



**GPA**

Annual and sustainability  
report 2014

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MESSAGE FROM THE ADMINISTRATION

## Board of Directors

With confidence I present the results achieved by GPA in 2014. The long-term strategy adopted by the Company, the managerial quality of its Executive Board and the commitment of over 170 thousand employees were paramount to achieving once again the Company's sustained growth, maintaining its leading role in Brazilian retail.

GPA is part of Casino Group. With 66 years of history in Brazil, the Company has been synonymous with pioneering spirit, respect, quality of products and services, social responsibility and delivery of consistent results, due to its continuous commitment and close listening to Brazilian consumers and their needs. This guideline has allowed us to move forward in new distribution business models in the country and advance in the provision of products and services through existing formats. This is, unquestionably, an important strategic differentiator for the Company.

We have invested significantly in Brazil and the expansion achieved by GPA last year confirms this trend, which is focused on sustainable growth. The investments made in the year demonstrate that meeting consumer expectations and place them in the center of our strategic decisions is our consistent guideline.

Clearly defined strategies, based on best governance practices and sustained by advances in efficiency of processes and execution discipline, have resulted in important opportunities and advancements in GPA, notably regarding the exchange of experiences among group companies and the achievement of synergies. These competitive advantages have resulted in a better offer of products and services to our customers.

GPA is the largest international operation of Casino Group, which currently is one of the world's largest retail companies. Looking into 2015, we acknowledge that the year will bring us new challenges. We believe in Brazil's economic potential, in its bright future and in our Company's strategy for growth and long-term plans.

We are prepared, optimistic and focused on the continuous search for excellence, with full attention and discipline to offer the best shopping experience to our customers, in our different formats, throughout the country. The Company's senior management and other employees can count on the Board of Directors' full support on this mission.

**Jean-Charles Naouri**

Chairman of the Board of Directors





MESSAGE FROM THE ADMINISTRATION

## Chief Executive Officer

To ensure the company's profitability in the year, we worked with a management model focused on optimizing processes and capturing synergies

The year 2014 was one of major achievements for GPA. During this complex period, we made use of many levers that guaranteed the success of our strategy and the achievement of our goals. Through sustainable and structured actions, we managed to guarantee profitability in all businesses, along with higher sales and market share gains.

This was a year of evolution in operating efficiency, in which we improved our control of working capital and optimized capital expenditure, while also adopting greater discipline in the execution of our strategic plan. We posted net income<sup>1</sup> growth of 20.1%, to R\$2.084 billion. The year was also marked by strong cash generation, which allowed us to close the year with net cash 2.4 times higher than in 2013.

Anchored by our multi-format, multichannel and multi-region model and supported by the exchange of experiences and synergies with the Casino Group, we maintained a solid growth pace and improved our results. The diversity of the business, supported by a solid financial structure, attests to the effectiveness of our strategy and our competitive advantages, in which we have reinforced our focus on the customer.

GPA has over 2,000 points of sale and operates some of the most recognized brands in Brazil's retail industry. Our multi-format positioning sets us apart in the market and affords a broad understanding of customers and their needs in the most varied shopping instances. In the food segment, we have Assaí, with its Cash and Carry model; Extra, with more than 340 supermarkets and hypermarkets; Pão de Açúcar, with a premium positioning, as well as our food e-commerce operation Pão de Açúcar Delivery; and the convenience store format with the Minimercado Extra and Minuto Pão de Açúcar stores, this latter launched in May 2014 to target the "AB" income segment.<sup>2</sup>

In the non-food segment, we maintained our absolute leadership, with Via Varejo operating under the brands Casas Bahia and Pontofrio. In e-commerce, we were very proud to create, jointly with Casino and Via Varejo, Cnova, a company resulting from the consolidation of Nova Pontocom and Cdiscount that combines the e-commerce operations in Brazil, France and eight other countries. One of the largest international players in the segment, with shares listed on the NASDAQ and on the Euronext Paris, the new company posted strong growth in gross merchandise volume of 28.6% as well as strong cash generation during the year.

To ensure the fulfillment of our strategic planning, we improved management processes, adopting methods for the systematic monitoring of goals, action plans and the establishment of adjustments, if needed. This process is being carried out by GPA's executive team, whose professionals are recognized for vast experience in their respective operating segments.

In line with our strategic advantage as a multi-format company, we accelerated our operations on the multichannel platform by expanding the Click & Collect project, currently having more than 200 points, and also invested in organic growth by opening 212 new stores in 2014, 84 more than in the previous year. Through these initiatives, we reinforce our commitment to organic growth over the coming years in all our models, while strengthening our presence in current markets and expanding our operations in new markets.

<sup>1</sup> Adjusted by the line Other Operating Income and Expenses to eliminate nonrecurring income and expenses.

<sup>2</sup> Income segments A and B form part of the Instituto Brasileiro de Geografia e Estatística - IBGE's 5-class system based on multiples of Brazil's minimum wage, as follows: Class A - more than 20 times the minimum wage; Class B - 10 to 20 times the minimum wage; Class C - 4 to 10 times the minimum wage; Class D - 2 to 4 times the minimum wage; and Class E - up to 2 times the minimum wage; where the minimum wage in 2014 was R\$724 for a 220-hour month, climbing to R\$788 in 2015.

In 2014, this expansion had a significant impact on Multivarejo. We opened nearly 100 new stores in the convenience format, which included Minimercado Extra and Minuto Pão de Açúcar stores, and built a Distribution Center dedicated exclusively to the operation. In the premium supermarket segment, we strengthened our presence and competitive advantages through Pão de Açúcar by offering an innovative assortment and renovating and modernizing the store base, as well as by opening new units and converting existing units, adding a total of 17 new stores to the chain. In delivery, the e-commerce food segment in which Pão de Açúcar was a pioneer, we posted growth of over 20% in the year.

In the Extra banner, we launched a series of new measures to drive sales at hypermarkets, including operational improvements at stores, adjustments to assortments, better communication and continuous reinforcement of the price competitiveness strategy. These measures supported better customer traffic trends at stores and a recovery in market share. Within the one-stop-shopping concept and as a way to offer a complete shopping solution for our customers, we expanded the area of the commercial centers located inside our stores, adding more than 35,000 square meters in Gross Leasable Area (GLA) under the management of GPA Malls, and including new services.

At Assaí, we continued to expand, opening nine new stores, which included the expansion of our operations in the Northeast, while reinforcing the strategy to grow the GPA Cash and Carry operation. Assaí's footprint currently covers 13 Brazilian states. This expansion has been making an important contribution to driving sales at the chain, which registered net sales growth of 32.7% in the year.

At Via Varejo, the year was marked by important profitability gains, with EBITDA<sup>3</sup> margin expanding 220 bps to 10.4%, significantly above retail industry benchmarks. During the year, the company focused on its expansion plan by opening 88 new stores and launching pioneering initiatives, such as opening 20 new Mobile stores (for cell phone sales) under the Casas Bahia and Pontofrio brands, and expanding in the furniture segment by opening units focused on selling customized furniture.

With sustainability as a strategic pillar, GPA also invested in dialogue and in creating value for its stakeholders. We made progress on our sustainable management platform by defining our socio- environmental commitments based on five agents of change: valuing our people, conscientious consumerism and supply, transforming the value chain, environmental impact management and social engagement, aligned with the international principles we have signed on to, such as the United Nations' Global Compact.

GPA is the largest private employer in the retail industry and one of Brazil's largest, with more than 173,000<sup>4</sup> employees firmly committed to meeting the group's targets. This commitment is confirmed by the very positive results achieved in 2014, such as the 200 bps reduction in employee turnover, which reinforces GPA's position as one of the companies with the highest retention rates in the industry, as well as the 800 bps improvement in employee engagement. We also made progress on diversity. As examples of some activities realized in 2014, we developed special projects for hiring professionals with disabilities and created the career advancement program for women in leadership positions.

Our workforce, combined with the value of our brands, operations in various business formats and, most importantly, the firm commitment to our stakeholders, reinforces our role as an agent of change in the value chain that works to mitigate negative impacts on the environment and expand our commitment to society in order to assure our sustainable growth.

Lastly, it is important to highlight the support provided by the Board of Directors, which in turn was supported by the committees and the company's commitment to continuous advances in governance processes. It is this principle that guides us to deliver results in each period, but that also ensures our continuous growth in the long run and establishes GPA as a company poised for further growth.

**Ronaldo Iabrudi**  
CEO

<sup>3</sup> Adjusted by the line Other Operating Income and Expenses to eliminate nonrecurring income and expenses.

<sup>4</sup> The number of employees includes employees on leave.

GPA

## Who we are

With a unique model of operations in a variety of distribution segments, GPA is recognized and has cemented itself as a leader in the Brazilian retail segment

Founded in 1948, in São Paulo, GPA's administrative headquarters are in São Paulo and it is active in 19 Brazilian states and in the Federal District. The company, which is part of the Casino Group, one of the largest global retailers, closed the year with 173,906<sup>5</sup> employees, more than 2,000 points of sale and 56 Distribution Centers.

In pursuing excellence in service, the group establishes its strategies in accordance with the demands of its clientele, at all the various times of purchase, through multiple businesses, channels and regions. With operations in bricks-and-mortar stores and e-commerce, the company's business units include: Extra, Pão de Açúcar, Proximity, Assaí, Via Varejo, GPA Malls and Cnova, one of the largest e-commerce companies in the world.

### GPA Business



#### Multivarejo

The business unit that brings together the business models for retail food.

##### Pão de Açúcar

A premium supermarket chain that offers an innovative assortment of products and services in Brazilian retail, such as wine and cheese consultants. A benchmark in differentiation, healthfulness and sustainability, the banner is also responsible for Food Delivery operations.

##### Extra

Now with 25 years in the market, Extra offers customers a great variety of products and services, with competitive deals and prices. With a multiformat and multi-channel concept, the banner operates Hypermarkets and Supermarkets, Extra Delivery, Drug Stores and Fuel Stations.

##### Proximity

A model offering a solution for quick and convenient day-to-day shopping, it operates the Minimercado Extra and Minuto Pão de Açúcar brands – this latter launched in May of 2014 – and stores with sales floors of approximately 300 m<sup>2</sup>.

<sup>5</sup> The number of employees includes employees on leave.

**Assaí**

Acts in the wholesale self-service (cash&carry) segment. Founded in 1974, the chain focuses mainly on supplying small- and mid-size companies, in addition to end consumers seeking savings in bulk purchasing.

**Via Varejo**

A publicly owned company with shares listed on the Bovespa, it is a leader in the retail segment, specializing in durable household goods and furniture. Via Varejo is present in more than 342 municipalities in Brazil, with bricks-and-mortar stores under the Casas Bahia and Pontofrio banners. Furthermore, it has 26 Distribution Centers and Commercial Warehouses located in strategic regions of the country, with warehousing space in excess of 940,000 m<sup>2</sup>, to meet growing market demand.

**Cnova**

An e-commerce operation launched in Brazil in June of 2014, with shares listed on NASDAQ and Euronext Paris. It is the result of a merger between the French company Cdiscount and the Brazilian Nova Pontocom, bringing together the operations of the segment in 11 countries, including Brazil and France. The company operates in Brazil through the brands' e-commerce sites Extra.com.br, Pontofrio.com, CasasBahia.com, Cdiscount.com.br, Barateiro.com and Partiuviagens.com.br, as well as through B2B solutions on the eHub.com.br and Pontofrioatacado platforms. The company is also active in solutions for advertising on the sites, customized reports for the industry and Marketplace (a sales model that aggregates on a single site offers from different stores in various segments, making it possible to combine multiple purchases in one

**GPA Malls**

The business responsible for managing real estate assets and administering and expanding commercial spaces.

GPA

## 2014 Highlights

- GPA closed the year with 212 new stores and invoicing of R\$72.8 billion;
- Multivarejo inaugurated 115 stores, including 97 Proximity stores (83 Minimercado Extra and 14 Minuto Pão de Açúcar), 8 Pão de Açúcar, 4 Drugstores, 3 Extra Hiper and 3 Extra Supermercados;
- Launch of Minuto Pão de Açúcar, a Proximity model focused on AB clientele, which closed the year with 14 new units;
- Reinforcement of logistics and operating efficiency, with the inauguration of a Distribution Center dedicated to Proximity format operations;
- Assaí inaugurated 9 units, reaching 84 stores, including 16 in the Northeast region. The chain grew 32% during the year, tripling its invoicing in four years;
- Via Varejo inaugurated 88 stores, arrived in new marketplaces, such as in the state of Maranhão, and advanced in innovation and services for the consumer, with projects such as mobile stores and revitalization of the assortment of furniture;
- Creation of Cnova, which brings together Casino's worldwide e-commerce operations and those of Nova Pontocom in Brazil. The company figures among the largest global players in e-commerce and conducted its IPO on the NASDAQ in November of 2014, and Euronext Paris in January of 2015;
- Cnova launched Cdiscount.com in Brazil;
- Projects seeking energy efficiency, such as the activity of Green Yellow, permitting a 25% reduction in energy consumption at a hypermarket (24 stores updated);
- More than 260 recycling stations at Pão de Açúcar, Extra, Proximity and Assaí stores, collecting 13,400 metric tons;
- GPA consolidated the creation of the Food Safety Committee and reinforced its commitment to the quality of the products.



GPA

## Commitments

To strengthen its positioning in relation to sustainability and good practice, GPA assumes commitments and is a signatory to principles and pacts developed by national and international institutions.

- The Global Compact – In 2001, GPA associated itself with the Global Compact, a United Nations initiative for private sector engagement to conduct business in accordance with certain values in the areas of human rights, labor relations, and the environment, among other areas;
- *Instituto Akatu* – Since 2003, GPA has been a strategic partner of the *Instituto Akatu*, a non-governmental organization that works to raise consciousness and mobilize society for Conscientious Consumption. Helio Mattar, the founder and CEO of the organization, is a member of the group's Sustainability Committee;
- *Instituto Ethos* – Since 1999, GPA has been associated with the *Instituto Ethos*, whose mission is to mobilize, sensitize and help companies manage their business in a socially responsible manner, making them partners in building a just and sustainable society;
- National Pact to Eradicate Slave Labor – Committed to abolishing from its chains of production whosoever would utilize slave labor, GPA signed this accord in 2005;
- *Associação Cempre* – GPA is associated with the Business Commitment to Recycling (*Compromisso Empresarial para Reciclagem* - Cempre), whose objectives are to promote the concept of integrated management of solid municipal waste, promote post-consumption recycling and propagate environmental education with a focus on the theory of the three Rs (Reduce, Reutilize and Recycle);
- ABVTEX – GPA participates in the *Associação Brasileira do Varejo Têxtil* (ABVTEX), whose objective is 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 de Empresas e Responsabilidade Social*, with the objective of encouraging companies to publicly commit, as part of their socially responsible practices, to engage in actions to fight the sexual exploitation of children and adolescents along Brazilian highways;
- ABRAS – GPA is associated with the *Associação Brasileira de Supermercados*, which works to represent, defend, integrate, drive and develop Brazil's supermarket sector, maintaining an open dialogue in negotiations with municipal, state and the federal governments;
- APAS – GPA participates in the *Associação Paulista de Supermercados*, a trade group that brings together supermarket businesspeople in the state of São Paulo with the objectives of integrating the entire chain of supply, professionalizing the sector, guaranteeing excellence in operations and noting retail trends. GPA guarantees its participation in the discussions through a Corporate Relations department, which participates in preparing, coordinating and monitoring union negotiations, bills, decrees, ordinances and technical cooperation agreements, commitments and rectifying conduct, among other matters.

GPA

## Recognition for the year

### **The Most Admired Companies in Brazil 2014**

**Carta Capital magazine**

GPA was awarded in the Retail Supermarket segment.

### **Best and Largest 2014**

**Exame magazine**

Via Varejo won in the retail category, with invoicing growth of 12% in 2013. In the year, profit rose to the highest level in the company's history: R\$719 million.

### **Top of Mind 2014**

**Folha de S. Paulo newspaper**

Casas Bahia was awarded in the Furniture and Appliance Store category and Extra in the Supermarkets category for Top of Mind 2014.

### **Brazil's Most InDemand Employers 2014**

**LinkedIn**

GPA was awarded as one of the companies with the best profile on LinkedIn, occupying 12<sup>th</sup> place in the ranking{.}

### **Top 10 most responsible companies with the best corporate governance**

**Merco**

GPA was among the Top 10 most responsible companies with the best corporate governance.

### **Most Valuable Retail Brands in Latin America**

**Interbrand**

Casas Bahia, Extra, Pão de Açúcar and Pontofrio are ranked among the most valuable retail brands in Latin America.

### **The B2C E-Commerce Excellence in Quality Award**

**E-bit**

Three GPA brands were awarded in the 11<sup>th</sup> edition of this award: Pontofrio (Category: TOP 5 Diamond), Pão de Açúcar (Category: Foods and Beverages) and Extra (Category: Innovation).

### **E-Commerce Brasil Award 2014**

**E-Commerce Brasil**

German Quiroga, president of Cnova Brasil, received the E-commerce Brasil Award 2014, in the E-Commerce Management category.

### **LIDE Retail Award**

**Lide – Grupo de Líderes Empresariais**

GPA was honored with the LIDE Retail Award 2014, in the Sustainability in Retail and Digital Retail categories.

### **Lide Award 2014**

**Lide – Grupo de Líderes Empresariais**

Casas Bahia won the Lide Award for the "Double Emotion in Motion" promotion, which promised a 51-inch TV for 1 *real* for customers that bought a 60-inch TV for the World Cup, had Brazil won its sixth title.

### **LIDE Leaders of Brazil Award**

#### **Lide – Grupo de Líderes Empresariais**

Ronaldo Labrudi, GPA's CEO, was recognized through the Leaders of Brazil award.

### **The Associação Brasileira de Marketing Direto (ABEMD) Prize**

#### **Associação Brasileira de Marketing Direto (ABEMD)**

Pão de Açúcar and the English company dunnhumby, specializing in consumer science, won the first gold in the CRM - Database and Loyalty category.

### **The Most Loved Brands in Brazil**

#### **Shopper Experience**

Extra was considered the brand with the best evaluation in the Hypermarkets and Supermarkets category, in the ranking of the 50 companies most loved by consumers in different categories.

### **Trustworthy Brands 2014**

#### **Seleções magazine and Ibope Inteligência**

Casasbahia.com.br was honored by the Trustworthy Brands Study in the e-commerce category. The online brand led with 19% of the public's votes.

### **Retail Design Award**

#### **Retail Design Institute Brasil, São Paulo**

Minuto Pão de Açúcar won the Retail Design Award, in the "Minimarket and Convenience Stores" category. It also won two other categories: "Sustainability" and "Visual Communication."

### **The Most Important in Retail**

#### **Novarejo magazine and Accenture**

Assaí Atacadista earned first place in the wholesale sector for "The Most Important in Retail" prize.

### **Brazil's Most Conscientious Companies 2014**

#### **Consumidor Moderno magazine**

Pão de Açúcar was featured as Brazil's Most Conscientious Company in 2014 in the supermarkets segment.

### **The Companies that Best Communicate with Journalists 2014**

#### **CECOM - Centro de Estudos da Comunicação and Negócios da Comunicação magazine**

Assaí Atacadista was recognized as one of the companies that best communicates with journalists, in the wholesale category. The study surveyed 25,000 professionals throughout Brazil.

### **Notable Companies 2014**

#### **Centro de Inteligência Padrão - Grupo Padrão**

Multivarejo (Pão de Açúcar and Extra) is the highest ranked company in the SUPER and HYPERMARKETS segment in the BRANDING dimension, and is also the 2014 *Consumidor Moderno* Notable Company in this segment.

### **Brand most dedicated to fans on Facebook and Twitter – Socially Devoted Socialbakers**

The Pontofrio.com site was recognized as the brand most dedicated to Facebook and Twitter fans. According to the study, Twitter @pontofrio led during the second quarter of 2014, with an average response rate to the clients of 87.97%.

### **Abre Prize for Brazilian Packaging**

#### ***Associação Brasileira de Embalagem - Abre***

GPA stood out in being awarded in five distinct categories:

- **Qualitá:** Sustainability with GPA's adherence to the Sector Pact for Recycling Symbolology
- **Rotisserie Extra:** Modernization of the line
- **Club des Sommeliers:** Vinho do Porto graphic design
- **Taeq:** Design family of products
- **Taeq:** Graphic redesign honoring the relaunch of the brand

### **Great Cases of Packaging Award**

#### ***EmbalagemMarca Magazine***

For the third time, the Great Cases of Packaging Award from the magazine *EmbalagemMarca* honored the New (re)New Program for GPA's Exclusive Brands, which were recognized for sustainability actions.

### **Oi Tela Viva Móvel Award 2014**

#### **Oi**

The Extra.com.br Case Mobile Platform won in the eWallet category, by popular vote, with more than 20,000 votes, and also took the Grand Prix Popular, for having garnered the most votes among all the finalists.

### **The E-Awards Braspag 2014**

#### **eWorld, eMagazine and eShow fair**

The Extra.com virtual store won Best Site, in the Gold category, and also in the Best Multiplatform Site, as Retailer.

### **10<sup>th</sup> Best of Agribusiness Prize, 2014**

#### ***Globo Rural magazine and Serasa Experian***

GPA was recognized as the best company in the wholesale and retail sector. The selection was based on financial and economic data.

### **Top of Mind Tribuna 2014**

#### ***Tribuna de Santos newspaper***

Casas Bahia was awarded in the Furniture Store and Durable Household Goods Store categories in the 2014 Tribuna Top of Mind. Extra was also awarded in the Supermarket/Hypermarket category.

### **Top of Mind / Minas Gerais**

#### ***Mercado Comum***

Casas Bahia was awarded in the Furniture Stores category.

### **Gazeta de Piracicaba Successful Brands**

#### ***Gazeta de Piracicaba***

The Casas Bahia brand for Via Varejo was awarded in the Furniture and Durable Household Goods Store category.

**Top of Mind Americana / SP***Referência magazine*

Casas Bahia was awarded the Durable Household Goods Store category.

**Top of Mind Ribeirão Preto / SP***Grupo Melhores e Cia*

Casas Bahia was awarded in the Furniture Stores category.

**Top of Mind Internet 2014***Instituto de Pesquisa Datafolha*

Casas Bahia won in the new category honoring Electronics/Appliance Stores.

**VII International Competition for Wines of Brazil***Associação Brasileira de Enologia*

The VII Concurso Internacional de Vinhos do Brasil gave awards to the following wines from the exclusive Club des Sommeliers brand: Merlot Nacional Reserva 2010, Monbazillac Francês 2009, Sauvignon Blanc Neozelandês 2012 and Porto Ruby.



## NEXES OF TRUST

## Model of management

To assure assertive decision-making and mutual benefits, GPA establishes robust connections with its stakeholders

The company believes that sustainable growth is guided by excellence in corporate governance, the skills and engagement of its employees, and the quality of its relationships with stakeholders. Accordingly, it establishes solid and confidence-inspiring bonds with all its constituencies – customers, employees, investors, suppliers and the society at large, guaranteeing ethical and transparent activity.

### Purpose

“The determination to build a better life moves us, each day, to serve and delight – our customers, our people and society.”

### Mission

To guarantee the best buying experience for all our customers, at each of our stores.

### Vision

To expand its share in the Brazilian retail market and become the most admired company for its profitability, innovation, efficiency, social responsibility and contribution to the development of Brazil.

### Pillars

- The Customer: Our Reason for Being: GPA is oriented toward its customers, taking care so that all contact they have with its brands translate into the best experience and feed a long and loyal relationship.
- Our People: professionals with technical excellence, who are well prepared and motivated to take on challenges, risks and innovative attitudes. People that like to serve, who value respect in their relationships with customers, suppliers and partners.
- Technology: having technology as an ally in Brazil's distribution business. We anticipate trends and consumer behaviors, sparing no effort to attend to and delight them in their shopping experience.
- Sustainability: the way we do business, pursue perennality, maximize efficiency and align our interests with the entire chain of value.
- Solid Capital Structure: a capital structure that permits investments in our company, in our people and in our country, operating efficiently to provide a return to shareholders and sustainable growth over the long term.

## NEXES OF TRUST

## Corporate Structure

Founded in 1898 in France, the Casino Group is one of the world's leading food sellers, with annual invoicing of 48.6 billion Euros. With 41.3% of its total capital and 99.9% of the common shares, the Casino Group has been a shareholder in the company since 1999 and GPA's controlling shareholder as of June 22, 2012.

### Shareholding

GPA's capital stock (CBD) is represented by 265.3 million shares: 99.7 million ON (common) and 165.6 million PN (preferred). Shares in the free float represent 58.6% of all shares issued.

**GPA is the controlling shareholder of Via Varejo, holding 43.3% of the total capital and 62.3% of the common shares (ON)**

### GPA's Shareholding Structure (in millions of shares) at 12/31/2014

ACIONISTAS	ON	% ON	PN	% PN	TOTAL	%
Casino Group	99.6	99.9%	9.9	6.0%	109.5	41.3%
Directors and Officers	-	0.00%	0.02	0.01%	0.0	0.01%
Shares in Treasury	-	0.0%	0.2	0.1%	0.2	0.1%
Free-Float	0.1	0.1%	155.5	93.9%	155.5	58.6%
Total	99.7	100.0%	165.6	100.0%	265.3	100.0%

## Capital Markets

In 2014, GPA shares (PCAR4) closed the year trading at R\$98.6 on the BM&FBovespa (the São Paulo Stock Exchange). The average daily trading volume was R\$85 million.

Meanwhile, the ADRs (CBD) closed 2014 trading at US\$36.8 on the NYSE (New York Stock Exchange). The average daily trading volume was US\$25 million.

The company's 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\$26.2 billion, or 1.8 times its book value.

### In three years

PCAR4: +42.7%  
IBOV: -11.9%



CBD: +1,1%  
S&P\_500: +63.7%

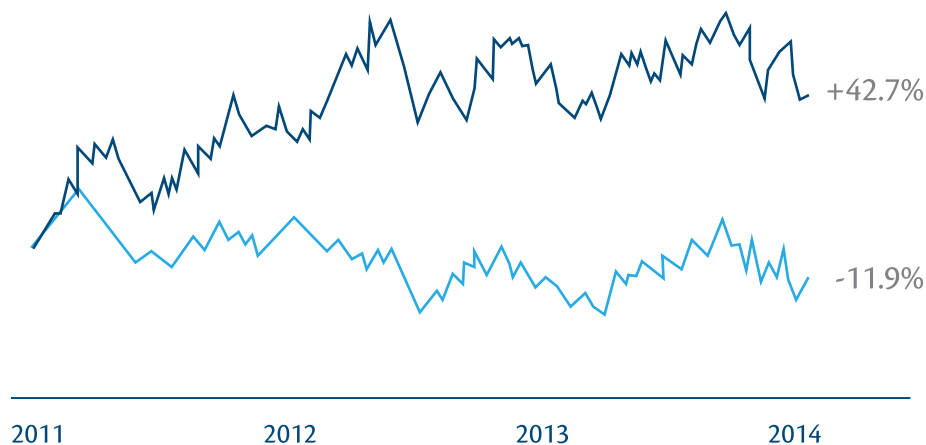


Level

### PCAR4 X Ibovespa

(base 100 = 31/12/2011)

#### PCAR4



## NEXES OF TRUST

## Corporate Governance

To align guidelines with its strategy, GPA relies on a management model encompassing all the business units, strengthening the characteristics of its multiformat structure. Accordingly, it acts through a model that ensures the positioning of each business, while maintaining the 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, and 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 of the BM&FBovespa. Outside of Brazil, GPA is subject to the regulation of foreign companies listed in the United States, by its Securities & Exchange Commission - SEC and the NYSE.

Via Varejo joined BM&FBovespa Corporate Governance Level 2 in 2013. Cnova shares are in turn listed both on NASDAQ, the electronic stock exchange in New York that brings together other 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 tries to ensure the most efficient management by putting in practice certain initiatives beyond those required for companies listed on Corporate Governance Level 1. These are:

- 56% of the members of the Board of Directors are independent;
- There are five advisory committees to the Board of Directors, comprising at least two external and independent members;
- Dividends Policy;
- Related-Party Transaction Policy;
- Specific committees to discuss and resolve on compliance with the policies for Securities Trading and the Disclosure and Use of Material Information and the Safeguarding of Confidentiality;
- Ethics Committee composed of Executive Officers.

**GPA's governance is guided by transparency in the disclosure of information, a commitment to the capital markets and respect for shareholders and investors**

### Model of Governance

GPA is managed by two main bodies: the Board of Directors and the Board of Executive Officers. The board of directors enjoys the support of five committees, all formed by representatives of the Board of Directors and by external members specialized in their respective areas of activity. The members, moreover, receive fixed monthly compensation unrelated to their actual participation in meetings, which is adjusted annually based on market surveys and standards.

Compensation for the Board of Executive Officers is structured based on achieving pre-established goals. The evaluation of the executives follows a meritocratic model, with annual quantitative and qualitative goals, in addition to a behavioral component based on the 360° concept, which consists of a self-evaluation and evaluations by superiors, colleagues and subordinates, based on the skills required by the company and the performance expected of the position.

### Board of Directors

Responsible for the overall guidance of the businesses, the Board of Directors has nine members, including four representatives of the controlling shareholder (the Casino Group) and five independent directors. The members have a mandate of two years, with re-election being permitted.

Among the principal attributes of the body are defining company strategy; general and ongoing steering of the businesses; conducting the corporate governance process; electing the executive officers; and supervising the management of the executive officers. It is also its responsibility to opine on the financial statements to send them on for shareholder approval, the annual budget and investments, and the issuance of new shares, within the limits of the authorized capital, pursuant to the existing stock option plans.

### Fiscal Council

A fiscal council's purpose is to oversee the actions of administrators and compliance with their duties under the law and the bylaws, analyze accounting records and opine on a company's financial statements, on an independent basis. In the case of the company, a fiscal council is non-permanent, and may be installed in any fiscal year upon resolution adopted at the company's shareholders' meeting, under the terms of the Brazilian Corporations Law and its Bylaws. The 2014 annual shareholders' meeting opted not to install a fiscal council.

### Board of Executive Officers

Consists of seven market professionals specializing in their respective areas, including a CEO, three vice-presidents and three executive officers, all elected by the Board of Directors, being responsible for the administration of the company's corporate affairs, in line with the guidelines relating to managing the business as established by the Board of Directors.

### Committees<sup>6</sup>

#### Audit Committee

Formed of three independent members, of whom two are external, its principal attributes include analysis of the quality and integrity of the financial statements, quarterly information and the report of the administration, evaluation of the effectiveness of the structure of internal controls and the internal and independent audit processes, verification that transactions with related parties comply with the company's Related-Party Transaction Policy, and evaluation and monitoring of the company's risk exposures.

#### Finance Committee

Formed of three members, the committee is responsible for recommending and monitoring the adoption of the best economic and financial standards, as well as their implementation and maintenance, analyzing and reviewing the financial and economic viability of investment plans and programs; analyzing, reviewing and recommending measures and actions for negotiating any mergers and acquisitions; analyzing and reviewing cash flow, the policy on indebtedness and the capital structure; and monitoring and supervising the implementation and realization of the annual investment plan; among other matters.

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<sup>6</sup> More information and the company's Bylaws and the Internal Regulations for the Board of Directors and its Advisory Committees are available on GPA's website, under Investor Relations.



**Human Resources and Compensation Committee**

Formed of three members, the committee is responsible for, among other matters, examining candidates for the Board of Directors, its advisory committees and the Board of Executive Officers, analyzing and discussing the compensation policy for members of the administration, proposing criteria to assess the performance of the officers, establishing the compensation and incentive policies, and examining the company's methods for recruitment and hiring.

**Sustainable Development Committee**

Formed of three members, whose principal attributes are increasing the value of the company through recommending measures to expand sustainable development and environmental aspects relating to its activities; recommending sustainable practices; assessing and suggesting projects, proposals and institutional campaigns relating to environmental and social matters; recommending changes and reviewing the social and sustainable development reports; examining market opportunities to strengthen the company's sustainable growth strategy; and recommending proposals for strategic investments in light of sustainability.

**Corporate Governance Committee**

Formed of four members, it is responsible for promoting, monitoring and assuring the adoption of best practices of corporate governance at the company. It also is responsible for periodic review of and recommending changes in the company's corporate governance policies and practices, ensuring the good functioning of and relationships among the Board of Directors, the advisory committees and the Board of Executive Officers. It also monitors observance of the Brazilian corporate and securities laws, and the securities market regulators, among other matters.

## 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 supply the guidelines and the procedures to be followed by all employees and other constituencies. The documents, which are available for reading or downloading at the Investor Relations website ([www.gpari.com.br](http://www.gpari.com.br)), are the:

- [Code of Moral Conduct](#)
- [Disclosure Policy](#)
- [Trading Policy](#)
- [Policy for Related-Party Transactions](#)

## Risk management

To guarantee more assertive action and cement a solid model of management, GPA has a corporate platform for risk management that is run by the Risk Management Department. All the risks – financial, operational, strategic, regulatory – were 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 were also considered. For more information on the risks mapped by the company, see [here](#).

In 2014 a variety of actions were taken to improve the company's risk management processes, including:

- Reformulation of the Ethics Committee, with a focus on encouraging decision-making in accordance with the guidelines of the Code of Moral Conduct;
- Evolution and strengthening of the Corporate Governance Committee;
- Finalizing the transition from the Fiscal Council to the Audit Committee, with independent members;
- Formalization of the Board of Directors for Cnova and the creation of advisory Committees;
- Adoption of the Policy on Related-Party Transactions;
- Revision of the Code of Moral Conduct;
- Creation of an anticorruption standard, which requires that all new contracts have a clause on the topic;
- Programs for e-learning, which should be in full effect in 2015;
- A communications plan focused on the upper- and mid-level administration, in addition to a specific plan for each constituency;
- Opening the complaints channel to all constituencies.

**In complying with the standards of the CVM (*Comissão de Valores Mobiliários*), GPA has adopted a system to rotate independent auditors every five years.**

## NEXES OF TRUST

## Relationships with stakeholders

GPA has a variety of forms of relationships, to attend and listen to all stakeholders. For shareholders, for example, the principal channel of communication with the company's administration is the Shareholders' Meeting, which is convoked on 15 days' notice and is considered a formal space for resolutions, recommendations or critiques of the company.

Dialogue with shareholders, investors and market analysts also occurs through initiatives like teleconferences and the publication of quarterly results; the annual public meeting (Investor's Day); presentations at public events in Brazil promoted by Brazilian and international financial institutions; etc.

With respect to employees, the company has specific channels, such as the Call-for-Action (*Lig-Ação*), for complaints about illicit acts that violate the Code of Moral Conduct, or situations involving fraud. Other spaces also are made available to nurture the connection.

Customer satisfaction is measured through quantitative surveys. They include questions like the level of satisfaction with prices, forms of payment, promotions and deals, product quality, service, and the store environment and structure.

The group and its different businesses also have specific ombudsman for customers that contribute to monitoring indicators of satisfaction.

### Employees

#### GPA

- GPA Complaints Channel – *Lig-Ação* (Multivarejo, Assaí, Nova Pontocom and Corporação): 0800-55-57-11, by email ([ligacao@multivarejo.com.br](mailto:ligacao@multivarejo.com.br)) or by letter (GPA – 0800 – São Paulo – SP – CEP: 01401-999)
- Intranet

#### Via Varejo

- Channel for Complaints: 0800-774-3000
- Email: [ouvidoria@viavarejo.com.br](mailto:ouvidoria@viavarejo.com.br), by letter (São Caetano do Sul, Rua João Pessoa nº 83 / SP – CEP: 09520-010)

### Customers and consumers

#### Multivarejo

##### **Casa do Cliente**

- Pão de Açúcar: 0800 77 32 732
- Extra Super, Hypermarket and Minimercado Extra: 0800 11 50 60
- Clube Extra: 0800 779 67 61
- Assaí: 0800 773 2322
- Exclusive Brands (Taeq, Qualidade, Casino, Caras do Brasil, Club des Sommeliers and Finlandek): 0800 152 134

#### Via Varejo

- Casas Bahia Customer Service (Telephone Line: 3003-8889)
- Chat Casas Bahia
- Ponto Frio Customer Service (Telephone Line: 4002-3388)
- Chat Ponto Frio
- Channel for Complaints: 0800-774-3000, email: [ouvidoria@viavarejo.com.br](mailto:ouvidoria@viavarejo.com.br), by letter (São Caetano do Sul, Rua João Pessoa nº 83 / SP – CEP: 09520-010)

## Society

### GPA

- Office of External Communications: [imprensa@gpabr.com](mailto:imprensa@gpabr.com)
- Office of Corporate Relations
- Corporate Sustainability: [sustainability@gpabr.com](mailto:sustainability@gpabr.com)

### Via Varejo

- Via Varejo office of institutional and external communications: [imprensa@viavarejo.com.br](mailto:imprensa@viavarejo.com.br)
- Channel for Complaints: 0800-774-3000, email: [ouvidoria@viavarejo.com.br](mailto:ouvidoria@viavarejo.com.br), by letter (São Caetano do Sul, Rua João Pessoa nº 83 / SP – CEP: 09520-010)

## Suppliers

### Via Varejo

- Channel for Complaints: 0800-774-3000,
- Email: [ouvidoria@viavarejo.com.br](mailto:ouvidoria@viavarejo.com.br), by letter (São Caetano do Sul, Rua João Pessoa nº 83 / SP - CEP: 09520-010)

## Shareholders

### GPA

- Investor Relations Office: [gpa.ri@gpabr.com](mailto:gpa.ri@gpabr.com) or + 55 11 3886-0421

### Via Varejo

- Investor Relations Office: [ri@viavarejo.com.br](mailto:ri@viavarejo.com.br) or + 55 11 4225-8650 or + 55 11 4225-8668

## Casa do Cliente

The interactive channel for consumer contact serves customers of the Pão de Açúcar and Extra chains in all their formats, as well as wholesale self-service consumers at Assaí. The objective is to increase customer satisfaction, guarantee effective service and correct any problems, as well as streamline the resolution of problems. During the report period, the channel handled more than 800,000 contacts and earned 75% satisfaction of consumers in Multivarejo.

Also in 2014, there were no complaints through any channel about violations of privacy or loss of customer data, nor leaks, thefts or losses of customer information on *Casa do Cliente's* database.

BOLDNESS THAT INSPIRES

# Strategy

To stay in front, GPA seeks opportunities that ensure competitiveness and awaken the interest of stakeholders

GPA continues a firm strategy focused on sustainable gains and results. The year 2014 proved more challenging for the market overall, with the Brazilian economy posting more modest gains, and with events like the World Cup and Elections. Accordingly, to guarantee continuing growth, in seeking out market opportunities and continuing development of the business, GPA pursued a strategic approach focused on four main axes:

- Organic growth
- Operational excellence and development of its people
- Innovation and sustainability
- Competitiveness

Based on this orientation, established through analyzing macroeconomic data and market studies facilitating assessment of the current environment, identification of market opportunities and understanding the real needs and aspirations of consumers, the group tries to develop strategic actions that arouse the interest of the target population.

## Strategic planning going forward

### GPA

#### Growth

- Acceleration of organic growth, supported by cash generation.

#### Operational Excellence

- Consolidation and continuity in propagating synergies and best practices among the businesses;
- Increasing efficiency;
- Intensification of promotional dynamics and price competitiveness;
- Roll-out of the model of collective procurement;
- Optimization of the group's logistics network;
- Strengthening the multi-channel concept through expanding Click&Collect points (store pick-up) and roll-out for other banners;
- Extension of the Marketplace in Casas Bahia and Pontofrio virtual stores.

#### People and Management

- Increased productivity with a focus on the customer;
- Continued increase in engagement;
- Training & Development.

#### Innovation and Sustainability

- Increased energy efficiency;
- Automation and intelligence in operations;
- Transformation in the chain of value;
- Conscientious consumption and supply;
- Local agent to transform the communities surrounding the units.



## Businesses

### Pão de Açúcar

- Continuing improvement in services and product quality, bringing innovations and an even more outstanding product mix;
- Store expansion and revitalization.

### Extra

- Offer a more appropriate assortment of products with indisputably competitive prices;
- Communicate more aggressively its positioning, with more presence on TV and in print media;
- Modernize the stores, offering a new layout and commercial concepts for greater customer convenience and satisfaction;
- Strengthen operating procedures on an ongoing basis in all of Brazil's regions.

### Proximity

- Entrance in new marketplaces and accelerated expansion.

### GPA Malls

- Augment the profitability of the business through operational efficiency;
- Improve the conceptualization and segmentation of the spaces;
- Expand GLA and recurring revenue from leasing out commercial spaces.

### Assaí

- Organic expansion in self-service wholesale, with a focus on strengthening the national footprint.

### Via Varejo

- Cement presence in markets where it is already present and extend participation in new marketplaces;
- Continue implementing plans for efficiency in a variety of areas in the company.

### Cnova

- Consolidate and extend its position of leadership in Brazil and France, and expand its business model, while offering the best value pitch for customers in the markets in which it is active.

## BOLDNESS THAT INSPIRES

## Optimization of processes

To achieve gains and increase the flow of customers in the stores, the group invested in initiatives to optimize expenses, guaranteeing efficiency gains in all the businesses. In this context, the company has achieved important results. One example is the expansion of its footprint in various regions of the country, with ongoing investment in organic growth, permitting GPA to enter new marketplaces, principally with Assaí's self-service wholesale format.

The exchange of best practices between GPA and the Casino Group provides another highlight. The French group has strong activity in the Proximity store format, with more than 7,000 points of sale. This broad experience has contributed directly to the strategy to expand this model in Brazil, with the Minimercado Extra and the creation of the Minuto Pão de Açúcar.

During the year, GPA also strengthened the premium format, with the expansion of the Pão de Açúcar chain and consistent growth in e-commerce, with the creation of Cnova.

The year 2014 also marked the beginning of the process of synergy among the group's companies, with a focus on logistics, IT and sales, which seeks to guarantee efficiency gains in transport, processes and operations.

The company's strategies reveal the multi-channel approach as a priority for continued and sustainable growth. The series of actions taken, like integrating the businesses to optimize distribution, pursuing synergies and creative solutions to make consumer's shopping experiences increasingly practical and convenient, with a focus on products of daily consumption and discounts, furthered consistent and growing results. Going forward, the idea is to further reinforce the focus on these priorities, in order to guarantee growth of the businesses.

### Efficiency, the word of the year

GPA constantly invests in technological improvement and in its processes, toward enhancing productivity and reducing operating costs. Capturing synergies among the areas is extremely important toward guaranteeing the company's growth and competitive strengths. In this context, in seeking efficiency gains, as well as synergy among logistics, IT and sales, the Infrastructure department has been working with a "roadmap," considering technological trends and the needs of the business:

#### IT

1. Gains of scale: collective negotiation of contracts with the principal suppliers;
2. Sharing: standardization of processes. For 2015, the objective is to work hard on sharing, so as to ensure more direct and centralized data center operations;
3. Harmonization: to standardize processes where possible and guarantee efficiency.

#### Logistics

1. Transforming the structure so that it can serve all the businesses, optimizing existing space and processes;
2. Optimization of the logistics network;
3. Guarantee operating efficiency with continuing pursuit of opportunities for synergy, aligned with governance of the group, which results in better experiences for customers and evolution of the existing processes.

#### Sales

1. Integrated sales management strategy among businesses to ensure execution (assortment, promotions and development of products);
2. Roll-out of the collective procurement model for categories beyond electronics.

## Competitiveness

Facing a more challenging environment and new consumption patterns, GPA has been working to offer models and store formats that best serve different consumer profiles while guaranteeing competitiveness, attaining efficiency gains, expanding its presence in a variety of regions of the country, and increasing the flow of customers in the stores. Toward these ends, the company invests in certain competitive advantages. The exclusive brands, for example, have been evolving rapidly, accounting for more than 11% of sales, thanks to the exchange of best practices with the Casino Group - and are proving to be an excellent business opportunity to build consumer loyalty. In addition to guaranteeing a larger assortment, the Taeq, Qualitá, Casino and Club des Sommeliers brands, among others, contributed to sales profitability. In 2014, two exclusive brands were launched: "Pra Valer" and "Pão de Açúcar."

GPA also has a Global Sourcing export department, whose principal objective is to extend the negotiations of its suppliers in Brazil to partners of the Casino Group – such as Grupo Éxito, in Colombia; Grupo Disco, in Uruguay; and Libertad, in Argentina. The department is in charge of importing products in the gourmet, textile and kitchen goods segments, with attractive prices and an outstanding assortment.

BOLDNESS THAT INSPIRES

## GPA Businesses

### Multivarejo

#### Pão de Açúcar

Known for innovation and its resilience, Pão de Açúcar acts in the premium supermarkets segment, with a focus on AB clientele, and posted consecutive market share growth during the entire year. In 2014, the banner reinforced its national footprint and uniqueness, offering an innovative product assortment while remodeling and modernizing its stores, with more than 80 renovations.

Today, the chain has more than 180 stores spread throughout Brazil and, as part of the strategy to meet the demand of its customers and stand out in an increasingly competitive market, eight new stores were inaugurated in 2014. During the year, there was also movement to convert nine supermarkets from Extra to Pão de Açúcar, after studies revealed that the change would meet customer demand for a more premium model adhering to the Pão de Açúcar pitch.

Other initiatives:

- Pão de Açúcar Mais: the program tries to intensify the strategy of exclusive deals and promotions. It also lets registered customers earn points during purchases, which can be exchanged for vouchers. The program offers more than 150 products every two weeks with exclusive pricing for participants. Click [here](#) to learn more.

### Bringing back the roots

With the objective of bringing back the Way of Being and Serving, Pão de Açúcar focused on training and actions for employees and managers, and invested in preparing professionals to occupy management positions in 2015. Highlights include:

#### Be and serve game

Created to train and stimulate its employees, while bringing back the Pão de Açúcar Way of Being and Serving, improving operations and guaranteeing customer satisfaction.

#### Mystery shopper

The stores are visited in different periods with the objective of checking the quality of the operations and identifying problems to guarantee implementation of the chain's standard for operational excellence.

#### The Look, Smile, Greet and Serve Program

In line with the Way of Being and Serving program, the chain invested in the **Look, Smile, Greet and Serve** Program and trained 100% of the operational employees.

### Kombi Unilever Pão de Açúcar

In June and July of 2014, Pão de Açúcar and Unilever signed a partnership to receive recyclable materials in places with high concentrations of people during soccer tournaments in Brazil. A Kombi for Reciclar#prasefelig was installed in front of bars and restaurants in three cities: São Paulo, Rio de Janeiro and Fortaleza. During the period, approximately 5.3 metric tons of recyclable materials were collected and 22,000 people were approached – more than 12,000 received paintings to celebrate the event. The materials were donated to recycling cooperatives that partner with the Pão de Açúcar Unilever Recycling Station program.

### Extra

The chain, which acts in the hypermarket and supermarkets segment, is focused on offering increasingly competitive deals. In 2014, the chain opened three new hypermarket stores, now totaling 137 units, and three new supermarkets, totaling 207 stores.

In line with the market and with new consumption patterns, the chain has worked to guarantee an excellent shopping experience in its stores, in addition to competitive deals and prices. During the year, it reinforced its positioning focused on competitiveness, and updated the assortment of products and services.

Accordingly, the banner reinforced the lowest market price image, investing even more in media and new commercial concepts to build customer loyalty. In 2014, the Clube Extra relationship program was also launched, and has already registered more than 5 million customers.

Furthermore, in keeping with the group's multi-channel strategy, the banner signed a partnership with e-commerce operations, offering new services for online sales, such as "Store Take-Out" in the hypermarket format. The project has kiosks in bricks-and-mortar stores to take out products acquired on the site. Another service offered to customers is the "Electronic Catalog," giving consumers a new shopping experience using tablets in Extra Hiper stores.

Going forward, Extra's objectives include offering an increasingly customized assortment of products at competitive prices, using modernized stores with better productivity, strengthening operating processes throughout Brazil, and cementing its employees' engagement and commitment. In this way, it intends to position itself as the closest brand, concentrating all that customers desire in a single place.

### Extra Events

Present in people's day-to-day lives, the brand sees great opportunity to get close to its customers during the events Brazilians talk about. Accordingly, one of the big highlights was Extra's participation in Black Friday, a global event focused on deals and promotions. Extra was the first bricks-and-mortar store in Brazil to participate in Black Friday, in 2011, and since then has been cementing itself as a benchmark brand in the event.

Other highlights during the year were sponsorship of Brazil's soccer team in the 2014 World Cup, Carnival in Old Recife and the Galo da Madrugada parade, all important cultural festivals in the country. These actions are intended to bring the brand even closer to the community, giving the banner greater regional visibility.



### Proximity formats

In line with its mission to offer customers the best experience at a variety of shopping times, GPA advanced in expanding its Proximity format. Focused on consumers that seek convenience and practicality in day-to-day life, the model operates the Minimercado Extra and recently launched Minuto Pão de Açúcar brands. GPA inaugurated 97 new Proximity stores in 2014, closing the year with 256 units in the Southeast region.

The new Minuto Pão de Açúcar banner is oriented toward a class A and B clientele, and its strategy is to be a solution for customers seeking a more exclusive and premium assortment of products. Stores in this format are designed to accommodate a practical and convenient assortment of products and services on a sales floor of roughly 300m<sup>2</sup>. The two models, Minimercado Extra and Minuto Pão de Açúcar, have an assortment that is appropriate for their clientele, including roughly 5,000 items, including merchandise, perishables and other basic replacement purchase items.

### Exclusive Distribution Center

In 2014, GPA inaugurated its first exclusive Distribution Center to supply Minimercado Extra and Minuto Pão de Açúcar. With an investment of R\$38 million, the new 56,000 m<sup>2</sup> distribution center has 46,000 m<sup>2</sup> of useful area. The idea is to ensure operating efficiency, with gains throughout the chain, from receiving merchandise from the supplier, through storage, picking and delivery, to the flow of internal processes at stores.

### Assaí

One of the most traditional wholesalers in the country, Assaí Atacadista ended 2014 with 84 stores in 13 Brazilian states. Of that total, nine were inaugurated during the year, resulting in more than 10,400 new employees hired in the year. With low operating costs, competitive prices and an assortment of products, the chain is focused on expanding in new markets and on consolidation in marketplaces where it is already active, broadening its market and continuing to improve its profitability. In five years, the chain sextupled its number of stores, from 14 units in 2009, when it was acquired by GPA, to 84 stores.

Assaí has been deploying a new kind of store, which functions as a mini distribution center and does not depend on logistics infrastructure, since the supplier delivers directly at the stores. These units are characterized by having longer aisles and high ceilings, which facilitate loading, and increase by up to six times the capacity to stock merchandise. Other notable characteristics include the larger product assortment and the setting of the units, which have covered parking, air conditioning and natural light.

The new concept is focused on entities including transformers (restaurants, pizzerias, diners), resellers (neighborhood grocers and supermarkets) and users (schools, small companies, churches, hospitals), in addition to customers that are natural persons. The package of initiatives resulted in better adaptation of the stores and, consequently, increased flow and customer loyalty.

In line with these initiatives, to keep the model at low cost and assure expansion in accordance with demand, the chain undertakes unique actions to better approach its clientele. Thus, in 2014, Assaí launched the *Revista Assaí Bons Negócios*, a publication that provides information and relevant materials to micro-entrepreneurs, enhancing their knowledge and encouraging them to seek new opportunities and excellence in their companies.

## Assaí Programs

To position itself as a source of support for its customers' businesses, Assaí acts in different projects:

- Mobile Sebrae – it offers for free, in some Assaí units in SP, the Sebrae Móvel, in order to answer questions and guide entrepreneurs on how to open a new business.
- Sindipan Mobile School – the *Sindicato da Industria de Panificação e Confeitaria de São Paulo* (Sindipan) trains Assaí customers in São Paulo through courses in the baking and confections segment.

*"A friend told me about the Sindipan training course in partnership with Assaí. She was going to open a bakery and the idea was for me to learn the recipes to help her make the products. Unfortunately, her business didn't take off, but I ended up working as a result. During the course, I learned to make both sweet and savory items, which I currently sell on my own; it became my profession."*

**Jessica da Silva Conceição**  
Assaí Customer

## Via Varejo

The company, which administers the operations of the bricks-and-mortar Casas Bahia and Pontofrio stores, leads the Brazilian retail sector for durable household goods and furniture and has been advancing in its objective of being increasingly streamlined and efficient. In 2014, 88 stores were opened, with a special focus on the Northeast and Central-West regions. Other initiatives are being adopted, such as the opening of 20 Mobile stores with Casas Bahia and Pontofrio branding, of which 10 are 'Stores within Stores' and the other 10 are 'Stand Alone' units. This store model is exclusive for selling cell phones, tablets, accessories, services and post-paid plans for the principal telecommunications operators in the country. This innovation accompanies the evolution of sales in the telecommunications industry, which has some of the highest growth and profitability.

The model functions in two formats:

- 'Stand Alone': units of up to 100 m<sup>2</sup> in Brazil's principal shopping centers;
- 'Stores within Stores': a store 'inside' bricks-and-mortar Casas Bahia and Pontofrio stores, with 40-60 m<sup>2</sup> of exclusive space set up for selling products and services.

The Furniture sector was revitalized and now offers a line with customized sets for stores in the chain. Furthermore, a new floor display concept was implemented in the stores, to provide a complete experience to customers, build loyalty, increase the flow in the stores and, consequently, their sales.

Via Varejo ended the year with more than 68,000 employees, which makes it a major job creator. To retain talent, engage employees and ensure quality in service, Via Varejo has invested in training programs.

**Casas Bahia inaugurated two units to sell customized furniture and has been expanding the space dedicated to this section in some of its stores**

## Retaining and developing talent

Via Varejo undertakes initiatives to retain and develop the personal and professional potential of employees:

### Female Leadership

In 2014, Via Varejo began a program – Women in Leadership – with the objective of hiring and preparing women to become store managers. Twenty-two spots were filled for stores in the states of São Paulo and Minas Gerais.

### Leaders of the Future

Focused on training operations managers, the company developed the Leaders of the Future program, which trains employees to run Casas Bahia and Pontofrio outlets. The initiative, which began in 2011, has now trained 453 new managers, including 216 in 2014.

### Academy of Leaders

The Academy of Leaders brings together a package of actions to train and develop all levels of leadership for Via Varejo. The academy had attendance of 2,554, involving 1,428 hours of training.

### Internal Recruitment

Via Varejo's Internal Recruitment Program is directed toward all employees that want to transfer to a different part of the company. The opportunities are offered for a variety of hierarchical levels, with 291 positions being offered in 2014.

## Cnova

In 2014, Cnova was created by combining the e-commerce businesses of Nova Pontocom in Brazil with Cdiscount in France and nine other countries. Cnova Brasil is responsible for operating the e-commerce sites Extra.com.br, CasasBahia.com.br, Pontofrio.com, Cdiscount.com.br, Barateiro.com, PartiuViagens.com.br and B2B solutions with the eHub.com.br platform.

In November of 2014, approximately US\$191 million (gross) was raised through the NASDAQ IPO, while in January of 2015 there was a secondary offering on Euronext Paris. Cnova was the first company in Brazil to launch the marketplace, a sales model that aggregates on a single site offers from different stores in various segments.

Promotional actions, together with the synergy in procurement with the Group, have resulted in GMV growth of 26.6% over 2013. Furthermore, it closed the year with roughly 7,100 vendors, with the number of items offered on the websites totaling 14 million.

The results cement Cnova as a stand-out company in the domestic and international market. The company's objective is to attain leadership in Brazil and cement its position in France, expanding its business model to offer the best option for customers.

## Main highlights in 2014

- Launch of Cdiscount.com.br in October of 2014 and the marketplace at Pontofrio.com and CasasBahia.com.br in January of 2015;
- Strong sales performance on Black Friday and at Christmas;
- Deployment of the multi-channel approach through Click and Collect at 100 stores in 2014;
- Important cash generation in the period, as a result of better management of working capital.

## GPA Malls

Positioning GPA Malls as a Business Unit of the group afforded even more consistent growth and expansion of the commercial assets. With an independent structure, the business has departments for project development and construction, operations and marketing, among others, which assist in strategic planning and in achieving goals and objectives to expand and improve the business' operations.

In 2014, more than 37,000 m<sup>2</sup> of Gross Leasable Area (GLA) were added, yielding 325,000 m<sup>2</sup> of GLA under management. To ensure expansion going forward, GPA Malls has focused on accelerating growth of commercial space and improving the pitch and concept for it. Dedicated to the conception and management of commercial spaces, the business does a geo-statistical study to assess the area and understand demand from the local populace. During the process, hypermarket data are also analyzed to understand customer flows and promote increased traffic in connection with the space. Accordingly, the group is able to enhance the quality of the supply of products and services offered to its customers.

BOLDNESS THAT INSPIRES

## Economic and Financial Performance

Although faced with a complex macroeconomic environment, GPA secured profitability at all the businesses. The group's net income<sup>(1)</sup> increased 20.1% to R\$2.1 billion in 2014, and EBITDA<sup>(1)</sup> increased 19.7% to R\$5.4 billion. It was a year with advances in operating efficiency, better control of working capital and optimization of Capex. Another highlight was strong cash generation, which made it possible to close 2014 with net cash at 2.4 times the level for the previous year. The net financial result increased 26.3% in relation to 2013, lagging the accrued CDI of 33.9% during the period.

In Multivarejo, the segment encompassing operations under the Extra and Pão de Açúcar banners, the highlight was commercial initiatives intended to enhance pricing competitiveness. EBITDA<sup>(1)</sup> totaled R\$2.5 billion, advancing 5.8% and thus outpacing revenue growth over the same period.

For Assaí, the year was marked by continued robust growth in net revenue, which increased 32.7% in relation to 2013. EBITDA<sup>(1)</sup> reached R\$346 million, 38.6% higher than the previous year.

At Via Varejo, 2014 was marked by robust gains in profitability, with growth of 2.2 percentage points in EBITDA margin<sup>(1)</sup>, reaching 10.4%, with total EBITDA of R\$2.3 billion.

And CNova posted strong growth in the volume of business (GMV), of 28.6%, highlighted by cash generation.

### Investments

Group investments in 2014 totaled R\$1.9 billion, highlighted by the record number of openings in a year: 212 new stores were inaugurated, including 124 for the Food segment and 88 for Via Varejo, 84 more stores than in the previous year.

Through better negotiations and review of the construction methods, among other initiatives that afforded reduced Capex per m<sup>2</sup>, there was better discipline in the investments allocated to new stores and remodeling. Going forward, the company intends to keep up the pace of organic growth.

### Principal results in 2014 (in R\$)

## 5.4 billion

GPA's EBITDA, up 19.7%, as a result of growth in all the group's businesses

## 2.1 billion

the company's net income<sup>(1)</sup>, 20.1% higher than the result for the previous year, principally due to greater profitability of the Multivarejo, Assaí and Via Varejo businesses

## 1.9 billion

foi o investimento do grupo em 2014, com destaque para a otimização do Capex de expansão e de reformas de lojas

## 212

new stores in the year, or 84 more stores than in 2013, and growth of 5% in sales area, excluding the effect of the closing of Via Varejo stores under Brazilian Antitrust (CADE) rules

<sup>(1)</sup> As adjusted by the line total for Other Operating Revenue and Expenses to eliminate non-recurring revenue and expenses.

## SUSTAINABLE STRENGTH

## Focus on Sustainability

Sustainability is one of GPA's strategic pillars, grounded in a long-term commitment to all stakeholders

In recent years, GPA has made important strides in disseminating the concept of sustainable development among its constituencies. One step involved creating commitments to sustainability for the company and for all its businesses. In line with the Casino Group's strategy, each company in the group must follow corporate guidance in their strategic planning, and establish goals for sustainability. The policy is based on five commitments:

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






The actions and goals in connection with each commitment, as described under the headings below, were consolidated in 2014 and have been monitored by the teams responsible for managing the topics for each banner, which ensures synergy among GPA's businesses.

### Responsibility for the sustainability department

The Corporate Sustainability department is part of the Office of the Vice-Presidency for HR and Sustainability, which has ensured more focused action on matters relating to the environment and society. The actions developed by the department include:

- Leading governance for sustainability throughout the group;
- Supporting the definition of strategy, goals and objectives for the sustainability of the businesses, in keeping with the corporate strategy;
- Disseminating the concept of sustainability at the company;
- Monitoring environmental policies and laws, and their application;
- Consolidating non-financial information on sustainability;
- Analyzing trends and new topics to guide the creation of projects that meet society's expectations.

## Principal initiatives in 2014

VALUING OUR PEOPLE	CONSCIENTIOUS CONSUMPTION AND SUPPLY	TRANSFORMATION IN THE CHAIN OF VALUE	MANAGING ENVIRONMENTAL IMPACT	ENGAGEMENT WITH SOCIETY
				
A 7.6% reduction in turnover, ending the year at 36.7% <sup>7</sup>	2,975 metric tons of food was donated to 320 institutions.	98% of requests for textiles in Brazil were made to suppliers certified by ABVTEX.	Deployment of the Green Yellow Project at 24 Extra Hiper stores.	Realization of the Bustling Life Project in São Paulo, Ribeirão Preto and Curitiba.
2,761 people with special needs, an increase of 30% over 2013.	Launch of the "pqjogarfora?" Program through GPA's Credit Union.	175 Social audits of suppliers were effected during the year.	Expansion of REVIVA, reaching 409 Via Varejo stores in the state of São Paulo.	Beginning of the "Extra in the Community – Together nurturing a better future for our neighborhood" project.
The employee engagement level {increased} from 55% in 2012 to 59%.	Partnership between AES Eletropaulo and Assaí, to exchange recyclable materials for discounts on the energy bill.	Expansion of the Next Steps in Quality Program in Multivarejo.	The Casino Group developed a study to cement best practices for consumption of refrigerant gasses.	Day of solidarity, with an expanded number of volunteers and the collection of 500 metric tons of food.
Launch of the women's Forum, with the participation of executives and officers.	Through a partnership with Unilever and P&G, 13,470 metric tons of recyclable materials were collected at 273 Pão de Açúcar and Extra delivery points.	Via Varejo assesses compliance of the most critical suppliers through the Third-Party Management Program.	Assaí investments in sustainable construction.	More than 1,400 volunteer actions by Via Varejo employees and their families in social projects supported by the Fundação Via Varejo.

<sup>7</sup> This turnover percentage does not contemplate reorganizations.



## Sustainability as a strategic priority

To further strengthen the company's strategy for sustainability, in 2014, GPA began a materiality process to identify the most important topics for the company and deepen management of these matters in the group and in the businesses.

Industry studies and internal documents were analyzed, activities with the leadership of each business and key departments of the group were conducted, and stakeholders, including employees, consumers, specialists, suppliers and investors, were consulted. During the process, the Office of Strategic Planning was also consulted, in order to better understand the planning going forward.

With the results of this diagnostic, scores for the most frequent topics were established, considering criteria such as the economic and financial impact on the company, influence on the capacity to achieve strategic objectives and on organizational reputation, with the possibility of generating a competitive advantage or differentiation in the sector, among other elements.

This process resulted in the so-called matrix of materiality, a visual representation showing the most material topics based on cross-referencing the information. In GPA's case, the strategic themes were validated by the board of executive officers, and consist of:

- 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 of this publication was structured in accordance with the commitments for sustainability and the topics identified as material in the materiality process.



SUSTAINABLE STRENGTH

## Valuing our people

A market leader, GPA believes that the growth of the group depends on the evolution of each professional in the quotidian world. The commitment to employee development is part of the company's strategy, which sees ongoing employee development, the career plan, diversity and well-being as material topics that should be part of a structured and meritocratic plan in accordance with the group's guidelines.

Currently, the company has 173,906<sup>8</sup> employees, making it one of the largest employers in Brazil. To ensure expansion and cover the strategic topics discussed above, the company invests in focused management, facilitating the best results for each segment in which it is active.

With a positioning that seeks to attract, develop and retain talent, and, in addition to complying with health and safety law and promoting inclusion for all with a focus on people with special needs, women and youth, the company also tries to promote an environment that prizes respect, ethics and team spirit. In this context, the group's Engagement survey bears note. In 2014, the survey enjoyed the participation of 83% of all employees, and the level of engagement increased from 55% to 59% as compared with the previous survey (2012). Among the results, we would highlight as an example the engagement in the theme of "Inclusion and Diversity," which increased from 54% to 73% (+19 p.p.) between 2013 and 2014.

EMPLOYEE PROFILE	2013	2014	VARIATION
Headcount of record at 12/31/2014	169,959	173,906	2.3%
Headcount of females at 12/31/2014	80,384	84,579	5.2%
Headcount of males at 12/31/2014	89,575	89,327	-0.3%
% women in the headcount	47%	49%	2.8%
Headcount aged < 30 at 12/31/2014	69,759	74,114	5.5%
Headcount aged 30-50 at 12/31/2014	87,958	86,038	-1.5%
Headcount aged > 50 at 12/31/2014	12,242	13,754	11.5%
Full-time headcount at 12/31/2014	164,247	166,132	1.1%
Part-time headcount at 12/31/2014	5,712	7,775	36.1%
% of full-timers in the headcount	97%	96%	-1.1%
Number of temp hirings effected in the year	3,084	3,422	11.0%

<sup>8</sup> The number of employees includes employees on leave.

### People Management Cycle

What sets GPA apart is the people. It is through the dedication and talent of employees that the company maintains its growth. It is thus necessary to have the best people management tools to help employees reach their maximum potential.

This collection of tools is called the People Management Cycle, effected at all the businesses annually. This process tries to evaluate employees based on criteria such as: fulfillment of goals, feedback on the results, skills assessment, career path and individual development plans.

### Career plan, continuing employee development and encouraging well-being

To retain talent and better train professionals, the group invests in training and developing its employees. All GPA business units offer career opportunities, prioritizing internal personnel for filling positions.

One of GPA's main strategic focuses over the next three years is the Succession Plan. The initiative's objective is to map and prepare possible successors for officer positions. Currently, 100% of the officer positions have been mapped.

At the Extra, Pão de Açúcar and Proximity units, the focus was on perfecting processes, with actions to improve monitoring of the training indicators. Furthermore, in 2014, a project was developed in Pão de Açúcar stores in Rio de Janeiro, focusing on training and integrating new employees. Nine days before beginning their activities, the professionals received training to improve engagement with the brand and accelerate development in the job during the first months of work. For 2015, the idea is to expand the program to São Paulo and to the Extra banner.

At Assaí, through the Universidade Assaí (learn more in the box), in 2014 the banner launched the Learn More Program, which provides basic training courses (elementary, middle and high school level) for employees and direct family members (approximately 700 people registered in 2014 alone) and college-level Management Processes for employees that occupy strategic positions, with 62 matriculated in the program's first semester. Furthermore, through the Leadership School, more than 79,000 hours of training were provided to leaders throughout Brazil. The company also held the 3<sup>rd</sup> Operations Trainee Program, in which 28 trainees were trained to assume the role of store Sub-managers at the end of the 12-month program. The Operations School provided 275,156 hours of training for professionals who will assume functions in new stores. In the Technical Development School, 240 operators at stores received professional certification and were trained to operate a forklift.

At Via Varejo, the stand-out was the Leaders of the Future Program, for training store operating managers. The initiative, which began in 2011, has trained 453 new managers. In 2014 alone, there were 2,360 hours of training for 216 employees.

It also has the Via Varejo Sales Program, instilling best practices, toward employees providing excellent customer service, improving their results and achieving their goals. In 2014, attendance was 246,633 for a total of 733,141 hours of training in a variety of courses provided in classroom, online and on-the-job formats, on specific technical topics, products, services and comportment.

The Via Varejo Sales Program also includes Development Groups for under-performing salespeople, which tries to contribute to reducing turnover and producing more sales revenue for the company. It also undertakes the Training for Operations Program, to build the capacity of store administrative personnel to support to the sales team. In 2014, 84,008 hours of training were booked on attendance of 4,076.

A Friend Customer Program tests the adherence to and the effectiveness of the sales method and verifies information on products and services. Salespeople that stand out are recognized by company leadership through delivery of certificates and awards.

Also in 2014, Via Varejo developed logistics training programs such as:

- Logistics in Focus: updating and training of strategic, tactical and operational personnel at the Distribution Centers. In 2014, more than 2,000 employees were trained;
- Top Log: the Distribution Team Training program (for {Consolidated Labor Laws} CLT-regime employees and Third Parties) to elevate the customer satisfaction numbers and optimize costs and losses. In 2014, 5,100 employees underwent training.

The goal for Cnova's Trainee Program over the next five years is to ensure that 5% of coordinators or managers have participated in the initiative.

At GPA Malls, activity focused mainly on external training, to specialize employees particularly in the areas of marketing for shopping center management, accounting and finance. Furthermore, the banner has a scholarship program for undergraduate, graduate and language study for its employees. For 2015, a project pursuing synergy between GPA Malls and Multivarejo, focusing on operations leadership, will be established. The objective is to develop and train on a continuing basis the technique and knowledge of the professionals.

### Turnover at the company

Turnover at GPA in 2014 was 42%, but for market benchmark effects, reorganization-associated layoffs are excluded, so the number is 36.7%, reflecting a decrease of 7.6% as compared to 2013. The company developed a series of initiatives, including among others interviews to identify the causes of departures; trainings for managers and teams; the creation of a tool that calculates turnover risk in stores; and surveys of engagement.

### Universidade Assai

With the challenge of stimulating knowledge of the management model and self-service wholesale operations, *Universidade Assai* is divided into five training schools: Wholesale, Leadership, Operations, Marketing and Technical and Interpersonal Development. With teaching methods that permit the alignment of programs, courses and training with the demands and strategic objectives of the business, in 2014, more than 14,738 employees participated in trainings totaling approximately 526,000 employee-hours.

#### TRAINING INDICATORS<sup>1</sup>

	2013	2014	Variation
Total number of hours of employee training		2,225,115	
Total number of employees that underwent training during the year		381,296	
Number of hours of training per employee	11	14	26.7%

<sup>1</sup>At Via Varejo, the indicator corresponds to attendance numbers and not to the number of employees. Accordingly, the company recorded a total of 1,117,363 hours for attendance of 298,712.

**RH+**

GPA developed a project to review processes relating to operational management of people. To be in compliance with the government's new E-social platform, the group will gather information from its employees and have all the documents digitized. The expectation is that, within three years, 100% of the file will be digitized. The objective is to facilitate access to information, cross-reference the data more quickly and monitor indicators.

**Do you know what E-social is?**

The federal government created a platform to unify employer delivery of information in relation to their employees. The version is still in testing, but when it is fully rolled out, it should entail a variety of advantages over the current system, such as:

- Integration of company computer systems with the national eSocial environment, facilitating automation in transmitting employer information;
- Standardization and integration of the records of the people and entities in the scope of the agencies participating in the project.

In total, the government will have roughly two thousand pieces of information with reference to positions, salaries, holidays, workloads, termination, and collective bargaining, among other matters.

**Employee health**

To ensure the well-being of all its employees, all GPA businesses have programs for the prevention and control of serious diseases, providing a pilot general clinic and medical specialist assistance. The objective is to scale-up this model to all the group's other Businesses. There is also a flu vaccination campaign, an in-house week on preventing workplace accidents, and a program to support and accompany those with chemical dependencies. A pre-natal care program, anti-smoking initiatives and consciousness-raising campaigns on topics such as hypertension, diabetes and healthy nutrition will be commenced.

In 2015, the occupational health and safety department will be restructured and will act on two fronts: health and well-being, and occupational safety and medicine.

**HEALTH AND SAFETY INDICATORS**

	2014
Number of workplace accidents involving at least 1 day out	1,277
Number of days leave stemming from workplace accidents (days lost)	132,258

### Sports Program

To promote social change and mobilization, GPA has initiatives oriented towards holding events on healthy habits, physical training and nutritional advice, which are effected through the Sports Program.

#### GPA Club

Since 1993, the institution has offered physical activities such as walking, running, biking and dance classes. Currently, nearly 1,486 employees in São Paulo (SP), Campinas (SP), Brasília (DF), Rio de Janeiro (RJ), Goiânia (GO), Fortaleza (CE), Recife (PE) and Belo Horizonte (MG) participate in the program.

#### GPA Gym

GPA Gym is at 21 stores and Distribution Centers located in São Paulo (SP), Brasília (DF), Fortaleza (CE), and Rio de Janeiro (RJ), in addition to a unit at the group's headquarters in São Paulo (the Brigadeiro Complex). Approximately 4,539 employees are benefitted.

#### GPA Nutrition

To ensure a healthier lifestyle and provide nutritional technical support to employees, GPA offers personalized nutritional guidance. In all, four nutritionists, including two at headquarters, one for the distribution center in São Paulo and one in Fortaleza (CE), provided more than 2,209 sessions to employees during the year.

#### Via Varejo sporting gym

The gym is located in São Caetano do Sul (SP), with space equipped and dedicated to the health and well-being of employees and service providers. The 800 m<sup>2</sup> structure has rooms for a variety of activities. In 2014, roughly 2,000 employees were benefitted.

#### Via Health

Created in 2013 to raise employee awareness to adopt healthier habits, the program offers guidance on good nutrition, encourages physical activities and preventive health.

**People with special needs are recruited by specialized consultants and partnerships with institutions, NGOs, churches and governmental entities that serve them and their families**

## Valuing diversity

To guarantee ethics and respect, the company envisions in its Code of Moral Conduct respect for diversity, without discrimination of any kind (race, gender, religion, sexual orientation, physical characteristics, nationality or socio-economic level). Any violation of these rights can be reported through the Channel for Complaints or the Office of the Ombudsman. The document also provides for an investigation and possible punishment in cases of discriminatory conduct.

During 2014, GPA continued a variety of programs that value diversity and promote social inclusion. With more focused management, the company improved the processes for hiring and retaining people with special needs. The group closed the year with 2,761 people with special needs, up 30% over 2013.

Valuing women in the workplace is also prized in GPA's personnel management. In all, women represent 12% of the executives and 48% overall. The company launched a Women's Forum involving female executives and officers, in order to engage upper management and promote the career development of women in positions of leadership.

### INDICATORS OF DIVERSITY

	2013	2014	Variation
headcount of females in positions of leadership at 12/31/2014	534	580	8.6%
headcount of females in executive positions at 12/31/2014	15	13	-13.3%
% of women in positions of leadership	22%	22%	-0.3%
% of women in executive positions	14%	12%	-15.8%
number of employees with special needs at the company at 12/31/2014	2,122	2,761	30.1%
employees with special needs as a percentage of the total headcount at 12/31/2014	1.25%	1.59%	27.2%



## Initiatives to value diversity

GPA takes a variety of actions to ensure social inclusion and appreciate professionals at all its businesses, including among others:

### **Pão de Açúcar, Extra and Proximity**

- **Young Apprentice:** Youth aged 14 to 24 are selected by the program, which is intended to train, involve, and promote the professional development of the apprentices. Courses administered by the *Serviço de Aprendizagem Comercial* (Senac) also complement the program. In 2014, 1,719 youth participated in the program.
- **Third Age:** To value the contributions and experience of all, the company aims to provide work opportunities for people aged 56 and up. GPA hired roughly 441 people in 2014, involving these professionals in all the businesses.
- **People with a Future:** promoting the social reintegration of youth in *Fundação Casa's* social education programs. The Program involves two vectors: professional development, through putting the youth to work in Multivarejo, and human and social development, through a development program and individualized support.
- **Partnership with the APAE:** the initiative involves 50 people with special needs that apprentice in Extra and Pão de Açúcar stores. The expectation is to hire all.

### **Cnova**

- **Consultancy for people with special needs:** the brand mapped positions and accessibility to ensure the inclusion of people with special needs in a variety of areas of the business.

### **Assaí**

- **People with special needs:** the banner is very focused on hiring people with special needs • Currently, the brand employs 625 people with special needs;
- **Inclusion:** to include people with special needs, Assaí works in partnership with unions and specialists in occupational medicine;
- **AACD Partnership:** the brand maintains a partnership with the *Associação de Assistência à Criança Deficiente* (AACD) for children with special needs and with the Ministry of Labor for local hiring.

### **Via Varejo**

- **Refer and Include Program:** employees refer people with special needs to assume positions with the company, and can monitor the status of the process using an online platform.
- **Goals program:** a vice-president created goals for hiring more people with special needs.
- **Female Leadership Program:** in 2014, Via Varejo began a program - Women in Leadership – to hire and prepare women to become store managers. Twenty-two spots were filled in the states of São Paulo and Minas Gerais.

*"Participating in Women in Leadership, a pioneering initiative in a company of Via Varejo's size, is rewarding in every sense. I have 14 years of experience in retail and have started occupying manager positions, but the learning the company has afforded me is of a magnitude that is difficult to express. The opportunity to interact with all sectors of the organization has made me grow a lot as a professional. I think the 22 women who participated in the program feel the same way. When the company opens doors to diversity, it gains a great competitive advantage."*

**Tatiane Bicalho**

**Manager of Casas Bahia store 1682 -  
Metropolitan Shopping, in Betim (MG)**

#### **Goals: Valuing our people**

- Follow-up on the engagement survey conducted in 2014, by establishing priorities and a plan of action at all the company's businesses (GPA).
- Continue expanding and including people with special needs, with the objective of having 2.5% of staffing be people with special needs (GPA).
- Reinforce the activity of the Women's Forum to promote better integration of women in positions of leadership (GPA).
- Continue expanding the GPA Gym, GPA Club and nutritional support programs for employees (GPA).
- Implement a new HR services management system, through the HR+ program (GPA).



SUSTAINABLE STRENGTH

## Conscientious consumption and supply

The group tries to steer its customers toward adopting better modes of consumption, which respect the environment and the health of the people. One of the pillars of the sustainability strategy is to encourage conscientious consumption and supply, working principally with the strategic themes of appropriate disposal of solid wastes and reverse logistics with a focus on reducing waste.

*“GPA has contributed enormously to strengthening the cause of conscientious consumption in Brazil, whether through supporting initiatives and projects in keeping with this theme, or through its innovative ways of doing business, toward offering consumers increasingly sustainable products. GPA is the largest retailer in Latin America and can make important contributions in making new models of production and consumption viable, mobilizing consumers toward lifestyles that are more respectful of natural resources and social matters. In other words, contribute to mobilizing society toward a sustainable lifestyle that ensures that all of humanity has enough, forever.”*

**Helio Mattar**

**President of the *Instituto Akatu***

### Exclusive Brands

GPA established three fronts of activity for the Extra, Pão de Açúcar and Proximity banners: quality, functionality, transparency – fundamental attributes for ensuring consumer education and encouraging a culture of conscientious consumption. On these fronts, the group took action focused on increased marketing of organic products and developing healthier and more natural products under exclusive brands, an important competitive advantage for the company.

#### INDICATORS FOR EXCLUSIVE BRANDS

	2013	2014	Variation
Total number of Exclusive Brand products		15,467	
Total number of Exclusive Brand Organic Products	330	336	1.8%
Total number of organic products for Exclusive Brands and other brands	1,180	1,296	9.8%
Number of FSC-certified Exclusive Brand products	149	184	23.5%
Number of Exclusive Brand products certified - Others seals	96	108	12.5%

#### Happy Product

In partnership with the *Caras do Brasil* program, Pão de Açúcar included a “Happy Product” campaign in its Christmas concept, to value and encourage purchasing products with a positive social impact. When customers bought a happy product, three strategic producers of *Caras do Brasil* are benefitted with encounters to improve and innovate in entrepreneurship.

#### Food safety

In 2014, GPA created a Food Safety Committee focused on Multivarejo operations. The objective is for the upper administration to discuss the theme, elevating the company's level of monitoring and management of food safety. Formed of all the retail food officers, the group meets periodically to address matters such as pest control, expired products and technical training of employees in the stores. With the results, measures (like training) were established to work on the most critical matters. An example was an Expiration Date Brigade, a volunteer event in which employees visited stores to identify products that were close to expiring.

Furthermore, since 2013, GPA has performed diagnostics on products to ensure that they are in compliance with the health department's standards of quality. Going forward, the objective is to give even more visibility to the food safety theme through integrating all the areas of the group, including among others commercial, sustainability, and waste management.

### Reducing food waste

The topic is on the GPA retail food businesses' agenda year round. For nearly 20 years, GPA has maintained a project for donations and partnerships that has benefitted many service institutions. The idea is that Pão de Açúcar and Extra stores donate fruits and legumes that are not in ideal conditions for display, but good for consumption. In 2014, 2,975 metric tons of foods were donated to approximately 320 institutions approved by the Instituto GPA throughout Brazil. The number is 42.1% higher as compared to the year prior.

Another initiative to reduce food waste is to offer perishable and non-perishable products that are nearly expired, at discounts of up to 40%. The items are grouped apart with clear signage. With this inventory management and the incentive for conscientious consumption, there is optimization to avoid wastage within the store.

### The “pqjogarfora?” program

Developed through GPA's Credit Union, the initiative provides tips and concepts to encourage employees to reduce water and energy waste, and to better consume and reuse foods on an everyday basis. The idea is that everyone can act as multipliers of this knowledge with their family members, and can bring to the workplace everything that has been learned. In 2014, 100,000 professionals participated in the initiative. The program will continue in 2015, with new content and information to educate employees about all kinds of waste.

### Brazil's Table

In partnership with the SESC, GPA participates in *Mesa Brasil*, a program that tries to optimize the issue of food waste under the Extra and Pão de Açúcar banners. The idea is to set aside aesthetically marred products and donate them to entities located around the stores, in accordance with the need of each institution. In 2014, 165 metric tons of foods were distributed to 2,662 entities.

**In 2014, Pão de Açúcar sponsored Clean Brazil, a program of the Ministry of the Environment focused on recycling wastes and raising society's awareness**

## Appropriate waste disposal and reverse logistics

In 2014, the group worked with important initiatives to raise consumer awareness and include sustainable day-to-day actions. For example, Pão de Açúcar, Extra and Proximity stores continued their recycling stations for packaging and cooking oil. Extra and Pão de Açúcar offer reusable bags, and at Assaí, plastic bags are sold and the proceeds are sent to 31 partner organizations of a social nature. Whenever possible, the intent is to benefit entities that are in the same area as the stores.

To ensure even more concrete action, the company worked on initiatives that try to track products, and remained at the center of discussions on the National Policy on Solid Wastes (*Política Nacional dos Resíduos Sólidos*). Through the *Associação Brasileira de Supermercados*, the *Instituto para Desenvolvimento do Varejo* and the *Compromisso Empresarial para Reciclagem*, GPA remains active in technical working groups created to debate topics proposed under the Policy. At bimonthly meetings, these working groups have been discussing sectoral agreements, to be presented to the Ministry for the Environment, in five areas: packaging, durable household goods, lighting, batteries and medications.

## INDICATORS FOR WASTES DEPOSITED BY CUSTOMERS

(METRIC TONS)	2014
Batteries	31
Electronics	262
Energy-efficient light bulbs	3
Plastics	3,804
Papers	5,635
Paperboard	148
Scrap metal	402
Aluminum	185
Glass	3,404
Others customer wastes	344
Total waste from customers	14,218

6,803

metric tons of plastic bags were distributed at cash registers at the group's stores in 2014, a decrease of 8.9% from 2013.

### The New (re)New (*Novo de Novo*) Program

Developed by the Taeq and Qualitá brands, the program's objective is to reuse pulp-based materials. Laminated carton packaging known as "Long-Life Packaging" was added to the program based on the reverse logistics concept. Some of the material collected at the Recycling Stations and the Green Boxes at Pão de Açúcar is taken for segregation at recycling cooperatives, which select, classify and sell the product with a recycling company that makes paperboard, which will be utilized once again to produce packaging for the brands' products.

Since program inception, more than 2,800 metric tons of recyclable pulp-based materials have been transformed into raw materials for packaging. In 2014, more than 2.5 million Taeq and Qualitá products were produced using some of this recycled paper.

### Reverse logistics programs for customers

To translate its commitment to good practice and conscientious consumption into action, GPA has worked with actions in accordance with the National Policy on Solid Wastes:

#### Pão de Açúcar

##### Pão de Açúcar Unilever Recycling Stations

In partnership with Unilever, Pão de Açúcar stores have 140 voluntary drop-off points for recyclable materials like paper, plastic, metal, glass and used cooking oil. In 2014, 10,166 metric tons of recyclable materials were collected.

##### Green Box

Pão de Açúcar provides bins so that product packaging can be thrown away instead of taken home. All material collected is donated to recycling cooperatives that partner with the group. In 2014, 995,605 pieces of packaging were donated.

##### Batteries

The project, developed in conjunction with the *Associação Brasileira da Indústria Elétrica e Eletrônica* (ABINEE), collects batteries from consumers in Pão de Açúcar stores. In 2014, 10.7 metric tons of batteries were correctly disposed of.

#### Extra

##### Extra P&G Recycling Stations

Extra has since 2007 maintained points for voluntary drop-off of recyclable materials such as paper, plastic, metal, glass, cardboard and used cooking oil. In 2012, Procter & Gamble began to partner with the initiative. In 2014, roughly 3,300 metric tons of material was collected at its 133 Recycling Stations.

##### Electronic trash

In partnership with the *Associação Brasileira de Empresas de Limpeza Pública e Resíduos Especiais* (Abrelpe), GPA developed a temporary action at the Extra store in Jundiaí. With the participation of public and private actors, the objective was to understand the perception of the citizenry about electronic appliance waste and its correct disposal.

##### Batteries

The project, developed in conjunction with the *Associação Brasileira da Indústria Elétrica e Eletrônica* (ABINEE), collects batteries from consumers in Extra Hipermercado, Extra Supermercado and Minimercado Extra stores. In 2014, 4 metric tons of batteries were correctly disposed of.

##### Proper Disposal of Medications

In partnership with Laboratórios Eurofarma, the initiative seeks to raise consumer consciousness on the importance of proper disposal of expired or out-of-use medications and sharp articles like needles and ampoules. This material can be disposed of at 27 Extra stores and four Pão de Açúcar stores. In 2014, 3.3 metric tons of medications and other items were collected.



## Assaí

### Recycle More, Pay Less

An AES Eletropaulo initiative, the project involves exchanging recyclable materials for discounts on electricity bills. Assaí was the first collection point for the program. Going forward, the objective is to advance the project, which is currently present in two of the chain's stores.

### Ecoampla

Developed in partnership with the energy concessionaire Ampla, the project is installed in Assaí's store in Alcântara (RJ) and deals with the disposal of recyclable materials delivered voluntarily by consumers in exchange for a discount on the electricity bill. For 2015, the objective is to expand the initiative to the state of Ceará, where the energy concessionaire belongs to the same group as Ampla.

### Batteries

The project, developed in conjunction with the *Associação Brasileira da Indústria Elétrica e Eletrônica* (ABINEE), collects batteries from consumers in Assaí stores. In 2014, 4 metric tons of batteries were correctly disposed of.

## Via Varejo

### Reverse logistics for electronic appliances

In partnership with the *Associação Brasileira de Reciclagem*, in Porto Alegre, Rio Grande do Sul, Pontofrio acted through three stores in an initiative to study consumer behavior, accessibility and store communication in relation to the conscientious disposal of home appliances.

### Batteries

The initiative collects batteries from consumers in Casas Bahia and Ponto Frio stores. In 2014, 8 metric tons of batteries were correctly disposed of.

## Goals: Conscientious Consumption and Supply

- Implement a communication platform for customers and employees, with the objective of reducing the quantity of plastic bags distributed in stores (GPA).
- Continue the expansion (increasing the number of products and volume of sales) of healthy products (Pão de Açúcar).
- Develop the "pqjogarfora?" internal consciousness-raising campaign for all employees (GPA except Via Varejo).
- Follow-up on actions for environmental education oriented toward reverse logistics of customers' wastes, through expansion of the recycling stations and communications campaigns (Multivarejo, Assaí).
- Reinforce the partnerships (SEBRAE, SINDIPAN) to provide training and support for entrepreneurship among customers (Assaí). Learn more about the programs in Assaí Programs.
- Develop new partners to increase the volume of paper recycled in the New (re)New (Novo de Novo) program (Multivarejo).



SUSTAINABLE STRENGTH

## Transformation of the chain of value

To grow sustainably, generate value for all stakeholders and efficiently manage the demand for and distribution of products under each of its banners, GPA tries to monitor the lifecycle of the products and establish socio-environmental criteria for contracting suppliers.

Accordingly, the handling of these themes considers {four} aspects: respect for human rights, reduction of the environmental impact, supplier development suppliers, quality assurance and food safety.

### Socio-environmental criteria in contracting suppliers

GPA is committed to acting as a transformative agent in the chain of value. To ensure compliance with the law and be in tune with the sustainability guidelines and strategy, the company has been associated with the United Nations' Global Compact since 2001 and a signatory of the Pact for the Eradication of Slave Labor since 2005 (see more in *Commitments*).

To reinforce the commitment, nine years ago, the company developed the Code of Moral Conduct, which requires service providers (that employ labor) not to use child or forced labor and to distance themselves entirely from companies that do. Violations may result in breach of contract with any company in the group.

Furthermore, all GPA contracts with service providers include a clause with a commitment to execute the services in accord with the applicable legal, normative and administrative provisions of the cities, states and country. In 2014, the company also incorporated a specific anti-corruption clause in all new contracts with suppliers. For older ones, the change will be made when the contract is renewed.

Also in this context, the Casino Group and GPA apply an Ethics Letter developed by the control group that must be signed by suppliers of imports. The objective is to ensure that the supplier undertakes to respect the principles of the Universal Declaration of Human Rights and the Declaration of the International Labor Organization. The document includes eight criteria, which also involve a prohibition on child and forced labor.

GPA also participates in the *Associação Brasileira do Varejo Têxtil* (ABVTEX), which is responsible for the development of textile suppliers. To ensure compliance with the association's standards, suppliers are inspected each year and analyzed on criteria such as slave labor, working conditions or health and safety. Furthermore, GPA is audited annually to certify its procurement processes.

**In 2014, none of the suppliers audited by GPA presented irregularities that could run counter to labor laws or the Universal Declaration of Human Rights**

**15**

social audits in factories located in Asia

**98%**

of requests for Textiles in Brazil were made to ABVTEX-certified suppliers

**175**

social audits of Multivarejo textile and bazaar suppliers conducted in 2014

TOTAL SUPPLIERS	2014
Total number of Suppliers of Other Brands and Exclusive Brands	6,997
Subtotal "domestic suppliers"	6,494
Subtotal "importing suppliers"	503

## ICS Methodology

In 2014, GPA adopted the ICS (Initiative Clause Sociale) methodology, which is also used by the Casino Group for social audits of suppliers. The objective is to verify production facilities' compliance with the universal principles of human rights and international and local labor regulations.

After the audit process, which is effected by an independent firm, the suppliers receive an evaluation and, if necessary, a plan for corrective actions is developed. GPA's Quality and Sustainability departments provide advice and verify implementation of the plan.

Critical situations, like forced labor, child labor and degrading working conditions, result in the immediate disqualification of the supplier.

Aware of the risks inherent to production in Bangladesh and of the need to maintain a local industry, GPA has decided since 2013, in conjunction with the Casino Group, to audit 100% of the factories based in Bangladesh, to guarantee respect of the rights of the workers and good working conditions. Learn more about the methodology [here](#).

### Management of third parties at Via Varejo

Through the Third-Party Management Program, Via Varejo evaluates whether its most critical suppliers and service providers are in compliance with labor and socio-environmental law and good market practice. Since inception, 13 service providers have been evaluated (cleanliness and safety) and, in 2014, 50% of the suppliers had labor clauses in their contracts. For 2015, the expectation is to include socio-environmental clauses in all the contracts.

### Caras do Brasil (Faces of Brazil)

With the objective of developing small producers with sustainable management and encouraging fair trade, income generation, respect for the environment and social inclusion, GPA has maintained the *Caras do Brasil* program since 2002.

Products developed by communities and organizations throughout Brazil (artisans, cooperatives or associations) are sold at Pão de Açúcar and Pão de Açúcar Delivery stores. The line consists of roughly 200 items from various states, varying from foods and decorative objects to artisanal pieces.

Participants must comply with applicable health and tax laws, issue formal sales invoices, and produce using sustainable management. Interested parties can register directly on the program's site ([www.carasdobrasil.com.br](http://www.carasdobrasil.com.br), under the link "Seja um Fornecedor"). In 2015, the Program will be strengthened by seeking out new suppliers and receiving investments in communication for the end consumer.

# 57

suppliers participated in the Backhaul program in 2014, involving a total of 11,979 trips to remove products at suppliers.

# 34

suppliers of sustainable products currently form the *Caras do Brasil* network.

### Initiatives with transporters

Cnova and Multivarejo also remain focused on initiatives to encourage good practice with transporters. Cemented in 2014, the Top Log program, for example, measures the performance of the transporter, in order to detail, standardize and perfect operations and ensure continuing improvement in the services provided. It also seeks to recognize and develop these suppliers through the excellence of the services provided. In 2014, 70 transporters participated in the program and 42 were certified.

The Backhaul program developed by Multivarejo was continued in 2014, with the objective of improving operations in the logistics network, considering the structure and the environment. The initiative optimizes processes for distributing products, by having trucks not return empty after delivering products, but loaded with articles from some supplier. Accordingly, there are also benefits for the environment, since it reduces greenhouse gas emissions.

In 2014, 57 suppliers participated in the initiative {for} a total of 11,979 trips to remove products. For 2015, the expectation is to increase the number of participating suppliers by 7%.

### Monitoring the lifecycle of products and the chain

The R&D and Quality departments have worked hard on monitoring product lifecycles and approving and tracking the chain of suppliers (for example in the Next Steps in Quality Program, for Exclusive Brand products). Before arriving on supermarket shelves, Exclusive Brands, Imported and Domestic products undergo risk evaluations for ingredients, legal aspects and quality requirements, to comply with Brazilian regulatory standards (Anvisa, INMETRO, PROCON, Ministry of Agriculture, etc) and GPA's internal standards, ensuring consumer health, integrity, satisfaction and well-being (for more, see The Next Steps in Quality Program).

#### The Next Steps in Quality Program

In 2013, the Next Steps in Quality Program was initiated with 120 suppliers that produce processed foods for exclusive brands. Divided into three stages, the objective is, in addition to elevating these suppliers to certification levels by 2015, progressing on more complex questions of controls, monitoring and management, which involve topics like Food Safety.

The group monitors the qualification of its suppliers of exclusive brands through periodic follow-up audits and monitoring plans for improvements. Mandatory legal requirements like licenses, tracking and good production practice are audited. This process also involves audits of suppliers of fruits, legumes and vegetables, as well as products made from animals such as swine, cattle and fish.

For 2015, there will be a new wave of expansion, to cover suppliers of home and personal hygiene products, and in 2016, we will conclude the expansion plan by covering suppliers of bazaar items and appliances.

*“We believe that the Next Steps in Quality Program increasingly leverages the pursuit of excellence, as GPA supports suppliers in deploying the necessary procedures, requirements and standards. The principal gains of the program are in relation to attending to the standards for quality, and customer relationships. We have progressed far with the Next Steps in Quality Program; it has helped Dauper as a whole. Today, all our products are of better quality and assurance.”*

**Raul Matos**  
**Commercial Officer for Dauper,**  
**a supplier participating in the Next Steps in Quality Program**

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### **Quality from the Source Program**

As assurance and incentive for suppliers to maintain good practices, GPA has a Quality from the Source Program covering 321 suppliers of fruits, legumes, vegetables and eggs. The initiative has three principal objectives:

- To develop suppliers' chains of production, toward qualifying compliance with GPA's requirements
- To monitor Food Quality and Safety at the Distribution Centers and points of sale
- To transmit to the consumer aspects associated with GPA's standards of Quality for greater trustworthiness of purchases at GPA stores

One of the plans for monitoring Food Quality and Safety deals with the residual presence of pesticides in the products. The company follows the procedures of the *Programa de Análise de Resíduos de Agrotóxicos* (PARA), and the *Agência Nacional de Vigilância Sanitária* (ANVISA), which regulates, controls and supervises, at the national level, the application of pesticides in foods and the microbiological analyses.

Another important step in monitoring Quality involves a team of technicians specialized in Quality Control inspecting the product when it arrives at Distribution Center platforms, to determine compliance with GPA's internal standards.

The program's participating suppliers are kept informed through an online platform with data on audit scores, the grade on the inspection at arrival and the results of analyses under the monitoring plan, facilitating communication and the establishment of plans of action. For GPA, the initiative is important since it encourages suppliers to make improvements in their processes. For the supplier, the system allows them to track performance on all matters of quality, improving the critical points. With respect to customers, the initiative gives them access to data on the origin of and other information on the product. Adherence to Quality from the Source, however, is voluntary.

### **Quality from the Source for beef**

Following the premises of the Quality from the Source Program, for beef, aspects such as tenderness (shear force), microbiological quality and residues are analyzed, in addition to the inspection on platform arrival to verify compliance with GPA's internal standards. In 2014, there was progress in the protocol for auditing meatpackers for evaluation on the part of the suppliers.

In early 2015, a Taeq meat producer, GPA's partner since 2007, received the sustainable producer award at Beef Summit Brasil, a forum that brings together the principal stakeholders in the chain of production of the meat in Brazil.

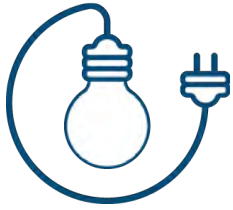
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### Palm oil

In partnership with the NGO The Forest Trust (TFT), the Casino Group and GPA seek to identify the origin of palm oil for in-house branded products through mapping the activities of its suppliers.

### Goals: Transformation in the chain of value

- Expand the Next Steps in Quality Program to exclusive brand drugstore, beauty and personal hygiene product suppliers (Multivarejo).
- Keep all supplies of Brazilian textile products through ABVTEX-certified suppliers (Multivarejo).
- Expand the ICS social audit campaigns to more suppliers and factories located in at-risk countries (Multivarejo).
- Restructure the *Caras do Brasil* program, revising the business model to better develop its suppliers and reinforcing the positive social impacts of the program vis-à-vis Pão de Açúcar customers.
- Increase the number of transport suppliers participating in the Backhaul project by 7% (Multivarejo).
- Include socio-environmental clauses in third-party management contracts (Via Varejo)



SUSTAINABLE STRENGTH

## Managing environmental impact

To support one pillar of the group's strategy for sustainability and ensure compliance with the environmental standards governing the sector, in 2014, the company institutionalized its Environmental Policy. The objective was to improve its environmental management and performance. All the departments must establish objectives and goals for reducing environmental impact, always in light of the policy. The document also envisions raising employee awareness of the importance of environmental matters and preservation.

Furthermore, in 2014, GPA held the first encounter on "How to leverage Environmental topics for the success of our business," to provide a space for dialogue so that the group's leaders could exchange experiences and together establish commitments toward reducing environmental impact. In total, 85 people participated in the initiative and the objective is to hold a second such meeting in 2015.

### Green stores

Building stores with exceptional design features, like low operating costs, quicker project approval, more comfortable ambient temperatures and higher market value, has become a competitive strength for GPA. The technologies employed permit, for example, energy savings of roughly 10% in relation to a normal store of the same size.

Currently, of a total of 7 green Pão de Açúcar stores, 3 are certified by Leadership in Energy and Environmental Design, which recognizes buildings using eco-efficient materials and technologies and sustainable construction methods. Utilizing certified wood, more sustainable paints, 20% recyclable materials and reutilized rain water (for irrigation and washing), this type of construction safeguards native vegetation in green space, waste management starting with construction, and low CO<sub>2</sub> emissions, among other benefits.

**GPA has been improving products and services with a focus on efficient use of natural resources and appropriate waste disposal**

### Assaí invests in sustainable construction

With the objective of being a transformative agent in the chain of value through raising awareness and contributing to sustainable practices, Assaí has invested in the sustainable construction of its stores. Accordingly, it utilizes environmental technologies that seek the best use of natural resources, with reduced consumption of electricity and better water use.

The principal initiatives include enclosed refrigerated displays that evaporate residual condensation, eliminating the need for drains, avoiding water discharge to the sewage system. With such enclosure, there is better use of the equipment and reduced energy consumption. Furthermore, the use of skylights and glass facades affords more natural light during the day, decreasing light bulb use and reducing the consumption of electricity.



## Efficiency in the use of natural resources

### Emissions

Since 2010, GPA has developed its inventory of carbon emissions following the specifications of the *Programa Brasileiro GHG Protocol*. With the support of an external consultant, to qualify emissions as direct and indirect within scopes 1, 2 and 3, the company utilizes the methodologies of the Intergovernmental Panel on Climate, the Department for Environment, Food and Rural Affairs (DEFRA), and the World Resource Institute (WRI/WBCSD GHG Protocol Initiative).

The information gathered lets GPA identify areas for improvement and establish goals to reduce emissions. The report includes information for GPA's businesses: Pão de Açúcar, Extra, Stations, Drugstores, Assaí, Casas Bahia, Pontofrio and Cnova.

The company also forms part of the Carbon Efficient Index – ICO2, a creation of the BM&FBovespa in conjunction with the Banco Nacional de Desenvolvimento Econômico e Social (BNDES). The indicator is formed by companies that adopt transparent practices in relation to their greenhouse gas emissions, and that have efficient initiatives to manage their emissions. The objective of the index is to encourage companies to deal responsibly with the topic, assessing, managing, monitoring and mitigating their emissions, driving a low-carbon economy.

GPA also responds to the Carbon Disclosure Project (CDP), one of the financial sector's principal initiatives to mitigate the effect of climate change. It involves a questionnaire, developed by institutional investors, for companies listed on the principal stock exchanges worldwide. The objective is to disclose information on policies, actions and goals developed by the sector to combat global warming. Both initiatives are focused on investors.

**To reduce energy consumption in its operations and mitigate environmental impact, since 2011, the company has had an Internal Commission on Energy Consumption**

EMISSIONS 2014	VIA VAREJO	MULTIVAREJO	ASSAÍ	CNOVA	GPA CONSOLIDATED
Scope 1 (Kyoto Protocol)	19,452	36,987	2,767	457	59,663
Scope 1 (Kyoto Protocol and Montreal Protocol)	20,963	339,901	40,318	2,629	403,811
Scope 2 (Kyoto Protocol)	32,642	152,634	24,458	1,071	210,805
Scope 3 (Kyoto Protocol)	56,391	75,155	8,787	39,306	179,639
<b>Total (Kyoto Protocol and Montreal Protocol)</b>	<b>109,996</b>	<b>567,690</b>	<b>73,564</b>	<b>43,005</b>	<b>794,255</b>

### International Study of Refrigerant Gasses

In 2014, the Casino Group conducted an international study at all outlets, to consolidate best practices for the equipment installed in the units, compare eco-efficient solutions as implemented and develop a calculation tool to help compare solutions proposed by suppliers. Currently, GPA is pilot testing at 2 stores a refrigeration system that utilizes in part CO<sub>2</sub>, which has a lower global warming potential than the solutions generally utilized in the market.

## Energy consumption

Through Green Yellow, a Casino company active in hypermarkets in France and Colombia with solar panel and energy efficiency projects, GPA developed initial plans for 24 Extra stores, with the objective of evaluating the consumption of the units and their potential for reductions. The idea is to reduce store consumption by 25%. The project is focused on:

- Updating the lighting system – ensuring more comfort for customers while reducing energy consumption at the stores;
- Enclosing counters and displays, with doors and covers;
- Automation, both for refrigeration and for air conditioning, reducing consumption and maintaining a comfortable temperature for customers.

In 2015, the focus will be on hypermarkets and the objective is to reach 70% of the Extra Hiper stores.

Furthermore, in 2014, retail food continued to use energy from the Free Energy Market, toward increasing the share of 100% renewable sources in GPA's energy matrix. Currently, 35% of the energy for retail food comes from renewable energy.

At GPA, up to 20% of the energy used comes from renewable sources, and the company perseveres in the challenge going forward to increasingly diversify its energy matrix.

### INDICATORS FOR ENERGY CONSUMPTION

	2013	2014	Variation
Total energy consumed (MWh)	1,432,885	1,550,261	8.0%
Green Energy consumed (MWh)	370,493	377,537	1.9%
Consumption of natural gas (MWh NCV)	22,271	19,530	-3.9%
Consumption of Liquefied Petroleum Gas (LPG) (MWh NCV)	62,894	70,002	8.6%
Consumption of diesel (L)	3,816,401	3,158,140	-17.5%
Consumption of gasoline for cars (L)	2,161,940	1,232,878	-43.0%

## Water

At Via Varejo and in Multivarejo, one of the principal initiatives was to accelerate the installation of flow restrictors on taps and special valves at 243 existing stores. At Via Varejo, the test was run in one of the administrative buildings to verify the feasibility of the investment, resulting in the plan to install these components in all of Via Varejo's administrative buildings. The project makes it possible to reduce water use from taps an average of 10-15%.

Since 2007, Via Varejo has had reuse systems to clean heavy vehicles at the Distribution Centers in Jundiaí, São Bernardo do Campo, Duque de Caxias and São José dos Pinhais. The initiative affords savings of 25 m³/day in water consumption, totaling a reduction of more than 2000 m³/month. At the Distribution Centers in Jundiaí, Camaçari, Duque de Caxias and Campo Grande, well water is used.

The water consumed at the group's stores and headquarters, totaling 4,432,460 cubic meters in 2014, comes from the public system.

## Waste management

In the context of the National Policy on Solid Wastes, since 2008, retail food has had a process to segregate four types of materials resulting from its operations: recyclables (paper, plastic), organics, wood, and other refuse. The recyclable products are sent to be recycled, the organic wastes to produce animal feed and compost, and the wood is transformed into furniture. Only 22% of the waste is sent to licensed landfills.

Via Varejo has a new program called REVIVA (Recycling Via Varejo), to manage recyclable wastes and raise environmental awareness. The initiative is a revitalization and expansion of the former Friends of the Planet project, which since 2008 had implemented segregated collections at headquarters and 205 Casas Bahia stores in the state of São Paulo. With REVIVA, the company began to expand to other regions of Brazil, Pontofrio stores, and Via Varejo administrative buildings and Distribution Centers throughout the country. In 2014, the initiative expanded to 409 stores in the state of São Paulo.

In addition to segregating recyclable solid wastes within stores, REVIVA also involves reverse logistics for packaging, consisting of bringing back cardboard boxes, Styrofoam, plastic and other packaging discarded by customers when they receive merchandise acquired in the company's stores, for sorting. With this new scope, in addition to conforming to the National Policy on Solid Wastes, the project includes partnerships with recycling cooperatives, affording social inclusion and reducing environmental impact.

Since inception, the project has sent more than 70,000 metric tons of materials for recycling. In 2014, there were roughly 10,000 metric tons. To support and correctly handle the recyclable materials collected, REVIVA uses a mixed model for expansion based on its own sorting center with roughly 60 employees, and on strengthening cooperatives.

INDICATORS FOR NON-HAZARDOUS WASTES	2014	VARIATION
Papers (metric tons)	1,428	104.1%
Paperboard (metric tons)	48,289	-40.3%
Plastic (metric tons)	5,638	-32.8%
Organic wastes (metric tons)	5,566	-43.6%
Cartridges for professional printers (metric tons)	31	345.0%
Cartridges for professional printers (metric tons)	235	57.2%
Sewage sludge (m³)	561	149.3%
Scraps and metals (metric tons)	1,082	12.5%
Other reusables (metric tons)	4,816	-29.5%
Mixed non-hazardous industrial wastes (metric tons)	164,971	63.0%

INDICATORS FOR HAZARDOUS WASTES	2013	2014	VARIATION
Light bulbs (t)	17	13	-21.2%

### Goals: Managing environmental impact

- Continue expanding integrated management of internal wastes (GPA).
- Expand energy-efficiency projects to all company units, and with the support of Green Yellow Brasil to 100 Extra Hiper units (GPA).
- Improve the System for monitoring gas leakage and evaluate the solutions with lower warming potential for refrigeration equipment for new stores and remodels (GPA).
- Keep pursuing efficiency (choice and rational use of resources and materials) in the design and construction of new stores (GPA).
- Increase the use of water sourced from sewage treatment, reuse of water from the air conditioning tower or rain catchment (GPA).
- Implement segregated collection in the food courts of the “Top 5” malls (GPA Malls).



SUSTAINABLE STRENGTH

## Engagement with society

To ensure socio-environmental and economic improvement of the communities in which it does business, and to promote health through sports, GPA acts through a variety of partnerships and programs. The group is the principal sponsor of the *Instituto GPA*, which manages the company's private social investments. Created in 1998, the purpose of the *Instituto GPA* is to promote the human development of adolescents and children, through educational, social and cultural activities.

With initiatives oriented toward fomenting and developing people's potential, providing better conditions for health, housing, education, training and professional specialization, the *Instituto GPA* believes in sustainable growth, bringing together economic, social and environmental gains.

In this same context, Via Varejo's socio-cultural investments are effected through the Fundação Via Varejo. The institution was restructured in 2014, contemplating the new strategic vision and the merger of Casas Bahia and Ponto Frio. The entity's main objective is to contribute to the eradication of Brazil's social and cultural inequalities.

With these initiatives, both GPA and Via Varejo invest in banner positioning focused on social causes, one of the strategic themes identified by the company.

PRINCIPAL RESULTS	2014
Food donations in number of meals	5,950,200
Metric tons of food donated (donations + donations by customers)	3,957
Number of beneficiaries of the actions of the foundations or the charitable partnerships	454,260
Number of children benefitting from the actions of the foundations or the charitable partnerships	2,273

### Support for sports

The Pão de Açúcar Relay Marathon is GPA's principal sporting event, run since 1993, in São Paulo. The initiative is considered one of those responsible for driving the growth of road running in Brazil and figures as the largest street race in Latin America and the 6<sup>th</sup> largest in the world. Pão de Açúcar's race takes place in four cities: São Paulo, Rio de Janeiro, Fortaleza and Brasília. The 42,195 kilometers are fought for in teams (pairs, quartets or octets) and the athletes relay to cover 21, 10 or 5 km. In 2014, the race had 7,000 participants in Brasília, 12,000 in Rio de Janeiro, 11,000 in Fortaleza and 36,000 in São Paulo.

Pão de Açúcar Kids Runs – created by GPA to encourage sports and integration among children aged 1-12 – involved 5,000 children in São Paulo, 1,500 in Fortaleza, 1,200 in Brasília and 1,500 in Rio de Janeiro. Going forward, the idea is to increase the participation of employees and their families, to promote a better quality of life.

Extra promotes monthly bike rides that involved a total of 2,460 people in 2014.

All these initiatives are also eco-friendly, since they stimulate the use of pollution-free transport and neutralize carbon emissions through segregated collection – during the events, materials are collected and donated.

## BUSTLING LIFE (VIDA CORRIDA)

In 2014 the Fundação Via Varejo sponsored the Bustling Life Project, with Running and Walking Circuits in São Paulo, Ribeirão Preto and Curitiba, to broaden the meaning of "Sport" beyond Quality of Life. The Project, maintained by the *Associação de Moradores da Cohab*, in São Paulo's Capão Redondo neighborhood, promotes social integration for children, youth and adults. Participation in the circuits was free and brought together more than 5,000 people in their 3 stages.

## Banner positioning focused on social causes

### Extra in the community

In 2014 Extra began the "Extra in the Community – Together nurturing a better future for our neighborhood" project, to create or support actions to build a better future for communities located around its hypermarkets.

The pilot project took place in five neighborhoods (two in São Paulo and three in Rio de Janeiro). Over the course of two months, teams from Extra and its partners AokaLabs, a certified B Corp, and the Instituto AromeiAZero, an NGO active in the cause of mobility, visited the communities surrounding the stores to map the actors, institutions and public spaces and identify the potentialities of the neighborhoods.

In 2015, local projects established based on this mapping should be implemented together with the communities.

*"I felt benefitted by a project. I had a broadened horizon, with more prospects, with more connections."*

**Leandro Penha**

**Participant in Extra in the Community, in Jaguaré**

### Amigos do Bem

Through Hipermercado Extra, the brand participates in a program of volunteers of the institution *Amigos do Bem*, which gathers foods to benefit thousands of Brazilian families and promote civic actions.

This has occurred on certain dates annually since 2005, and involves volunteers that invite customers to contribute by donating non-perishable foods to assemble baskets of basics or by buying artisanal products like *Amigos do Bem* nuts. All proceeds are returned to the program communities. In 2014, roughly 445 metric tons of foods were collected and donated.

### Ibirapuera Fountain

The fountain in Ibirapuera Park was donated by Pão de Açúcar to the city of São Paulo in 2003 and inaugurated in January 2004, to commemorate 450 years of the city of São Paulo. Since then, Pão de Açúcar has held a Christmas Show at the fountain, and the 2014 edition occurred in partnership with Avon and the São Paulo City Hall. In addition to the dance of the waters, there are projections, music and LED lights in the lake and in more than 200 trees on site.

### Clean Brazil

In 2014, Pão de Açúcar was one of the sponsors of the Clean Brazil event, a civic movement that involves schools and communities to raise awareness of the proper disposal of recyclables. To celebrate the end of the action, there were events in public spaces in the cities of Fortaleza, Brasília and São Paulo, which involved distributing appropriate gifts and free shows.

## Actions led by the Instituto GPA

Through two fronts of activity: Transformation and Mobilization of the social actions of the group, the Instituto GPA is active in São Paulo (the Capital, Osasco and Santos), Rio de Janeiro (the Capital and São Gonçalo) and Brasília, offering free educational programs that stimulate employability and entrepreneurship.

### Day of Solidarity

With support from the Casino Group Corporate Foundation, the Day of Solidarity seeks to raise social consciousness on hunger and poverty in Brazil. In 2014, 820 Pão de Açúcar, Extra and Assaí stores throughout Brazil participated in the action to collect non-perishable foods and distribute them to thousands of low-income families. Five hundred metric tons were collected, including 355 in the stores and 145 donated by the Instituto GPA, the equivalent of 1 million meals, and involved the participation of 4,623 volunteers, including 918 GPA employees.

### The Instituto GPA Music & Orchestra Program

The program, created in 1999, offers 2-year courses for strings, wind instruments and percussion for youth aged 10-18. In addition to learning about music and studying culture, outstanding students go on to join the *Instituto GPA* Orchestra until they turn 21.

In 2013, the program was approved under the federal government's Rouanet Support for Culture Law. Currently, it is conducted at five of the *Instituto's Casas*, in Morumbi (SP), Osasco (SP), Santos (SP), Rio de Janeiro (RJ) and Brasília (DF).

- 17 students in the Instituto GPA Music & Orchestra Program went to the United States to study music. Six of them went to the Berklee College of Music, in Boston, and the other 11 went to Pensacola Christian College, in Florida;
- The Instituto GPA Orchestra launched its 1<sup>st</sup> CD;
- 40 youth from the Instituto GPA Orchestra performed at Carnegie Hall, one of New York's flagship performance spaces.

### Advanced Nucleus in Food Technology (NATA)

Developed at the *Colégio Estadual Comendador Valentim dos Santos Diniz*, the NATA offers a high school education integrated with professional technical training in two areas: Milk & Dairy Products, and Baking & Confections.

The result of a partnership between Rio's Department of Education (*Secretaria de Estado de Educação do Rio de Janeiro* (Seeduc/RJ)), the Department of Agriculture, Livestock, Fishing and Supply (*Secretaria de Agricultura, Pecuária, Pesca e Abastecimento do Rio de Janeiro* (Seappa/RJ)), GPA and the Instituto GPA, the disciplines of high school are mixed in the program with technical and professional skills.

Currently, the initiative has capacity for 600 students in a complex that has 20 classrooms,

two libraries (general and technical), four labs for microbiological and chemical analyses and two pilot plants equipped for practical application of what is learned in the classroom.

### **Voluntarism**

To invest and incentivize the group's employees to participate in volunteer actions promoted by the Instituto GPA, there are several campaigns over the course of the year, such as Easter in Solidarity and the Charity Tree at Christmas.

The first involves donating Easter eggs to low-income children, while the Charity Tree is based on donating toys, clothes and shoes to needy children. In 2014, 1,837 children benefitted from the initiative, which involved 1,096 volunteers.

### **The Prosper Program**

With support from the Casino Group Corporate Foundation and in partnership with the Fundação Getúlio Vargas – Escola de Administração de Empresas de São Paulo – the Instituto GPA signed an agreement to implement a scholarship program for promising low-income students for whom universities are not otherwise accessible for financial reasons.

The initial idea is to grant ten 4-year scholarships a year, plus a full scholarship that includes tuition, fees, books and other didactic materials, meals, transport and housing allowances for students not from the city of São Paulo. In 2014, 12 scholarships were filled by youth from São Paulo, Minas Gerais and Goiânia. In addition to the 12 scholarships, the Instituto GPA provided 30 scholarships for high school students to take the preparatory course for the FGV entrance exam

## **Fundação Via Varejo**

The Fundação Via Varejo is responsible for investments in actions that encourage and promote Brazilian culture, social and human development, and quality of life. The Foundation's activities enjoy the participation of employees of the company and its banners, through volunteer activities.

In 2014, the highlight was the restructuring of the entity itself and the implementation of a variety of partnerships.

### **Actions led by the Fundação Via Varejo**

#### **Yunus Social Business Brasil**

Yunus Brasil's objective is to aid in creating new social businesses or developing initiatives that are already in the market and would like to receive support to accelerate their growth. The entire incubation and acceleration process is free for those selected and has the institutional support of Casas Bahia, through the Fundação Via Varejo.

#### **Teto**

Through the organization, which promotes community development in more than 20 countries, in 2014, the Fundação Via Varejo facilitated the construction of 20 emergency homes and expanded one community garden, involving volunteer labor of 450 employees.

### **Training Courses – 2014 results**

# 594

students were served by the Retail Training Program

# 248

youth aged 18 and up took the Call Center Computer Course

# 170

people benefitted from the Online English Course developed by EF – Education First



**Geekie Games**

The virtual learning platform outlines a personalized study plan for users to prepare for the ENEM National High School Exam and overcome gaps in their preparation in the different school disciplines. The portal is quite dynamic and interactive, permitting a comparison of responses and various exercises. Through Pontofrio, the Fundação Via Varejo reinforces communications so that Via Varejo employees get to know and utilize the platform.

**Instituto ProA**

To create opportunities to introduce youth to the formal job market, youth are trained by the SENAC as administrative assistants, and are referred after the course for first employment opportunities.

**CDI – Comitê para Democratização da Informática**

The NGO, a pioneer in digital inclusion in Brazil and Latin America, acts in partnership with Pontofrio, through the Fundação Via Varejo, in the CDI Mobility project, which trains adolescents to develop content for applications for cell phones that can be used as tools to resolve social problems in the communities where they live.

**Digital Inclusion**

Since 2009, Casas Bahia has had an itinerant education initiative, to transform society through a variety of courses in digital inclusion, professional training and entrepreneurship. Over these six years, the project has gone through approximately 47 cities in Brazil, benefitting 69,000 people. In 2014 alone, there were 7,246 enrollments.

**Goals: Engagement with society**

- Activate the local projects established in the five target neighborhoods for Extra's 2K Program (Multivarejo).
- Increase collections and the number of volunteers participating in the 2015 Day of Solidarity.
- Open new spots in the Prosper Program and sponsor high school students for the preparatory course for the FGV entrance exam.
- Continue to expand the Instituto GPA Music & Orchestra Program.
- Increase the number of volunteer employees in social actions coordinated by the Fundação Via Varejo.

**2014 highlights****1,406**

charitable actions and volunteer experiences through Fundação Via Varejo projects

**349**

youth were trained by the SENAC through the initiative in partnership with the Instituto ProA

**98,516**

people benefitted through projects supported by the Fundação Via Varejo

**5,000**

people participated in the Bustling Life routes for the quality of life and democratization of sport

## MAIN NUMBERS

# Sustainability Indicators

THEME	INDICATOR	UNIT	GPA	MULTIVAREJO	ASSAÍ	C NOVA	VIA VAREJO	GPA MALLS	GPA CORPORAÇÃO AND INSTITUTO GPA
	Number of stores contemplated	Number	2,141	1,021	84	0	1,036		
<b>VALUING OUR PEOPLE</b>									
	Headcounts of record at 12/31/2014	Number	173,906 <sup>9</sup>	82,339	15,956	4,176	68,748	1,337	1,350
	Permanent hires at 12/31/2014	Number	170,271	80,602	15,576	4,011	67,411	1,333	1,338
	Temporary hires at 12/31/2014	Number	3,635	1,737	380	165	1,337	4	12
	% of permanent hires (including those on leave) in the total headcount	%	97.9%	97.89%	97.62%	96.05%	98.06%	99.70%	99.11%
	Headcount of females at 12/31/2014	Number	84,579	44,797	7,805	2,154	28,894	244	685
	Headcount of males at 12/31/2014	Number	89,327	37,542	8,151	2,022	39,854	1,093	665
	% women in the headcount	%	49%	54.41%	48.92%	51.58%	42.03%	18.25%	50.74%
	Headcount aged < 30 at 12/31/2014	Number	74,114	38,583	8,449	2,516	23,702	431	433
	Headcount aged 30-50 at 12/31/2014	Number	86,038	37,290	6,562	1,574	39,134	699	779
	Headcount aged > 50 at 12/31/2014	Number	13,754	6,466	945	86	5,912	207	138
	Full-time headcount at 12/31/2014	Number	166,132	79,271	15,428	3,561	65,227	1,333	1,312
	Part-time headcount at 12/31/2014	Number	7,775	3,069	528	615	3,521	4	38
	% of full-timers in the headcount	%	96%	96.27%	96.69%	85.27%	94.88%	99.70%	97.19%
	Number of temp hirings effected in the year	Number	3,422	1,640	341	136	1,292	2	11
	Number of permanent hirings effected in the year	Number	67,825	36,179	10,429	2,866	17,605	496	250
	Number of people aged 25 and under hired	Number	37,083	21,529	5,235	1,166	8,864	198	91
	Number of people aged 51 up hired	Number	2,011	1,177	342	35	423	16	18
	Total number of voluntary and involuntary layoffs of permanent hires	Number	64,204	33,613	7,190	1,920	20,921	329	231
	Annual turnover rate for permanent hires	%	42%	46.81%	53.62%	48.99%	30.54%	29.00%	19.00%
	Number of occupational illnesses recorded in the year	Number	143	55	1	0	87	0	0
	Number of workplace accidents involving at least 1 day out	Number	1,277	600	81	5	581	0	10
	Number of hours worked – contractual basis	Hours	356,657,072	187,253,548	34,834,941	9,590,032	121,638,213	0	3,340,338
	Number of hours of overtime	Hours	11,845,961	7,228,864	1,194,232	507,893	2,813,437	0	101,535
	Number of days leave stemming from workplace accidents	Days	132,258	109,234	9,989	282	11,131	0	1,622
	Total number of hours missed due to workplace accidents, common illness and occupational illnesses	Hours	10,833,575	9,344,155	1,073,673	187,088	89,048	2,346	137,265
	Total number of hours of employee training employees	Hours	2,225,115	495,961	526,418	66,096	1,117,363	15,098	4,179
	Total number of employees that underwent training during the year <sup>1</sup>	Number	381,296	61,044	14,738	5,943	298,712	544	315
	Number of hours of training per employee	Hours	14	7	38	16	16	14	3
	Headcount of females in positions of leadership at 12/31/2014	Number	580	160	16	22	330	12	40
	Of which: headcount of females in executive positions at 12/31/2014	Number	13	3	1	0	4	1	4

<sup>9</sup> The number of employees includes employees on leave.

THEME	INDICATOR	UNIT	GPA	MULTIVAREJO	ASSAÍ	C NOVA	VIA VAREJO	GPA MALLS	GPA CORPORACÃO AND INSTITUTO GPA
	% of women in positions of leadership	%	21.81%	19.46%	10.74%	30.56%	22.43%	32.00%	37.00%
	% of women in executive positions	%	12.15%	11.11%	11.11%	0	11.43%	33.00%	16.00%
	Number of permanent employees promoted to a higher position in the year	Number	13,074	6,281	1,486	603	4,675	5	24
	Number of female permanent employees promoted to a higher position in the year	Number	6,001	3,101	670	284	1,930	1	15
	Number of employees with special needs at the company at 12/31/2014	Number	2,761	767	589	16	1,371	8	10
	Number of apprentices at 12/31/2014	Number	3,620	1,737	380	165	1,323	4	11
	Annual number of meetings with representatives of the employees	Number	453	170	115	8	160	0	0

#### CONSCIENTIOUS CONSUMPTION AND SUPPLY

	Percentage of our stores undergoing quality review	%		100%	98%	0	0	0	0
	Total number of exclusive brand products	Number	15,467	14,311	66	0	1,090 <sup>c</sup>	0	0
	Proportion of sales of exclusive brand products among all sales	%		11.70%	0.15%	0	6.00%	0	0
	Total number of organic products (certified)	Number	1,296	1,296	0	0	0	0	0
	Number of Exclusive Brand Organic Products	Number	336	336	0	0	0	0	0
	Number of Organic Products of Other Brands	Number	960	960	0	0	0	0	0
	Proportion of invoicing obtaining from organic lines (among comparable lines/ranges)	%		3.53%	0	0	0	0	0
	Number of Fair Trade Products	Number	1	1	0	0	0	0	0
	Total number of Exclusive Brand products certified with renowned seals	Number	292	292	0	0	0	0	0
	Number of MSC-certified products	Number	-	0	0	0	0	0	0
	Number of FSC-certified Exclusive Brand products	Number	184	184	0	0	0	0	0
	Number of Exclusive Brand products certified with Other seals	Number	108	108	0	0	0	0	0
	Total number of products of Other Brands certified with renowned seals	Number	128	128	0	0	0	0	0
	Number of FSC-certified products from Other Brands	Number	119	119	0	0	0	0	0
	Number of products from Other Brands certified - Other seals	Number	9	9	0	0	0	0	0
	Total number of products produced using Good Agricultural Practices	Number	1,225	1,225	0	0	0	0	0
	Total number of Exclusive Brand products with nutritional optimization	Number	45	44	1	0	0	0	0
	Number of Exclusive Brand products without palm oil	Number	2,892	2,892	0	0	0	0	0
	Number of Exclusive Brand products with "Level 1" Nutritional Labeling (basic information)	Number	188	188	0	0	0	0	0
	Number of Exclusive Brand products with "Level 2" Nutritional Labeling (detailed information)	Number	136	127	9	0	0	0	0
	Overall level of customer satisfaction			75%	57%		78%		

#### TRANSFORMATION IN THE CHAIN OF VALUE

	Total number of Suppliers (Exclusive Brands and Other Brands)	Number	6,997	3,855	1,662	961	519	0	0
	Subtotal "domestic suppliers"	Number	6,494	3,392	1,635	948	519	0	0
	Subtotal "importing suppliers"	Number	503	463	27	13	0	0	0
	Total number of Suppliers for Exclusive Brands	Number	491	348	34	0	109	0	0
	Subtotal "domestic suppliers"	Number	452	310	33	0	109	0	0
	Subtotal "importing suppliers"	Number	39	38	1	0	0	0	0

THEME	INDICATOR	UNIT	GPA	MULTIVAREJO	ASSAÍ	C NOVA	VIA VAREJO	GPA MALLS	GPA CORPORAÇÃO AND INSTITUTO GPA	
	Proportion of purchases effected with domestic suppliers	%		98.00%	99.00%	99.60%	100.00%			
	Total number of social audits of suppliers effected in the year	Number	175	175	0	0	0	0	0	
	Number of initial social audits effected in 2014	Number	102	102	0	0	0	0	0	
	Number of follow-up social audits effected in 2014	Number	73	73	0	0	0	0	0	
	Number of level 1 audits effected in 2014 (with direct suppliers)	Number	175	175	0	0	0	0	0	
	Number of level 2 audits effected in 2014 (supplier subcontractors)	Number	636	636	0	0	0	0	0	
	WASTES DEPOSITED BY CUSTOMERS									
	Batteries	Metric tons	31	19	4	0	8	0	0	
	Electronics	Metric tons	262	2	0	0	260	0	0	
	Energy-efficient light bulbs	Metric tons	3	3	0	0	0	0	0	
	Plastics	Metric tons	3,804	3,756	48	0	0	0	0	
	Papers	Metric tons	5,635	5,600	35	0	0	0	0	
	Paperboard	Metric tons	148	0	148	0	0	0	0	
	Scrap metal	Metric tons	402	392	10	0	0	0	0	
	Aluminum	Metric tons	185	184	1	0	0	0	0	
	Glass	Metric tons	3,404	3,391	13	0	0	0	0	
	Other customer wastes	Metric tons	344	344	0	0	0	0	0	
	MANAGING ENVIRONMENTAL IMPACT									
		Scope 1 emissions (Kyoto Protocol)	tCO <sub>2</sub> e	59,663	36,987	2,767	457	19,452	0	0
		Scope 1 Emissions (Montreal Protocol)	tCO <sub>2</sub> e	403,811	339,901	40,318	2,629	20,963	0	0
Scope 2 emissions (Kyoto Protocol)		tCO <sub>2</sub> e	210,805	152,634	24,458	1,071	32,642	0	0	
Scope 3 emissions (Kyoto Protocol)		tCO <sub>2</sub> e	179,639	75,155	8787	39,306	56,391	0	0	
Total energy consumed		MWh	1,550,261	1,121,027	177,484	7,919	243,831	0	0	
Green Energy consumed		MWh	377,537	368,011		9,526	0	0	0	0
Consumption of natural gas		MWh NCV	19,530	18,957	107	0	466	0	0	
Consumption of Liquefied Petroleum Gas (LPG)		MWh NCV	70,002	61,403	1,497	1,347	5,755	0	0	
Consumption of diesel		Liters (L)	3,158,140	2,731,981	341,095	45,703	39,361	0	0	
Consumption of gasoline for cars		Liters (L)	1,232,878	750,314	0	0	482,564	0	0	
Refilling refrigerants - R404A		kg	2,068	2,042	26	0	0	0	0	
Refilling refrigerants - R134A		kg	131	100	31	0	0	0	0	
Refilling refrigerants - R22		kg	187,983	167,110	20,873	0	0	0	0	
Refilling refrigerants - Other fluids		kg	3,515	3,491	24	0	0	0	0	
Refilling air conditioners - R404A		kg	449	41	0	0	408	0	0	
Refilling air conditioners - R134A		kg	1	1	0	0	0	0	0	
Refilling air conditioners - R410A		kg	123	0	0	0	123	0	0	
Refilling air conditioners - Other fluids		kg	35,076	2,620	0	0	32,456	0	0	

THEME	INDICATOR	UNIT	GPA	MULTIVAREJO	ASSAÍ	C NOVA	VIA VAREJO	GPA MALLS	GPA CORPORACÃO AND INSTITUTO GPA
OPERATIONAL WASTES (NON-HAZARDOUS)									
	Papers	Metric tons	1,428	0	0	0	1,428	0	0
	Paperboard	Metric tons	48,289	38,798	7,163	827	1,501	0	0
	Plastic	Metric tons	5,638	4,130	1,024	0	484	0	0
	Organic wastes	Metric tons	5,566	5,257	41	0	268	0	0
	Cartridges for professional printers	Metric tons	31	9	1	0	21	0	0
	Used cooking oils	Metric tons	235	230	5	0	0	0	0
	Sewage sludge	m³	561	0	561	0	0	0	0
	Scrap and metals	Metric tons	1,082	0	0	0	1,082	0	0
	Other reusables	Metric tons	4,816	0	0	0	4,816	0	0
	Mixed non-hazardous industrial waste	Metric tons	164,971	139,199	23,844	590	1,338	0	0
OPERATIONAL WASTES (HAZARDOUS)									
	Light bulbs	Metric tons	13	5	0	0	8	0	0
	Others	Metric tons	10	10	0	0	0	0	0
	Total consumption of potable water from the system	m3	4,432,460	2,798,678	371,745	0	1,262,037	0	0
	Total paper used in flyers	Metric tons	13,596	8,621	560	0	4,415	0	0
	Amount of FSC- or PEFC-certified paper flyers	Metric tons	2,939	0	299	0	2,640	0	0
	Total paper for office use	Metric tons	1,995	1,903	92	0	0	0	0
	Amount of FSC- or PEFC-certified paper for office use	Metric tons	3,165	1,889	0	3	1,273	0	0
	Volume of plastic bags distributed at registers	Metric tons	6,803	6,594	0	0	209	0	0
ENGAGEMENT WITH SOCIETY									
	Food donations in metric tons	Metric tons	2,975	0	0	0	0	0	2,975
	Food donations in number of meals	meal equivalents	5,950,200	0	0	0	0	0	5,950,200
	Value of food donations	Reais	30,740,211	R\$ 0.00	R\$ 0.00	R\$ 0.00	0.00	R\$ 0.00	30,740,211
	Cash value of donations of products other than food	Reais	38,652	R\$ 0.00	R\$ 0.00	R\$ 0.00	0.00	R\$ 0.00	38,651.50
	Others charitable donations	Reais	4,332,137	R\$ 0.00	R\$ 0.00	R\$ 0.00	3,972,713.49	R\$ 0.00	359,423.20
	Metric tons of food donated by customers	Metric tons	982	0	0	0	0	0	982
	Annual budget for the Fundação/Instituto	Reais	8,479,754	R\$ 0.00	R\$ 0.00	R\$ 0.00	2,157,444.00	R\$ 0.00	6,322,310.00
	Funds collected from customers	Reais	25,826	R\$ 0.00	R\$ 0.00	R\$ 0.00	0.00	R\$ 0.00	25,826.00
	<b>Total amount allocated to social investment</b>	<b>Reais</b>	<b>43,616,579</b>	<b>R\$ 0.00</b>	<b>R\$ 0.00</b>	<b>R\$ 0.00</b>	<b>6,130,157.49</b>	<b>R\$ 0.00</b>	<b>37,486,421.70</b>
	Total cash donations through cultural and sports partnerships	Reais	9,750,485	R\$ 0.00	R\$ 0.00	R\$ 0.00	6,330,000.00	R\$ 0.00	3,420,484.93
	Number of beneficiaries of the actions of the foundations or charitable partnerships	Number	454,260	0	0	0	98,516	0	355,744
	Number of children benefitting from the actions of the foundations or the charitable partnerships	Number	2,273	0	0	0	436	0	1,837

<sup>1</sup>The indicator for Via Varejo and Cnova contemplates the number of participations.

<sup>2</sup>The indicator refers to Bartira's SKU (Stock Keeping Unit).

## ANNEXES

## About the report

For the seventh consecutive year, GPA is publishing its Annual and Sustainability Report. This publication considered the methodology utilized internationally by the Casino Group and the most material topics for the company, as identified based on a study of materiality conducted by the company in 2014 (learn more in Sustainable Strength).

The topics addressed in the document are directed toward the company's stakeholders: analysts and investors, customers, suppliers, employees and representatives of sectoral and socio-environmental institutions. To put together the content, 14 interviews with the professionals responsible for the companies and business units that form the group, and the management departments for personnel, investor relations, corporate sustainability, and infrastructure, were conducted.

The information refers to the group's performance during 2014 and includes data on Pão de Açúcar, Extra, Assaí, Cnova, Via Varejo (Pontofrio and Casas Bahia) and GPA Malls and on all the group's corporate departments. Should you have any questions about this publication or any of the matters discussed in it, please email: [sustainability@gpabr.com](mailto:sustainability@gpabr.com).

## ANNEXES

# Corporate Information

## Board of Directors <sup>10</sup>

**Chairman**

Jean-Charles Naouri

**Vice-Chairman**

Arnaud Daniel Charles Walter Joachim Strasser

**Directors**

Antoine Marie Rémi Lazars Giscard d'Estaing

Eleazar de Carvalho Filho

Luiz Augusto de Castro Neves

Maria Helena dos Santos Fernandes Santana

Roberto Oliveira de Lima

Yves Desjacques

Luiz Aranha Corrêa do Lago

## Board of Corporate and Business Officers <sup>11</sup>

**Chief Executive Officer**

Ronaldo Iabrudi

**Vice-President for Finance**

Christophe Jose Hidalgo

**Vice-President for Personnel Management and Sustainability**

Antonio Salvador

**Vice-President for Infrastructure and Strategic Development**

Peter Estermann

**GPA Wholesale Business Officer and President of the Assaí Chain**

Belmiro Gomes

**Executive Officer for Real Estate Businesses**

Robert Bruce Harley

**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**

Renato Giarola

<sup>10</sup> Updated through December 31, 2014.

<sup>11</sup> Updated through December 31, 2014.

**Chief Executive Officer of Via Varejo**

Líbano Barroso

**CEO of Cnova**

German Quiroga

**Committees <sup>12</sup>****Audit Committee**

Eleazar de Carvalho Filho

Nelson Carvalho

Pedro Oliva Marcilio de Sousa

**Finance Committee**

Antoine Marie Rémi Lazars Giscard d'Estaing

Arnaud Daniel Charles Walter Joachim Strasser

Eleazar de Carvalho Filho

**Human Resources and Compensation Committee**

Arnaud Daniel Charles Walter Joachim Strasser

Roberto Oliveira de Lima

Yves Desjacques

**Sustainability Committee**

Helio Mattar

Luiz Augusto de Castro Neves

Roberto Oliveira de Lima

**Corporate Governance Committee**

Arnaud Daniel Charles Walter Joachim Strasser

Luiz Augusto de Castro Neves

Maria Helena dos Santos Fernandes Santana

Roberto Oliveira de Lima

**Address**

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Jardim Paulista – CEP: 01402-901

São Paulo – SP – Brasil

Phone: + 55 11 3886-0533

email: gpa.ri@gpabr.com

The publications on quarterly results, quarterly sales performance, annual reports, the *formulário de referência* and Form 20-F may be requested from the Office of Investor Relations or accessed at GPA's IR website ([www.gpari.com.br](http://www.gpari.com.br)).

**Investor Relations Consulting**

MZ Consult

**Ticker Symbols**

BM&amp;FBovespa: PCAR4

Nyse (ADR Nível III): CBD

<sup>12</sup> Updated through December 31, 2014.



**Bancos Depositários**

Banco Itaú S.A.

The Bank of New York Mellon

**Contacts**

Additional information and clarification on this Report or any part of its contents may be requested through the following channels of communication:

**Operating and Financial Data**

Site: [www.gpari.com.br](http://www.gpari.com.br)

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Phone: +55 11 3886-0421

**Information on Sustainability**

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**Communications and Press**

Site: [www.gpabr.com](http://www.gpabr.com)

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**Credits****General coordination**

Office of Corporate Communications

Office of Investor Relations

Corporate Sustainability Management

**Editorial supervision, redaction and final editing**

Report Sustentabilidade

**Technical supervision of the GRI indicators, redaction, editing, graphic design and publication**

Report Sustentabilidade

**Team**

Luana Bessa (management of projects and relationships), Paula Andreggheto (publication), Carolina Cenciarelli (redaction), Guilherme Falcão (project graphics), Flavia Ocaranza (diagramming) and Daniel Kiiti Haibara (programming).

**Photos**

Deco Cury and GPA image bank

**Revision**

Assertiva Produções Editoriais

**Typeface Family**

Cronos Pro, Robert Slimbach, 2001

Arial, Robin Nicholas and Patricia Saunders, 1982



**KPMG Risk Advisory Services Ltda.**  
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Internet	<a href="http://www.kpmg.com.br">www.kpmg.com.br</a>

## Limited assurance report issued by independent auditors

To The Board of Directors, Shareholders and Other Stakeholders of  
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 sustainability information disclosed in GPA’s 2014 Annual and Sustainability Report, related to the year ended in December 31<sup>st</sup>, 2014.

### Responsibilities of Companhia Brasileira de Distribuição Management

The management of Companhia Brasileira de Distribuição is responsible for preparing and adequately presenting the sustainability information in the 2014 Annual and Sustainability Report in accordance with the Casino Group methodology and by the internal controls determined as necessary to ensure this information is free from material misstatement, regardless as a result from fraud or error.

### Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information disclosed in the 2014 Annual and Sustainability Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared upon NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones and also that the engagement is conducted to provide limited assurance that the information disclosed in the 2014 Annual and Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly in questions to the management of Companhia Brasileira de Distribuição and other professionals of the Company involved in the preparation of the information disclosed in the 2014 Annual and Sustainability Report and also to apply analytical procedures to obtain evidence that allows 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 lead them to believe that the information disclosed in the 2014 Annual and Sustainability Report 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 2014 Annual and Sustainability Report, and 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 Companhia Brasileira de Distribuição 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 GPA's 2014 Annual and Sustainability Report. This analysis defined the indicators to be checked in details;
- (b) Understanding and analysis of the process to define the sustainability report content;
- (c) Understanding and analysis of disclosed information related to material aspects management;
- (d) Analysis of preparation processes of the 2014 Annual and Sustainability Report and its structure and content, based on the GPA's criteria;
- (e) Evaluation of non financial 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 2014 Annual and Sustainability Report;
  - Analysis of evidences supporting the disclosed information;
  - Visits to GPA's offices for application of the procedures (b), (c) and (d);
- (f) Analysis if performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the company;
- (g) Comparison of financial indicators to the financial statements and/or accounting records.

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

#### **Scope and limitations**

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in a reasonable assurance engagement. Therefore, we cannot ensure 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 2014 Annual and Sustainability Report.

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 this data. Qualitative interpretations of the data's materiality and accuracy are subject to individual presumptions and judgments. Additionally, the scope of our engagement did not consider the assurance of greenhouse gases emission information, and we did not examine data regarding prior periods, to assess the adequacy of policies, practices and sustainability performance, nor future projections.



### **Conclusion**

Based on the procedures carried out, described in this report, we have not identified any relevant information that leads us to believe that the information in GPA's 2014 Annual and Sustainability Report is not fairly stated in all material respects in accordance with the Casino Group methodology and with its source records and files.

São Paulo, May 11<sup>th</sup>, 2015

KPMG Risk Advisory Services Ltda.  
CRC 2SP023233/O-4

A handwritten signature in black ink, appearing to read 'Eduardo V. Cipullo', written over a horizontal line.

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

