set Via Varejo apart, 121 stores now feature the new concept for the Furniture category, 176 stores offer the new telephony sales concept, and 81 stores were converted.

For the next year, the Group intends **to maintain its investment discipline, focused on organic growth of the formats with higher returns.** In the food segment, Capex will be directed mainly toward the organic growth of *Assaí* and *Proximity* stores, especially with the *Minuto Pão de Açúcar*, and to renovations under the *Extra* banners.



“ 118 STORES WERE
OPENED, INCLUDING
91 IN THE FOOD
SEGMENT AND 27
IN THE NON-FOOD
BUSINESS ”



Results by business

Multivarejo

The year was marked by the deceleration in household consumption, due to the deterioration of the economic environment. Despite these impacts, the business ended the year with quite significant margin levels for the segment. It is important to highlight the different performances under the Multivarejo business units (*Pão de Açúcar*, *Extra* and *Proximity*), which will be explained below.

- Gross margin stood at 28.1% in 2015, slightly lower than in 2014, reflecting the strategy of price competitiveness over the course of the year, principally under the *Extra* banner.
- Initiatives in 2015 to adjust expense levels in both operating and administrative areas, to mitigate the effects of inflation and higher electricity costs, facilitated sub-inflation selling, general and administrative expense growth of 7.4%.
- Adjusted EBITDA reached R\$2.055 billion, with margin of 7.7% for the year - a solid level of margin for the segment.



Pão de Açúcar

Pão de Açúcar maintained its level of profitability in relation to 2014 without any harm to the operation of the stores, even while facing a more challenging economic and consumption scenario. Services are monitored frequently through social networks, the *Casa do Cliente* and the Secret Shopper, and have progressed since 2014.

With 41 stores revitalized during the year, *Pão de Açúcar* continued to invest in outstanding service and product mix to attract its clientele. In addition, it opened five new stores in São Paulo and launched the sixth generation concept, with a new look and layout

and more modern and efficient construction, and special and more economical lighting using LED bulbs, while offering products and services that stand out and focus on sustainability.



“ STRATEGIC CHANGES IN THE *PÃO DE AÇÚCAR MAIS* PROGRAM RESULTED IN GREATER LOYALTY TO THE BRAND, WHICH REACHED 68% SALES PENETRATION, VERSUS 60% IN 2014 ”

Extra

The year 2015 posed great challenges to *Extra*, which suffered greater impact with the slowdown in consumption and changes in consumer purchasing patterns, guided by more rational decisions and more caution in buying durable goods. The banner's results fell short of the Company's expectations, and profitability, although satisfactory for the format, declined from 2014.

The banner closed the year with more competitive pricing and a mix more suited to consumer needs as a result of better management of categories. Another area of much focus for the banner in 2015 was on the customer buying experience, through modernizing the assets and improving service in front of the cash register, in addition to the strong campaign to revitalize the brand: “You Deserve *Extra*.”

The store remodeling plan, which began in 2015, contemplated modernizing 62 stores (35 hypermarkets and 27 supermarkets), which underwent a complete revision in layout and mix, and increased service provision, among other initiatives. These stores outperformed stores that were not remodeled, not only in sales, but also in client flow and satisfaction.

In 2016, the banner will continue the work of repositioning perishables and better quality in the product mix, the dynamic of competitiveness, with an even more aggressive pricing policy and the development of regional offers, in addition to continuing to modernize assets to always improve the efficiency of the operation in natural resource use, environmental impact and the quality of the service offered to clients.



“IN 2015, 62 *EXTRA* STORES WERE MODERNIZED, CONTEMPLATING FROM REVISION IN LAYOUT TO NEW SERVICES OPTIONS”

Proximity - *Minuto Pão de Açúcar* and *Minimercado Extra*

In 2015, the Proximity business maintained steady sales growth, gaining market share and closing 2015 with 311 stores and gross invoicing in excess of R\$1 billion. Notwithstanding strong organic expansion (73 new stores were opened in 2015), the business was able to break even in the fourth quarter and improve the indicators of productivity relating to sales and volume per employee, and reducing breakage through the Distribution Center operation dedicated to the format.

With greater focus on models with higher returns, 27 *Minuto Pão de Açúcar* stores were inaugurated in 2015, and 19 *Minimercado Extra* stores were converted to *Minuto Pão de Açúcar*, a more profitable and innovative format in its segment. Clustering *Minimercado Extra* stores into Neighborhood, Transit and Attraction, as executed over the course of 2015 with the revision of the mix, competitiveness, store footprint, promotions, planogram and layout, also produced excellent results.

In 2016, the priority will continue to be adjusting the store mix and expanding organically with greater focus on models with higher returns; constant pursuit of gains in logistical efficiency and store processes; educating and training leaders; and synergies with the *Éxito* Group in the Proximity models.

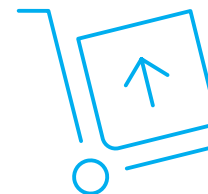
“ WITH 311 STORES, THE
FORMAT HAS REACHED
BREAKEVEN IN FINAL
QUARTER OF 2015 ”



Assaí Atacadista

For yet another year, Assaí posted gross revenue growth, of 25.9%, totaling R\$11.3 billion, as a result of consistent inflation-beating performance in 'same-store' sales and strong organic expansion (opening 11 new stores in the year). **This result reflects the continuous increase in customer traffic in the stores, the banner's assertive positioning and attractive prices**, securing Assaí in second place in the cash & carry segment with gains in market share in recent years.

Net revenue totaled R\$10.5 billion, up 25.5%, expanding Assaí's contribution in the GPA Food portfolio to 28% (vs. 24% in 2014). EBITDA grew 40.2%, and as adjusted reached R\$441 million, up 27.5%, exceeding sales growth. Notwithstanding the significant expansion of stores in the year and pressure in expenses driven by inflation, most notably in electricity, adjusted EBITDA margin remained stable at 4.2%, as an effect of improved operating efficiency.



“ FOR THE NEXT YEAR, ORGANIC EXPANSION WILL REMAIN A PRIORITY FOR THE BANNER, WHICH ALREADY FINANCES ITS OWN GROWTH THROUGH CASH GENERATION AND EFFICIENT CONTROL OF WORKING CAPITAL ”

Via Varejo - Casas Bahia and Ponto Frio

The year 2015 was quite challenging for the durable goods sector, and facing that scenario, Via Varejo worked with **focus and discipline to make the changes needed and continue to implement the strategic plan, ensuring its position of leadership in the market with gains in market share and strengthening its competitive advantages.**

Net revenue totaled R\$19.196 billion in 2015, despite the adverse economic scenario for the durable goods sector, which suffered an abrupt drop in sales in the year. Accordingly, the greater contribution of services in total sales and gains in operating efficiency contributed to increased price competitiveness and stronger offerings, resulting in the gross margin of 32.2%.

Via Varejo accelerated initiatives for operating efficiency, such as revising the logistics network, advancing in back-office synergies with the Group's companies and adopting measures to optimize processes and rationalize expenses. Among these measures, the revision of the portfolio of stores with the closing of 39 underperforming stores, improving the logistics network and better exploiting space in the distribution centers, downsizing by roughly 13,000 jobs, and renegotiating leases, stood out. These measures in 2015 contributed to Adjusted EBITDA of R\$1.321 billion and an Adjusted EBITDA margin of 6.9%.

“ IMPORTANT ADJUSTMENTS IN EXPENSES
STRUCTURE, COMBINED WITH STRATEGIC
PLAN EXECUTION, ENSURED ITS POSITION OF
LEADERSHIP IN THE MARKET ”



In addition, it ended the year with 176 stores remodeled for the new telephony sales concept, with a better mix, services, plans and display, and 121 stores with the new concept for the furniture category, offering better product design, customized furniture, specialized service and better store layout. Moreover, there were 81 banner conversions to suit the company's positioning to customer aspirations, and 27 new stores were opened.



GPA Malls

The Business Unit added 15,000 m² of Gross Leasable Area (GLA), now totaling approximately 340,000 m² of GLA under management. This positive result vindicates the strategy for attracting customers, who get a better one-stop-shopping experience.

Furthermore, revitalizing existing spaces through an analysis of the consuming public and a better mix of stores and services has resulted in increased efficiency. Today, this change now contemplates 80% of the spaces.

GPA Malls



“ BESIDES THE NEW AREAS, EXISTING GALLERIES RECEIVED A BETTER MIX OF STORES AND SERVICES ”



Cnova

Cnova, which includes Cdiscount and Cnova Brazil, **closed 2015 with GMV (Gross Merchandise Volume) growth of 16.4% and a marketplace participation of 20.5%.**

Highlights included a 28.9% increase in traffic, totaling more than 1.7 billion visits in the year, where half of Cdiscount's traffic originated on mobile devices, compared to about a third for Cnova Brazil. At year-end, there were 14.9 million active customers. It is worth noting that the area covered by the distribution centers in France and Brazil increased 26%, facilitating same-day or next-day delivery of items both small and large in select metropolitan areas in both countries.

“ CNOVA CLOSED 2015 WITH 14.9 MILLION OF ACTIVE CUSTOMERS ”



Moving forward, Cnova continues to focus on operational management, concentrating its efforts in pursuit of balance between revenue growth and increased profitability. The Company is concentrating its main activities on its largest markets to take advantage of potential opportunities in the short- and long terms.



Cnova



4 OUR COMMITMENTS TO SUSTAINABILITY

Sustainability is a strategic pillar to GPA, which strives to serve as an agent of change in society by adopting best practices in its activities and businesses. In 2015, the group evolved on these fronts by delivering tangible results in its priorities, strengthening the internal engagement of its leaderships and always operating in keeping with the strategic guidelines of the Casino Group. GPA's Sustainability Policy is based on five commitments:

Valuing our people

Conscientious consumption and supply

Transforming the value chain

Managing environmental impacts

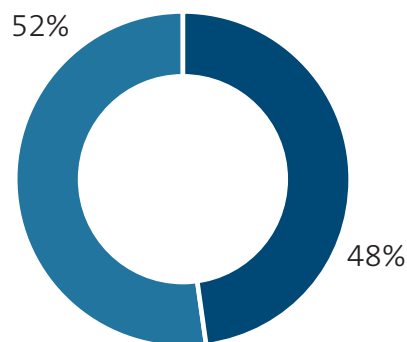
Engaging with society

VALUING OUR PEOPLE

GPA recognizes that it is formed by the sum of each of its employees, who contribute with their talent, goals and dedication. The year 2015 was marked by efforts to improve employee productivity and reduce employee turnover, which fell by 14% from the previous year. Meeting these goals demands actions to support the development of career plans and to promote diversity and well-being among all internal stakeholders.

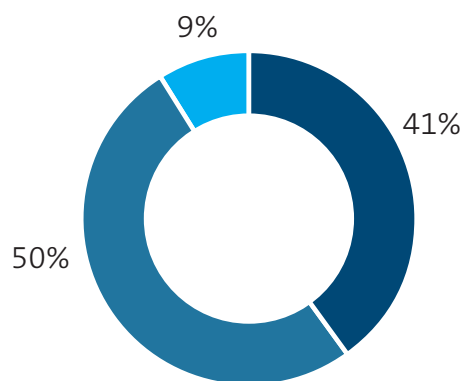
GPA has 160,082 employees² and is one of Brazil's largest private employers in the retail industry. Learn about some of the actions carried out with its internal stakeholders in mind.

Gender



● Female 77,517 ● Male 82,565

Age

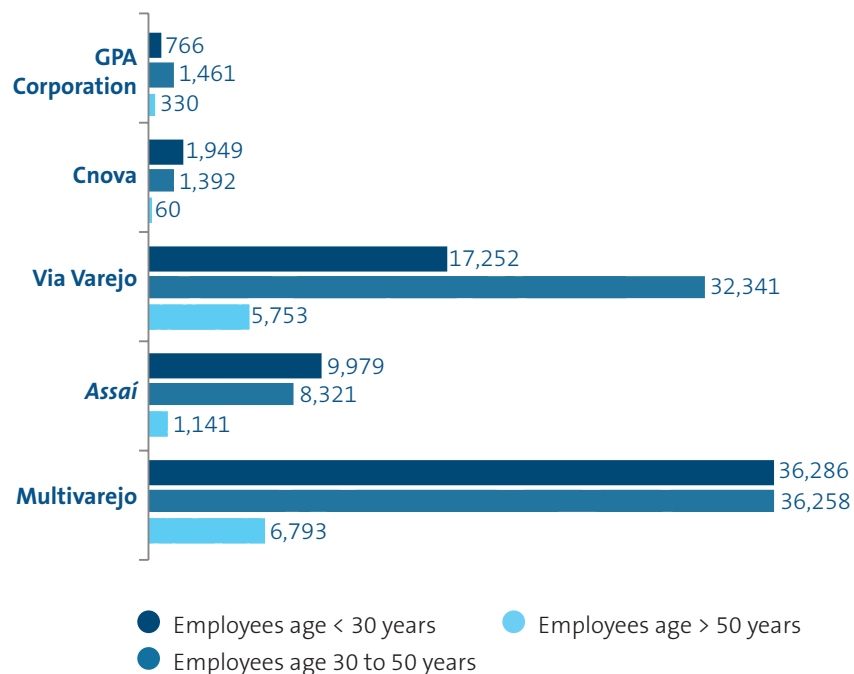


● Employees age < 30 years
● Employees age 30 to 50 years
● Employees age > 50 years



²The number of employees includes terminations.

Age by Business Unit



% of Women Employees



*% based on women by business headcount

E-Social and HR+ Project

To comply with E-Social, the platform launched by the federal government in 2015 to unify taxes and information submitted by employers on their employees, GPA created the HR+ Project, which involved reviewing its people management processes and reorganizing the operations of its HR department into three fronts:

- Replacing the entire HR technology platform;
- Reviewing all HR processes;
- Preparing people for the changes.

The project will be launched in 2016 and will enable the group to attain higher levels of efficiency, strengthen its compliance with labor and union regulations, optimize its management of HR documentation and improve its monitoring of performance indicators.

Recruiting and retaining talent

GPA organizes training and succession programs to ensure that its employees always hold the capacities required for career advancement at the Company. In addition, the engagement survey conducted in 2014 supported the definition of actions to enhance the commitment of our employees, which already have been implemented. A new survey will be conducted in 2016.

Strengthening the offering of training programs in the Group's businesses

The Group's three corporate universities were significantly strengthened in 2015. The training programs are tailored to the specific operations of each banner and designed to provide the knowledge needed in each market.

Assaí University

The main goal of *Assaí University* is to prepare professionals for the cash and carry segment, given the banner's robust growth, with the number of employees increasing from 8,000 to 16,000 in just two years, and the difficulty in recruiting qualified workers in the various geographic regions into which the banner has expanded. The university offers more than 20 training programs for the various hierarchical levels and business areas, with more than 101 technical and behavioral courses already implemented during its first years of operations.

New developments in 2015 include the technical programs for workers at stores and the program Grow (*Crescer*), which administered training programs on self-leadership, acting proactively and people management to 1,300 section heads and employees at stores and distribution centers. The 18-month program has over 70 hours of classroom instruction divided into 12 encounters and three workshops with business leaders. The

topics covered include the business model, the cash and carry segment, indicators, etc. In 2015, the program registered around 29,000 participations and over 670,000 classroom hours.

Assaí also develops the program Learn More (*Aprende+*), which offers incentives for employees to obtain their high school diploma and in-company undergraduate programs in partnership with Universidade Anhembí Morumbi.



Varejo University

At the *Extra* and *Pão de Açúcar* business units, 56 new professionals specializing in bakery, butchery and other activities in the meat, fish, bakery and desert categories graduated from the university, which helped to meet the need for experienced professionals. We also implemented four succession programs to ensure that we adequately develop leaders to work in the *Pão de Açúcar* banner and in the Proximity format. In parallel to this intensive preparation of future managers, current leaders at stores received training based on the Leadership Path program.



“56 NEW PROFESSIONALS SPECIALIZING IN BAKERY, BUTCHERY AND OTHER ACTIVITIES GRADUATED”

Via Varejo

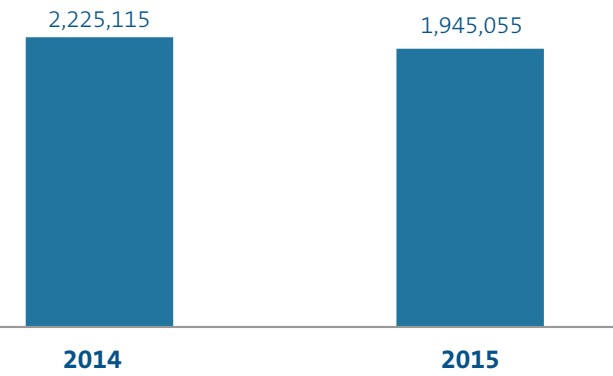
The Via Varejo Sales Program teaches best practices to salespeople for attaining excellence in customer service, improving their results and meeting their targets. Salespersons also undergo performance assessments and, if necessary, are invited to participate in an individual coaching program. In 70% of cases, the salespersons receive a positive assessment. Salespersons assessed with lower levels of performance are accompanied through a systematic and personalized plan that targets their capacity gaps.

Via Varejo also offers the Leader of the Future Program to prepare tomorrow's store managers. In 2015, 180 new store managers and sub-managers underwent a four-month training program on key areas such as people management, business management, customer relations and market dynamics.

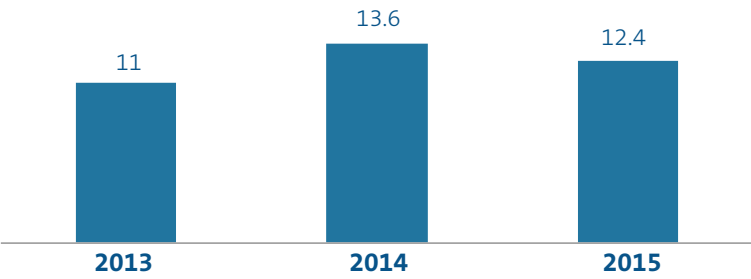
For 2016, the goal is to combine and consolidate all of the Group's training and development programs into a single Corporate University. GPA will also launch its Executive Academy to train and develop the Group's executives.

GPA TRAINING INDICATORS

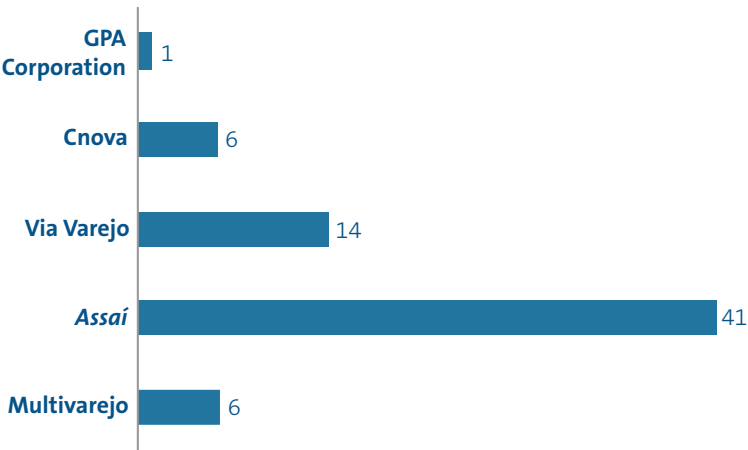
Total hours of training administered to employees



Total number of training hours per employee per year



Total number of training hours per employee



“ GPA HAS MANAGED IN 2015 MORE THAN 1.9 MILLION HOURS OF TRAINING, WHICH REPRESENTS 12.4 HOURS OF TRAINING PER EMPLOYEE PER YEAR ”

Trainee Programs

Assaí and Cnova invest in their own trainee programs. At *Assaí*, the recent college graduates are recruited internally. Meanwhile, Cnova launches annual campaigns for trainee positions in strategic areas of the company for recent college graduates.

Pride in Belonging Campaign

In 2015, GPA developed the Pride in Belonging Campaign, which encourages employees to suggest new ideas and improvements in areas such as customer service, store processes and sales innovation. Every two months, a committee recognizes the three best suggestions, which are then implemented at stores nationwide.



People Management Cycle

To map and develop talent across the Group, GPA invests in a set of tools called the People Management Cycle, which includes an annual assessment of all employees. The employees are assessed based on performance (financial and non-financial targets, quantitative and qualitative targets, and behavioral competencies) and potential and receive individual development

and career plans. Based on this assessment, a succession process is mapped by the people committee.

The HR management model is subjected to regular review to enhance it and improve controls. In 2015, the HR department worked very closely with the Group's 450 executives to accompany their work plan through a management system that facilitates the target-setting process they conduct for the various hierarchical levels.

Health, safety and well-being

The topics of health and safety are an integral part of the Group's strategic discussions. In 2015, the area was reformulated to create a singular and integrated policy. Outpatient medical services at the Group's 30 centers are being restructured to better serve employees' needs and reduce absenteeism due to illness. Occupational health services are being incorporated into the Group's health care services. Meanwhile, outpatient centers that are references in non-communicable diseases, rehabilitation, mental health and women's health are being designed and implemented, all supported by specific service protocols.

A flu vaccination campaign and the Internal Workplace Accident Prevention Week are also held in 2015. In 2016, the Group is planning to create and implement pilot programs targeting Healthy Eating and Physical Activity.

“HEALTH WEEKS WERE ORGANIZED AT EIGHT STORES AND DISTRIBUTION CENTERS OF THE GROUP. NEW HEALTH WEEKS ARE BEING PLANNED FOR 2016”

At the Assaí headquarters in São Paulo, a pilot project for disease prevention was launched. The team compiled the epidemiological profile of 80% of administrative employees, which included information on habits, preexisting conditions, hereditary illnesses, weight, blood pressure and blood sugar levels. The integrated outpatient centers and the health programs will be designed based on this diagnosis.

GPA organizes events on healthy habits, physical exercise and nutrition.

- **GPA CLUB** - Since 1993, the GPA Club promotes physical activity through groups engaged in walking, running, biking and dance. In 2015, 1,014 employees in São Paulo (SP), Campinas (SP), Brasília (DF), Rio de Janeiro (RJ), Goiânia (GO), Fortaleza (CE), Recife (PE) and Belo Horizonte (MG) participated in the program.
- **GPA GYM** - GPA Gyms can be found at 21 units (stores and distribution centers) located in São Paulo (SP), Brasília (DF), Fortaleza (CE) e Rio de Janeiro (RJ). There is also a gym housed in the Group's headquarters in São Paulo, which is known as the Brigadeiro Complex. Currently, 4,036 employees use the GPA Gyms. The Via Varejo headquarters located in São Caetano do Sul, São Paulo also offers a gym exclusively for its employees.
- **GPA NUTRITION** - In 2015, a team of nutritionists conducted 3,360 consultations for GPA employees to provide technical and nutritional support and personalized orientation. The consultations were conducted at the Headquarters and certain Distribution Centers in São Paulo and Fortaleza.



GPA Employee Credit Cooperative

In operation since 1974, the GPA Employee Credit Cooperative offers financial advisory services to help employees make conscientious decisions on how to best use their resources and makes use of financial information and education to improve the planning of household budgets. All GPA employees can join the cooperative by making a monthly contribution based on their salary grade and apply for loans with exclusive rates based on how long they have been a member.

The cooperative ended 2015 with 84,950 members, capital of R\$46.2 million and a loan portfolio of R\$22.7 million. During the year, 49,000 employees took out new loans.

In addition, 11,000 school kits were distributed to the children of employees who have been members for at least 18 months and have monthly salaries of up to R\$1,500.

COMMITMENT TO DIVERSITY

GPA believes that diversity is one of the most relevant and consequential topics to the future of its businesses. To help signal its commitment, in August, GPA hosted the Brazilian Meeting of the Global Business and Disability Network of the International Labor Organization (ILO), which attracted various international experts and presented the companies initiatives in Brazil. The event involved 170 participants.

In October 2015, the topic gained even greater importance with the launch of the internal campaign “Equal means being different like everyone” to foster GPA’s commitment to promoting diversity and combating all forms of discrimination. The campaign also marked the signing of GPA’s Letter of Commitments to Diversity, through which it pledged to:

- Announce and formalize the commitments for all employees.
- Raise awareness and provide training to leaders and employees with the goal of combating stereotypes.
- Diversify recruiting sources with the aim of attracting talented professionals who represent greater cultural and social diversity.
- Promote and publicly present its commitment through its regular interaction with trade unions, government agencies and partners.

In 2016, each business will replicate its actions to promote the topic and orient managers through guides and events.

GPA has worked to advance efforts that it considers fundamental for promoting diversity, such as recruiting persons with disabilities, creating incentives for gender equality in leadership positions and promoting the employability of youth.

PERSONS WITH DISABILITIES

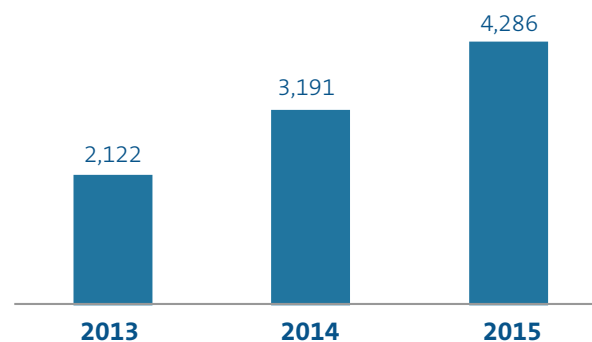
At the end of 2015, GPA had 4,286 employees with some type of disability. This high figure represents an increase of 34% from 2014 and in itself demonstrates the intense efforts being made in this area.

With 2.7% of its employees having a disability, GPA exceeded its internal target of 2.5% for 2015, and continues to strive to reach the level of 5% of PwDs required by law. For that, each of the businesses has developed their own internal programs.

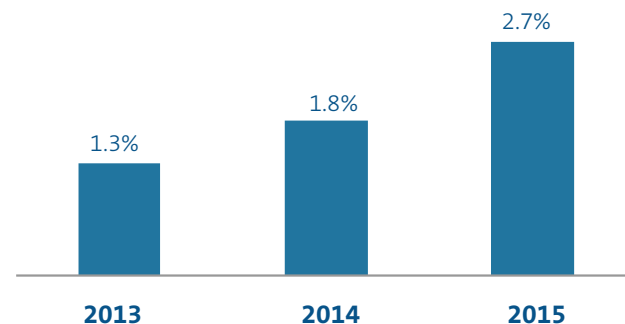
Commitments of the Letter for 2015-2020 focusing on persons with disabilities

- Train managers to enhance the inclusion of PwDs.
- Increase the number of PwDs in the workforce.
- Ensure the same access to training, development and opportunities for career advancement and reinforce the adaptation and accessibility for integrating and retaining employees in their positions.

Number of employees with disabilities



% of employees with disabilities



December 2015 base

Actions

Pão de Açúcar, Extra and Proximity

- In **partnership with the Association of Parents and Friends of Exceptional Children (APAE)**, the stores integrated apprentices with intellectual disabilities, who are accompanied by the association to facilitate their inclusion in the workplace. In 2015, of the 132 participants, 12 were hired. Since 2014, more than 180 young professionals have participated in the program.
- In 2015, GPA signed, jointly with the São Paulo State Food Retailers Trade Union (Sincovaga), a Declaration of Commitment to foster the inclusion in the job market of PwDs and persons rehabilitated through the social security system (INSS). The goal is to reach, by 2018, the legal requirement of 5% of the workplace formed by PwDs.

Assaí

- *Assaí* ended 2015 with 831 employees with disabilities, who accounted for 4.3% of its workforce, and it is the most active retailer in the inclusion of these professionals. It has already reached the target established in its settlement with the government (TAC) and has implemented actions to promote the retention of these professionals.

- Certain partnerships with occupational physicians, trade unions, the Ministry of Labor or institutions such as the Children with Disabilities Assistance Association (AACD) have helped to ensure the local hiring of these professionals and their inclusion.

Via Varejo

- Recommendation and Inclusion Program: employees recommend PwDs to work at the company through an online platform and can accompany the status of the process.
- Targets Program: setting of targets for each department and area for the hiring of PwDs.
- Creation of a corporate video on Special Opportunities for inviting PwDs to work at the company.
- Participation in events targeting PwDs (D Day and Advertising of openings in malls in São Paulo, Campinas, Rio de Janeiro, Curitiba and Belo Horizonte). Launch of corporate video “Equal means being different like everyone” featuring Via Varejo employees.

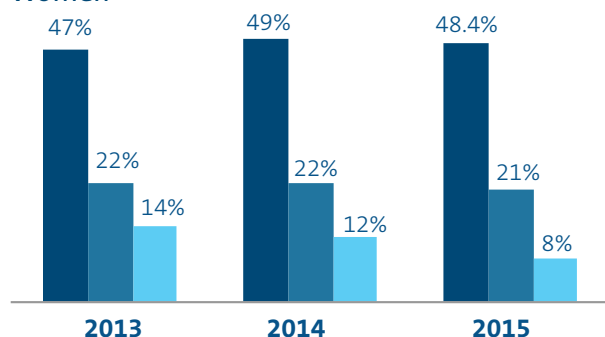
WOMEN

Women represent 48% of the Group's workforce and 21% of its managerial-level employees. Each unit has developed programs to increase the number of women in leadership positions.

Commitments of the Letter for 2015-2020

- Work to promote equal opportunities for the Group's executives.
- Leverage women professionals up to the highest levels of the Group.
- Increase the number of women on the committees advising the Group's board of directors.

Women



- Total of women employees
- % of women in managing and upper positions
- % of women in executive-level positions

- Identify and eliminate any unjustified recognition gaps between men and women.
- Accompany paternity and maternity within the Group.



Actions:

Gender Executive Committee

- Created in June 2014, the Gender Executive Committee is one of the Group's diversity initiatives. Its main goal is to promote gender equality in the workplace and raise awareness on the issue. In 2015, the group formed by 30 professionals from various GPA departments and businesses worked to formulate a plan of priority actions.
- Two editions were held of the Women's Forum, which works to raise awareness on topics related to the corporate universe and women's careers. The event's programming includes presentations that inspire women (and men) to reflect on the potential opportunities for the business arising from promoting gender equality in the group's leadership positions. With this proposition, the encounters present key internal and external indicators and include the participation of leading outside experts in the field. The first forum featured a panel on which three female guests participated: one representative from the private sector, one professor from the Getúlio Vargas Foundation (FGV) and one director of GPA, which is one of the few women in the country to sit on a board of directors. The second meeting featured a lecture by a researcher on the topic who is the author of various books on the feminine universe.
- The Gender Executive Committee also made progress on determining the action fronts, each with its own subcommittee. In 2016, these subcommittees will begin to develop actions to promote advances in gender equality at GPA, as follows:



Communication and awareness – Keep the public informed on the progress being made by the committee’s activities and actions.

Workday and balance – Find a better balance between personal and professional life.

Succession, recruiting and retention – Develop actions specifically in the HR department to expand the number of women in leadership positions.

Mentoring and networking – Support the creation of women’s relationship networks in specific areas and offer a mentoring program.

Expecting mothers – Improve the balance between personal and professional life considering the specific needs of families with or expecting newborns.

Indicators – Monitoring the gender indicators at the group.

Via Varejo

Since 2014, Via Varejo promotes the hiring of women in store manager positions under the Leaders of the Future Program. In 2015, the advertising of internal and external recruiting processes was strengthened to encourage participation by women applicants. As a result of this effort, the percentage of women managers per class in the program increased from 21% to 29%.

VIA VAREJO’S LEADERS OF THE FUTURE PROGRAM INCREASED THE PERCENTAGE OF WOMEN MANAGERS FROM **21%** IN 2014 TO **29%** IN 2015



YOUTH

GPA recognizes its responsibility to develop the employability of Brazil’s youth and hire them in its various operations to foster the inclusion of this labor force and develop future leaders. Today, the Group has 66,232 employees who are 30 years old or younger, of whom 3,952 are young apprentices. These young employees represent 41% of the Group’s workforce.

Commitments of the Letter for 2015-2020:

- Train managers to improve the inclusion of young professionals
- Facilitate the inclusion in the job market of unqualified youth
- Develop apprenticeship programs

Pão de Açúcar, Extra and Proximity

- Young Apprentice: young apprentices from 14 to 24 years old are integrated on the teams to be trained and eventually hired. The program is complemented by the courses administered by National Commercial Education Service (Senac) and the Company-School Integration Center (CIEE). In 2015, 1,915 youth participated in the program.

CONSCIENTIOUS CONSUMPTION AND SUPPLY

GPA encourages its customers to make fairer consumption choices and to respect the environment by reducing waste and properly disposing of waste.

This positioning is reinforced by raising awareness on the topic and planning actions that address the issues of reducing food waste, complying with sanitation laws and pursuing continuous improvement in this topic, as well as the proper disposal of solid waste and the implementation of reverse logistics, as provided in the National Solid Waste Policy (PNRS).

Food safety

At GPA, food safety is a strategic topic. In 2014, the Food Safety Committee was created to support the Multivarejo operations by discussing the topic at the senior-management level. The committee is formed by directors at the food retail units and various business areas that provide support to the stores.

The Committee developed an action plan in 2015 to address some topics more effectively, such as ensuring more rigorous pest control at stores, improving the management of products nearing expiration and supporting technical training for store employees. All of these actions aim to improve processes and offer reliable products and services to consumers.

Since the committee's launch, the stores have presented a significant improvement in their processes and results.

For the coming years, the goal is to give greater visibility to the topic of food safety by improving indicators and engaging more internal areas of the Group.

Private-label brands

The private-label brands in the Multivarejo business (*Taeq*, *Qualitá*, *Casino*, *Club des Sommeliers*, *Finlandek* and *Caras do Brasil*) represent an important competitive advantage for the Group, which invests regularly in food safety, assortment and products made with quality ingredients. There are currently 4,337 items marketed under private-label brands, of which 215 were launched in 2015. Among these product lines, GPA always strives to offer products that encourage customers to adopt more conscientious consumption habits by stimulating the sale of 233 organic products and 434 products certified by the Forestry Stewardship Council.

The *Taeq* brand, for instance, whose goal is to encourage consumers to adopt healthier choices, launched, in 2015, a line of organic cereal beverages in four versions, and expanded its portfolio by including 57 new products, such as fresh chicken cuts, salads, fruits, vegetables and greens, as well as processed products. *Taeq* also offers a large number of SKUs in its line of lactose-free and gluten-free products for people who want or need a differentiated diet.

Reducing food waste

To educate consumers and help them make better shopping choices in terms of the cost-benefit tradeoff, Multivarejo stores offer special shelves with adequate signage for perishable and non-perishable products nearing expiration. The inventory management of these items at each store encourages conscientious consumerism and helps to reduce waste, since, if these products were not sold, they would be discarded.

“ PERISHABLE AND NON-PERISHABLE
PRODUCTS NEARING
EXPIRATION HAVE
DISCOUNTS OF UP
TO 40% ”



Organic and Healthy

It is important to remember that the Group was a pioneer in the retail industry by offering organic and healthy products to its customers, betting on this type of agriculture as a path that respects and preserves nature and encouraging a healthier lifestyle through quality products. GPA has played a key role in supporting the development of organic farming in Brazil, and today is a major player in the country in this field. The banner that leads in sales of organic and healthy products is *Pão de Açúcar*, and in 2015, to expand its sales of organic products, it organized itinerant fairs

on Saturdays at some of its stores. At these fairs, suppliers go to the stores and offer tastings of their products while clarifying any doubts and educating consumers on the production of this type of product. Another action organized was “Organic Thursday,” which offered discounts of up to 20% on all organic products. For 2016, the goal is to increase the sales volume of these products.

In addition to working with organic products, the banner also had a goal of continuing to expand the number and sales volume of healthy products, which was partially achieved. Healthy products were also highlighted at five stores using exclusive aisles and displays.



Caras do Brasil Program

The products of the program Faces of Brazil (*Caras do Brasil*), whose goal is to encourage handcrafted products, are produced by small suppliers in communities from all corners of Brazil and can be found in *Pão de Açúcar* stores. In addition to augmenting these workers' income generation, the program also makes available to customers unique products that tell a story and incorporate social responsibility.

In 2015, the program was completely revised, with all participating stores reevaluated, all suppliers subjected to new audits and a process launched to support the development of these suppliers with a view to organizing a relaunch of the program in 2016.



Sustainable Food Truck

Seizing on the opportunity presented by the successful launch of food trucks in Brazilian capitals, GPA developed a project to raise awareness among its customers on conscientious consumption and health. In 2015, customers at *Extra* and *Pão de Açúcar* discovered the Sustainable Food Truck, which was completely overhauled and equipped with solar panels, a biodiesel engine and a tank for recovering rainwater. The truck parked outside of 29 stores (20 *Pão de Açúcar* and 9 *Extra*) in the states of São Paulo and Rio de Janeiro. At *Pão de Açúcar* stores, chefs offered cooking classes featuring healthy recipes. At *Extra* stores, customers learned how to use food products completely, in partnership with Banco de Alimentos, an NGO that operates a food bank.



Social Consumption and Learn & Transform programs

In 2015, *Casas Bahia* launched an online financial education platform. The proposition of the platform, which was developed in partnership with the site *Catraca Livre*, is to highlight inspirational and educational actions that help people improve their financial health without foregoing quality of life or realizing their dreams.

The site is divided into categories on entrepreneurship, health, leisure, culture, managing personal expenses and other topics related to finance and low-cost quality of life. From July, when it went live, through October, the site registered over 3.9 million views and over 1.6 million users.

Also included under this umbrella concept of Social Consumption (consumption that is sustainable and acts with responsibility for the planet and people's wallets) is an educational platform that originally was called Friends of the Planet – Digital Inclusion (*Amigos do Planeta - Inclusão Digital*). However, recently the platform expanded its offering of courses and changed its name to Learn & Transform (*Aprender e Transformar*). In 2015, the itinerant project visited eight cities and served 7,293 people through 16 different courses.

Solid waste and reverse logistics

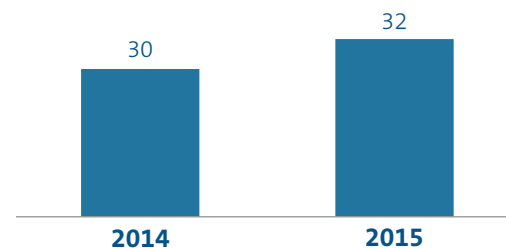
GPA is a pioneer in fostering actions to encourage the recycling of packaging and as such could not be left out of discussions surrounding the National Solid Waste Policy. Through the Brazilian Supermarkets Association (Abras), the Brazilian Retail Development Institute (IDV) and the Business Commitment to Recycling (Cempre), the Group participates in working groups and technical chambers created to debate the matters proposed by the policy, such as packaging, electronics, light bulbs, batteries

and pharmaceuticals.

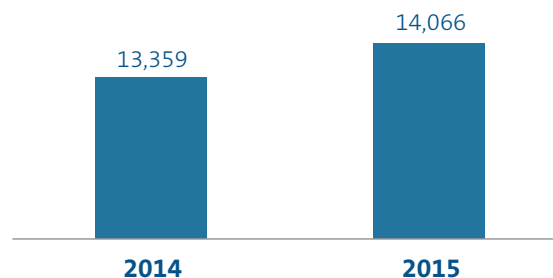
In terms of reverse logistics actions, GPA has been investing for over 15 years in encouraging recycling. At *Pão de Açúcar* and *Extra* stores, customers can use the on-site recycling centers to drop off their recyclable materials. All materials collected are donated to recycling cooperatives. In 2015 alone, more than 14,000 tons were collected. The centers were expanded and the environmental education campaigns were strengthened. New models of recycling centers were installed to create a new recycling experience for customers, and the reverse logistics programs were subjected to review.

In addition to the centers, customers can also find battery, mobile handset and medication collection points at stores.

Batteries (metric tons)



Collected materials in in-store recycling centers (metric tons)*



*Paper, plastic, metal, glass and used cooking oil

Recycling Centers at Assaí

Assaí maintains partnerships with power distribution companies to offer discounts on the electricity bills of customers who dispose of recycled materials at the stores, such as paper, glass, metals, plastics and aseptic packaging. Discounts are awarded based on the weight of the materials. Learn more about the initiatives:

Recycle More, Pay Less (Recicle +, Pague -)

Partnership with the power utility AES Eletropaulo in São Paulo to collect recyclable materials converted into discounts at stores in Guianases, Águia de Haia and Santo André.

**362 metric
R\$73,110.10
converted into
discounts**

Ecoampla

Partnership with the power distribution company Ampla to collect recycled materials disposed at the Assaí store in Alcântara, Rio de Janeiro, in exchange for discounts on electricity bill.

**261 metric tons
R\$15,178.76
converted into
discounts**

Ecoelce

Partnership with the power distribution company Coelce to collect recycled materials in the cities of Cariri and Juazeiro do Norte and three in the state of Ceará (Sobral, Parangaba and Caucaia) to convert into discounts on the electricity bill.

**58 metric tons
R\$12,081.67 given
in discounts**

Reusable bags

In addition to the Multivarejo banners already selling reusable plastic bags, starting in June 2015, in São Paulo City, the banners began selling bags made from bioplastic, in accordance with the municipal law prohibiting the use of regular plastic bags. The initiative received support from GPA in discussions at government agencies and private organizations.

In the country's other states, which have no restrictions on the use of bags made from fossil-based plastics, GPA also organizes campaigns to encourage customers to use reusable bags for their purchases. All customers who are members of the loyalty programs *Clube Extra* and *Pão de Açúcar Mais* receive points when they opt not to use plastic bags.

Assaí adopts the practice of not distributing plastic bags due to the nature of its business, but rather sells them. The net income earned from plastic bags is donated to 32 local partner social organizations.

“ACCEPTANCE BY CONSUMERS WAS SO POSITIVE THAT THE GROUP HAS ALREADY REDUCED BY 70% THE NUMBER OF PLASTIC BAGS PROVIDED TO CUSTOMERS AT ITS STORES IN THE CITY. THIS SHOWS A CHANGE IN THE BEHAVIOR OF CUSTOMERS, WHO ARE NOW MORE ENGAGED IN THE PRACTICE OF CONSCIENTIOUS CONSUMERISM ”



New Again (*Novo de Novo*)

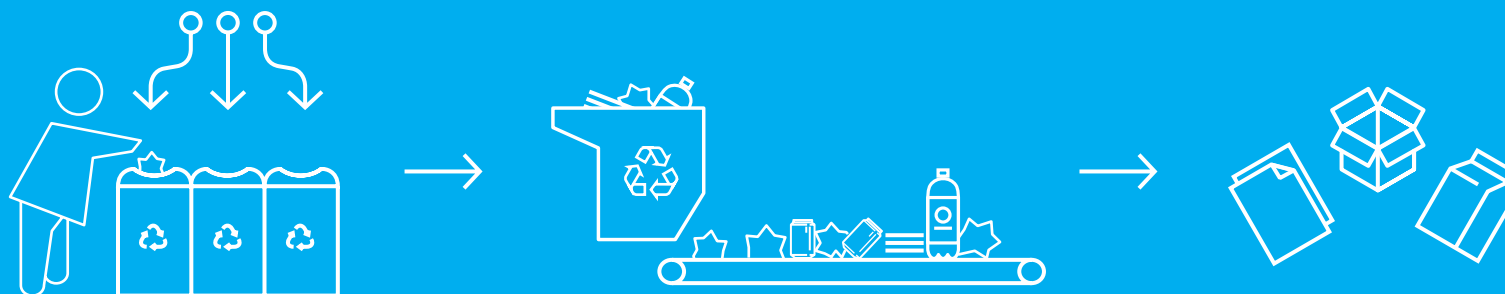
This program New Again (*Novo de Novo*) is a circular initiative that works to reintroduce into the production cycle the materials disposed of by customers at stores. The materials collected in the recycling centers located at stores are donated to five recycling cooperatives in the state of São Paulo, which separate the paper and aseptic packaging and sell them to GPA partner manufacturers. This supplier uses the materials to make new packaging for products marketed under the company's private-label brands *Qualitá* and *Taeq*.

Of the material collected, 75% is wood pulp, which is once again transformed into paper by manufacturers. Through this reverse

logistics project, 40 products have packaging that already bears an identifying seal. In terms of volume, this recycled material already accounts for some 20% of all of the paperboard packaging used by the two private-label brands. The total volume of the material collected by the cooperatives in 2015 that was destined for recycling amounted to 1,734 metric tons, which were transformed into packaging for private-label products.

The program's goal, in 2015, was to develop new initiatives to increase the volume of reused paper, but it was not possible once partners that could attend logistics needs were not identified. To 2016, the goal is to expand to new materials.

“ THROUGH THIS REVERSE LOGISTICS PROJECT, 40 *QUALITÁ* AND *TAEQ* PRODUCTS HAVE PACKAGING THAT ALREADY BEARS AN IDENTIFYING SEAL. IN TERMS OF VOLUME, THIS RECYCLED MATERIAL ALREADY ACCOUNTS FOR SOME 20% OF ALL OF THE PAPERBOARD PACKAGING USED BY THE TWO PRIVATE-LABEL BRANDS ”



TRANSFORMING THE VALUE CHAIN

Respecting human rights, reducing environmental impacts, developing suppliers and quality assurance are strategic topics for GPA's businesses. **The Group's relations with the supplier chain take into account these aspects so that it can always offer the best products to its customers and operate ethically in its production chains.**

In this context, following the strategy of GPA, which has already formalized its commitment to suppliers, Via Varejo included during the year a clause in all of its contracts declaring their commitment to executing services in conformity with all laws and regulations at the municipal, state and federal levels. The Group also has a Code of Ethical Conduct governing all of its stakeholders, including suppliers, that reaffirms the attributes of Via Varejo's Cause in order to set a standard for relationships based on respect, transparency and ethical behavior.

The code reinforces the protection of human rights in all of the Group's operations and in its entire business chain.

Supplier management

As Brazil's leading retailer, GPA adopts a highly rigorous approach in its selection of partner and suppliers, who are selected based not only on economic criteria, but also on social and environmental principles. In view of its concern, the Group became, in 2005, a signatory to the Pact to Eradicate Slave Labor.

Since it drafted its **Code of Conduct**, the Group makes known to its suppliers and service providers their obligation not to use child labor or labor analogous to slavery, whether directly or indirectly through commercial relationships with other companies. Furthermore, all contracts contain clauses requiring service providers to be in conformity with all laws and regulations at the municipal, state and federal levels from both the social and environmental standpoints.

Shared knowledge

To ensure that issues concerning the Code of Conduct and the pacts signed by the Group are assimilated in the day-to-day activities of the employees on the commercial teams – who are the people who effectively represent the Group before suppliers – GPA invested in training programs specifically on the subject of social ethics in supply chains. In 2015, 255 employees at the Group in mainly non-food areas participated in the training program. They also receive a newsletter on social ethics to help them stay up-to-date on suppliers, as well as new legislation and new requirements in the Group.

Product life cycle and supplier tracking

GPA, through its Research & Development and Quality Assurance departments, is carrying out a robust effort to monitor the life cycle of the products shipped to its stores as well as authorizations and tracking in the supplier chain for Brazilian private-label and high-risk products and for imported products. Before reaching store shelves, the products are subjected to risk assessments of their ingredients, legal aspects and quality standards in order to comply with the requirements of Brazil's regulations and GPA's internal standards.

Quality from Field to Table Program (*Qualidade desde a Origem - QDO*)

GPA created the Quality from Field to Table Program (*Qualidade desde a Origem - QDO*) to ensure and encourage good practices among Brazilian suppliers of perishable foods to guarantee compliance with current regulations, the Group's standards, quality aspects and food safety, and to enable external interaction with government agencies and consumers. In 2015, the program underwent a restructuring to strengthen its focus and develop chains associated with Produce categories. The restructuring of the program aims to promote the chain's effective alignment with the program's strategic pillars: Compliance, Quality, Food Safety, Traceability and Sustainability. In 2016, the initial actions concentrated on ten critical crops (bulk products), as well as

private-label goods and the beef chain.

Quality Improvement Program (*Programa Evolutivo de Qualidade - PEQ*)

Seeking to enhance the qualifications of its Private-Label Brands, in 2013, GPA created the Quality Improvement Program (*Programa Evolutivo de Qualidade - PEQ*), which fosters the development of the supply chain through the continuous improvement of its suppliers. Each supplier is subjected to an inspection of their controls, monitoring system, quality assurance and product safety and is encouraged to attain the levels required by international certification.

Since its launch, the program covers all suppliers of Processed Foods, and has made significant progress in the categories Produce (Fruits, Vegetables and Greens), Animal Protein Products (Beef, Chicken, Pork and Fish) and Home and Personal Care Products, with the latter incorporated in 2015.

Highlights of the program in terms of results include the 30% drop in the indicator Customer Complaints and a two-fold increase in the number of suppliers certified. The target for 2016 is to incorporate suppliers in the General Merchandise category in order to reach 100% coverage of the chain.

Imported products

For its suppliers of imported goods, the Group introduces the Ethics Charter drafted by the Casino Group, which all partners must sign and uphold. Through the charter, they commit to respect eight criteria that embody the principles of the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

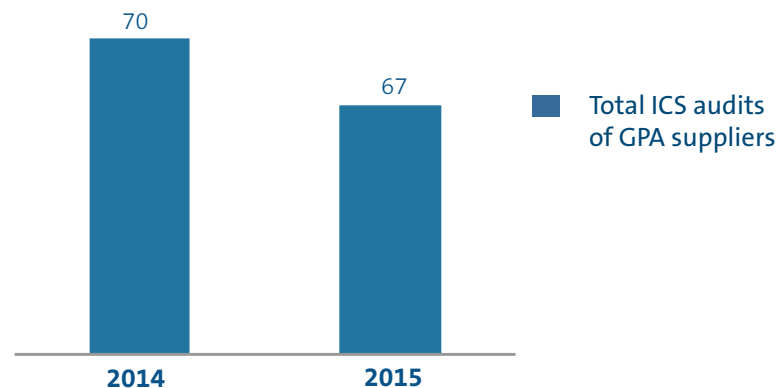
Furthermore, since 2014, GPA adopts the methodology of the *Initiative Clause Sociale* (ICS) for performing social audits of suppliers that present higher social risks in their production operations. The action strengthens the efforts in Social Ethics of the 20 member retailers, which use the same methodology to verify their suppliers. The goal is to verify the compliance of production sites with the universal principles of human rights and with international regulations.

After the audit performed by an independent firm, the suppliers receive an assessment and, if necessary, a corrective action plan is drafted. GPA's Quality and Sustainability teams verify the plan's implementation. Critical situations, such as those involving labor analogous to slavery, child labor and degrading work conditions, result in the supplier's immediate disqualification. In Bangladesh, the Casino Group and GPA established a guideline of auditing 100% of the production sites in the country to ensure respect for workers' rights and good working conditions.

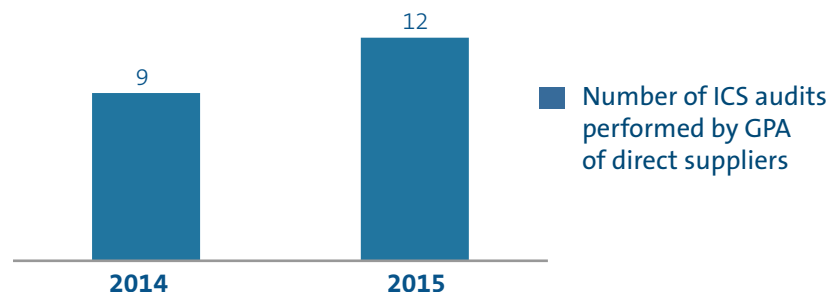
In 2015, the social audit program conducted 12 ICS social audits performed by GPA at the production sites of direct suppliers of textiles, general merchandise and food products located in countries such as China, Bangladesh, Pakistan, India and Indonesia.

In exchange for the contributions of other ICS member retailers, 55 other audits were performed in 2015 at production sites that supply products to GPA. Learn more about the ICS methodology here (<http://www.ics-asso.org/index.php?id=2&L=2>).

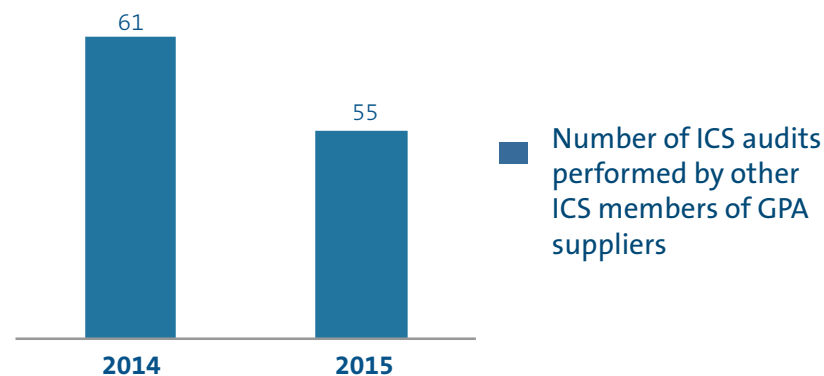
Programs for social ethics in critical chains



Number of ICS audits performed by GPA of direct suppliers



Number of ICS audits performed by other ICS members of GPA suppliers



Textiles

In Brazil's textile industry, the Group is a member of the Brazilian Textile Retailers Association (ABVTEX) and only works with suppliers certified by it, which are audited annually based on criteria such as health, safety, slave labor and working conditions. In 2016, ABVTEX will include manufacturers of footwear and accessories within its scope of suppliers.

Palm oil

The growing demand for the use of palm oil in industrial kitchens and in the cosmetics industry has led some countries to rapidly expand their production, which has led to tropical forests being cut down to plant palm trees.

To ensure that the palm oil does not come from deforested areas, GPA joined forces with The Forest Trust (TFT), a non-governmental organization that combats deforestation by analyzing companies' commodity chains, to map the entire palm oil supplier chain used to make its private-label products.

The first map, which was produced in 2013, was updated in 2015. The diagnosis showed that 70% of the palm oil used to make GPA's private-label products are certified by the Roundtable on Sustainable Palm Oil (RSPO), which attests to the responsible management of their plantations, with tracking up to the refinery gate. In 2016, GPA will continue this effort, in alignment with the Casino Group.

Beef

Also in partnership with TFT, GPA began, in April 2015, mapping its beef supply chain in order to develop a beef sourcing policy. A questionnaire was sent to all suppliers requesting information on the geographic location of their production sites and on their monitoring processes.

Internal workshops and encounters with stakeholders were organized to support the drafting of a beef sourcing policy for the Group, which should be published in early 2016. The main goal is to strengthen control processes and mitigate the risks of deforestation related to beef production in Brazil.

Freight carriers

Backhaul

The backhaul program for the Multivarejo business was continued in 2015 and in 2016 should be expanded to cover the entire Group. The program works to ensure that trucks do not return empty after delivering products, but rather loaded with products from a supplier in the same region. In 2015, 14 new clients were registered, including new business and resumption of operations.

MANAGING ENVIRONMENTAL IMPACTS

Managing environmental impacts, which is one of the pillars of GPA's sustainability strategy, aims to ensure compliance with environmental regulations in the industry and reduce the environmental impacts generated by its activities. To enhance the management of this topic, the Group drafted, in 2014, an Environmental Policy to guide its actions on five fronts.

1. COMPLYING WITH THE ENVIRONMENTAL REGULATIONS AND POLICIES IN FORCE

2. ENSURING THE ADEQUATE MANAGEMENT OF SOLID WASTE

3. ENSURING THE SUSTAINABLE USE OF NATURAL RESOURCES (ENERGY, WATER)

4. REDUCING GREENHOUSE GAS EMISSIONS, WHICH CONTRIBUTE TO CLIMATE CHANGE

5. PROTECTING NATURAL ECOSYSTEMS AND BIODIVERSITY

*Based on the United Nations Millennium Goals, the Environmental Policy of the Casino Group and the Sustainability Guidelines of GPA.

Solid waste management

The Group adopts a series of actions to mitigate the impact of its solid waste generation. This is a great challenge, considering its size and various businesses, but GPA has been enhancing its actions and finding solutions that range from donating food at stores to increasing internal recyclable waste and reducing the use of natural resources. These efforts are accompanied by continuous efforts to raise awareness among employees on the importance of environmental issues and preservation.

In 2015, GPA collected over 76,000 tons of recyclable materials in its operation, which were disposed of properly.

Non-hazardous solid waste generated in operations (metric tons)	2015
Paper	1,123
Corrugated board	33,622
Plastics	4,243
Organic waste	3,543
Professional ink cartridges	42
Used cooking oil	278
Metallic scrap	2,128
Electronic waste	257
Recyclable waste	76,065
Waste	95,410

Hazardous waste (metric tons)	2015
Light bulbs	16

Food donations

We know that food waste is a major challenge facing retailers and GPA believes the topic is a priority of its solid waste management.

Multivarejo stores donate fresh produce that, although not aesthetically adequate for sale to consumers, can be safely consumed. The initiative is part of the project “Partnership against waste” and enjoys the support of various national food bank organizations, such as Mesa Brasil and Banco de Alimentos, and also of local organizations situated near the stores.

In 2015, the program was reviewed to promote the donation process, provide training to store employees and expand the partnerships. In the Multivarejo business, 196 stores participated in the program. In all, more than 3,000 metric tons of food was donated to approximately 300 organizations nationwide. In the *Assaí* banner, food drives were organized at five stores in 2015, with 71 metric tons distributed.

The goal for 2016 is to increase by 3% the volume donated by Multivarejo and *Assaí* stores.

Composting at stores

Most of the waste from Multivarejo stores is organic. Therefore, the composting project has been expanded and already includes 120 stores already composting on-site. At *Assaí*, six stores (with four implemented in 2015) have on-site composting systems. These actions mean that only a minimum of waste is deposited in landfills.

In 2016, the goal is to continue expanding the implementation of composting systems to more stores.

Via Varejo Reviva – Recycling

This program consists of the sum of the actions of the recyclable solid waste management programs, the environmental awareness initiatives targeting employees and the reverse logistics for consumers' packaging.

Recyclable solid waste from *Pontofrio* and *Casas Bahia* stores, as well as other materials disposed of by customers, such as corrugated board, plastics, bubble wrap, white paper, wood and waste material from the electronics and home appliance recovery area, are stored and then delivered to the Picking Center at the Via Varejo Distribution Center in Jundiaí, which exists since 2008.

Since October 2015, the center began operating under a new model, which helps strengthen the actions of recyclable material collectors through the partnership with the **Viva Bem Cooperative**, which picks, compacts and sells the material collected from Via Varejo. This virtuous cycle not only reuses and recycles waste materials and reduces environmental impacts, but also contributes to the social inclusion and income generation of the recycled material collectors who are members of the cooperative.

In 2015, the program, which involved all of the stores in the state of São Paulo, was expanded to include the state of Pernambuco. In the same year, 10,338 metric tons of materials were collected. Today, 409 stores participate in the **Reviva Program**. Over the coming years, the program will be expanded to other distribution centers in the country.



Conscientious use of natural resources

GPA continuously seeks to adopt new technologies, tools and methodologies that help reduce its use of natural resources, such as water and energy, in order to make its operations more responsible.

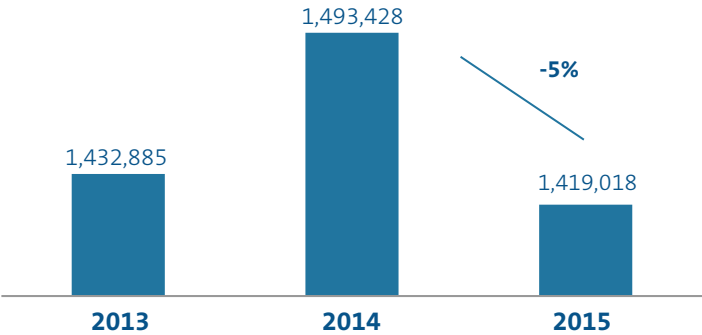


Energy efficiency

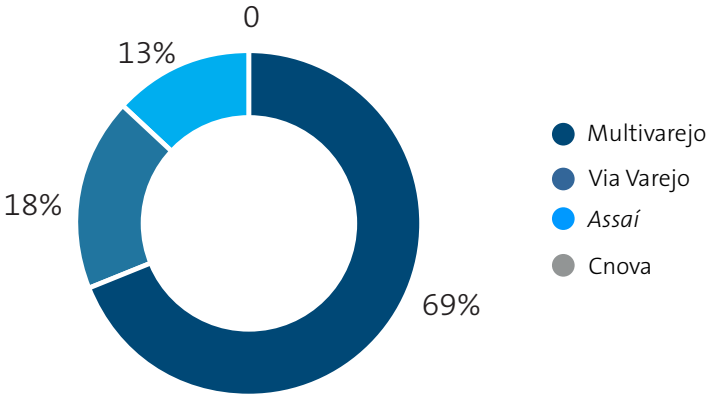
In 2015, GPA implemented a series of actions to reduce the impacts of its energy consumption, which resulted in an average reduction in its overall energy consumption of 5% between 2014 and 2015. One of the reasons for this was the ongoing investment in campaigns to raise awareness among employees.

**IN 2015, GPA REGISTERED
A 5% AVERAGE REDUCTION
IN ENERGY CONSUMPTION
BETWEEN 2014 AND 2015**

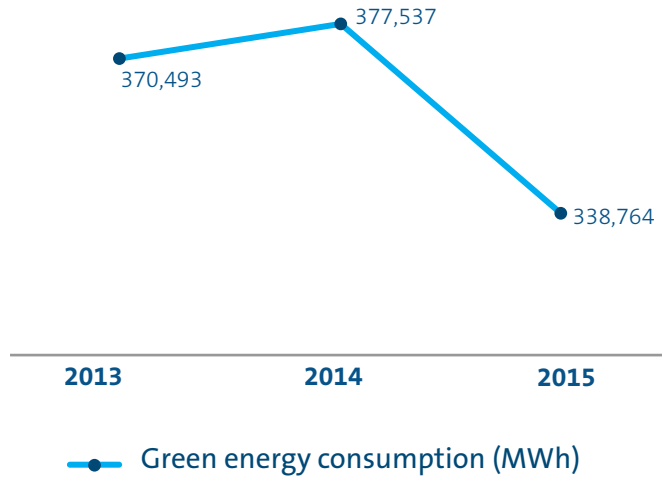
Total energy consumption (MWh)



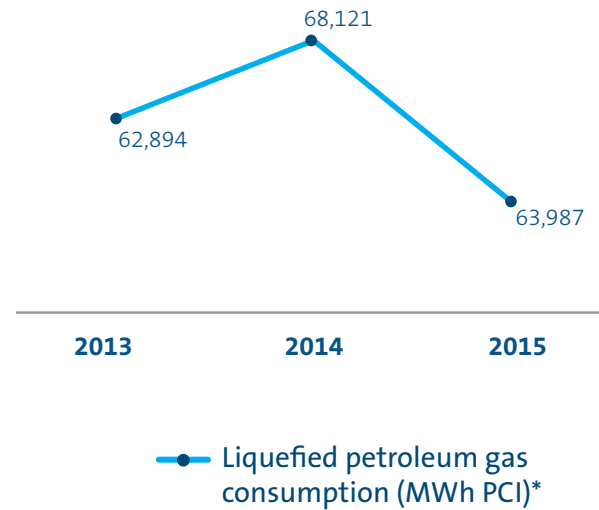
Energy consumption by Business Unit (%)



Green energy consumption (MWh)

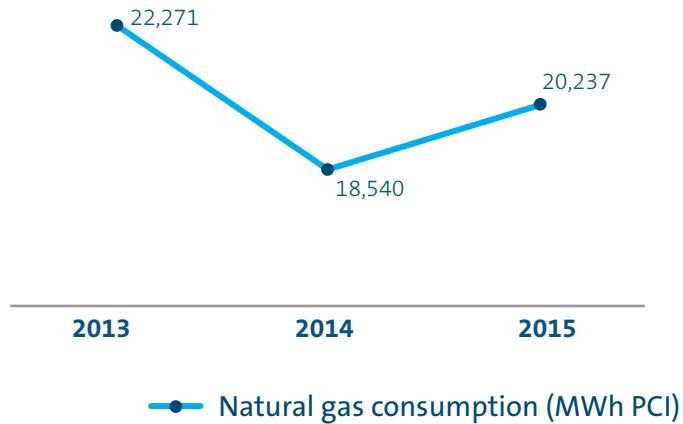


Liquefied petroleum gas consumption (MWh PCI)*



*Indicator excludes figures from Assaí.

Natural gas consumption (MWh PCI)



GreenYellow

GPA implemented new technologies for reducing its electricity consumption through GreenYellow, a company of the Casino Group dedicated to energy efficiency and renewable energy projects, which have already produced positive results.

The efforts include automating HVAC systems, switching to LED and other more efficient light bulbs, segmenting circuits, automation and installing doors on cold rooms and freezers to reduce thermal loss at stores.

“ OVER 13,000 METERS OF GLASS DOORS WERE INSTALLED AND MORE THAN 50,000 LIGHT BULBS WERE REPLACED WITH LED BULBS. THE NEW LIGHTING SYSTEM CONSUMES ON AVERAGE 60% LESS ENERGY THAN BEFORE. ALL OF THESE CHANGES LED TO A REDUCTION OF AROUND 24% IN THE TOTAL ELECTRICITY CONSUMPTION OF A HYPERMARKET ”

At the end of 2015, the 137 *Extra* hypermarkets had implemented these changes. For 2016, the supermarkets of the *Extra* and *Pão de Açúcar* banners will begin to adopt these changes.

Another action implemented was to conduct verifications at each Multivarejo store to analyze the possibility of adopting self-generation during peak hours by activating their generators (80% of Multivarejo stores have their own generators, except for Proximity stores).

Assaí

In the *Assaí* banner, 22 stores installed HVAC systems using thermal energy storage systems, which store chilled water and use it to cool the store during peak hours when electricity rates are more expensive. The refrigerated display cases at 27 stores received new door systems to optimize the use of food refrigeration.

Another energy efficiency measure was to install remote monitoring systems at 46 stores that use sensors installed in circuit breakers to determine how much energy is used by each equipment. A software compiles all of the information from the store and identifies which piece of equipment consumes more energy and the best practices recommended for each unit.

Cnova

The Cnova banner adopted the use of generators during peak hours (5 p.m. to 8 p.m.) at the Distribution Center in Rio de Janeiro. From November 2014 to 2015, the banner registered a 20% reduction in its electricity consumption.

Store Efficiency Map

All new GPA stores are built to minimize energy consumption. During the year, the Group organized campaigns to encourage reductions in electricity consumption. One example was at the *Pão de Açúcar* banner, which published an efficiency map of its stores. The map helps to orient actions for reducing water and energy consumption and provides tips on waste management procedures at the stores. The action targets managers and leaders.

Efficiency maps were adopted at all *Pão de Açúcar* stores and the target for 2016 is to expand the initiative to include the *Extra*, Proximity and *Assaí* banners.

Water consumption

In 2015, given the water scarcity faced in various states of Brazil, GPA focused on the topic with employees on the importance of using water wisely. All new stores were built already featuring a water reuse system and flow reducer devices installed on faucets.

One of the goals established for 2015 was to increase the consumption of water derived from the treatment of wastewater, the reuse of water from HVAC systems and the capture of stormwater runoff, which was partially met. A pilot project with some of these systems was implemented at a Multivarejo store.

The rational use of water is one of the topics mapped by the risk management team.

Emissions

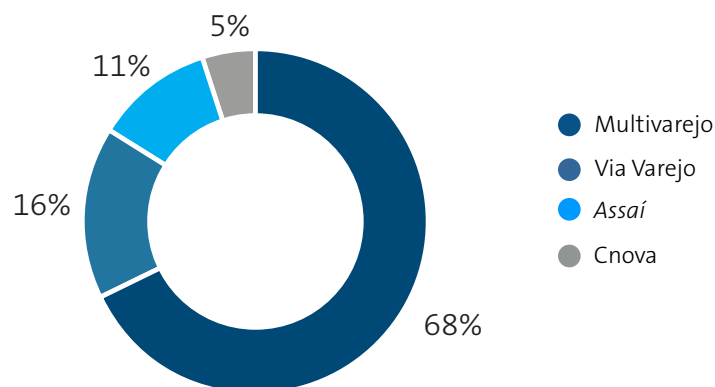
Aware of its environmental responsibility, since 2010, GPA conducts a carbon emissions inventory based on the methodology of the Brazilian GHG Protocol Program. A third-party consulting firm was engaged to measure the Group's direct and indirect emissions under scopes 1, 2 and 3, using the methodologies of the Intergovernmental Panel on Climate Change (IPCC), UK Department for Environment, Food and Rural Affairs (Defra) and the World Resource Institute (WRI/WBCSD GHG Protocol Initiative).

The information enabled GPA to identify areas requiring improvement and to develop actions to manage them. The 2015 report contains information on GPA's businesses: *Pão de Açúcar*, *Extra*, *Proximity*, *Fuel Stations*, *Drugstores*, *Assaí*, *Casas Bahia*, *Pontofrio*, *Bartira* and *Cnova*.

GPA also self-reports emissions data to the Carbon Disclosure Project (CDP), which is one of the main initiatives of the financial industry for mitigating the effects of climate change. Developed by institutional investors, the CDP questionnaire requests standardized information from some of the world's largest listed companies traded on the world's main stock exchanges. The goal is to report information on the policies, actions and targets developed by the financial community for combating climate change. Both initiatives ensure that institutional investors have access to corporate environmental information.

The Group's stock is also a component of the Carbon Efficient Index (ICO2), which was created by the São Paulo Stock Exchange (BM&FBovespa) in conjunction with the Brazilian Development Bank (BNDES). The indicator is formed by companies that adopt transparent practices with regard to their greenhouse gas emissions and have in place efficient initiatives for managing their emissions. The goal of the ICO2 index is to encourage companies to manage the topic responsibly by measuring, managing, monitoring and mitigating their emissions to help drive investments flows towards a low-carbon economy.

Emissions by Business Unit (Kyoto Protocol and Montreal Protocol - tCO₂/ano)



Alternatives to refrigerant gases

Working in collaboration with the Casino Group, GPA began, in 2014, a study to research best practices for the equipment installed in its stores, compare eco-efficient solutions and develop a calculation tool for comparing the alternatives proposed by suppliers. GPA is monitoring four pilot stores with refrigeration systems partly formed by carbon-dioxide-based refrigerants, which are less polluting than other solutions on the market.

Two new *Assaí* stores implemented, in 2015, carbon-dioxide-based refrigeration systems and the banner continues to work on maintaining its equipment in order to reduce gas leaks.

For 2016, the target is to create a working group and promote the exchange of information with stakeholders to resolve the issue of refrigerant gases.

While it continues to work to identify efficient alternatives to implement on a large scale, the Group invests in regular equipment maintenance to reduce gas leaks and continues to evaluate key levers for reducing its environmental impact related to refrigerant gases.

Why Throw it Away?

Developed through GPA's Credit Cooperative, the program *Why Throw it Away?* (*pqjogarfora*) presents tips and concepts to raise awareness among employees on the need to reduce waste. In 2015, the program focused on the topics of rational water consumption and how to better consume and reuse foods when preparing meals. Approximately 100,000 employees benefitted from the program. The idea behind this educational project is that the employees learn from the information and then act as replicators of this knowledge with their friends and family members, which effectively expands the circle of influence of these good practices.

In addition to this program for the Group, the *Pão de Açúcar* brand administered training to employees and their family members on the topics of food waste and the household budget, in which 205 people participated. The materials used in these training workshops included a booklet developed especially for the program. The goal is for the training project to be replicated to involve more people in 2016. The program also features a website with news and information on the topics addressed that can be accessed by anyone at <http://pqjogarfora.com.br>.



ENGAGING WITH SOCIETY

To ensure positive impacts on the communities surrounding its stores and businesses, GPA invests in social, cultural and economic actions on its own initiative or in partnership with other organizations through the GPA Institute, which manages educational, social and cultural actions targeting youth and children. Meanwhile, Via Varejo's investments are made through the Via Varejo Foundation, whose efforts are concentrated in projects to reduce social and economic inequality in Brazil.

GPA INSTITUTE'S PROGRAMS

The GPA Institute was created in 1998 and sponsors projects in the states of São Paulo (capital, Osasco, Santos), Rio de Janeiro (capital and São Gonçalo) and Brasília. Learn more about the initiatives organized in 2015.

Prosper Program

Targeting students without the financial means to go to college, the program offers four-year academic scholarships that cover

registration, monthly tuition payments, textbooks and teaching materials, meals, transportation and housing assistance for non-São Paulo residents. In 2015, 14 scholarships were awarded, in addition to the ten that were awarded in 2014 and renewed.

The GPA Institute also supports a group of high school students enrolled in preparatory courses for passing the admissions examination of the Getúlio Vargas Foundation (FGV). Starting in 2016, the Group's executives will act as mentors to the young students.

GPA Institute Music and Orchestra Program

Created in 1999, this is the GPA Institute's oldest program, which offers at no charge musical instrument classes to children from ten to 18 years old who do not have access to such training. Students who excel in the two-year program are invited to join the GPA Institute Orchestra.

In 2015, the program benefitted 631 participants and the GPA Institute Orchestra gave more than 80 performances in Brazil, France and Argentina. However, the number of new classes was not expanded.



Solidarity Day

The goal of Solidarity Day, which is always held at the end of the year, is to raise awareness among the public on the problems of hunger and poverty in Brazil.

In 2015, 2,112 stores under the *Pão de Açúcar*, *Extra*, *Assaí*, *Casas Bahia* and *Pontofrio* banners organized drives to collect non-perishable foods. The drives collected 702 metric tons of food, which represents 1,404,400 meals. The initiative drew on the support of 9,042 volunteers, of whom 1,672 were GPA employees.

The goal for 2016 is to increase the number of volunteers at Via Varejo and Assaí.



Advanced Food Technology Center (NATA)

Developed at the Comendador Valentim dos Santos Diniz State High School located in São Gonçalo, Rio de Janeiro, NATA offers technical high school programs in two fields: Milk & Derivatives and Baking & Confectionery.

The result of a partnership between the Rio de Janeiro State Education Department (Seeduc/RJ), the Rio de Janeiro State Agriculture, Livestock, Fishing and Supply Department (Seappa/RJ) and the GPA Institute, the program combines the coursework of a high school education with career technical courses.

The program has the capacity to serve 360 students annually in a complex with 20 classrooms, two libraries (general and technical), four laboratories for microbiological and chemical tests and two pilot plants with equipment that allow students to apply in practice the knowledge they acquire in the classroom.



Volunteer work

To encourage the Group's employees to participate in volunteer actions, campaigns are conducted over the course of the year, such as Solidary Easter and Solidary Tree during Christmas.

The former consists of donating Easter eggs to children from underprivileged households, while the latter is a drive to collect donations of toys, clothing and footwear for needy children. In 2015, 1,211 volunteers participated in the two actions, which benefitted 4,813 children.



Other GPA initiatives

Sports actions

- *Pão de Açúcar* Relay Marathon – GPA's main sporting event is held every year in the cities of São Paulo, Rio de Janeiro, Fortaleza and Brasília. The 42.195-kilometer race is disputed by two-, four- and eight-person teams. In 2015, the race attracted 18,032 participants in São Paulo, 3,652 in Rio de Janeiro, 5,930 in Fortaleza and 2,624 in Brasília.
- *Pão de Açúcar* Kid's Race – This race for children created by GPA encourages the practice of sports by kids from 1 to 12 years old. In 2015, the kid's race attracted 4,374 participants in São Paulo, 1,551 in Rio de Janeiro, 895 in Fortaleza and 738 in Brasília.



Engagement with communities surrounding stores

Extra – Viva Neighborhood!

In 2015, the program Viva Neighborhood! organized by the *Extra* banner evolved with the creation of working groups formed by volunteers from five communities targeted by the program (two in São Paulo and three in Rio de Janeiro), which are already organizing events related to the environment and education.

The communities targeted are Jaguaré and Mooca in São Paulo and Copacabana, Tijuca and Méier in Rio de Janeiro. The working groups were formed by 36 people from local communities divided into five groups, which organized a total of 19 events that attracted 1,500 participants. *Extra* was responsible for coordination between the local communities and the network of volunteers and received support from other non-governmental organizations on the project's execution.

Via Varejo Foundation's Initiatives

The Via Varejo Foundation is charged with the mission of helping to eradicate poverty and reducing social, cultural and economic inequalities in Brazilian society, especially in local communities. To achieve this mission, it organizes projects and provides financial and technical support to strengthen projects organized by civil society that share this purpose. In 2015, support was given to more than 20 initiatives aimed at strengthening social entrepreneurship and eradicating poverty.

For the projects conducted in-house, the foundation launched a pilot program involving dialogue and social investment in communities located near stores in areas of high social vulnerability and high rates of violent crime.

The process aims to identify priorities and the methods for achieving them based on a diagnosis conducted from the viewpoint of the communities and supported by investments from Via Varejo Foundation, as well as a strategy for continued and sustainable actions involving other players (public, private, local and other).



The pilot community selected was the Alemão Complex in Rio de Janeiro. The local network, which is formed by 60 representatives from various sectors of society, opted for a process involving support and crowdfunding for the projects. The Foundation matches every R\$1 collected by investing another R\$1. In the end, eight NGOs were involved in the project.



Via Varejo also participated, for the first time, in Solidarity Day (December 5), which involved the sale of products at *Pontofrio* and *Casas Bahia* stores. For every product sold worth at least R\$100, a donation of R\$2 (R\$1 from Via Varejo and R\$1 from the Foundation) was made to the Red Cross for initiatives to support families made homeless by natural disasters. A total of R\$345,680.00 was donated, which mobilized all Via Varejo stores and 1,089 volunteer employees.



pontofrio
fundação via**varejo**

Furniture Design Award (*Prêmio de Design de Móveis*)

Created in 2009, the Furniture Design Award (*Prêmio de Design de Móveis*) is organized by *Casas Bahia* in partnership with the Bartira furniture production facility. The initiative engaged students from partner institutions in the Product Design industry who develop designs for the topics suggested.

SUMMARY OF THE GOALS AND PLAN OF ACTION FOR SUSTAINABILITY

TARGETS 2015



Met



Partially met








Not met






Valuing Our People

Targets 2015	Status	Comments
Continue the engagement study conducted in 2014 to define priorities and action plans for all of GPA's businesses.		The actions planned after the engagement study conducted in 2014 have been implemented, but were not structurally followed in all of the businesses. A new study will be conducted in 2016.
Continue to make progress in the expansion and inclusion of persons with disabilities with the goal of PwDs representing 2.5% of GPA's workforce.		At the end of 2015, GPA had 4,286 employees with disabilities, reaching the level of 2.7% of its workforce formed by PwDs.
Reinforce the activities of the Women's Forum to promote the inclusion of women in leadership positions (GPA).		Two editions of the Women's Forum were organized in the second half of 2015, along with four meetings of GPA's Gender Executive Committee, which was created in 2014.
Continue to expand the programs GPA Gym, GPA Club and nutritional support for employees (GPA).		The programs were continued in 2015, but without any increase in the number of employees participating.
Implement a new system for managing HR services through the HR+ Program.		The HR+ Program was developed and will be implemented in the operational areas in early 2016.








Conscientious consumption and supply

Targets 2015	Status	Comments
Create a platform for communicating with customers and employees with the goal of reducing the number of plastic bags distributed at stores (GPA).		All customers now enjoy benefits in their loyalty programs for not using plastic bags. In São Paulo, the number of bags distributed fell by around 70%.
Continue to expand (increase the number of products and sales volume) the offering of healthy products (<i>Pão de Açúcar</i>).		Healthy products were showcased in five stores with exclusive aisles and displays.
Restructure the program Faces of Brazil (<i>Caras do Brasil</i>) Program, including reviewing the business model for supporting the development of suppliers and strengthening the program's positive social impacts for the customers of <i>Pão de Açúcar</i> .		The project was reviewed in 2015 ahead of the program's relaunch in 2016.
Complement the environmental education actions targeting the reverse logistics of customers' solid waste by expanding the recycling centers and the communication campaigns (<i>Multivarejo, Assaí</i>).		In 2015, the recycling centers at <i>Pão de Açúcar</i> were expanded, as also were the environmental education campaigns. New models of recycling centers were installed to create a new recycling experience for customers, and the reverse logistics programs were subjected to review.
Develop new partnerships for expanding the volume of paper recycled in the Program New Again (<i>Novo de Novo</i>)		The program suffered some adjustments during 2015 and was unable to find a partner that was able to meet the logistics needs required to increase the volume of material recycled. The program's expansion to include new materials is slated for 2016.






Transforming the Value Chain

Targets 2015	Status	Comments
Expand the Quality Improvement Program to include suppliers of private-label drugstore, fragrance and personal care products (Multivarejo).		The program was implemented for Home and Personal Care products.
Maintain the supply of Brazilian textile products through suppliers certified by ABVTEX (Multivarejo).		The supply of textile products was maintained using only suppliers certified by ABVTEX.
Expand the campaigns of ICS social audits to cover more suppliers and production sites located in high-risk countries (Multivarejo).		12 ICS social audits were performed at the production sites of producers of textiles, general merchandise and food products located in China, Bangladesh, Pakistan, India and Indonesia.
Increase by 7% the number of freight carriers participating in the Backhaul Project (Multivarejo).		The number of suppliers increased by approximately 30% in 2015.
Incorporate social and environmental causes in third-party management contracts (Via Varejo).		The clause is part of the new model contract used for all suppliers.

Managing Environmental Impacts

Targets 2015	Status	Comments
Continue to expand the integrated management of internal solid waste (GPA).		54 new Multivarejo stores joined the food donation program in partnership with Mesa Brasil and Banco de Alimentos. Organic waste composting systems are currently in use at 196 Multivarejo stores and six Assaí stores (4 new stores in 2015). At Via Varejo, the <i>Reviva</i> program shipped 10,338 metric tons of packaging to recycling cooperatives.
Expand the energy efficiency projects to include all of the Group's units and, with the support of GreenYellow Brasil, 100 <i>Extra</i> hypermarkets (GPA).		Green Yellow has already implemented initiatives in 137 <i>Extra</i> hypermarkets.
Improve the system for monitoring gas leaks and evaluate solutions with lower potential for contributing to climate change in the refrigeration systems of new and renovated stores (GPA).		In 2015, two new Assaí stores implemented carbon-dioxide-based refrigeration systems and the banner continues to work on maintaining its equipment in order to reduce gas leaks.
Continue striving to incorporate more efficient solutions (rational selection and use of resources and materials) in the designs of new stores (GPA).		At the Assaí banner, 22 stores implemented HVAC systems with thermal energy storage systems, 27 adopted new door systems for their refrigerated display cases and 46 stores adopted a system for remotely monitoring the energy consumption of their equipment. In 2015, <i>Pão de Açúcar</i> published an efficiency map of its stores to guide actions for reducing water and energy consumption.
Increase the consumption of water derived from the treatment of wastewater, the reuse of water from HVAC systems and the capture of stormwater runoff (GPA).		The systems were installed at a pilot Multivarejo store.
Adopt recycling programs in the food courts of the five largest commercial centers (GPA Malls)		A recycling program was implemented in the food courts of the five commercial centers located in São Paulo.
Develop the internal awareness campaign whythrowitaway? targeting the Group's employees (GPA, except Via Varejo)		The campaign targeting employees addressed the topics of water scarcity and food waste. The topics were treated in an entertaining and objective way through a hotsite, booklets with tips and practical content and a cultural contest. The information reached more than 100,000 people.

Engaging with society

Targets 2015	Status	Comments
Activate the local projects selected for the five neighborhoods targeted by the Viva Neighborhood! Program coordinated by <i>Extra</i> (Multivarejo).		The five communities benefitted in São Paulo and Rio de Janeiro participated in events and actions organized by the Viva Neighborhood! Project. The project mobilized more than 1,500 participants in all of its activities.
Increase donations and the number of volunteers participating in Solidarity Day 2015.		Solidarity Day 2015 collected 702 metric tons of food and mobilized more than 9,000 volunteers.
Increase the number of scholarships in the Prosper Program and sponsor for high school students preparatory courses for passing the admissions examination to enter the Getúlio Vargas Foundation (FGV).		The GPA Institute awarded 14 new academic scholarships through the Prosper Program and also helped a group of high school students complete a preparatory course for passing the admissions examination to be accepted to the Getúlio Vargas Foundation (FGV).
Continue to expand the GPA Institute Music & Orchestra Program.		The program was continued and benefitted 631 participants and the GPA Institute Orchestra gave 80 performances, however the number of new classes was not expanded.
Increase the number of volunteer employees participating in social actions coordinated by the Via Varejo Foundation.		Via Varejo Foundation mobilized employees to participate of the volunteer actions, such as Solidarity Day, that has gathered more than 1,000 employees.

SUMMARY OF THE GOALS AND PLAN OF ACTION FOR SUSTAINABILITY

TARGETS 2016

Valuing Our People

- Consolidate the management model.
- Launch the Executive Academy to train and develop the Group's executives.
- Replicate the diversity commitments in all businesses and create a manual for managers on the topic.
- Continue the activities of the Women's Forum and the meetings of the Women's Executive Committee and organize internal and external networking sessions, strengthen the inclusion of women in leadership positions in the Group, and improve the communication and awareness actions on empowering women.

Conscientious consumption and supply

- Reach the volume of 100,000 metric tons of recycled materials collected through the program *Pão de Açúcar* Unilever Recycling Center Program (*Pão de Açúcar*).
- Increase the share of sales of organic products in the *Pão de Açúcar* banner.
- Relaunch the Caras of Brasil Program with its new scope (*Pão de Açúcar*).
- Expand the visibility and volume of the materials covered by the New Again Program (Multivarejo).

Transforming the Value Chain

- Publish a public commitment for beef sourcing (GPA).
- Expand the number of ICS social audits performed at the production sites of private-label products located in high-risk countries (Multivarejo).
- Accompany the expansion of ABVTEX certification in the categories footwear and accessories (Multivarejo).
- Expansion of the Backhaul Project for all of GPA's businesses.

Managing Environmental Impacts

- Expand the food donation program by at least 3% compared to the volume donated in 2015 (Multivarejo, Assaí).
- Increase the number of stores with composting systems (Multivarejo, Assaí).
- Reduce energy consumption in the sales areas and expand the participation of GreenYellow Brasil in the energy efficiency projects for supermarkets (GPA).
- Create a working group and promote the exchange of information with stakeholders to resolve the issue of refrigerant gases (GPA).

Engaging with society

- Implement a program for rounding up change at the Multivarejo proximity stores.
- Increase the number of stores with composting systems (Multivarejo, Assaí)
- Increase the number of volunteers from Via Varejo and Assaí participating in Solidarity Day.
- Multiply the number of people participating in the Household Budget training program.



5 ANNEXES

INDICATORS

The sustainability indicators reported in this report follow the methodology adopted internationally by the Casino Group. The topics of the greatest relevance to GPA were considered, which were identified through a materiality study conducted in 2014. The following indicators are broken down by Business Unit.

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Number of units owned	Number	1,719	707	932	80	0	0
Sales floor of the units owned	m²	2,646,487	1,309,485	1,038,542	298,460	0	0

VALUING OUR PEOPLE - INDICATORS AT 12/31/2015

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Full-time equivalent headcount	Number	158,162	78,363	54,757	19,180	3,321	2,541
Headcounts of record*	Number	160,082	79,337	55,346	19,441	3,401	2,557
Permanent hires	Number	156,130	77,422	53,959	18,917	3,289	2,543
Temporary hires	Number	3,952	1,915	1,387	524	112	14
Headcount of females	Number	77,517	43,025	22,726	9,249	1,643	874
Headcount of males	Number	82,565	36,312	32,620	10,192	1,758	1,683
% women in the headcount	%	48.4	54.2	42	47.6	48.3	34.2
Headcount aged < 30 years	Number	66,232	36,286	17,252	9,979	1,949	766
Headcount aged 30-50 years	Number	79,773	36,258	32,341	8,321	1,392	1,461
Headcount aged > 50 years	Number	14,077	6,793	5,753	1,141	60	330
Full-time headcount	Number	154,243	76,313	53,689	18,675	3,047	2,519
Part-time headcount	Number	5,839	3,024	1,657	766	354	38
% of full-timers in the headcount	%	96	96	97	96	90	99
Number of temps hired in the year	Number	3,920	2,095	1,099	596	115	15
Number of permanent employees hired in the year	Number	51,737	28,802	10,720	10,253	1,596	366
Number of people aged 25 and under recruited (permanent hires + temps)	Number	27,430	16,307	5,188	4,997	824	114
Number of people aged 51 and up recruited (permanent hires + temps)	Number	1,657	971	363	297	11	15
Total number of layoffs of permanent hires	Number	63,745	32,221	21,520	7,188	2,341	475
Annual turnover rate for permanent hires	%	42	45	36	45	66	20
Number of occupational illnesses recorded in the year	Number	31	5	21	2	3	0
Number of workplace accidents involving at least 1 day out	Number	1,495	965	334	144	47	5

* The number of employees also contemplates employees on leave.

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Total hours worked	Hours	353,789,291	195,493,202	103,439,741	42,591,277	9,677,891	2,587,180
Number of days leave stemming from workplace accidents	Days	14,305	0	14,305	0	0	0
Total number of hours missed due to workplace accidents, common illness and occupational illnesses	Hours	2,049,488	0	2,049,488	0	0	0
Frequency of accidents with loss of at least one day - based on total hours worked	%	4.2	4.9	3.2	3.3	4.8	1.9
Total number of hours of training of permanent employees and temps	Hours	1,945,055	425,689	819,491	676,986	20,580	2,309
Total number of permanent hires and temps that underwent training during the year	Number	99,924	34,310	49,056	14,034	2,271	253
Number of hours of training per employee	Hours	12.4	6	14	41	6	1
Headcount of males in positions of leadership	Number	1,966	644	1,047	144	54	77
Subtotal: headcount of males in executive positions	Number	89	27	27	9	5	21
Headcount of females in positions of leadership	Number	513	156	278	21	24	34
Subtotal: headcount of females in executive positions	Number	8	1	2	1	0	4
% women in positions of leadership	%	21	20	21	13	31	31
% of women in the total "upper management" headcount	%	8	4	7	10	0	16
% of women in the total "masters agent" headcount	%	41	42	39	38	37	22
% of women in the total "employees" headcount	%	49	55	41	48	49	37
Number of permanent employees promoted to a higher position in the year	Number	8,882	4,999	2,454	1,090	215	124
Total number of employees with special needs at the company	Number	4,286	1,435	1,957	831	37	26
Number of students in rotation (vocational training) and apprentices	Number	3,952	1,915	1,387	524	112	14

CONSCIENTIOUS CONSUMPTION AND SUPPLY

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Total number of exclusive brand products:	Number	4,337	3,989	290	58	0	0
Offering of national and exclusive brand organic agriculture products, excluding textiles	Number	1,599	1,599	0	0	0	0
Number of fair trade products of other brands	Number	1	1	0	0	0	0
Subtotal of FSC-certified exclusive brand products	Number	434	144	290	0	0	0
Subtotal of exclusive brand products certified with other seals	Number	145	145	0	0	0	0
Subtotal of FSC-certified products of other brands	Number	349	349	0	0	0	0
Total number of products produced using Good Agricultural Practices:	Number	1,462	1,462	0	0	0	0
Number of exclusive brand products with nutritional optimization	Number	55	54	0	1	0	0
Social audits ICS Made in direct suppliers Along the year	Number	12	12	0	0	0	0

MANAGING ENVIRONMENTAL IMPACTS

ENERGY

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Total energy consumed	MWh	1,419,018	972,982	251,137	188,896	6,003	0
Consumption of Energy	KWh/m²	261	824	249	672	0	0
Consumption of Green Energy	MWh	338,764	328,634	0	10,130	0	0
Consumption of Natural Gas	MWh NCV	20,237	18,775	1,327	135	0	0
Consumption of Liquefied Petroleum Gas (LPG)	MWh NCV	63,987	50,071	6,171	6,657	1,087	0
Consumption of diesel	Liters (L)	5,477,251	3,563,509	61,121	1,732,881	119,740	0

REFRIGERANT GASSES

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Refilling Refrigerants - R404A	kg	2,088	2,080	0	8	0	0
Refilling Refrigerants - R134A	kg	289	263	0	26	0	0
Refilling Refrigerants - R22	kg	203,356	173,968	0	29,388	0	0
Other fluids	kg	4,859	4,556	0	303	0	0
Refilling air conditioners - R404A	kg	576	157	419	0	0	0
Refilling air conditioners - R134A	kg	100	85	15	0	0	0
Refilling air conditioners - R22	kg	39,989	13,383	26,606	0	0	0
Refilling air conditioners - R410A	kg	187	3	184	0	0	0
Others fluids	kg	118	112	6	0	0	0

NON-HAZARDOUS OPERATIONAL WASTES

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Papers	metric tons	1,123	0	1,123	0	0	0
Paperboard	metric tons	33,622	21,134	1,937	10,263	288	0
Plastic	metric tons	4,243	2,086	564	1,544	50	0
Organic Wastes (composting)	metric tons	3,543	3,317	43	183	0	0
Cartridges for professional printers	metric tons	42	8	29	5	0	0
Used cooking oils	metric tons	278	261	9	8	0	0
Scrap and Metals	metric tons	2,128	0	2,128	0	0	0
Waste Electrical and Electronic Equipment (WEEE)	metric tons	257	0	257	0	0	0
Other Reusable	metric tons	30,828	0	30,828	0	0	0
Total Recycled Waste	metric tons	76,065	26,806	36,918	12,004	338	0
Mixed non-hazardous industrial waste	metric tons	95,410	74,233	2,457	18,365	355	0
Rate of waste reused	%	32	27%	71%	40%	49%	0

HAZARDOUS OPERATIONAL WASTES

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Light bulbs	metric tons	16	3	13	0	0	0

WASTES DEPOSITED BY CUSTOMERS

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Batteries	metric tons	32	20	9	3	0	0
Electronics	metric tons	1	1	0	0	0	0
Printer cartridges	metric tons	0	0	0	0	0	0
Plastics	metric tons	3,651	3,556	0	95	0	0
Papers	metric tons	5,644	5,513	0	131	0	0
Paperboard	metric tons	170	0	0	170	0	0
Scrap metal	metric tons	439	406	0	33	0	0
Aluminum	metric tons	189	185	0	3	0	0
Glass	metric tons	3,629	3,607	0	22	0	0
Other customer wastes	metric tons	344	344	0	0	0	0
Total	ton	14,092	13,634	9	458	0	0

WATER

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Total consumption of potable water from the system	m³	2,723,850	1,825,328	526,986	371,536	0	0

CERTIFICATES

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Unidades próprias com certificação LEED	Number	3	3	0	0	0	0

INPUTS

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Volume of plastic bags distributed at registers	metric tons	5,914	5,717	197	0	0	0

ENGAGING WITH SOCIETY

INDICATOR	UNIT	GPA	MULTIVAREJO	VIA VAREJO	ASSAÍ	CNOVA	GPA CORPORAÇÃO
Food donations in metric tons	metric tons	3,207	0	0	0	0	3,207
Food donations in number of meals	Meal equivalents	6,413,020	0	0	0	0	6,413,020
Metric tons of food donated by customers	metric tons	1,254	0	0	0	0	1,254
Total amount allocated to social investment	Reais	24,531,176	0	5,954,192	0	0	18,576,984
Total cash donations through cultural and sports partnerships	Reais	7,236,810	0	5,046,810	0	0	2,190,000
Number of beneficiaries of the actions of the foundations or charitable partnerships	Number	70,494	0	68,828	0	0	1,666
Number of children benefitting from the actions of the foundations or charitable partnerships	Number	12,573	0	7,760	0	0	4,813

RECOGNITION

The most admired companies in Brazil 2015

Carta Capital

GPA was chosen for the fifth time as one of Brazil's ten most admired companies, and won in the Retail Supermarket sector.

Top of mind 2015

Folha de S. Paulo newspaper

Extra took first place in the Supermarket category. *Casas Bahia* won in Furniture and Appliance Stores and topped the Regional Standout category as the most remembered brand in the Southeast.

Marcas Mais

O Estado de S. Paulo

Casas Bahia ranked first in the appliance store segment.

LIDE Retail Award 2015

Grupo de Líderes Empresariais

GPA won in the In-House Brand Management and Innovation in Store Format categories, this latter for *Minuto Pão de Açúcar*.

Trustworthy Brands

Seleções magazine and *Ibope*

Extra won for the eighth time in the Supermarket category; and *CasasBahia.com.br* won in e-commerce.

2015 BR Week Prize

Grupo Padrão

Multivarejo topped the Super- and Hypermarkets category; *Assaí* topped the Wholetail and Cash & Carry segment; *Cnova* topped e-commerce; and *Via Varejo* took third place in Durable Household Goods and Furniture.

The Companies that Most Respect the Consumer in Brazil 2015

Grupo Padrão

Multivarejo was considered to be the company that most respected the consumer in Brazil in 2015, in the Hypermarkets segment, getting the highest marks from its consumers.

Notable Companies 2015

Grupo Padrão

Multivarejo was the top ranked company in the Super- and Hypermarkets segment, given the performance of the branding, investments and value dimensions.

The Best of Agribusiness Prize

Globo Rural magazine and *Editora Globo*

GPA was awarded in the Wholesale and Retail category. This was the ninth year the Company has been ranked.

E-bit Best e-commerce Stores Prize 2015

E-bit

The *Pão de Açúcar* brand was awarded in the Foods and Drinks category. *Extra* and *Pontofrio* got the best marks and were among the Top 5 Best Diamond Stores. *Extra* was the brand that got the highest score in Innovation.

Abemd Prize 2015

Associação Brasileira de Marketing Direto

"Delivery in Concert - *Pão de Açúcar*", "*Clube Extra*" and "Personalized Direct Mail Campaign - *Pão de Açúcar Mais*" won prizes.

Top of Mind

A Tribuna de Santos newspaper (SP)

Extra won the award in the Supermarket/Hypermarket category.

Top of Mind Marcas de Sucesso/MG

Mercado Comum

Casas Bahia was awarded in the Furniture Store Category.

Top of Mind

O Povo newspaper (CE)

Extra was awarded as a leader among the most remembered in the Supermarket category.

Top of Mind Vale do Itajaí (SC)

A Notícia newspaper and the Instituto Mapa

Casas Bahia was the most remembered in the Appliance Store category.

Great Brands Prize

Diário do Nordeste

Extra won in the Hyper- and Supermarkets category in Fortaleza, in the Great Brands prize from the *Diário do Nordeste*, promoted by *Grandes Marcas* magazine.

Great Brands Prize

Cruzeiro do Sul newspaper

Extra was awarded in the Hypermarket category.



ABOUT THE REPORT

GPA's Annual and Sustainability Report brings the Group's main achievements from January 1 through December 31, 2015 to the fore, and its purpose is to inform our stakeholders of our results in the period. The report follows the methodology utilized internationally by the Casino Group for sustainability indicators.

A survey of materiality was conducted in 2014 and the Board of Executive Officers validated the strategic themes, which are:

- Career planning, continuing development of employees and encouraging well-being
- Appropriate disposal of wastes, and reverse logistics
- Monitoring product life cycles
- Efficiency in the use of natural resources
- Valuing diversity
- Banner positioning focused on social causes
- Socio-environmental criteria for selecting and contracting suppliers
- Reducing food wastage

The content on sustainability was structured in accordance with GPA's commitments for sustainability and the material topics listed above:

- Valuing our people
- Conscientious consumption and supply
- Transformation in the chain of value
- Managing environmental impacts
- Engagement with society

To prepare the content, 20 interviews with the professionals responsible for the Business Units and other key departments were conducted. The information was audited by KPMG and refers to the Group's performance during 2015, contemplating data from the following Business Units: Multivarejo (*Pão de Açúcar, Extra* and *Proximity*), *Assaí*, GPA Malls, Cnova and Via Varejo (*Pontofrio* and *Casas Bahia*) and corporate departments.

ASSURANCE LETTER



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Limited assurance report issued by independent auditors

To the Board of Directors, Shareholders and Stakeholders
Companhia Brasileira de Distribuição
São Paulo - SP

Introduction

We have been engaged by Companhia Brasileira de Distribuição (GPA or “Company”) to apply limited assurance procedures on the environmental information disclosed in the 2015 Annual Sustainability Report of GPA, related to the year ended December 31st, 2015.

Responsibilities of GPA’s Management

The Management of GPA is responsible for adequately preparing and presenting the environmental information in the Annual Sustainability Report 2015 in accordance with the *Casino Group* methodology, as well as the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information in the Annual Sustainability Report 2015 based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the GPA’s Annual Sustainability Report 2015, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of GPA and other professionals of the Company involved in the preparation of the information disclosed in the Annual Sustainability Report 2015 and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Annual Sustainability Report 2015 taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Annual Sustainability Report 2015, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) Engagement planning: considering the material aspects for GPA’s activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the GPA’s Annual Sustainability Report 2015. This analysis defined the indicators to be checked in details;
- (b) Analysis of preparation processes of the Annual Sustainability Report 2015 and its structure and content, based on GPA’s criteria;
- (c) Evaluation of environmental indicators selected:
 - Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - Application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Annual Sustainability Report 2015;
 - Analysis of evidence supporting the disclosed information;
 - Visits to GPA’s operations and offices for application of these procedures and item (b);

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Annual Sustainability Report 2015.

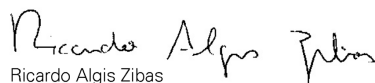
Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, the scope of our engagement did not consider the assurance of greenhouse gases emission information, and we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in GPA's Annual Sustainability Report 2015 is not fairly stated in all material aspects in accordance with the *Casino Group* methodology, as well as its source records and files.

São Paulo, June 02nd, 2016

KPMG Financial Risk & Actuarial Services Ltda.



Ricardo Algis Zibas
Director

KPMG Assessores Ltda.
CRC 2SP034262/O-4 F-SP



Eduardo V. Cipullo
Accountant CRC 1SP135597/O-6

KPMG Financial Risk & Actuarial Services Ltda., a Brazilian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Jean-Charles Naouri

Vice-Chairman

Arnaud Daniel Charles Walter Joachim Strasser

Directors

Carlos Mario Giraldo Moreno

Eleazar de Carvalho Filho

Filipe da Silva Nogueira

Jose Gabriel Loaiza Herrera

Luiz Aranha Corrêa do Lago

Luiz Augusto de Castro Neves

Maria Helena dos Santos Fernandes Santana

Roberto Oliveira de Lima

Yves Desjacques

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Eleazar de Carvalho Filho

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Human Resources and Compensation Committee

Arnaud Daniel Charles Walter Joachim Strasser

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José Gabriel Loaiza Herrera

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Yves Desjacques

Audit Committee

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Eleazar de Carvalho Filho

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Corporate Governance Committee

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Arnaud Daniel Charles Walter Joachim Strasser

Carlos Mario Giraldo Moreno

Luiz Augusto de Castro Neves

Roberto Oliveira de Lima

Sustainable Development Committee

Luiz Augusto de Castro Neves

Helio Mattar

Roberto Oliveira de Lima

BOARD OF CORPORATE AND BUSINESS OFFICERS

Chief Executive Officer

Ronaldo Iabrudi

Vice-President for Finance

Christophe José Hidalgo

Vice-President for Personnel Management and Sustainability

Antonio Salvador

GPA Wholesale Business Officer and President of Assaí

Belmiro Gomes

Investor Relations Officer

Daniela Sabbag

Executive Officer of *Extra*

Laurent Maurice Cadillat

Executive Officer of *Pão de Açúcar*

Luiz Elisio Melo

Executive Officer for Proximity Stores

Marcelo Bazzali

Chief Executive Officer of *Via Varejo*

Peter Estermann

Chief Executive Officer of *Cnova*

Flavio Dias

Executive Officer of *GPA Malls*

Luiz Henrique Costa

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Ticker Symbols

BM&FBOVESPA: PCAR4
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JP Morgan Chase Bank

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Office of Investor Relations

Office of Corporate Sustainability

Editorial supervision, redaction, final editing and review

MZ Group”

Graphic design and diagramming

MZ Group”

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Deco Cury and GPA image bank