REGISTRATION DOCUMENT

2015

Annual financial report

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As a multi-local, multi-format and multi-channel retailer, Carrefour employs more than 380,000 people around the world. With nearly 12,300 stores in more than 35 countries, the Group generated total sales of €104.4 billion under Group banners in 2015. As a partner for daily life, Carrefour welcomes 13 million customers around the world every day. Through its initiatives, Carrefour is committed to sustainable and responsible trade.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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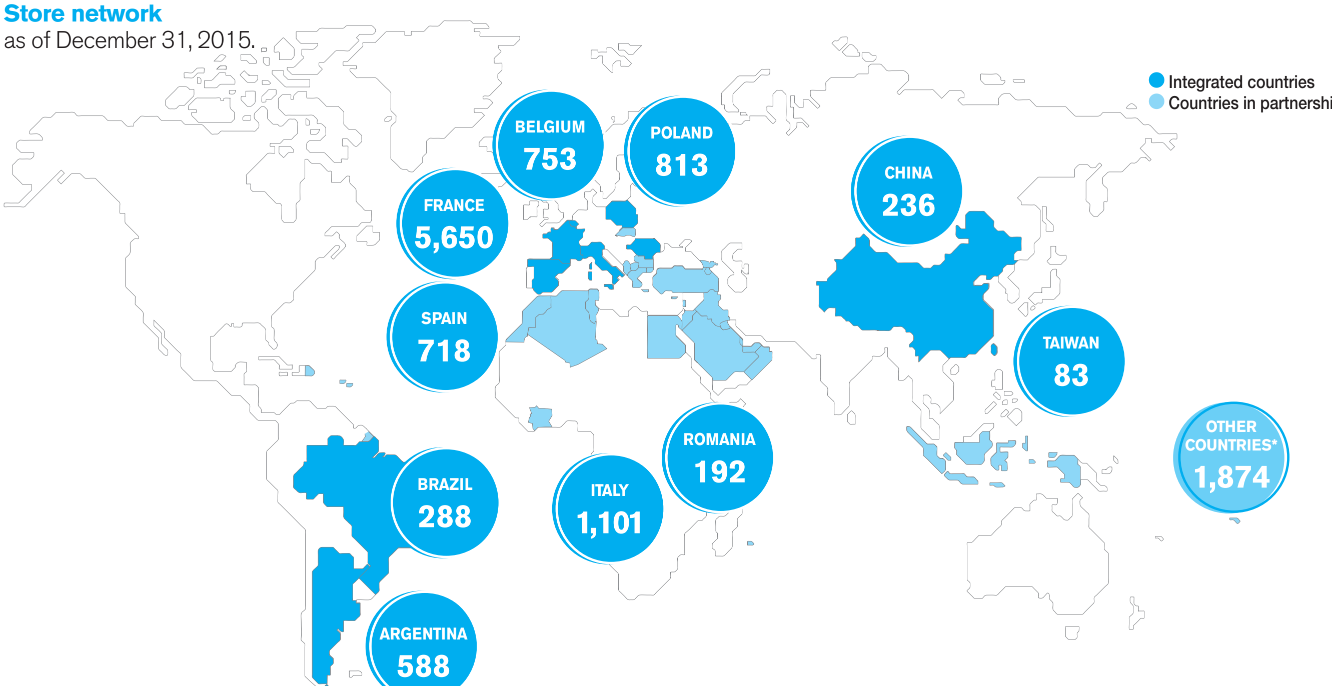
This is a free translation into English of the Registration Document issued in French and it is provided solely for the convenience of English speaking users.

2015
key figures

A multi-format and multi-channel group
Hypermarkets, supermarkets, convenience stores, cash & carry stores, e-commerce.

A multi-local group
An international company with roots in local communities and strong ties with local stakeholders.

Store network
as of December 31, 2015.

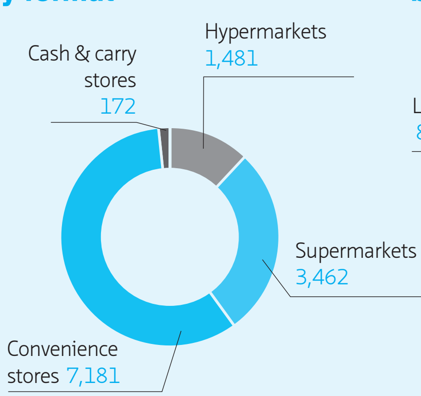


**Europe, Asia, Africa, Middle East, Dominican Republic*

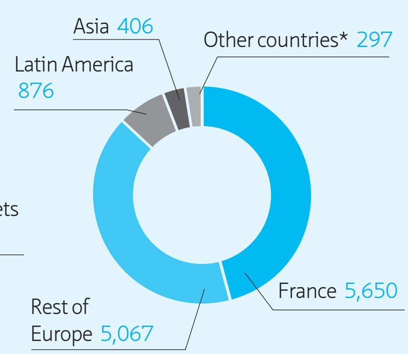
12,296
stores in more than 35 countries

€104.4 billion
Total sales (incl. VAT) under Group banners

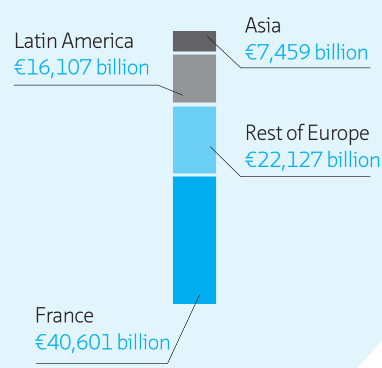
Breakdown by format



Geographic breakdown



Sales (incl. VAT) by geographic region



* Africa, Middle East and Dominican Republic

1 Presentation of the Carrefour group

Company **profile**

As a multi-local, multi-format and multi-channel retailer, Carrefour employs **more than 380,000 people** around the world. With **nearly 12,300 stores** in **more than 35 countries**, the Group generated total sales of €104.4 billion under Group banners in 2015. As a partner for daily life, Carrefour welcomes **13 million customers** around the world every day. Through its initiatives, Carrefour is committed to sustainable and responsible trade. The Group's global approach to CSR is based on three pillars: combatting all forms of waste, protecting biodiversity and providing support to the company's partners.

In the various geographies in which it operates – in France, in Europe, in Latin America, in Asia and in other countries through international partnerships – the Carrefour group has rolled out a variety of formats and channels: hypermarkets, supermarkets, convenience stores, cash & carry stores, and food and non-food e-commerce sites.

In 2015, total sales under Group banners, including fuel, totalled **€104.4 billion**, up 4.5% at constant exchange rates. Excluding fuel, the Group's consolidated sales including VAT stood at €86.3 billion, up 5.3% at constant exchange rates. Net sales totalled €76.9 billion. At year-end 2015, the Group had 12,296 stores under its banners, including 1,481 hypermarkets, 3,462 supermarkets, 7,181 convenience stores and 172 cash & carry stores.

1.1 The history of the Carrefour group

The *Carrefour Supermarchés* company was born on July 11, 1959 following a meeting between Marcel Fournier, proprietor of a novelty store in Annecy, and the Badin-Defforey family business, a grocery wholesaler in Lagnieu. Both families came from an entrepreneurial background. They hit upon a new idea: self-service, French-style, that they tried out in a 200-sq.m store. Their success was immediate, and they soon had to expand. So, in June 1960, an 850-sq.m supermarket was founded at the crossroads of Avenue Parmelan and Avenue André Theuriet in Annecy, followed in April 1963 by a second store in Cran-Gevrier in the Annecy suburbs.

Did you know?

The first supermarket was located at the junction of five streets and roads. That's why this revolutionary new French-style self-service store was named Carrefour, the French word for crossroads.

At the same time, SARL Promodis (later to become Promodès) emerged in 1961, headed by two Normandy families with a background in the wholesale trade, the Duval-Lemonniers and the Halleys. The company opened its first supermarket in 1962 in Mantes-la-Ville.

On June 15, 1963, Carrefour inaugurated the concept of the hypermarket in France, opening a store in Sainte-Geneviève-des-Bois in the Paris region. This first hypermarket offered an enormous choice of products on a self-service basis and at low prices. It had a surface area of 2,500 sq.m with 400 free parking spaces. This innovative concept, which was a response to the growth of mass consumption in France, was a real success. Another supermarket was opened in the Villeurbanne town centre, in the Lyon suburbs, in March 1964, and was later expanded into a hypermarket. The next store, opened in Vénissieux in 1966, was a hypermarket with a sales area of 10,000 square metres. This fully air-conditioned store offered, for the first time, a selection of furniture and large household appliances, and laid the foundations for the modern hypermarket, featuring "everything under one roof" with 20,000 products.

The Group's supplier listing centre, the *Société d'achats modernes* (Samod), was established in 1967 to supply the new hypermarkets being opened by Carrefour: Chartres and Anglet in 1967, Annecy-Brogny, Dijon Quétigny and Créteil in 1968, and then Bourges, Chambéry, Grenoble, Mérignac and Nevers in 1969.

1960 First Carrefour supermarket in Annecy

1963 Customer in the first Carrefour hypermarket in Sainte-Geneviève-des-Bois

1966 Vénissieux hypermarket opening

Did you know?

The company's logo was created in 1966 to mark the opening of the hypermarket in Vénissieux, near Lyon. It depicts the first letter of the word Carrefour placed in the middle of a diamond with the left half coloured red and the right half coloured blue, and black lines above and below. The black lines soon disappeared, leaving the C less visible, almost subliminal.

In the wake of the events of May 1968, consumer products strove to outdo each other in terms of originality, and technology began to permeate into every aspect of day-to-day life. As a pioneer, the Group had to set up an organisational structure that would enable it to prosper. For that reason, in order to finance its growth, Carrefour was listed on the Paris Stock Exchange on June 16, 1970, a first for the retail business.

To make its stores even more appealing, the Group created a fuel retail subsidiary.

Looking to offer its customers ever cheaper products, Carrefour reinvented the business in 1976 when it decided to sell its own products. This was the birth of the "*produits libres*" (unbranded products) with plain packaging and no branding. They would go on to revolutionise the consumer products business. From that point on, the mission of Carrefour teams was not only to negotiate prices and conditions with the major brands, but also to develop products, select suppliers and guarantee quality.

Did you know?

The launch of the *"produits libres"* (unbranded products) in 1976 surpassed all expectations: consumers turned them into an absolute triumph. In 1985, they became "Carrefour products." By attaching its own brand to the products that it was selling, Carrefour made its name as a label that was genuinely trusted by its customers.

At the same time, Carrefour was expanding internationally and exploring new markets: Spain in 1973, followed by Brazil in 1975. In 1977, Promodès established the 8 à Huit banner in France, under which it developed retail in convenience stores: small shops where customers could pick up extra items quickly and conveniently.

In 1979, the Dia banner was established in Spain, with a first store in Madrid.

It subsequently underwent an ambitious international expansion programme in Spain, in Greece, in Turkey, in China, in Brazil, in Argentina, under the banners Ed and Dia in France and Minipreço in Portugal.

Carrefour's development was also reflected by an increase in staff numbers and the Group's desire, since it was first founded, to encourage a culture of initiative and promote the personal and professional development of its employees. Since 1967, all employees have benefited from an employee-participation scheme, supplemented at the end of the 1970s by a particularly attractive healthcare and insurance coverage scheme and in 1987 by a profit-sharing agreement.

The 1980s brought a wealth of new challenges. Changes in the legislative environment and new consumer habits encouraged the international development, in Argentina (1982) then in Taiwan (1989), and the diversification of the product offering: food, apparel, household appliances, hi-fi equipment, financial and insurance services, and more. It was in 1980 that Carrefour established the PASS financial services company to manage the PASS card launched in 1981 – both a credit card and a tool to encourage customer loyalty. Three years after its launch, 200,000 customers had PASS cards, using them for more than 4 million transactions. Over the course of the decade, Carrefour established Tex, its own-brand apparel line, which at the time included 450 products, and First Line (later to become Carrefour Home), its household appliance, TV and hi-fi equipment brand.

For its part, Promodès acquired 128 supermarkets from Primistère in 1988, enabling it to strengthen its position in Paris and the Île-de-France region. In 1990, the company bought Codec and reached an agreement with the Arlaud group, three of whose hypermarkets came under the Continent banner.

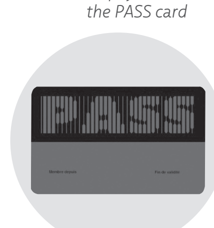
That same year, Carrefour purchased the French hypermarket chains Montlaur and Euromarché. The 1990s gave Carrefour an opportunity to continue to develop its international business, with the Group gaining a foothold in Italy (1993), in China (1995) and in Poland (1997). In 1996, Promodès acquired 105 Félix Potin stores, and in 1997, the Catteau company.

Always keen to innovate, Carrefour introduced the era of organic products in the retail sector, presenting in 1992 the "*Boule Bio*" (organic bread) in the bakery department. During the 1990s, Carrefour revolutionised its offering and its stores around a central theme: becoming the reference for quality and fresh produce. From that point on, Carrefour butchers, bakers, pastry chefs and fishmongers developed, prepared, cut and put together their products in front of customers. The idea was to demonstrate the professionalism and expertise of the teams while showcasing the freshness and quality of the products, in an atmosphere reminiscent of a traditional market.

1975 *First hypermarket in Brazil (Pinheiros)*

1976 *Carrefour launches the "produits libres"*

1981 *Carrefour launches its own payment card – the PASS card*



1989 *First hypermarket in Asia (Ta-Shun – Taiwan)*

Did you know?

In order to guarantee consumers quality and fresh produce, Carrefour developed a new relationship with the agricultural sector in 1992, signing on to a completely different type of partnership. This was the birth of Carrefour Quality Lines, which guarantee fair prices for producers and consumers as well as flavourful products that use authentic expertise and are good for people and the environment.

Carrefour continued to diversify its business, launching the first Carrefour Holidays products, the first Carrefour Telecom subscriptions and the first cut-flower offering. In 1995, a Health and beauty department was tested in Carrefour's Belle-Épine store. When it proved successful, the department was rolled out more widely and became the *Parapharmacie* section led by a pharmacist and team, offering 2,500 products including major brands at prices 20% less than those found in standard pharmacies.

In 1996, the first partnerships with Food Banks were also set up to redistribute food approaching its use-by date to those in need. Over time, Carrefour stores would introduce more initiatives of this type, prompted by the sense of civic duty and altruism found in local teams. These commitments would progressively become formalised and be extended into a number of areas, developing, for example, local procurement policies. In terms of employee relations, that same year Carrefour created one of the first works councils in Europe, the European consultation and information committee (ECIC), and in 1997 began an ongoing collaboration with the International Federation for Human Rights.

In France, the 1990s drew to a close with changes and regroupings of banners. In 1997, Carrefour signed an agreement with Guyenne & Gascogne, Coop Atlantique and the Chareton group. In October 1998, Carrefour purchased Comptoirs Modernes, thereby acquiring more than 700 stores operating under the Stoc, Comod and Marché Plus banners. On December 31, 1998, Carrefour had 351 hypermarkets worldwide.

The following year, on August 30, 1999, Carrefour submitted a friendly public exchange offer for Promodès shares. The merger between Carrefour and Promodès, authorised by the European Commission in 2000, resulted in the creation of the world's second-largest retailer. The new Carrefour employed 240,000 people and had more than 9,000 stores throughout the world.

In response to changing consumption habits, the online supermarket Ooshop offered a range of 6,000 products, including more than a thousand items of fresh produce. Carrefour's development was reflected in the opening of the company's first store in Romania in 2001 and the purchase of 17 motorway service stations in France. Over the course of the decade, the Group consolidated its presence in some countries, through controlled expansion or targeted acquisitions in France and in Romania (Hyparlo, Artima), Belgium (GB), Poland (Ahold), Italy (GS), Brazil (Atacadão), Argentina (Norte) and Spain (Plus).

Having listened carefully to its customers, in 2004 Carrefour committed to helping them to "consume better," believing that, beyond the purchases we make to feed, clothe and entertain ourselves, each of us can take action to improve our wellbeing, health and lifestyle and make a contribution to ensuring that consumption is a source of progress for all. Carrefour also introduced its first free loyalty card, which went on to attract more than 5 million customers in its first 12 months. With regard to its employees, Carrefour committed to ensuring that its workforce was representative of the population in all its rich variety, signing on to the Diversity charter.

In 2008, Carrefour began a large renovation programme in its stores, for example by bringing its supermarkets under the Carrefour *market* banner. In record time, the 1,000 French Champion stores were rebranded. They offered a wider, more diverse range of products and services, a simpler customer path, and enabled customers to take advantage of a single loyalty programme, the Carrefour card. The first convenience stores under the Carrefour *city*, Carrefour *contact* and Carrefour *express* banners were introduced, first in France and then in the other countries served by the Group.

Did you know?

Carrefour continues to develop its range of products and services, guided by innovation and the commitment of its banners to quality and price. Thus, in 2009, French customers found 2,000 new Carrefour brand products in the various departments.

The new Carrefour banners, as well as some historical banners, gradually expanded in all countries. For example, the Atacadão model continued to grow in Brazil with the opening of 11 stores in 2010. That same year, the Group expanded in China by opening 22 hypermarkets and through the acquisition of 8 stores as part of the partnership with Baolongcang, one of the major hypermarket chains in the Hebei region.

1992 Carrefour breaks new ground with the "Boule Bio" bread

1997 Carrefour Kolumny hypermarket opens in Łódź (Poland)

2001 Norte store in Argentina

In numerous countries, Carrefour opts to develop its banners through strategic partnerships with local players. Thus, in 2009, Carrefour concluded a franchising agreement with Label'Vie, a Moroccan retail business. In July 2011, Carrefour completed the spin-off of Dia SA, a hard-discount business, which became independent and was listed on the Madrid Stock Exchange.

On the customer side, Carrefour continued to pursue its commitment to offering a wide range of quality products and services and the best value for money, including through the *Garantie Prix le plus bas* (Guaranteed lowest price) programme, covering more than 500 products from major brands, and the *Garantie Fraîcheur* (Freshness guarantee) programme in France, a new Club Carrefour programme in Argentina, and sales events focusing on customers' purchasing power, such as the '14 days without VAT' initiative in Romania in 2011.

Adapting to new consumer habits, Carrefour *drive* was gradually rolled out across the French regions. Developed to complement the stores, this new service allows customers to order online and pick up their shopping in just a few minutes. At the same time, Carrefour leveraged the rapid development of new technology by introducing, in a number of countries, e-commerce sites and new services in its stores: touchscreens, paperless catalogues, scanners, mobile apps and more.

In 2012 and 2013, the Group refocused its activities on markets where the banner had a solid position. Thus, Carrefour partner CT Corp became an exclusive franchisee in Indonesia. The partnership with Sabanci Holding in Turkey was reorganised, as was the exclusive franchise partnership with Majid Al Futtaim group in the Middle East, which was renewed and extended to cover new formats and new countries.

At the same time, the Group strengthened its business with the consolidation of Guyenne & Gascogne following the success of a tender offer in France, and the acquisition of the Eki stores in Argentina. A partnership with Itaú Unibanco, Brazil's largest private bank, and E. Sun Bank in Taiwan, were signed to enable Carrefour to develop its financial services in those countries. Carrefour joined forces with the CFAO group, establishing a joint company to develop various formats of Carrefour stores in West and Central Africa.

In 2013, an asset-modernisation programme was launched to improve the quality of service and the reception offered to customers. During the first year of the programme, 49 hypermarkets and 83 supermarkets were renovated and remodelled in France to ensure a balanced commercial offer, tailored to the needs and desires expressed by customers. With the aim of creating a better sales ecosystem with improved consistency across the store, the shopping centre, the car park and the surrounding area, Carrefour worked with international investors to establish Carmila in April 2014. The new company is focused on enhancing the value of shopping centres adjacent to Carrefour hypermarkets in France, Spain and Italy.

In 2014, Carrefour acquired the French network of Dia stores and incorporated 128 Coop Alsace convenience stores. In Italy, the Group acquired 53 Billa supermarkets and 17 Il Centro stores. The Group maintained a steady expansion policy with a net total of more than 750 new stores throughout the world. In December 2014, Carrefour strengthened its local roots in Brazil by welcoming Península into the capital of its local subsidiary with a 10% stake, enabling the Company to take advantage of the new shareholder's recognised experience in the local retail business to pursue the development of its multi-format model. A cooperative purchasing agreement between Carrefour and Cora/Supermarchés Match was also signed at the end of the year in France.

The Carrefour model has therefore gradually evolved over the years to respond to the changing needs and expectations of its customers. In 2015, Carrefour sought to consolidate its leadership position in the markets where it operates by boosting the multi-format nature of its network. A notable development was the expansion of convenience banners in a number of countries, for example in China where the Group inaugurated its first Carrefour *easy* stores, as well as support for the expansion of the Atacadão and Carrefour banners in Brazil, the project to acquire Billa supermarkets in Romania, and the transformation of the first Dia stores in France. In all countries, Carrefour continued to develop its food and non-food e-commerce businesses, with the acquisition, for example, of *Rue du Commerce* in France.

2008 *First Carrefour market supermarket opens in Milan*

2010 *Eleven new Atacadão stores open in Brazil*

2012 *Carrefour launches the "Guaranteed lowest price" campaign in French hypermarkets*

2015 *Carrefour continues to develop its drive service*

1.2 Detailed presentation of the Carrefour group

1.2.1 A multi-local retailer

With 12,296 stores in over 35 countries, Carrefour is one of the world's leading retailers. It currently operates in mainland France and its overseas territories (46% of its store network), in other European countries (41.2%), in Latin America (7.1%), in Asia (3.3%), and in other regions such as Africa, the Middle East and the Dominican Republic (2.4%), through a network of consolidated and franchised stores, and stores that the Group runs with local partners.

In each country, each region, each city, Carrefour stores offer convenience by staying closely attuned to customers' needs and consumption habits.

They succeed in doing so all the more because they contribute actively to the vitality and development of the area, partnering with regional producers, creating jobs, sponsoring and organising events, and contributing to economic, environmental and social projects initiated by local players. In the eyes of Carrefour, this is the entire purpose and benefit of a multi-local approach: locally rooted stores that are responsive and attentive to their customers, with the support, logistics and leverage of an international retail group.

1.2.2 A multi-format and multi-channel retailer

Under its different banners and formats, Carrefour has all the resources to cater to the different needs of its customers – whether they live in an urban or rural environment, are individuals or professionals, in France or abroad.

Worldwide, the Group's stores offer a variety of formats and channels: hypermarkets – with a general product offer at the best possible prices; supermarkets – the leading food retail format; convenience stores – offering service and practicality; cash & carry stores – for professionals; and e-commerce – designed to respond to new consumer habits.

Hypermarkets

With sales areas of between 2,400 and 23,000 sq.m., Carrefour's hypermarkets are perfect for all major shopping trips. Customers can find an assortment of 20,000 to 80,000 products, both food (consumer goods, fresh produce, local products, etc.) and non-food (clothing, electronic, decorative and cultural goods, etc.). Around the world, Carrefour's hypermarkets provide high quality and low prices year-round. Customer satisfaction is also bolstered by promotions and commercial events introducing new products, price offers, or the diverse range of services on hand.

In some markets, the Group is also developing stores open both to professionals and individual customers, offering products sold at wholesale prices, presented on palettes and in large quantities. The Atacadão banner, for example, is continuing to expand in Brazil and in Morocco, as is Carrefour Maxi in Argentina.

At year-end 2015, Carrefour had 1,481 hypermarkets under Group banners, with 242 in France, 489 in the rest of Europe, 304 in Latin America, 369 in Asia, and 77 in other countries*.

Supermarkets

The Group's supermarkets offer a wide and varied selection, displays bursting with fresh produce and local products, an appropriate assortment of non-food products, attractive prices in every aisle, and regular promotions. These selling points have made them a standard for food shopping in urban and rural areas alike. In stores ranging from 1,000 to 3,500 sq.m., customers can enjoy welcoming, traditionnal marketplace-inspired store concepts for their everyday shopping under the Market, Bairro and Supeco banners. In addition to sales offers focusing on fresh produce and low prices, many events and innovations were also introduced to improve customer loyalty in 2015.

At year-end 2015, Carrefour had 3,462 supermarkets under Group banners, with 1,003 in France, 2,096 in the rest of Europe, 168 in Latin America, 29 in Asia, and 166 in other countries*.

Convenience stores

Convenience stores offer a selection of essential products that reflect their customers' habits and needs, at fair prices, and extensive store hours. Customers can do their daily shopping at these convenient, nearby stores while enjoying a pleasant, modern ambiance. They also find products and services that meet their needs, from budget meals to everyday essentials, express check-out lines for a quicker shopping trip, and home delivery services. The Group's various banners (Express, City, Contact, Bio, Montagne, 8 à Huit, etc.) range in size from 200 to 900 sq.m. as befits their purpose, driving the ambition of becoming the standard for local convenience stores. In 2015, the first Carrefour *easy* convenience stores opened their doors in China.

* *Africa, Middle East and Dominican Republic*

In total, at the end of 2015, Carrefour had 7,181 convenience stores, with 4,263 in France, 2,464 in the rest of Europe, 404 in Latin America, 8 in Asia and 42 in other countries*.

Cash & carry stores

Cash & carry stores offer professional restaurant and shop owners a broad selection of food and non-food products at wholesale prices, along with a range of services tailored to meet their needs: opening hours designed around the food industry, delivery options, loyalty programmes, and more. In France, for example, Promocash is the leading franchised cash & carry network.

At year-end 2015, Carrefour had a total of 172 cash & carry stores, with 142 in France, 18 in the rest of Europe, and 12 in other countries*.

E-commerce

In 2015, Carrefour continued to expand its food and non-food e-commerce business, adopting a multi-channel approach, with its websites working together with its stores to meet the needs of customers on the lookout for bargains and practical solutions.

In some Group countries, e-commerce sites offer food and/or non-food products. On these easily accessible sites, clients can take advantage of competitive prices, discounts and advice. They can also choose between the delivery or collection options for their purchase. In 2015, Carrefour offered new e-commerce solutions for its customers in Argentina, China and Taïwan. Carrefour also accelerated its omni-channel strategy in France and consolidated its presence in the non-food e-commerce sector through the acquisition of *Rue du Commerce*. French customers now have access to more than 520 Carrefour *drive*, where they can pick up their shopping.

Carrefour is developing several mobile solutions and is also increasing its social media presence.

STORES (INCLUDING FRANCHISES AND PARTNERS)

	Number of stores as of December 31		Sales area *(in thousands of sq.m.)*	
	2015	2014	**2015**	2014
France	5,650	5,013	5,668	5,189
France	**5,539**	**4,900**		
Hypermarkets	228	223		
Supermarkets	975	931		
Convenience stores	4,198	3,607		
Cash & carry stores	138	139		
French partnerships (overseas territories)	**111**	**113**		
Hypermarkets	14	14		
Supermarkets	28	29		
Convenience stores	65	66		
Cash & carry stores	4	4		
Rest of Europe	5,067	4,362	6,039	5,753
Belgium	**753**	**744**	**929**	**927**
Hypermarkets	45	45		
Supermarkets	441	439		
Convenience stores	267	260		
Italy	**1,101**	**1,158**	**1,031**	**1,065**
Hypermarkets	59	59		
Supermarkets	441	456		
Convenience stores	583	624		
Cash & carry stores	18	19		
Poland	**813**	**702**	**640**	**636**
Hypermarkets	84	96		
Supermarkets	153	138		
Convenience stores	576	468		

* *Africa, Middle East and Dominican Republic*

	Number of stores as of December 31		Sales area *(in thousands of sq.m.)*	
	2015	2014	**2015**	2014
Romania	**192**	**174**	**296**	**271**
Hypermarkets	29	27		
Supermarkets	110	94		
Convenience stores	53	53		
Spain	**718**	**582**	**1,786**	**1,770**
Hypermarkets	173	174		
Supermarkets	126	123		
Convenience stores	419	285		
Partnerships in other European countries	**1,490**	**1,002**	**1,357**	**1,085**
Hypermarkets	99	88		
Supermarkets	825	569		
Convenience stores	566	345		
Latin America	876	830	2,258	2,173
Argentina	**588**	**572**	**667**	**665**
Hypermarkets	79	78		
Supermarkets	126	128		
Convenience stores	383	366		
Brazil	**288**	**258**	**1,590**	**1,508**
Hypermarkets	225	213		
Supermarkets	42	41		
Convenience stores	21	4		
Asia	406	394	2,734	2,757
China	**236**	**236**	**1,820**	**1,846**
Hypermarkets	228	236		
Convenience stores	8	0		
Taiwan	**83**	**71**	**430**	**433**
Hypermarkets	63	62		
Supermarkets	20	9		
Partnerships in other Asian countries	**87**	**87**	**483**	**479**
Hypermarkets	78	77		
Supermarkets	9	10		
Partnerships in other regions*	297	261	828	761
Hypermarkets	77	67		
Supermarkets	166	148		
Convenience stores	42	33		
Cash & carry stores	12	13		
TOTAL	**12,296**	**10,860**	**17,526**	**16,633**
Total Hypermarkets	1,481	1,459	10,792	10,674
Total Supermarkets	3,462	3,115	4,431	4,123
Total Convenience stores	7,181	6,111	1,898	1,418
Total Cash & carry stores	172	175	405	417

* *Africa, Middle East and Dominican Republic.*

1.2.3 A broad selection of quality products at the best price

Products are the heart of Carrefour's business. Product offer is based on unchanged principles: a wide selection, the lowest prices and the highest possible quality. To cater to the needs of customers throughout the world, Carrefour refines its offer to provide a variety of fresh produce, products from local suppliers, consumer goods, essential non-food items, the best innovations and daily retail services.

In each country, Carrefour offers the brands most sought after by its customers and develops a number of own-brand products. According to their needs and consumer habits, customers therefore benefit from quality products at the best price from private labels: Carrefour, Carrefour Bio, Carrefour Selection, No Gluten, Carrefour Baby and Carrefour Kids, Carrefour Ecoplanet, Carrefour Home, *Les Cosmétiques Design Paris*, Tex, *Reflets de France*, *Terre d'Italia*, *De Nuestra Tierra*, *Viver*, *Bon App'* and, more recently, Veggie.

Fresh produce

A major source of appeal for stores, offering fresh produce requires all the care and expertise of employees. In all formats, Carrefour offers a wide range of high-quality fresh produce in a carefully designed environment to give customers a more enjoyable shopping experience: generous market stalls, products within easy reach, and regional products. Throughout the world, Carrefour is also developing eco-friendly local supply channels. Today, Carrefour offers 438 Carrefour Quality Lines to its customers, drawing on long-standing partnerships with farmers, breeders and producers.

Local products

Carrefour has always given priority to products sourced locally, *i.e.* products from the country or the region in which they are sold, to support development of the local economy. As a result, more than 70% of all Carrefour food products sold come from national suppliers. Carrefour is strengthening this approach and giving its store directors – particularly in hypermarkets – more room for manoeuvre so that they can select and offer their customers a very local selection of products sourced from producers located close to stores.

Everyday consumer goods

In its grocery, liquids and hygiene/beauty departments, Carrefour offers both major-brand products that are highly valued by consumers plus a selection of Carrefour's own-brand products. In all of the countries in which the Group operates, it aims to offer the lowest possible prices every day, together with special offers on popular products.

Non-food products

The non-food departments are organised into categories meeting customers' basic needs: household goods and general merchandise, apparel and home appliances (photo, sound and multimedia equipment). Carrefour private labels and national brands make up a selection of ranges that are suited to everyone's tastes and all budgets. Consumer habits are changing, so Carrefour is tailoring its product offer by maximising value for money for non-food products, expanding the general product offer of its hypermarkets, providing its supermarket customers with the convenience service that they expect and developing a range of innovative and competitive Internet-based services. In addition to the major brands favoured by consumers, Carrefour is developing its own brands such as Carrefour Home, Poss (electrical appliances, audiovisual equipment and multimedia), Hyba (garden) and Mandine (kitchen).

Retail services

From financing solutions and entertainment to pharmacy products and petrol, Carrefour services are available in shopping centres and store car parks to meet customer needs with the same commitment: quality products at the best price.

Reserving theatre tickets, buying flowers, printing photos or renting a truck for a move: Carrefour's services, which differ depending on the country and consumer habits, make it easy for customers to optimise their shopping time and budget.

Carrefour also offers its customers finance, savings and insurance services through more than 950 agencies and financial service stands throughout the world. Located right next to the entrance of the hypermarkets, the Group's agencies and financial stands support Carrefour's core business, for example by offering the PASS Mastercard in France as well as finance solutions and extended warranties for goods purchased.

Because of the nature of its business, Carrefour has a relationship with multiple stakeholders (customers, suppliers, employees, communities, investors, universities, professional associations, governments, and so on). Relationships with suppliers are key factors in implementing a collective momentum and are built on a contractual basis supported by friendly, constructive professional discussions. Carrefour's approach is designed to strengthen its partnerships with suppliers, support their growth and contribute to improving working conditions in countries where special vigilance is needed.

You can find further information about Carrefour's actions in this area on page 64 (Section 2.3.4).

1.2.4 Property assets

For Carrefour, tangible fixed assets mainly include sales areas operated by the Group. At the end of December 2015, the Group was operating 17.5 million sq.m. of sales area through its under banners store network. The Group's ownership strategy for its stores depends on the country and the format. In total, the Group owns most of the real estate associated with its stores. In France, Spain and Italy, the store real estate is owned by Carrefour Property. Since June 2012, these assets plus the real estate activities at the international level – have been grouped together under the responsibility of a Group Executive Director for Assets, Development and New Ventures.

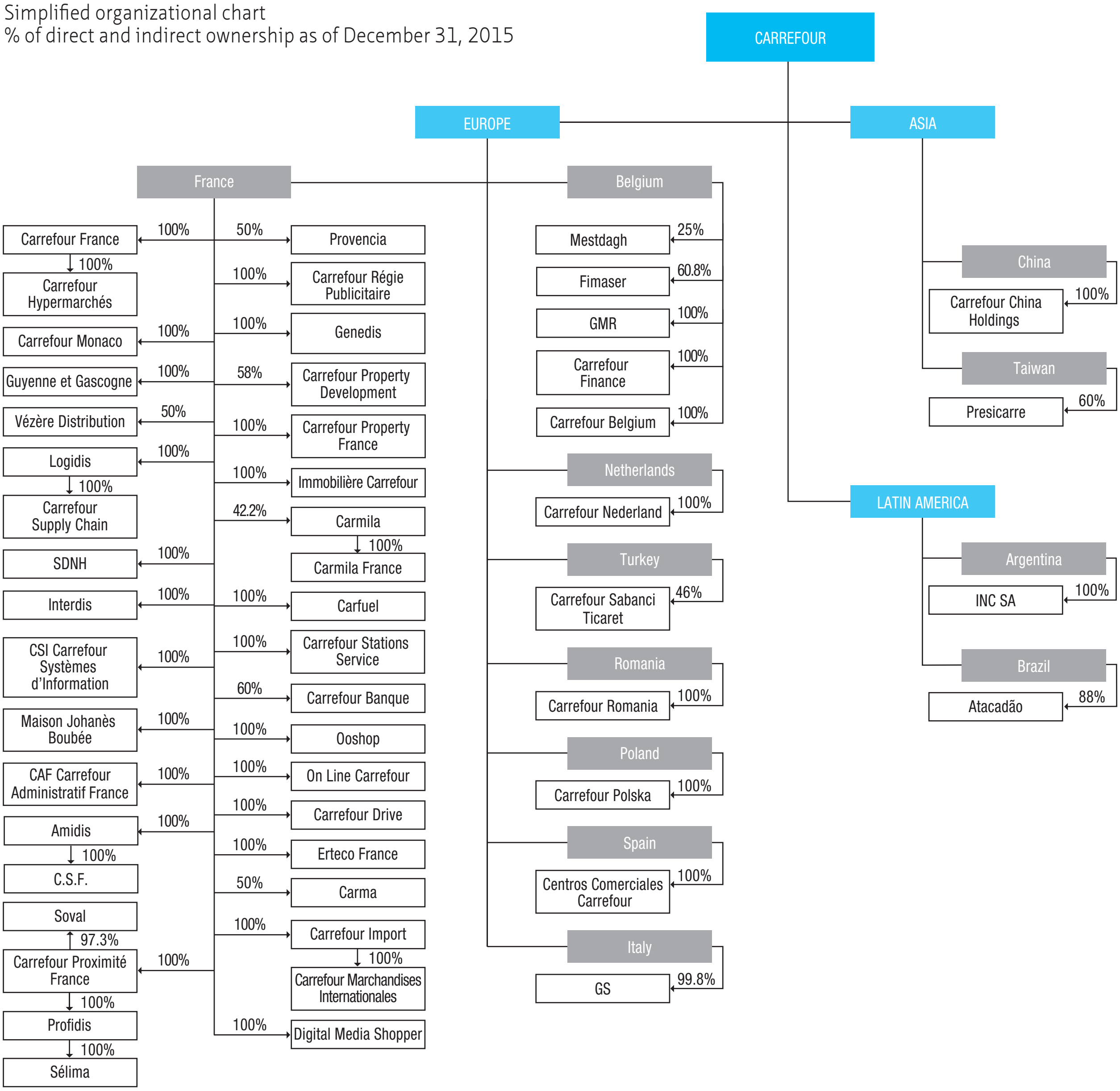
Details of asset ownership are given in Note 6 of the Consolidated Financial Statement for December 31, 2015, on page 175 of this document.

In 2015, Carrefour continued to invest in upgrading its assets. The Group is proceeding with several remodelling programmes across various formats and in the majority of the countries where it operates. In France, for example, Carrefour renovated 16 hypermarkets and 119 supermarkets in 2015, for a total of 103 hypermarkets and 319 supermarkets renovated since 2013. In Brazil, 36 hypermarkets have been updated since the programme was launched.

With the creation of Carmila, in which the Group holds a 42% stake, Carrefour has enhanced the vitality of the commercial ecosystem by simultaneously renovating shopping centres, stores and parking areas. This has resulted in friendly, attractive units that offer comfortable sales areas, appealing and connected retail environments, and services tailored to meet customer needs.

1.2.5 Organizational chart

Simplified organizational chart
% of direct and indirect ownership as of December 31, 2015



1.3 Carrefour in 2015

1.3.1 Highlights

Transformation of Dia stores in France

Following the acquisition of the Dia network in France, finalised on December 1, 2014, Carrefour is gradually transforming more than 640 stores to bring them under the Market supermarket banner and City, Express, Contact and Bio convenience store banners. As of December 31, 2015, 158 stores had been rebranded.

Acquisition of *Rue du Commerce*

Carrefour announced the acquisition of 100% of the share capital of *Rue du Commerce* from Altarea Cogedim. This acquisition, completed in January 2016, is a further step in Carrefour's roll-out of its omni-channel approach in France, to better serve its customers in stores and on-line. With nearly 5 million unique visitors per month, *Rue du Commerce* is a key player in the non-food e-commerce sector, supported by a strong brand, a significant customer base, a large marketplace, and expertise which complements that of Carrefour.

Project to acquire 86 Billa supermarkets in Romania

On December 22, 2015, Carrefour announced the signing of an agreement to acquire Billa Romania from the Rewe group. With a presence throughout Romania, the 86 Billa supermarkets comprise a total sales area of 83,000 sq.m. Thanks to this acquisition, Carrefour is set to become the leading supermarket operator in Romania, reinforcing its multi-format approach in order to be as close to its customers as possible.

Expansion of Carrefour's international partner network

Carrefour pursued its expansion by supporting its various partners in France's overseas territories and at an international level. The first Carrefour hypermarkets opened their doors in Armenia in March (Majid Al Futtaim), in Algeria in June (UTIC) and in Ivory Coast in December (CFAO). At the same time, the Carrefour banners expanded in a number of countries through multi-format openings or significant acquisitions.

Opening of first convenience stores in China

By opening the first eight Carrefour *easy* stores in China, Carrefour is adjusting its model in the country to become a multi-format retailer. Alongside the hypermarkets set up during a new wave of urbanisation, these stores are meeting convenience requirements among Chinese customers.

Carrefour celebrates its 40th anniversary in Brazil and 20th anniversary in China

Throughout the year, numerous events were organised by Carrefour employees in Brazil and China to celebrate these anniversaries with customers: performances, events, photo competitions, relay races between stores on bike or on foot, visits and more.

Continuation of strategy to offer dynamic sales ecosystems

The store renovation programme launched in 2012 is continuing in all countries. In France, for example, Carrefour renovated 16 hypermarkets and 119 supermarkets in 2015. The teams from Carrefour, Carrefour Property and Carmila work closely together to upgrade and modernise the group's assets, thereby strengthening consistency and efficiency within the retail ecosystem.

Developing e-commerce in Asia

Carrefour consolidated its omni-channel strategy by developing its e-commerce activities in China and Taiwan in 2015. In Shanghai, customers can now access more than 13,000 food and non-food products, which are also available via the WeChat® social network. In Taiwan, the development of the e-commerce business has been accompanied by a home delivery and store pick-up service.

Launch of new Carrefour Quality Lines worldwide

Carrefour is continuing to develop its Carrefour Quality Lines, a long-term partnership between Carrefour and producers, breeders and processors. For more than 20 years, Carrefour has been committed to working with producers on production and breeding practices which promote high-quality, flavourful, authentic and varied products. At the end of 2015, more than 21,000 producers were partners in this approach and 438 Carrefour Quality Lines were developed in stores throughout the world.

Commitment to reduce CO_2 emissions by 40% by 2025

As an official partner of the COP21 climate conference, Carrefour is increasing its efforts to combat waste and preserve biodiversity, and has committed to a 40% reduction in its CO_2 emissions by 2025 and a 70% reduction by 2050 (versus 2010). Carrefour's initiatives in this area include working to reduce energy consumption in its stores by introducing new-generation refrigeration equipment, installing furnishings with insulated doors, developing clean transport solutions, and encouraging suppliers to also commit to reducing their own CO_2 emissions.

Launch of *Instituto Carrefour* in Brazil

Carrefour now has a non-profit corporate sponsorship structure in the country which focuses on activities of general benefit and seeks to promote solidarity and diversity through three areas of involvement: raising awareness of human rights, helping people to access employment, and supporting entrepreneurship through micro-loans. The *Instituto Carrefour* aims to implement activities which will contribute to reducing social inequality in Brazil.

Strengthening of international partnership with UNI

On October 1, 2015, Carrefour signed a new international agreement with UNI Global Union to promote social dialogue, diversity, and respect for fundamental rights at work. The agreement was signed during the European cooperation and information committee meeting, organised by Carrefour twice per year with all of its European social partners.

1.3.2 Summary of results

Carrefour's results in 2015 clearly illustrate the Group's growth momentum. The Group has built on its fundamentals and strengths: a balanced country portfolio, a comprehensive and unique multi-format model, and operational excellence in all of its businesses.

Strong growth in the Group's results

In 2015, the Group once again saw significant growth in sales. Organic sales were up by 3.0%, excluding tax. At current exchange rates, this represents a 3.0% change. Results improved both in Europe and in emerging countries, with recurring operating income up by 7.0% at constant exchange rates and 11.5% *pro forma**, to reach €2.45 billion. Adjusted net income, Group share was up by 7.1% at €1,113 million. Net income from continuing activities reached €977 million.

France: a good year

The Group's solid performance in France is a testament to its strong position in the food sector and illustrates the vitality of the multi-format model. In 2015, organic sales excluding petrol increased by 1.1% on top of already-positive 1.2% growth in 2014. Growth was seen across all formats in France for the third consecutive year.

Attractiveness improved across the various formats, with steady improvement in terms of price perception and a rise in overall customer satisfaction.

Recurring operating income totalled €1.19 billion, down 6.4% over the year. The *pro forma** operating margin increased by 10 basis points over the year. Profitability remained solid across all formats.

International: success of the multi-local model

In the other European countries, sales increased again in 2015 following a stable 2014. This was supported by the recovery in Spain, an improvement in Italy, particularly during the second half of the year, and good performance in other countries. Profitability in Europe (excluding France) increased, with recurring operating income up by a strong 33.4% in 2015.

Brazil and Argentina had a remarkable year with a 15.7% organic growth in sales in Latin America, on an already high basis for comparison achieved in 2014. Recurring operating income in Latin America also rose considerably again, by 23.5% at constant exchange rates. Profitability continued to increase across formats in Brazil. In an uncertain economic environment in Argentina, recurring operating income was up. Carrefour has strengthened its position in Brazil and Argentina as a leading food retailer.

In Asia, organic sales fell in 2015 (down 9.5%), reflecting the slowdown in the Chinese economy and the rapid transformation of consumer habits. Carrefour's model in China is evolving to adapt to this context. Gross margin ratio increased. Activity held up well in Taiwan.

Solid cash flow and stable investment

Gross cash flow stood at €2.7 billion in 2015, versus €2.5 billion in 2014. Carrefour continued to invest in order to upgrade its assets, modernise, and develop its network (€2.4 billion in 2015). The Group significantly strengthened its multi-local and multi-format presence, which contributed to the current balance of its country and activity portfolio. The Group's free cash flow increased to €687 million in 2015, versus €306 million in 2014.

** At constant exchange rates and excluding the integration of Dia, the increase of the Tascom tax on selling space and the transfer to Carmila of rental income from shopping malls*

1.3.3 Consolidated key figures

(in € million)	**2015**	2014	2013
Selected financial information from the consolidated income statement			
Net sales	76,945	74,706	74,888
Recurring operating income before depreciation and amortisation *	3,955	3,803	3,707
Recurring operating income	2,445	2,387	2,238
Recurring operating income including income from associates and joint ventures	2,489	2,423	2,267
EBIT	2,232	2,572	2,412 **
Net income from continuing operations	1,120	1,300	1,058
Net income from continuing operations – Group share	977	1,182	949
Net income	1,123	1,367	1,364
Net income – Group share	980	1,249	1,263
Selected financial information from the consolidated cash flow statement			
Cash flow from operations	2,733	2,504	2,039
Net cash from operating activities	2,818	2,609	1,675
Net cash used in investing activities	(2,136)	(3,397)	(855)
Net cash used in financing activities	(821)	(874)	(2,489)
Net change in cash and cash equivalents	(388)	(1,643)	(1,816)
Selected financial information from the consolidated statement of financial position			
Net debt	4,546	4,954	4,117
Shareholders' equity	10,672	10,228	8,679 ***
Shareholders' equity – Group share	9,633	9,191	7,925 ***

* *Recurring operating income before depreciation and amortisation (including supply chain depreciation).*
** *Restated in 2014 due to the reclassification of the income from associates and joint ventures.*
*** *Restated in 2014 from premature application of IFRIC 21 interpretation.*

1.3.4 Carrefour in France and throughout the world

Carrefour has been opening stores under its banners in France and abroad for more than 50 years. It currently operates in mainland France and its overseas territories, as well as in Europe, Asia, Latin America, Africa and the Middle East through a network of consolidated and franchised stores, and stores that it runs with partner companies.

In 2015, Carrefour opened or acquired 1,993 stores under Group banners, representing some 1,208,000 sq.m. of gross additional sales area. As of the end of 2015, the Carrefour group had 12,296 stores under banners in more than 35 countries.

In 2015, Carrefour posted net sales of €76.95 billion – up 4.1% versus the previous year at constant exchange rates. The increase was due to:

- 2.4% growth in like-for-like store sales;
- organic growth in sales (excluding petrol) of 3.0%, an average of 2.5% since 2012;
- a negative effect of 1.4% from petrol;
- a positive impact (+2.5%) from acquisitions and disposals during the year.

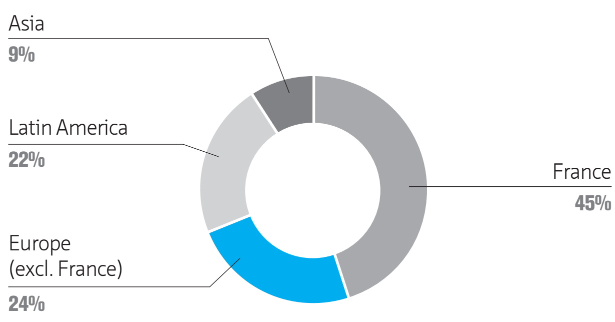
Fluctuations in exchange rates (mainly the depreciation of the Brazilian real and Argentinian peso) had an 1.1% unfavourable effect on consolidated sales. Sales grew by 3.0% in 2015 at current exchange rates.

Recurring operating income rose by 7.0% at constant exchange rates (by 2.4% at current exchange rates and by 11.5% *pro forma*[(1)]) to €2.45 billion. This increase is due to a sharp rise in recurring operating income in Europe excluding France (+33.4%) and Latin America (+23.5% at constant exchange rates).

In total, recurring operating income equalled 3.2% of sales, and was therefore stable compared with 2014.

The Group continued to invest in 2015, as planned. Investment was stable compared with 2014 (-1.37%), totalling €2.38 billion for the year.

2015 investment by geographic region (% of total)



Carrefour in France

In France, Carrefour group is the leading food retailer across all formats, with a 22.8%[(2)] market share. At year-end 2015, the Group had 5,650 stores under banners in four different formats: 242 Carrefour hypermarkets, 1,003 Market supermarkets, 4,263 convenience stores operating under the City, Contact, Express, Bio, Montagne, 8 à Huit and Proxi banners, and 142 cash & carry stores operating under the Promocash banner. The Group has a total of 1,232 stores: 214 hypermarkets, 517 supermarkets, 494 convenience stores and 7 cash & carry stores.

Carrefour's activity in France in 2015 was reflected by the consolidation of leadership and the strengthening of the network's multi-format nature, through the expansion of convenience and supermarket banners, and through the first transformations of the Dia stores acquired at the end of 2014. The asset renovation programme (hypermarkets, supermarkets and shopping centres) also continued, along with the reinforcement of the sales ecosystem, strengthened by Carmila's acquisition of new shopping centres. Carrefour continues to develop its omni-channel strategy, reflected in the acquisition of *Rue du Commerce*, the strengthening of the *drive* and *click & collect* services, and the development of new digital solutions (mobile apps, in-store digital services, etc.).

In 2015, Carrefour in France opened or acquired 845 stores under Group banners, including 5 hypermarkets, 21 supermarkets and 819 convenience stores, representing a total of some 512,000 sq.m. of gross sales area.

In 2015, France saw renewed growth, with organic sales excluding petrol climbing +1.1% across all formats. Hypermarkets saw 0.8% growth in organic sales excluding petrol (+0.6% in like-for-like), supermarkets grew by 1.3% (+1.9% in like-for-like), and the other formats, mainly convenience stores, grew by 2.9% (+2.7% in like-for-like). Attractiveness improved across all formats, with steady improvement in terms of price perception, higher numbers of cash transactions, and an increase in overall customer satisfaction in both hypermarkets and supermarkets.

(1) At constant exchange rates and excluding the integration of Dia, the increase of the Tascom tax on selling space and the transfer to Carmila of rental income from shopping malls.

(2) Source : Nielsen moving annual total P13 2015 (Hypermarkets, supermarkets, supermarkets mostly private labels, drive formats and convenience stores) - Carrefour group: Carrefour, Market, integrated convenience stores and Dia.

Recurring operating income, which totalled €1.19 billion, fell by 6.4%, a drop of 30 basis points in operating margin, to 3.3% of sales. On a *pro forma** basis, the operating margin increased by 10 basis points. Over three years in France, recurring operating income increased by close to 29%, equivalent to growth of 110 basis points as a percentage of sales in comparison to 2012 (pro forma). This increase was due to:

- an improved gross margin as a result of an improved balance between everyday low prices, promotion, loyalty programmes, and logistics savings;
- good control of operating costs.

In France, operational investments totalled €1.08 billion, an increase of 3.8% versus 2014. These investments represented 3.0% of sales, unchanged compared with 2014.

Carrefour in other European countries

In Europe (excluding France), Carrefour was operating 5,067 stores under Group banners as of the end of 2015. These included 489 hypermarkets, 2,096 supermarkets, 2,464 convenience stores and 18 cash & carry stores. Carrefour operates in five consolidated countries: Belgium, Spain, Italy, Poland and Romania. The consolidated store network includes a total of 1,285 stores (381 hypermarkets, 648 supermarkets, 238 convenience stores and 18 cash & carry stores).

Over the year, Carrefour opened or acquired 1,027 stores under Group banners in Europe – an additional 435,000 sq.m. of gross sales area, including 18 hypermarkets, 342 supermarkets, and 667 convenience stores.

Net sales in Europe totalled €19.7 billion in 2015, an increase of 2.8% at current exchange rates. For the first time in a number of years, all European countries where the Group operates experienced like-for-like growth in 2015.

Over the year, the gross margin ratio improved with constant attention to price positioning. Operating costs were stable. Recurring operating income totalled €567 million, an increase of 33.4% at current exchange rates.

Profitability improved during the second half of the year, with the operating margin up by 40 basis points to 4.3% of sales, demonstrating the effectiveness of the operating model.

Carrefour has had a presence in **Spain** since 1973 and is the country's second-largest grocery retailer and the leading hypermarket operator. As of the end of 2015, its multi-format stores under banners included 173 hypermarkets, 126 supermarkets and 419 convenience stores. Net sales totalled €7.9 billion.

Carrefour's business in the country is solid and based on a multi-format strategy complemented by a multi-channel digital strategy. The expansion of convenience stores has been based primarily on the development of the Express banner in partnership with Cepsa petrol stations.

The renovation of shopping centres and stores is ongoing, with the aim of offering customers a new shopping experience with new concepts and new services: new electronic product sales areas, new fragrance departments, the development of such shopping collection solutions as *drive* and *click & collect*, and a new mobile app.

Carrefour has had a presence in **Italy** since 1993. Carrefour ranks in sixth position in a fragmented grocery market and holds strong regional positions, such as those in Val d'Aosta, Piedmont, Lazio and Lombardy. The Group manages 59 hypermarkets, 441 supermarkets, 583 convenience stores and 18 cash & carry stores in the country. Net sales totalled €4.9 billion – a 5.4% increase.

As in a number of countries, Carrefour teams have strengthened the multi-format nature of the Group in the country, such as through the transformation of Billa and Il Centro convenience stores, acquired in 2014, and the renovation of Market supermarkets and some shopping centres.

In **Belgium**, Carrefour ranks among the country's top three retailers and is the most multi-format group: 45 hypermarkets, 441 supermarkets and 267 convenience stores. Net sales stood at €4.0 billion – stable compared to 2014.

In 2015, the asset-modernisation and customer-experience improvement programme continued with the roll-out of new formats in Market supermarkets and Express convenience stores, and a new generation of hypermarket. Several initiatives also boosted the development of food e-commerce solutions, such as the opening of the first private *drive*, in the car park of the head office of the television network RTBF/VRT, and the establishment of a "summer *drive*" in the beach resort of Knokke.

Carrefour directly operates in two other countries, Poland and Romania, with combined net sales of €2.9 billion, up 5.3%.

Carrefour has been operating in **Poland** since 1997, with a network of stores under Group banners, which includes 84 hypermarkets, 153 supermarkets and 576 convenience stores. In 2015, Carrefour's multi-format model was strengthened through the acquisition of 36 convenience stores and the development of the Express banner as a franchise business.

In **Romania**, where Carrefour has been operating since 2001, the Group manages 29 hypermarkets, 110 supermarkets and 53 convenience stores. The project to acquire the Billa supermarket network announced in December 2015 will give Carrefour an opportunity to consolidate its market share in the country and boost its national coverage.

The Group is also present in other European countries through various partnerships, including Greece, Cyprus, the Balkans and Turkey. In these countries, the Group has 99 hypermarkets, 825 supermarkets and 566 convenience stores under Group banners.

Operational investments in Europe totalled €579 million in 2015, representing 2.9% of sales versus 2.8% in 2014.

** At constant exchange rates and excluding the integration of Dia, the increase of the Tascom tax on selling space and the transfer to Carmila of rental income from shopping malls.*

Carrefour in Latin America

Carrefour has been operating in Latin America since it opened its first store in Brazil in 1975 and has become one of the region's major players in retail. Carrefour is expanding its banners in two growth markets: Argentina and Brazil. The Group has 876 stores in total, including 304 hypermarkets, 168 supermarkets and 404 convenience stores.

In 2015, the network grew to include 11 new Atacadão stores, a hypermarket, a supermarket, and 17 convenience stores in Brazil. In Argentina, one new hypermarket and 17 convenience stores were added to the network. These new stores account for an additional 91,000 sq.m. of sales area.

In Latin America, organic sales saw a sharp increase of 15.7%, on an already high basis of comparison in 2015 (+18.1%). An unfavorable currency effect over the year resulted in a sales increase of 2.9% at current exchange rates. With an recurring operating income of €705 million in 2015, profitability in the region continued to improve over the year, driven not just by in-store performance but by that of financial services as well. Good control of operating costs and an increased gross margin were seen alongside the growth in sales.

In **Brazil**, Carrefour is the leader in grocery retail. The Group operated 103 hypermarkets, 122 Atacadão stores, 42 supermarkets and 21 convenience stores as of year-end 2015. Net sales in Brazil totalled €10.7 billion, an increase of 12.7% at constant exchange rates. Performance was excellent across all formats: hypermarkets continued to see improvement, and the Atacadão banner is strengthening its leadership position as it continues to expand.

Carrefour's multi-format profile continues to strengthen with the progressive expansion of the Express banner. The renovation programme covering hypermarkets, Atacadão stores and shopping centres is ongoing, and seeks to offer customers new shopping experiences, in addition to the revitalisation of drugstores and petrol stations. Notable in 2015 were the numerous events held across the entire country to celebrate the banner's 40th anniversary in Brazil.

Carrefour has been operating in **Argentina** since 1982 and is the leader in grocery retail thanks to its multi-format presence. The Group manages 73 hypermarkets, 6 Carrefour Maxi stores, 126 supermarkets, and 383 convenience stores. Net sales totalled €3.6 billion – up 26% at constant exchange rates and up 31.6% at current exchange rates.

In 2015, Carrefour continued to expand its Express convenience store network and the Carrefour Maxi banner, and remodelled shopping centres and hypermarkets in the country.

Operational investment in Latin America totalled €517 million in 2015, representing 3.6% of sales.

Carrefour in Asia

Carrefour has been established in Asia since 1989. It has a presence in China and Taiwan, as well as in Indonesia (through franchises). The Group has a total of 406 stores under banners, including 369 hypermarkets, 29 supermarkets and 8 convenience stores.

Over the year, Carrefour opened a total of 18 stores. These new stores have added an additional 93,000 sq.m. of sales area.

Net sales in Asia fell by 8.9% at constant exchange rates (+5.9% at current exchange rates) to €6.7 billion. Recurring operating income totalled €13 million for a margin of 0.2%, a decrease of 130 basis points versus 2014. Gross margin ratio increased.

Carrefour has been present in **China** since 1995 and is one of the leading players in grocery retail. Net sales in China totalled €5 billion – an increase of 2.7% at current exchange rates and a decrease of 12.3% at constant exchange rates. The Group is continuing to build its long-term position with the implementation of an action plan in the country, a plan characterised by the establishment of an integrated logistics operation, the closure of non-performing stores, a more selective expansion programme, the development of convenience stores, and the launch of Carrefour's e-commerce activity. At the end of 2015, Carrefour had 236 stores in the country, including 228 hypermarkets and the first 8 Carrefour *easy* convenience stores. Carrefour's customers in China were able to enjoy numerous events in stores throughout the country to celebrate the 20th anniversary of Carrefour China.

In **Taiwan**, the network includes 63 hypermarkets and 20 supermarkets. Sales have risen slightly in the country at constant exchange rates. The progressive development of the supermarket format and experimentation with e-commerce are the main initiatives intended to strengthen Carrefour's multi-format and multi-channel profile in the country.

Carrefour also has a presence in Indonesia through franchises, with the Group's partner operating 78 hypermarkets and 9 supermarkets.

Operational investments in Asia totalled €204 million in 2015, representing 3.1% of sales.

Other regions

Carrefour also has 297 stores that it operates with local franchisee partners throughout the world (in Africa, the Middle East, and the Dominican Republic) in various formats. These include hypermarkets (77), supermarkets (166), convenience stores (42), and cash & carry stores (12).

In the Middle East, the Majid Al Futtaim group, already operating in the hypermarket format, furthered its expansion in the supermarket format, opening 12 new supermarkets and 5 convenience stores in Dubai. Similarly, in North Africa, Tunisian group UTIC and Moroccan group Label'Vie boosted their store networks. The first hypermarket in Casablanca, Morocco's sixth, opened in August 2015, preceded by Algeria's first hypermarket, which opened in June in the City Center shopping centre in Bab Ezzouar, near Algiers. In Turkey, the Sabanci group accelerated its expansion with the acquisition of local retail chains. In sub-Saharan Africa, the first store to be developed as part of the partnership between Carrefour and CFAO opened in Abidjan in December 2015.

2

Social responsibility

2.1 CSR at Carrefour

2.1.1 2015 highlights

The countries' actions deeply rooted Carrefour's approach to CSR in 2015, approach based on 3 main areas:

- working to eliminate all forms of waste;
- protecting biodiversity;
- supporting partners of the Group.

Each of the three areas was a field of innovation and a source of concrete performance. Thus new quantified targets could be strengthened.

Some significant factors in 2015 :

- Carrefour was an official partner of the COP21. In this context, new environmental commitments were made during the Group Shareholders' Meeting in June 2015, such as a 40% reduction in CO_2 emissions by 2025 *versus* 2010, and a 70% reduction by 2050 *(detailed in section 2.1.2.3 of this chapter)*;
- In October 2015 Carrefour signed a new agreement with the UNI Global Union (International Union Federation) confirming its commitment in support of workers' rights and the promotion of equal opportunity *(detailed in section 2.3.1 of this chapter)*;
- In 2015, Carrefour also signed the charter in support of the employment of disabled people proposed by the International Labour Organization's (ILO) disabilities branch *(detailed in section 2.3.1.4 of this chapter)*;
- In June 2015 Carrefour set an objective to reduce food waste by 50% by the year 2025 *versus* 2016, in partnership with our suppliers and with the membres of the Consumer goods forum *(detailed in section 2.1.2.3 of this chapter)*;
- Sales of organic products rose by 19.5% (of which + 21.5% on food products), and sales of Carrefour Quality Lines products incorporating agroecological production requirements increased by 6.1% in 2015 compared to 2014 *(detailed in section 2.3.3.1 of this chapter)*;
- Carrefour advanced in the non-financial rankings, particularly on the Carbon Disclosure Project (from 66 C in 2014 to 96 B in 2015) and the DJSI from 62 to 69 over the same period *(detailed in section 2.1.3 of this chapter)*;
- A CSR Committee of the Supervisory Board was formed and met for the first time on November 25, 2015 *(detailed in section 2.1.3 of this chapter)*;
- Each country where the Group operates participated in the Major Climate Challenge for Suppliers *(detailed in section 2.3.4.2 of this chapter)*.

At the same time, Stakeholders meetings were held throughout the year, in a spirit of open communication and partnership. The following subjects were raised during these meetings in 2015: sustainable fishing, palm oil, packaging, canned tuna and bananas *(detailed in section 2.1.3.1 of this chapter)*.

2.1.2 Carrefour's CSR mission

2.1.2.1 CSR Historical foundations

Starting in 1992, Carrefour introduced measures that apply the fundamental principles of agroecology with the launch of its Carrefour Quality Lines and organic round bread loaves in France. Four years later in 1996, Carrefour voluntarily applied the precautionary principle as regards GMOs, and in 2010 began using "GMO-free" labels on more than 350 products. The progressive incorporation of rules tied to agroecology in Carrefour's product range went through several key stages, such as the marketing of the Responsible Fishing product line in 2005, and launched the "Carrefour Agir" product line in 2006, as well as substituting palm oil in nearly 100 Carrefour products in France in 2011. As of 2013, the Carrefour Quality Lines became real agroecology laboratories in all the countries in which the Group operates *(detailed in section 2.3.3 of this chapter)*.

In terms of its supply chain, in 2000 Carrefour entered into a partnership with the FIDH (International Federation for Human Rights) to set up a social compliance management system for its suppliers after participating in the launch of the Social clause initiative (SCI) in 1998. As of 2014, as part of this initiative Carrefour achieved its objective of having 100% audited suppliers in the countries at risk. In 2015, Carrefour advanced even further by establishing a new action plan with the FIDH.

In 2004, Carrefour signed the Diversity Charter and adopted a group-wide Code of ethics. In September 2015 Carrefour signed a new agreement with the UNI Global Union replacing the one signed in 2001 and reaffirming its commitment in support of workers' rights and the promotion of equality opportunity *(detailed in section 2.3.1 in this chapter)*.

In 2005, Carrefour instituted a CSR auto-diagnostic tool for its suppliers in France. This tool was deployed to the Group's own brand product suppliers all around the world in 2010. In all, more than 5,000 suppliers are contacted each year. Lastly, following the first year of supplier sustainable development Awards in 2009, Carrefour organised the first supplier awards in 2015, including all countries: Major Climate Challenge for Suppliers.

In 2013, the Antigaspi (Anti-waste) plan was launched. It aims to reduce resource consumption in store operations and among its customers and suppliers.

2.1.2.2 CSR strategy overview

For Carrefour, doing its job well means offering its customers quality products and a diversified range of food, acting and making investments to limit the depletion of natural resources, and guaranteeing the sustainability of its products and services.

This commitment is carried out by the women and men at Carrefour *(see chapter 2.3.1)*. In addition to the action plans related to Human Resources, three main focal points are leading Carrefour's CSR strategy:

- working to eliminate all forms of waste *(detailed in section 2.3.2 of this chapter)*;
- protecting biodiversity *(detailed in section 2.3.3 of this chapter)*;
- providing support to the Company's partners *(detailed in section 2.3.4 of this chapter)*.

As part of this strategy Carrefour has made various commitments, covering all social, societal, and environmental aspects, from the reduction of CO_2 emissions to waste recycling, including a complete halt to deforestation connected to the supply of wood, soy, beef and palm oil, and training programmes for Carrefour partners *(detailed in section 2.2.2 of this chapter)*. In 2015, emphasis was placed on the selection of new commitments linked to the environment and the reduction of food waste, in cooperation with the COP21 *(detailed in section 2.1.2.3 of this chapter)*.

2.1.2.3 Commitments to climate

"Acting for climate is not just an option. Collective mobilization is imperative. If quality products become rare or completely disappear, our business will also be threatened". Georges Plassat, Chairman and Chief Executive Officer of Carrefour, at the Business and Climate Summit (Paris, May 20, 2015).

Carrefour mobilisation for an ambitious agreement at the COP21

Climate change is a collective challenge and Carrefour is motivating its partners to work together to find solutions to limit climate change. In 2015, due to the political landscape and the international agenda linked to the COP21, there were many opportunities to embrace this commitment.

The Business and climate summit, the 20th of May 2015, gave policy and economic decision-makers a unique opportunity to hold discussions on the best means of implementing low-carbon solutions on a global scale. For this occasion, Carrefour has demonstrated the willingness of the Group to develop technological, organizational, and financial solutions for reducing greenhouse gas emissions and adapting to the consequences of climate change.

Furthermore, Carrefour was one of the French companies to sign the Business Climate Pledge in November 2015.

The 39 companies that signed this commitment – which represents 1,200 billion euros in turnover and 4.4 million employees around the world – offered their supported to the chair of the COP21 and to the governments in attendance for signing its ambitious global agreement. This agreement set the course for the reduction of greenhouse gases that parallels the goal of a +2°C maximum increase in world temperature, as part of the United Nations Framework Convention on Climate Change.
For more information: http://www.carrefour.com/sites/default/files/French%20Business%20Climat%20Pledge%20EN.pdf

On October 16, 2015, Carrefour announced its commitment by signing in support of the "Caring for climate" platform, launched in 2007 by the United Nations Global pact. The signatory companies showed their commitment on several issues, concerning for example the reduction of CO_2 gas, the adoption of targets, and the publication of annual performance figures. Within this framework, Carrefour committed specifically to setting an internal price on carbon in order to influence the investment decisions that encourage CO_2 reduction.

Going even further, in December 2015 Carrefour signed the Science Based Targets Initiatives, along with 114 other companies from around the world. The objective of this initiative, conducted by Carbon disclosure project, WRI, WWF, and the Global Compact, is to encourage companies to commit to objectives based on scientific measures, and to check and validate the companies' CO_2 emissions targets on the basis of rigorous, scientifically recognized criteria.

Beyond the Group's long-term commitment to these initiatives, Carrefour had promoted collective climate change solutions throughout the year and during the COP21: organising a Food and Climate round table in October 2015, participating in discussions on deforestation and agroecology at the COP21, promotion of fresh products coming from agroecology, working on food waste in stores, etc. Carrefour also supported other efforts launched as part of the COP21, such as the Hulot Foundation project My positive Impact (*http://www.mypositiveimpact.org/*).

CO_2 emission reduction targets for the Group

The Group's targets for the reduction of CO_2 emissions were set in connection with its climate change commitments throughout 2015 and with the main challenges posed by the agro-food industry. In fact, we make out for Carrefour:

- direct sources of CO_2 emissions (scope 1): gas and fuel consumption, use of refrigerants in cooling production plants and air conditioning;
- indirect sources of CO_2 emissions (scope 2): mainly the consumption of electricity;
- external indirect sources of CO_2 emissions (scope 3): related to merchandise transport and to the CO_2 impact of merchandise sold and distributed by the Group.

Therefore, Carrefour has a major role to play in the fight against climate change. In this regard, starting in 2007, the Group targeted a 20% reduction in its energy consumption per sq.m. of sales floor area between 2004 and 2020. This target was increased in 2009 when Carrefour committed to reducing its energy consumption per sq.m. of sales floor area by 30%, instead of 20% between 2004 and 2020. The target was reached at the end of 2014, five years ahead of schedule, through the involvement of all Carrefour countries and the implementation of various action plans, such as the gradual enclosure of refrigeration units.

In 2015, Carrefour reached another milestone by committing to reduce its CO_2 emissions by 40% from 2010 to 2025 in the context of a longer-term target of 70% reduction by 2050. The goal is to contribute to limiting the 2°C global rise in temperatures.

In order to reach this new target, further action plans and commitments were established:

- **Setting a voluntary internal price for CO_2** in order to encourage investments in technologies that emit the least amount of CO_2 (new target, *detailed in section 2.3.2.3 of this chapter*);
- **Reducing the energy consumption by 30% per m^2 of sales floor surface area by 2025 (*vs.* 2010),** with the implementation of action plans, like the design of an energy self-sufficient store in 2016 in France and the deployment, following a test phase in France in 2015, of a system that takes weekly energy consumption readings in stores and implements corrective actions (existing objective, *detailed in section 2.3.2.3 of this chapter*);
- **Increase the portion of renewable energies** in the supply of electricity (new target, *detailed in section 2.3.2.3 of this chapter*);
- **Reduce CO_2 emissions related to refrigerant fluids by 40% by 2025 (*vs.* 2010),** by eliminating hydrofluorocarbon (HFC) fluid refrigerant gas in new cooling production facilities starting in 2012 and the implementation of refrigerant fluid leak detectors and adapted contracts with service providers, as well as the development of 100% CO_2 or hybrid cooling systems (new target, *detailed in section 2.3.2.3 of this chapter*);
- **Reduce CO_2 emissions linked to transport by 30% by 2025 (*vs.* 2010)**, through the optimisation of logistic models to reduce distances travelled by goods, measuring and increasing truck fill rates, eliminating return trips by empty trucks, and the development of alternatives to using diesel (new target, *detailed in section 2.3.2.3 of this chapter*);
- **Encourage Carrefour suppliers to outline quantified commitments for CO_2 reduction** in their direct perimeter and in upstream agricultural value chains (new target, *detailed in sections 2.3.3 and 2.3.4 of this chapter*).

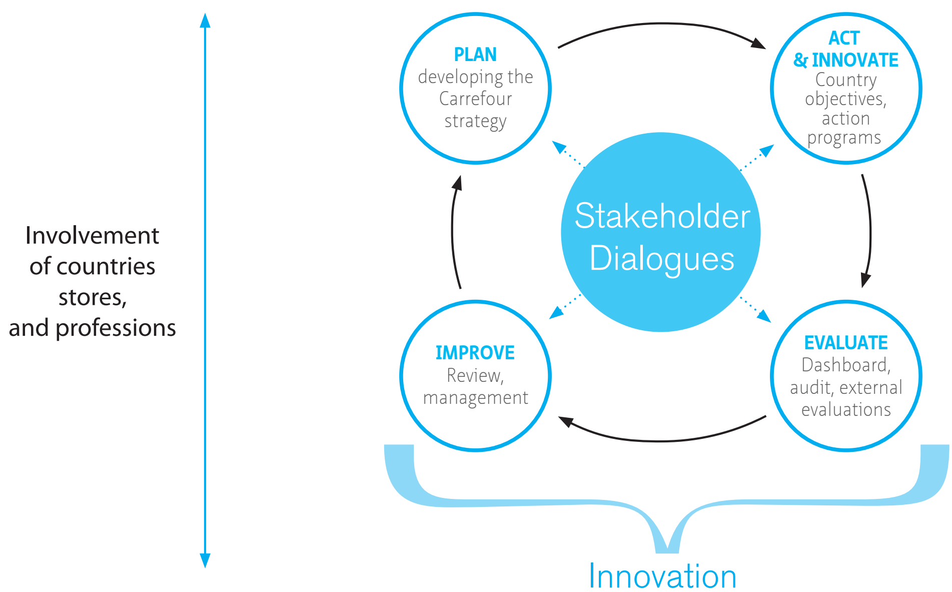
On June 24, 2015, Carrefour also became involved with the Consumer Goods Forum (CGF). The CGF is a joint international network in the industry, supported by its members to encourage the worldwide adoption of standards and practices that benefit the consumer goods industry on a global scale. It brings together the CEOs and senior executives of some 400 distributors, manufacturers, service providers and other stakeholders in 70 countries, and reflects the industry's diversity in terms of geography, size, product categories and formats. It is managed by a supervisory board made up of 50 CEOs from distribution and industrial companies, with Carrefour being one of them. On June 24, 2015, the supervisory board approved **a new resolution aimed at cutting food waste in half in the operations of its 400 members (distributors and manufacturers) by the year 2025 (*vs.* 2016)** and at supporting the UN's broad objectives in this regard. This resolution marks a new stage in the commitment of the consumer goods industry to environmental governance and leadership. This resolution on food waste ("the Resolution") is the CGF's third Sustainability Pillar resolution. It completes the resolutions approved by the supervisory board and adopted in 2010 targeting an absolute end to deforestation by 2020 and the elimination of HFC refrigerants in all new equipment starting in 2015.

Carrefour will monitor and measure the progress towards achieving these targets in its reports on the progress of its action plans. They are included in Group's commitment dashboard and detailed in the relevant sections of this report *(detailed in section 2.2.2 of this chapter)*.

2.1.3 Carrefour's CSR methodology

The target for Carrefour is to drive change operationally. That is why innovation is privileged. Innovation means anything that promotes creativity within the Group: the pooling of ideas or the involvement of various countries, stores, and professions. At every stage, dialogue with the stakeholders enables Carrefour to build action programs cooperatively.

In this sense, Carrefour's CSR methodology is organised using a circular approach, which is broken down into different stages in order to create a circle of improvement. This CSR methodology, consolidated in 2015 with the support of the countries that helped to develop it, facilitates the implementation of CSR into Company mechanisms and, in terms of management, fosters a view of commitments and results, closer to reality and practical constraints.



2.1.3.1 Building the strategy

ISO 26000 analysis and materiality study

Carrefour's CSR methodology is a process aimed at the continuous improvement of Carrefour's performance. It is based on an initial ISO 26000 analysis (an international standard defining Corporate Social Responsibility – CSR) conducted in 2012 and 2013. The initial objective was to move from a focus on commitments in social and environmental fields to an approach based on the construction of a Carrefour strategy on material challenges among 450 identified issues. A selection of challenges and three priority areas were established following this analysis: combatting waste, protecting biodiversity and providing support for our partners.

In order to evaluate and update this approach, a third-party expert was entrusted with conducting a materiality study in 2014. The challenges were first defined on a documentary basis (Group publications, industry benchmarks, analysis of media coverage and reference system issues, etc.). Experts, including ten external stakeholders and five internal stakeholders, then prioritised them during individual meetings.

Lastly, they were classed according to four different levels, based on their impact on the Group's activity and their importance for stakeholders. In all, fifteen challenges were identified as being material for Carrefour, including employee health and life balance, labelling, food waste, product traceability and reliability, and the evaluation of suppliers in terms of human rights issues and the development of lasting relationships with them.

The materiality study concluded that the areas already identified by Carrefour corresponded to the priority issues of the materiality study, which helped strengthen the approach. Nevertheless, several topics were identified as needing better communication or more action plans, such as improving energy efficiency in the field of transport, employee health and life balance, providing clear and reliable package labelling for consumers, improving the nutritional quality of products and the referencing of responsible textile products. A new materiality study will be conducted in 2016, with a focus on continuous improvement in an effort to reinforce this process.

Dialogue with our partners and stakeholder relations

In order to regularly revise its CSR strategy and add new commitments, Carrefour has been engaged in a dialogue with its stakeholders for a number of years and set up joint action plans with them:

- Carrefour works with various associations, such as WWF and the International Federation for Human Rights *(detailed in section 2.3.4.3 of this chapter)*, on the action plans linked to its strategy. Carrefour has been involved with WWF France since 1998 to reduce its environmental impact related in particular to the use of natural resources in consumer products. Two areas for improvement have been given priority: the development of responsible supplier lines and sustainability standards for targeted raw materials (wood and paper, fish products, soy and palm oil) and the promotion of responsible consumption and sustainable lifestyles among its customers and employees. Carrefour also supports WWF France in its actions aimed at protecting oceans and coastlines, forests and overseas forests, as well as the TRAFFIC project aimed at combatting illegal international wildlife trade. To learn more, consult the website: *www.wwf.fr*
- The agreement signed by Carrefour with the Union Network International *(detailed in section 2.3.1 of this chapter)* is the basis for social dialogue within the Group. It commits the Group to promoting union rights and the right to collective bargaining in each of the countries in which it operates. This commitment is manifested through a European body dedicated to social dialogue: the European Consultation and Information Committee (ECIC), and in regular social dialogue at both Group and local level. As a forum for discussion and consultation, the ECIC provides an opportunity for Carrefour's social partners to talk to General Management on a wide range of topics, including CSR. The annual ECIC plenary meeting provides a platform for the discussion of all the Group's activities, including human resources and CSR. A CSR committee within the European consultation and information committee holds meetings three times a year, and employee representatives participate in the development of action plans and are consulted on innovations. During the ECIC's last annual meeting on September 30, 2015, Carrefour presented its climate strategy and various advances in the fight against food waste;
- Several times a year, Carrefour organise Stakeholders meetings on specific topics, with the attendance of some 40 people on Carrefour premises. These panels are made up of representatives from the Group's different business segments, experts (from NGOs, administrative agencies and international organisations), customers, investors, and sometimes students. The objective of the consultation and the evaluation of the Carrefour's CSR methodology is to learn about the different positions and points of view, lay out functional recommendations and report on the progress of the various choices made by Carrefour. In all, 14 of these meetings have been held over the past three years.

  In 2015, Carrefour organised five stakeholder meetings on the following topics: sustainable fishing, palm oil, packaging, canned tuna and bananas. For instance, during the stakeholders committee meeting dedicated to the topic of bananas (the second most consumed product in the world after the apple), several challenges were identified: the impact of banana production on the environment, issues tied to the existence of only one variety on the market, the social conditions of production and the consequences of climate change. Different proposals were made during this panel, and they will be put into an action plan that will be implemented starting in 2016;
- Carrefour interacts with the financial community by responding to the requests made at specific meetings (20 requests in 2015 *versus* 18 in 2014). The main requests from investors in 2015 were about agroecology, climate change targets, governance and working conditions in the supply chain. Since 2013 Carrefour has participated in an investors road show organised by the bank *Société Générale* (CDP and RobecoSAM results *detailed in section 2.1.3.2 of this chapter*).

Governance, safety, and risk management

Carrefour group relies on the adoption and promotion of fundamental international principles for governance:

- the Universal Declaration of Human Rights;
- the main Conventions of the International Labour Organisation (ILO) with regard to fundamental rights;
- the guiding principles of the OECD;
- the principles of the Global Compact, of which the Group has been a member since 2001;
- the principles of Transparency International (France) since 2009;
- the work of the *Business in Society* Commission in the French section of the International Chamber of Commerce (ICC France).

The Code of conduct and Supplier Charter are the two main foundations guaranteeing the Group's good governance and integrity. The Carrefour Code of professional conduct is written in the form of ten principles, applicable to all employees and deployed through an e-learning format. In 2014 and 2015, Carrefour worked to develop a new Code of professional conduct, based on the Group's policies, which will be disseminated in 2016. Furthermore, the Supplier Charter is included in commercial contracts with Carrefour product suppliers, and contains the social and ethical prerequisites of the Group relative to its suppliers *(detailed in section 2.3.4.2 of this chapter)*.

Since 2010, Carrefour has had a Group Ethics Committee, chaired by the Group General Secretary, and Country Ethics Committees in each country of operation, whose role is to oversee and assess the application of the principles set out in the Carrefour Code of professional conduct. The Country ethics committees rely on professional misconduct/malpractice alert systems set up in accordance with local regulations. These systems operate to inform the Country ethics committee of any behaviour or situation that runs counter to Carrefour's ethical principles.

The first meeting of the CSR Committee of the Supervisory Board was held on November 25, 2015, under the chairmanship of Amaury de Sèze (Independant Director), with Diane Labruyère-Cuilleret (Independant Director) and Patricia Lemoine (Director) in attendance. The CSR Committee meets twice a year. This year, Group CSR methodology was reviewed, based on the ISO 26000 analysis, the materiality test, dialogue with stakeholders and the measurement of internal and external performance. In 2015, the CSR Committee concluded that risk analysis will be more accurately incorporated into the CSR methodology, and that, in the future, Carrefour will offer to organise a dialogue with the financial community.

Risk assessment provides input when developing and updating the CSR approach. Within the Carrefour group, the mechanism for identifying and addressing risk factors has multiple levels and includes CSR-related risks *(detailed in section 3.5 of the chapter 3 Corporate Governance of the present Registration Document)*.

In 2014, the mapping of 23 main risks per country of operation was the subject of an annual review by the countries that assess the criticality of each risk factor in their environment and identify unwanted events along with action plans already in place or to be put in place. In 2015, risk analysis was reinforced in the Group's supply chain. The objective is to thoroughly take into account the social and environmental risks in the supply structure (effect and adaption to climate change, respect for human rights, urbanisation phenomena, fall of biodiversity, etc.).

2.1.3.2 Implementing actions and innovating

The deployment of the CSR strategy is managed by the Chairman and Chief Executive Officer of Carrefour, through the intermediary of the senior management from the different countries and business lines. This dual approach aims to encourage innovation and create the paradigm shifts required to implement CSR strategy.

Involvement of countries

Senior management from the countries of operation is consulted during managerial meetings. Two internal booklets present full CSR results for 2015 and set out CSR objectives for 2016, per country and are distributed to the executive directors of the different countries. They compile the results and main objectives with respect to the three focal points of CSR strategy and present trends reflected by the main performance indicators. To coordinate and manage all aspects of CSR policy, each country executive Director has appointed a CSR correspondent and oversees the implementation of projects.

Involvement of the stores

Since 2015, Carrefour has placed at the entrance of certain pilot stores a display of the store's environmental and social results and the director's commitments. The objective is to involve the stores and their customers in the projects and the store's performance: number of interns, energy consumption, names of partner food associations, number of local and Carrefour Quality Lines products, amount of organic products, etc.

Business line involvement

Each business line is gathered in a working group in which the actors from each country exchange information. CSR follows this same information stream to call on operational teams and encourage them to propose innovative projects that meet the CSR strategy in its three areas.

For certain activities, such as imported non-food product purchasing or fish product purchasing, Carrefour disseminates the purchasing rules and organises the inspection of their application.

2.1.3.3 Evaluating CSR performance

In application of Article 225 of Grenelle II, the CSR report has been included in chapter 2 of the present reference document since 2013. The indicators and data published therein are subjected to an audit and verification by one of our Statutory Auditors (Mazars in 2015).

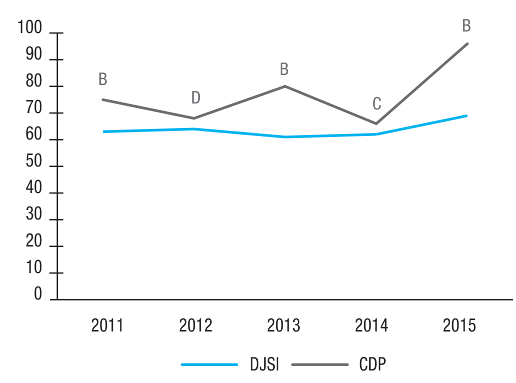
Internal indicators

Since 2006, Carrefour's non-financial indicators have been calculated from data measured in the countries of operation. Since 2014, non-financial data are reported *via* the same reporting tool used for financial consolidation. Carrefour is currently working on indicators that will allow it to more effectively measure material issues linked with dashboard objectives. The methodology and report of the independent third party organisation are published in the reference document (*detailed in section 2.4.4 of this chapter)*. The work performed in 2015 received an unqualified opinion.

External evaluations

In 2015 Carrefour responded to eight NGO and consumer associations questionnaires and eleven investors and rating agency questionnaires (RobecoSAM – DJSI, Carbon Disclosure Project (CDP), CDP Water, CDP Forest, Sustainalytics and Oekom). With a focus on transparency, and in connection with its commitments, this year Carrefour published the results obtained from the Carbon Disclosure Project and RobecoSAM, and moved up in the 2015 Carbon Disclosure Project ranking: its rating moved up from 66 C in 2014 to 96 B in 2015. Likewise for the DJSI RobecoSAM, which moved up by 7 points, from 62 to 69 between 2014 and 2015. The progress in these rankings is due in part to Carrefour's willingness to make greater efforts in transparency and exhaustiveness in its responses to these kinds of questionnaires. Carrefour's overall response to the CDP is available at the following website: *www.cdp.net*.

EVOLUTION OF CARREFOUR DJSI AND CDP RANKING



2.1.3.4 Reviewing the methodology to improve it

Created for more than 10 years, the Group's CSR department ensures the implementation of the CSR methodology and its functioning so that it contributes to Carrefour's objectives in all countries of operation. The CSR department relies on the country-based departments, all of which have all named an internal correspondent responsible for liaising with the different business functions in the local teams. Field reporting makes it possible to update and, if need be, revise CSR methodology.

2.1.4 Carrefour's societal impact

The data below provide a financial summary of the benefits of Carrefour's financial results for stakeholders in 2015.

Distribution of added value among stakeholders

REVENUES (INFLOW)

Customers	Partners	Financial revenue
Carrefour's sales excluding VAT reached **€76,945 million** (excluding loyalty schemes – **€552 million**).	**€2,464 million** Carrefour's additional miscellaneous income: income from financial companies, leasing revenues and other income.	Carrefour earned **€51 million** from its financial and strategic investments in the form of interest and dividends.

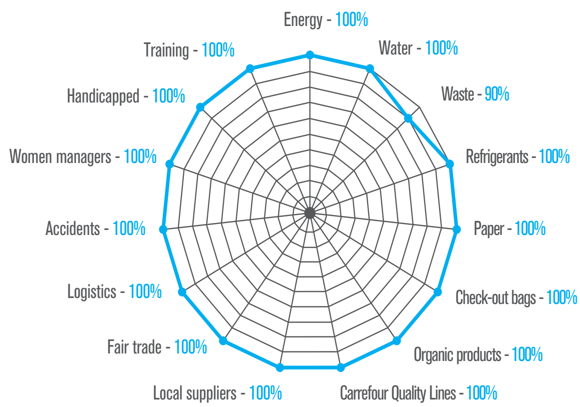
EXPENSES (OUTFLOW)

Suppliers	Employees	State and local authorities	Financial institutions	Shareholders
Carrefour spent **€66,095 million** on goods and services from its suppliers.	The Carrefour group booked for 2015 nearly **€8,209 million** for gross salaries, social security charges and benefits to its 380,920 employees in 10 countries.	Carrefour paid a total of **€1,261 million** in taxes, including **€663 million** in corporate income tax.	Charges – mainly linked to financial transactions – were **€567 million**.	The Carrefour group paid: • **€390 million** in dividends to parent company shareholders; • **€98 million** to minority shareholders in other Group companies.

2.2 Carrefour's CSR performance

2.2.1 Summary of process and reporting scope

SCOPE OF COVERAGE OF THE 2015 REPORTING (IN CONSOLIDATED SALES - EXCL. VAT)



The Group makes every effort to be as thorough as possible regarding the scope of non-financial indicators, as these allow the Group's performance to be monitored and to see if targets have been met. The CSR reporting covers the deployment of the CSR approach in all 10 countries, in which Carrefour does business (France, Italy, Spain, Belgium, Poland, Romania, Brazil Argentina, China and Taiwan). Franchises are not included in non-financial reporting.

The subjects of the indicators listed in the graph above make up on average 99.4% of the Group's consolidated turnover (exc. VAT) – with 100% coverage for a large majority of indicators.

Product, stores and logistics indicators apply to all of the Group's Business Units. They are calculated year-to-year from October to September. Human resources indicators are calculated per calendar year. The scope and process of reporting are detailed in section 2.4.3 of this chapter.

2.2.2 Dashboard of Carrefour's commitments, objectives and key indicators

In order to measure CSR performance and orientate its activities in this area, Carrefour has been carrying out non-financial reporting since 2006, based on its sector of activity and the most significant international and national reference points in this sector. Consisting of a series of indicators monitored on an annual basis, Carrefour's non-financial reporting covers the three priority areas of focus outlined in the ISO 26000 approach and materiality study *(detailed in section 2.1.3.1 of this chapter)*. At the same time, Carrefour also wishes to innovate by working on performance indicators that are specific to certain material issues relating to its sector of activity, and in line with the various CSR commitments that have been made.

Among these indicators, Carrefour has identified Key Performance Indicators (KPIs) with a view to measuring the progress made and driving its CSR methodology accordingly.

In 2015, certain Key Performance Indicators were specifically reviewed so as to further align them with their targets and more closely reflect progress made on the related action plans. Now placed at the heart of this chapter, they include all this climate-related targets set in 2015, but also commitments made on other CSR subjects. For the moment, some of them are not accompanied by key indicators, due to the qualitative nature of the related projects. In-depth work will be conducted by Carrefour over the coming years with a view to developing better traceability for its non-financial metrics on priority issues, and to publishing the relevant KPIs and materials related to these commitments.

COMBATTING WASTE						
Commitments	Targets	Key Indicators	**2015**	2014	Progress	Find out more
Combat food waste	Reduce our food waste by 50% by 2025, *vs.* 2016	*Key indicator under definition*	-	-	Challenge	§ 2.3.2.1
Recover our waste	Recover 100% of our waste	% of waste recovered	66.6 ↗	64.7	Action plan in progress	§ 2.3.2.2
Combat climate change	Reduce our CO_2 emissions by 40% by 2025, and by 70% by 2050, *vs.* 2010	% of variation of CO_2 emissions *vs.* 2010	(29.7) ↗	(28.5)	Action plan in progress	§ 2.3.2.3
	Reduce our energy consumption by 30% by 2025, *vs.* 2010	% of variation in energy consumption per m^2 of sales area *vs.* 2010	(12.0) ↗	(11.2)	Action plan in progress	
	Reduce our CO_2 emissions linked to refrigerant fluids by 40% by 2025, *vs.* 2010	% of variation in CO_2 emissions linked to refrigerant fluids by 2025, *vs.* 2010	(21.2) ↗	(20.2)	Action plan in progress	
	Reduce our CO_2 emissions linked to transport by 30% by the year 2025, *vs.* 2010	% of variation in CO_2 emissions linked to transport, *vs.* 2010	(14.3) ↘	(15.1)	Action plan in progress	
	Increase the share of renewable energies	*Key indicator under definition*	-	-	Challenge	
	Set an internal carbon price	*Key indicator under definition*	-	-	Challenge	
Reduce the impact related to packaging	Work with suppliers to optimise/reduce the impacts related to packaging	*Key indicator under definition*	-	-	Challenge	§ 2.3.2.5

Legends: *Action plan in progress* *Challenge*

PROTECTING BIODIVERSITY

Commitments	Targets	Key Indicators	**2015**	2014	Progress	Find out more
Develop agroecology, organic products and fair trade	Foster direct relations with producers, to increase the number of agroecology supply lines	Number of Carrefour Quality Lines *(number of partnerships)*	438	414		§ 2.3.3.1
	Promote organic agriculture	Sales of organic products *(in millions of euros)*	840.1 ↗	703.3		
Encourage the sustainable consumption of sea resources	Increase sales of seafood products labelled MSC and ASC + CQL seafood products	Sales of products labeled MSC and ASC + CQL seafood products *(in millions of euros)*	184.6	ND		§ 2.3.3.2
Encourage procurement of deforestation-free products (beef, paper, palm oil, wood and soybean)	Work with all suppliers to encourage the sustainable beef supply in Brazil	*Key indicator under definition*	-	-		§ 2.3.3.3
	Ensure that 100% of palm oil used in Carrefour products by 2015 is sourced from suppliers supported by the RSPO	% of palm oil originating from suppliers supported by the RSPO	100 ↗	73		
	Conduct tests of additional palm oil criteria on 50 products by 2015	Number of products tested	50	ND		
	Use 100% certified and/or recycled paper in catalogues	% of certified/recycled paper in catalogues	99.6 ↗	99.3		
	Increase sales of PEFC and FSC products	Sales of Carrefour PEFC and FSC products *(in millions of euros)*	152.3	ND		
Develop apiculture and local biodiversity	Encourage Carrefour countries to develop apiculture	*Key indicator under definition*	-	-		§ 2.3.3.5

Legends: *Target achieved* *Action plan in progress* *Challenge*

SUPPORTING OUR PARTNERS

Commitments	Targets	Key Indicators	**2015**	2014	Progress	Find out more
Act as a responsible employer	Develop employees' skills	Average number of training hours per employee in the Group	13.6 ↘	14.9		§ 2.3.1
	Encourage diversity and equal opportunity	% of women in management roles	38.3 ↗	37.5		
Listen to our customers	Include CSR in the customer barometer linked to Carrefour's brand image	*Key indicator under definition*	-	-		§ 2.3.4.1
Improve the communication of our results/actions to the non-financial community	Improve Carrefour's position in the rating agency rankings	Score – RobecoSAM	69 ↗	62		§ 2.1.3.3
Promote CSR in the supply chain and prioritizing local suppliers	Promote CSR to suppliers	% of suppliers fully participating in CSR self-assessment	69	NA		§2.3.4.2
	Promote local suppliers	% of sales of Carrefour-brand food products directly sourced from local suppliers	71.1 ↘	73.1		
Ensure that Carrefour's suppliers respect human rights	Complete 100% of the Carrefour action plan	*Key indicator under definition*	-	-		§ 2.3.4.3
Be a socially responsible retailer	Food as a way to combat exclusion	Number of meal-equivalents donated to food aid associations	100.5 M ↗	88.0 M		§ 2.3.4.4

The scope of indicators is detailed in the dedicated chapter of each topic.

Legends: *Action plan in progress* *Challenge*

2.3 Action programs

2.3.1 Carrefour's Human Resources policy

2.3.1.1 Promoting employment

Over 380,000 employees serving customers around the world

The breakdown of the workforce geographically and by store format reflects the multilocal and multiformat retail model that the Group develops in countries where it is present. At year-end 2015, Carrefour had 380,920 employees in 10 countries. On a like-for-like basis, the workforce remained stable between 2014 and 2015.

Workforce by geographic region	2015	2014	% change between 2014 and 2015
Europe	214,660	212,405	1.1%
Latin America	98,383	96,863	1.6%
Asia	67,877	71,959	(5.7)%
TOTAL GROUP	**380,920**	**381 ,227**	**(0.1)%**

A significant majority of Carrefour employees work in stores, and particularly in hypermarkets (70.6% in 2015).

Workforce by store format	2015	2014
Hypermarkets	70.6%	71.1%
Supermarkets	16.0%	16.0%
Other	13.4%	12.9%
TOTAL	**100%**	**100%**

The split of employees by category reflects the Group's focus on customer service: 88.7% of its employees were involved in this area in 2015. It also highlights the role Carrefour plays in society through its capacity to employ many staff with various levels of qualification.

Workforce by category	2015	2014
Senior directors	0.1%	0.1%
Directors	0.6%	0.6%
Managers	10.6%	10.5%
Employees	88.7%	88.8%

Carrefour has always given priority to local employment, and its staff is recruited from nearby its stores. In November 2015, Carrefour in France was presented with an "Employment Trophy" by the Rhône-Alpes region. The award was in recognition of its socially-aware recruitment policy and its historic partnership with Pôle Emploi *(detailed in section 2.3.1.4 of this chapter)*.

Number of new hires	2015	2014[1]	% change between 2014 and 2015
Permanent contracts	91,484	99,511	(8.1)%
Fixed-term contracts	80,001	79,464	0.7%

(1) Excluding Erteco France.

Hirings decreased slightly from 2014, reflecting the lower number of departures (detailed in the table below).

Note that when employees leave the Company due to restructuring, there is a lengthy process of social dialogue and a set of measures in place to help redeploy these employees or support them in finding a job in or out of the Company.

Departures by reason	2015	2014[1]	% change between 2014 and 2015
Redundancy	22,059	19,063	15.7%
Resignation	47,819	54,110	(11.6)%
End of trial period	18,340	23,500	(22.0)%
TOTAL	**88,218**	**96,673**	**(8.7)%**

(1) Excluding Erteco France.

A flexible organisation that respects employees

The majority of Carrefour staff are on permanent contracts, which are seen as a source of stability by employees.

Average workforce by type of contract	2015	2014
Permanent contracts	92.3%	92.2%
Fixed-term contracts	7.7%	7.8%

Carrefour is committed to implementing organisational models that ensure consistent quality of service while taking into account employee expectations and complying with local regulations. Part-time work and fixed-term contracts address the need to tailor store activities to customer flow.

Several initiatives have been developed to increase the base hours worked by part-time employees who wish this and/or to provide flexibility in their personal organisation: reducing part-time work through job versatility, increasing work schedule pooling and experimenting with remote working.

- **Part-time and job versatility:** the proportion of the workforce on part-time has remained stable

	2015	2014
% of part-time employees	22.9%	23.2%

Carrefour has developed a job versatility option in its hypermarkets, initially in France and then progressively in Belgium. It offers employees who are interested the opportunity to do some of their work in a different department within the store or to do a different job. It also enables them to increase their working hours and remuneration, to diversify their workplace experience and to find out about new business lines. In France, 1,258 hypermarket staff are taking advantage of this option, 90% of them women. The percentage of the workforce participating in job versatility has increased by 3% over 2014.

- **Increasing work schedule pooling:** Introduced in France in 1999 and managed *via* a computerised tool, work schedule pooling – currently used in hypermarkets in France – allows check-out assistants to plan their working time to suit their personal requirements and at the same time meeting the needs due to the store's level of activity. This type of work organisation therefore fosters the work-life balance;
- **Remote working:** Remote working is designed to enable employees to work flexibly while helping them to be more efficient. Working from home for some of the time can be especially useful in certain functions, in particular because it avoids employees having to commute to their usual workplace. Various pilot projects have been run within the Group to study this option, which has been offered to all employees at the Belgian and Italian headquarters. A remote working agreement was also signed in 2015 by the Carrefour Marchandises entity in France defining the conditions for, and methods of undertaking, remote working.

2.3.1.2 Develop employees' skills

Commitment	Targets	Key indicator	2015	2014[1]	Action plan progress
Act as a responsible employer	Develop employees' skills	Average number of hours of training per Group employee	13.6	14.9	Action plan in progress

(1) Excluding Erteco France.

Legend: Action plan in progress

Carrefour believes that there are no satisfied customers without engaged, motivated employees. An employee's motivation depends particularly on their development their career path or training – and on the balance between what they contribute and what they receive in return.

Encouraging the spread of best practices

The Eight Human Resources Fundamentals give store Directors and their managers the tools to improve in their day-to-day management functions: recruitment, integration, objective-setting, remuneration and employee benefits, employee recognition, communications, training and career management.

Comparing practices and results – within stores, between stores, between regions and with competitors – stimulates new ideas and helps employees to use their initiative, whatever their position in the Group. An analysis of the results of surveys undertaken at the end of 2014 among managers and ambassadors has helped to identify areas where genuine improvements have been made by management and other points that still require effort. In order to supplement this overview, interviews were carried out with 20 employees per country.

HR Fundamentals "ambassadors" from various countries (HR and operational) met together in France in early 2015 for two days of sharing and discussion on the topic of best practices in their stores, regions and countries. This also provided an opportunity for the emergence of new ideas to meet operational and business requirements (for instance the development of an international graduate programme and the implementation of a collaborative website).

Training employees to meet customer expectations

Appropriate training is offered for each of the 120 business lines represented at Carrefour in order to ensure excellence in the basics. Each country and entity implements a training plan to meet its particular needs, especially training in business lines. Every country provides training to foster a customer-oriented culture. The approach involves developing a detailed understanding of what customers expect in stores. Some countries developed exemplary action plans in 2015:

- **The "Customer centricity" programme developed by the Group and deployed in Belgium, in Italy and in Poland:** store employees define attitudes by business line (social skills) through workshops organised by department (consumer goods, checkouts, customer service desk, etc.). In Belgium, 75 employees took part in the programme in 2015;
- **The launch of "100% customer-focused" training in French hypermarkets:** Carrefour has declared its ambition to become the benchmark for customer relations in mass retailing. To achieve this, the hypermarkets are introducing a "100% customer-focused" orientation and are providing training in these concepts for all their employees. Market supermarkets are also continuing to raise awareness among their employees of "the Market Mindset" (launched at the end of 2013);
- **The Customer buying experience, path & concepts in Taiwan:** by introducing an action plan specifically targeting children and seniors and developing new services, Taiwan recorded an 8% drop in customer complaints between 2014 and 2015.

Increasing professionalism in the fresh produce segment

Being recognised as professional in the fresh produce segment is a priority for the Group. With this in mind, a number of countries undertook specific initiatives in 2015:

- in 2014, Carrefour France launched vocational qualification certificates (*certificats de qualification professionnelle* – CQP) in butchery, providing employees receiving these certificates with genuine professional recognition. 67 CQPs in butchery were awarded following a training programme of over 250 hours (hypermarket and supermarket). 361 fresh produce (butchery and bakery) apprentices were recruited in 2015 and were trained in Apprentice training centres (*centre de formation des apprentis* – CFA) in the hypermarkets;
- Carrefour Poland opened a training centre for food-related business lines; this enabled employees to receive certification in butchery and baking and helped butchery and bakery department Heads to enhance their business line skills. Thirteen bakers/pastry chefs and six butchers completed the vocational training course and received a certificate/diploma confirming their vocational qualifications;
- Carrefour Brazil's training programme on the technical standards and concepts relating to perishable foodstuffs was upgraded in 2015;

- in September 2015, Carrefour China opened its first "Fresh Produce School" (*école du frais*) in the Wanli store in Shanghai, with the aim of increasing employees' professionalism and providing customers with better quality products at the best prices.

Promote digital innovation

In 2015, Carrefour focused on digital innovation. Group-level training courses were held in the USA to train executives in changes in mass retailing, specifically with respect to technological innovation. 35 executives were trained in 2015, and 80 more will receive training in early 2016. The countries also worked in this direction:

- Carrefour Spain initiated digital transformation and implemented the "digital and cross-channel store" project. To support this transformation, Carrefour Spain established the "digital" university, which brings together all the human and technical resources provided by Carrefour to prepare employees for the digital revolution. It has four internal trainers in each store. In-house training was held in 28 stores, during which 5,702 people tested the functioning of smartphone apps, and an additional online training course was organised. Nearly 83% of checkout teams were trained in the use of the *Mi Carrefour* app;
- Carrefour France launched the Digital graduate programme in 2015. Its aim is to boost the digital culture in all business lines to enable better understanding and management of the digital transformation. The first year's class consisted of 5 people. Carrefour also launched a new recruitment website, which is more modern and better suited to the expectations of young applicants. The site is centred on the user experience, and is personalised to match the profile of each applicant. For example, it offers chats with recruiters or ambassador employees who are able to tell applicants about their own business line.

Internal promotion is core to the Carrefour development model

Offering a variety of career path options and providing a springboard for social advancement

With over 120 different business lines and a presence in 10 countries, Carrefour offers some highly varied career paths and genuine opportunities for mobility. Developing a career depends on a series of different professional experiences.

The Group aims to provide professional experiences which allow all employees to show their initiative and flourish on a personal level while contributing to the Company's performance.

Moreover, by placing emphasis on internal promotion, the Group acts as a springboard for the social advancement of its employees. As an example, store employees can quickly rise to the position of department or section manager. As part of the *Women Leaders* programme, the Carrefour group has undertaken to promote the advancement of women and provide them with support to reach positions at the highest levels of responsibility *(detailed in section 2.3.1.4 of this chapter)*.

Average length of service at Group level is 8.1 years.

In total, 50.6% of new managers, 62.3% of new directors and 56.1% of new Senior directors were promoted internally in 2015.

The possibility of international career paths within the Group means that there are approximately 170 expatriates (36% in Europe, 14% in Latin America, 44% in Asia including Global sourcing and 6% in Africa with our partners).

Rate of internal promotion	2015	2014[1]
Senior director	56.1%	46.6%
Director	62.3%	64.3%
Manager	50.6%	47.2%
TOTAL	**51.1%**	**48.0%**

(1) Excluding Erteco France.

3,700 employees were promoted in France in 2015.

The signature of a new Group agreement on human resources and skills planning (*gestion prévisionnelle des emplois et des compétences* – GPEC) in 2015 and the associated Intranet site, *enviedebouger.carrefour.fr*, facilitate internal, geographic and functional mobility in France.

In order to offer everyone the same opportunities for advancement, training is provided for employees with literacy problems (based on the Evolupro programme). The course is run by Carrefour hypermarkets in France and provides store employees who so wish with the opportunity to learn or improve their French, thereby contributing to their ability to fulfil their role and increasing their employability.

1,061 people have benefited from the programme since 2008. An additional 87 people joined the September 2015 class. 974 people, 66% of them women, completed the course at the end of December 2015. The Evolupro programme was recognised in 2015 by the awarding of the LSA Trophy for Diversity and CSR (Social Diversity Management category).

Lastly, in order to increase the employability of staff, Carrefour France introduced vocational qualification certificates (*certificats de qualification professionnelle* – CQP) created by the French Trade and retail federation (*Fédération du Commerce et de la Distribution* – FCD). To date, 48 department leader CQPs (hypermarkets and supermarkets) and 57 logistics agent (supply chain) CQPs have already been awarded.

A talent policy to prepare for the Carrefour of the future

At Carrefour, the notion of talent is not the sole reserve of managers or high potential staff. It more broadly covers middle management positions and experts in all the areas necessary for the Group to serve its customers. A talented employee at Carrefour is one who has completely mastered a business line and maintains a strong customer focus.

Major work was carried out by 10 countries in 2015 to standardise processes, for example with regard both to the way career Boards operate and to defining common criteria for identifying potential. Future managers are also being identified through the inventorying of profiles and open discussions with them. The focus is on developing employees by personalising their development plans and considering their individual careers.

Training to support collective and personal efficiency

One of Carrefour's key performance indicators is the average number of hours' training received by each employee. We are seeing a significant investment in training by the various countries, at a level which remains fairly stable. China, however, experienced a decline in training levels in 2015, due to the exceptional implementation of a specific food quality and safety programme in 2014 which was not destined to be repeated in 2015. This explains the slight fall in 2015 compared with 2014.

	2015	2014[(1)]*	% vs. 2014
Average number of training hours per employee trained	13.6	14.9	(9.2)%
Total number of hours' training given over the year *(in millions)*	5.1	5.4	(6.0)%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).
(1) Excluding Erteco France.
** 2014 data has been adjusted.*

Carrefour's aim is to implement and roll out a training plan which is tailored to customer expectations and trends in the retail trade, as well as the development of its management staff.

The training plan is shared between the Group and countries or entities, and is articulated around two key areas:

- developing Carrefour employees skills in order to provide better customer service, improving business line skills in fresh produce and supporting digital development (as described in the previous section);
- encouraging employees' managerial and personal development.

Encouraging employees' managerial development

Carrefour seeks to develop managerial skills that encourage accountability and independence. The Eight Human Resources Fundamentals are designed to help store directors and their managers improve in their day-to-day management functions.

In 2015, the Group focused on training directors to develop their management skills by providing them with the tools and techniques that they need to handle the broader range of possible situations in the field. In Argentina, a mentoring programme was set up in 2015 for 35 store managers known as "progressive", 10 of them are women, to accelerate the professional promotion of women as part of the "Women Leaders" programme *(detailed in section 2.3.1.4 of this chapter)*. 19 of the Company's senior executives decided to participate by becoming programme mentors. In addition, Carrefour Poland launched the *Apetyt na Handel* programme to develop the management skills of its future store directors (six-month in-store internships with tutors, and leadership training – 11 two-day sessions).

High-level training to prepare tomorrow's directors

Since 2013, the Group has offered a selection of training seminars designed for Senior directors and directors undergoing a career shift. The wide-ranging, innovative curriculum was developed in collaboration with operational managers to ensure the relevance of each programme. It includes issues such as customer focus, business innovation and leadership. In 2015, the Carrefour University provided 12 training programmes for over 300 participants.

The regular identification of potential successors for existing executives who are ready immediately, in the short- and/or medium-term, is vital for key positions (mainly Executive Committee members, function heads, specialist business lines). Depending on the requirements and to help new incumbents to settle more easily into their new roles, personalised individual development plans are used to improve employees' skills. This is achieved for example through Carrefour University programmes, external training courses and coaching sessions.

Recognising contributions with fair rewards

Every employee participates in the life and growth of the Company. Carrefour wishes to reward each one for their contribution, fairly and objectively: remuneration is linked to the employee's level of responsibility and performance, and is assessed on the basis of objectives. In accordance with its Carrefour's values and its global agreement on respecting basic labour rights, Carrefour complies with local regulations and the social standards in each country in which it is conducting its integrated activities.

In addition to monetary compensation, Carrefour also offers attractive employee benefits.

Ensuring employees are committed to their responsibilities and goals

For employees to be truly committed, responsibilities must be clear and specific and targets must be perfectly understood. These are set annually in accordance with each employee's scope of responsibility; they must be clear, target the relevant priorities and be communicated early in the year.

Carrefour encourages managers to provide regular feedback to their employees throughout the year. The main assessment tool is the annual performance appraisal. The appraisal is an opportunity for employees and their manager to discuss the performance over the year, how they would like their career to develop, and their training needs.

Remunerating employees fairly

In every country, the annual remuneration review is designed to ensure the consistency and fairness of internal remuneration levels: proposals for changes are analysed by each entity to ensure that they are consistent with the responsibilities and performance of each employee, and that they are based on a principle of fairness.

In every country, the level of employee remuneration is analysed in comparison with both the general market and the retail market through surveys carried out by specialist firms.

Recognising individuals' contributions through variable pay

All the Group's managers are eligible for variable annual remuneration, the amount of which varies in line with the economic results of their entity and their individual performance in relation to the objectives set initially, and then assessed by their line manager in relation to the level and manner in which they have been achieved.

Over 57% of the Group's employees are today eligible for results-based incentive schemes in addition to their basic salary and, if applicable, their annual variable remuneration. In some countries, these plans are specific to store directors and their management teams.

Offering benefits for employees and their families

Carrefour is a responsible employer that offers benefit schemes to all employees in the countries in which it operates. The types of benefit are adapted to respect local practices and obligations and to meet the needs of employees and their families.

In Brazil, the aim of the CarrefourPrev pension plan is to supplement the legal regimes applicable in the event of retirement, disability or death. CarrefourPrev supplements payments even for lower-paid employees. Membership in the plan is optional; in 2015, 78% of those eligible chose to participate in the programme.

In France, Carrefour renewed its profit-sharing agreement in 2013 for a period of three years. Carrefour encourages employee savings in company mutual Funds by offering a Group savings plan (PEG) and a Group collective retirement savings plan (PERCO). There are six dedicated funds, one of which is an employee stock ownership Plan: Carrefour Actions. At December 31, 2015, Carrefour employees held 1% of the Company's share capital through the Group savings plan. Since July 2014, Carrefour's employee savings plan has also offered staff a second, socially responsible Fund: Carrefour Prudence Solidaire, where they can put their money to work while helping others.

2.3.1.3 Creating an environment that helps employees to achieve fulfilment

Carrefour wishes to provide all its staff with the opportunity to be fulfilled in their work. To achieve this objective, the Group is careful to create the most favourable conditions by encouraging social dialogue, listening to staff and providing a high-quality working environment.

Strong, regular social dialogue encouraged by high-quality social relationships

A culture of social dialogue at Group level

The Carrefour group has long been committed to consultation through high-quality internal and external social dialogue in support of individual and collective development.

The agreement signed in 2001 with the UNI (Union network international, now the UNI Global union) reflected Carrefour's desire to ensure respect for basic rights in the workplace in its various activities. In September 2015, a new, more comprehensive global agreement "to promote social dialogue and Diversity and to ensure the protection of fundamental rights in the workplace" was signed on behalf of Carrefour by Mr. Georges Plassat, CEO, and by Mr. Philip Jennings, Secretary General of the UNI Global Union, in the presence of Mr. Guy Ryder, General Director of the ILO. The purpose of this agreement is to continue the Group's historic culture of social dialogue and promote its practices with regard to respecting fundamental rights in the workplace. The fight against discrimination and the promotion of diversity – particularly through respect for gender equality in the workplace and the welcome of people with disabilities – represent a major part of this agreement. The joint declaration on gender equality signed by Carrefour and its European works council in 2012 is appended to the agreement.

Carrefour and UNI Global Union – stronger long-term cooperation

"UNI and Carrefour signed their first partnership in 2001. Since then, a number of projects have been developed at international level and have helped to strengthen Carrefour's position as a leader in social dialogue. The new agreement, signed on September 30, 2015, shows the ability of Carrefour and UNI to work together in applying standards relating to rights in the workplace based on human rights conventions, OECD guidelines for multinational corporations and UN principles. This agreement has enabled Carrefour and UNI to lay the basis for promoting responsible trade through the Company's activities, including its supply chain and franchised stores."

Philip Jennings –UNI Global Union General Secretary

UNI Global Union represents 20 million service sector workers across the world. Through its 900 affiliated trade unions, UNI represents workers in 150 countries in all regions of the world, in maintenance and safety services, commerce, finance, gaming, the graphics and packaging sector, hair styling and aesthetics, media, entertainment and the arts, post and logistics, social security, sport, temporary employment agencies and tourism.

In 1996, Carrefour established one of the first European works councils, the European Consultation and Information Committee (ECIC), by way of an agreement signed with the FIET (now part of UNI). An additional clause signed in 2011 helped to strengthen its functioning and give it a new impetus by enhancing its communication methods and the frequency of meetings and range of venues.

Also, an information/training seminar has been held every year since 2012 on a theme initially defined by the members of its Management Committee. In 2015, this seminar focused on social security in Europe. By supplementing their knowledge and skills relating to European affairs every year, committee members can then participate more effectively in different meetings and have a better understanding of their role and place in the social dialogue at Carrefour.

The different meetings of the ECIC are real forums for information and interaction. In order to increase their relevance and quality still further, many themes relating to business, the economic and competitive climate, the social situation, organisational changes, etc., are addressed by speakers who are known for their expertise. Initiatives and action relating to diversity and best social practices are also communicated and developed, and systematically included in the agenda. Meetings dealing specifically with CSR or new technologies are organised for the Management Committee.

Every year, Carrefour representatives are invited to meet with trade unions in the countries where the Group operates during Carrefour Global Alliance meetings organised by UNI Global Union.

Lastly, Carrefour plays an active role in European sector social dialogue meetings within the European trade structure, Eurocommerce, in association with trade union delegations from UNI Global Union.

Improving and developing the social dialogue initiative in the countries

The quality of Carrefour's social dialogue extends beyond simple legal and regulatory requirements and is implemented in all Group countries and entities. Discussions and consultations with employee or trade union representatives can be organised and coordinated at local, national or transnational level, depending on locally-identified needs. These are suggested and organised by local management, the Group or UNI Global Union, and help to maintain or improve a high level of social dialogue in countries where the Group is present.

Respect for trade union rights and strong, constructive social dialogue expressed in frequent negotiations and joint agreements mean that staff representatives are present in almost all Group activities.

MAIN COLLECTIVE AGREEMENTS

Group	International agreement to promote social dialogue, Diversity and respect for fundamental Rights
France	Human resources and skills planning agreement (GPEC) Method Agreement and Framework Agreement on support for restructuring Additional clause to the profit-sharing agreement Additional clause to the Savings Plan Additional clause to the Collective Retirement Savings Plan
Hypermarkets France	End-of-service packages for employees Additional clause to the incentive agreement
Supermarkets France	Additional clause to the agreement on gender equality in the workplace Agreement on donating holiday leave
Supply Chain France	Agreement on gender equality in the workplace Profit-sharing agreement
Other entites France	Profit-sharing agreement – Carrefour Property Gender equality agreement – Carrefour Customer Service, Carrefour Voyage, Interdis, Ooshop Mission handicap agreement – Maison Johanès Boubée Fixed-term collective profit-sharing agreement – Promocash Collective profit-sharing agreement – Carrefour Convenience
Belgium	Agreement on benefits linked to results Agreement on the unemployment benefit scheme supplemented by the Company (over 58 years of age)
Poland	National agreement on the remuneration policy for 2015
China	24 local agreements including nine relating to salaries and three to the protection of female employees

In this spirit of promoting social dialogue, the Polish trade union Solidarnosc presented an award to the Carrefour Poland management at the beginning of June 2015 for its proactive efforts and initiatives to promote dialogue and recognition with its organisation, and for the quality of their relationship.

Support for company restructurings

Carrefour also aims to provide support for restructurings through social dialogue.

Carrefour's European Consultation and Information Committee is therefore notified or consulted every year about organisational developments and adaptations in the various European countries.

Depending on their practices or the regulations in force, a number of entities also support these operations during consultation phases with their social partners at meetings or in committees organised for this purpose.

In France, new Group France agreements (GPEC – job and career planning – method, framework) applicable to all France entities and aimed at setting up a methodology and resources to support restructuring were negotiated, signed and implemented in the first half of 2015. By anticipating the social consequences of implementing these projects, the GPEC agreement will make it easier to find solutions for reclassifying the employees concerned and ensuring their long-term employability. The "method" agreement will make it possible to organise information and hold consultations with social partners before any implementation. The "framework" agreement will provide a minimum base for compensatory guarantees and social support for mobility through employment protection plans. These agreements will also provide for phases of social dialogue between social partners through the implementation of what will be known as the Employment and GPEC Committee, the role of which is to ensure their correct application and, if necessary, suggest new or additional solutions.

Mobility and Skills Spaces will also assist the employees concerned in determining and achieving their career paths.

In 2015, Supply Chain France continued the transformation programme initiated in 2014 to support internal changes. Its implementation was accompanied by extensive social dialogue between the social partners. The operations were guided by measures aligned with this transformation plan along with regular updates on labour information. The objective of this transformation is to open up the selection to all store formats (and thereby create a competitive advantage) whilst bringing store warehouses closer together (reducing the number of kilometres covered and CO_2 emissions).

Listening to employees

Every entity sets up procedures for listening to employees' expectations so as to contribute to developing the Group's culture and forging employee commitment.

- In France, the internal opinion barometer relaunched in March 2014 has enabled to realize internal satisfaction surveys there. This year, the survey covered 42 supermarkets and 27 hypermarkets. The topics covered related to the perception of the Company, the store's sales performance, management, internal communications, satisfaction with regard to training, the social policy, and the working atmosphere and conditions. "Expression meetings" bring together employees by business line and level of responsibility. 20% to 30% of the workforce in the stores take part. Participants' anonymity is respected and corrective actions proposed by store management teams helps to provide a response to the expectations of the employees surveyed. According to the 2015 survey, 74.5% of employees in France would recommend Carrefour to friends looking for a job (2,804 employees participated in the survey);

- In Brazil, two surveys were carried out among Head Offices and store employees in 2015 to measure their level of commitment and their perception of the organisation. 33,931 store employees responded to the survey, a participation rate of 85%. The results were presented to the directors and action plans defined for four priority areas: strategic alignment, excellence in customer-focused tasks, management performance and recap of Carrefour's values. Initiatives were then launched in 2015 to reduce staff turnover and absenteeism, and to review the cycle for identifying talent among employees and managers.

Ensuring good working conditions

The approach starts by ensuring respect for the operational teams and listening to their needs, introducing flexible working practices and a commitment to a better work/life balance. Carrefour respects the regulations in place on the prevention of occupational illnesses in every country.

A proactive approach to health and safety

In addition to regulatory requirements, the Group ensures that all its employees understand health and safety rules; provides preventive training (in-store safety and health, including movements and working posture) and awareness campaigns; establishes procedures in the countries where it operates; and performs regular audits. To reduce the number and severity of workplace accidents, Carrefour also puts risk assessment and prevention at the heart of its health and safety management system.

The rate of absence due to workplace and travel-related accidents in 2015 was 0.56%, a slight decrease from 0.6% in 2011. Many actions have been implemented by Carrefour to prevent these types of accident and reduce their frequency (*detailed below*).

RATE OF WORK ABSENCES AND ACCIDENT FREQUENCY AND SERIOUSNESS

	2015	2014
Rate of absence due to workplace and travel-related accidents	0.56%	0.54%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).

	2015	2014
Workplace accident frequency rate *(number of accidents/millions of theoretical work hours)*	22.8	23.5
Workplace accident severity rate *(number of days absent due to workplace accident/1,000 work hours)*	0.63	0.60

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).

ABSENTEEISM RATE BY REASON

	2015	2014
Illness *(including occupational illness)*	4.43%	4.27%
Workplace accident	0.50%	0.48%
Travel accident	0.06%	0.06%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).

In 2015, Carrefour seized the opportunities provided by new digital solutions to step up its prevention activities and meet legal and regulatory requirements in France. Carrefour E-S@nté was created to help each store carry out an assessment of occupational risks for each workstation and enable them to implement and monitor annual action plans. Carrefour E-S@nté is linked to "Numérisques", the tool created in 2013 to improve health in the workplace. It helps to monitor and map all Carrefour sites in real time, showing the state of progress of risk assessment campaigns, accidents in the workplace and the implementation of prevention mechanisms. At the Préventica 2015 show in Lyon, Carrefour won an award for the Carrefour E-S@nté tool – the prize for software innovation in Health and Safety in the Workplace.

Carrefour France created a dedicated body for workplace health and safety in 2012. Several major projects have been launched, such as the prevention of psychosocial risks, the appointment of a company doctor and the prevention of workplace risks associated with the "drive-in" format. The latter resulted in the signing of two partnership agreements with the Ile-de-France health insurance fund *(Cramif)* in 2012, the first on drive-in collection points and the second on training workplace risk prevention officers for Carrefour France. In 2015, 300 people took the training course and are currently accredited level 1 officers, and 100 people received accreditation as level 2 officers. In addition to the network of safety officers, the position of manager for quality of life and health in the workplace was introduced in 2015 in the Logistics entity, Erteco, Market and Maison Johanès Boubée. Also, in 2015, the partnership with the Ile-de-France regional health insurance fund (Cramif) was strengthened with the signature of an agreement covering all of Carrefour France's logistics sites.

The agreement relates to the improvement of working conditions and the prevention of risks relating to manual handling in the Carrefour France warehouses.

As part of its *Vivir Mejor* programme, Carrefour Argentina is developing activities to prevent the risk of illness and improve physical and mental health, such as advice on nutrition and hygiene, posture exercises and anti-tobacco campaigns. Over 100 conferences were held in 2015, bringing together a total of 8,000 participants.

In Brazil, all the bakery and butchery employees were trained in the prevention of risks connected with the use of the machines. Checkout personnel were trained in ergonomics to reduce possible health problems. In order to raise awareness among all the teams, a special week was devoted to preventing workplace accidents.

Workplace ergonomics and combatting musculoskeletal disorders (MSDs)

The main occupational illnesses identified by the Carrefour group are musculoskeletal disorders. Numerous preventive actions are taken to avoid them.

In France, stores have been given ergonomic equipment designed to reduce handling operations. These equipments are based on stricter standards and recommendations than current legislation. Tables with a steady base and platforms for working at height have been specially created in supermarkets to facilitate shelf-stacking and allow employees to reach the top shelves easily. For more than three years now, Carrefour has set a 1.8 meters limit on the height of pallets leaving integrated warehouses. Today, over 99% of pallets delivered are less than 1.8 metres high.

French supermarkets and hypermarkets are equipped with high-lift pallet trucks while smaller stores have manual trucks.

Carrefour France is also designing new equipment to help with handling in conjunction with its partners such as France's National Health Insurance Fund for Employees (*la Caisse nationale d'assurance maladie des travailleurs salariés* – CNAMTS) and Cramif.

Preventing stress and psychosocial risks

Over the past 15 years, stress has emerged as a major psychosocial risk faced by companies. The Carrefour group's preventive approach here aims to assess the main risk factors and develop appropriate action plans. Numerous actions have been taken at local level at the instigation of countries and entities: stress management training, a free remote listening and psychological support system and in-store risk assessments followed by corrective action plans.

In 2015, Carrefour France introduced a new toll-free social support service to provide solutions suited to the situations of individual employees. A team of social workers provides support for employees with personal or professional difficulties (financial, change of situation such as separation, divorce, transfer, etc.). In 2015, Carrefour France continued its mission to prevent psychosocial risks in all of its entities.

Since 2004, over 35,000 people have received "SOS conflits" training, the purpose of which is to help them manage sometimes difficult customer relationships ranging from mere dissatisfaction to aggression (verbal or physical) and holdups.

Overview of health and safety agreements

The table below shows some of the main and supplementary agreements signed in 2015 with trade unions or staff representatives on workplace health and safety. The list is not exhaustive. Clauses added to previous agreements are not included.

New in 2015
An international agreement to promote social dialogue, diversity and respect for fundamental rights, including a section entitled "a safe, healthy working environment and respectable working conditions".
Health in the workplace agreement within Supermarkets France, covering the performance of hardship assessments, the addition of an undertaking on training and the establishment of the position of manager for quality of life in the workplace.
Additional clause to the Health in the Workplace Agreement of 04.07.2012 within hypermarkets France

Protecting the work/life balance

To ensure that all employees flourish in their professional activities, Carrefour is committed to promoting work/life balance. Promoting a work/life balance is one of the four focus areas of the *Women Leaders* programme (*detailed in section 2.3.1.4 in this chapter*). A number of measures benefiting both women and men have been implemented within the Group.

In 2008, Carrefour France was one of the first 30 groups in France to sign the Parenthood charter and to commit to introducing practical initiatives in this field. Since then, Carrefour has been a member of the *Observatoire de la parentalité en entreprise* (corporate parenthood monitoring group). In 2015, the Carrefour France Executive Committee signed 15 undertakings on the work-life balance; the main points are respect for the balance between private and working life, the optimisation of meetings, the proper use of emails and managers setting an example.

In January 2015, Carrefour hypermarkets France also signed an additional clause to the gender equality agreement that reinforces the provisions relating to the work-life balance (introduction of CESU vouchers to help finance childcare, family attendance leave, flexible working hours for the start of the school year, etc.). Lastly, Carrefour France moved its employees from the Head Office to the new site in Massy in 2015. 63% of the 4,000 employees working at the new site feel their working situation has improved. In the presence of the Senator-Mayor of Massy, the Chairperson of the Essonne Family Allowance Office and the Chairperson of *La Maison Bleue* (a creche provider), Carrefour inaugurated its 85-cradle creche at the new Massy headquarters on September 11, 2015.

In hypermarkets, work-schedule pooling *(detailed in section 2.3.1.1 in this chapter)* also helps ensure a better work/life balance.

Innovative actions for a better working life

Having a better working life is at the heart of current social thinking so Carrefour is implementing programmes to improve the work environment.

- In 2015, Carrefour Italy launched a *Carrefour Life* programme inspired by best practice in Carrefour Spain;
- Carrefour Argentina continued its *Vivir Mejor* programme in 2015, offering different activities each week to promote a more balanced life, nutritional advice, and sports coaching;
- Carrefour Taiwan launched a Family Day in which 1,000 people (employees and their families) took part. The Company also organises fun and sport activities; 8,563 employees and their children participated in the 2015 Store Employees' Fun Day.

2.3.1.4 Encourage diversity and equal opportunities

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Act as a responsible employer	Encourage diversity and equal opportunity	% of women in management roles	38.3%	37.5%	

Legend: *Action plan in progress*

As a multi-local, neighbourhood Group, Carrefour has always been committed to reflecting the diversity and the social mix of the areas where it operates within its team.

Very early on, Carrefour made a commitment to promote diversity and make the most of this asset (signature of Diversity Charter in 2004). Every year, it enters into new commitments to confirm its global and local approach. In 2015, for example, the Group continued to:

- reinforce the Women Leaders programme devoted to gender equality and promote women to positions of high responsibility;
- raise managers' awareness of the fight against discrimination and the need to promote diversity and equal opportunity;
- support those who have difficulty finding work.

Reinforcing the Women Leaders programme

Women account for over 57% of Carrefour's total workforce, *i.e.* more than half. On the other hand, they are not as well represented at the highest management levels (12.8% of Senior Directors are women).

WOMEN BREAKDOWN BY CATEGORY

% of women by category	2015	2014	2013
Senior directors	12.8%	11.3%	11.5%
Directors	23.7%	22.2%	21.8%
Managers	39.4%	38.6%	38.0%
Employees	60.1%	60.0%	60.4%
TOTAL GROUP	**57.6%**	**57.5%**	**57.8%**

The percentage of women in management is one of the Group's key management indicators. In 2015, 38.3% of the Group's managers were women, a figure that has risen steadily since 2011 (when it was 35.0%), which represent an increase of 8.6 %.

	2015	2014	2013	% of evolution *vs.* 2014
Percentage of women in management positions	38.3%	37.5%	36.9%	3.4%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).

The Women Leaders programme, launched in 2011, affirms Carrefour's ambition to achieve gender equality. The programme is based on four priorities:

- each country's definition of its own objectives (in line with the principle of subsidiarity, which applies across the Group);
- making women more visible by promoting their achievements;
- making gender equality a core element in recruitment and career development decisions;
- promoting a work/life balance.

In 2015, the programme was strengthened by:

- the signature of the international agreement to promote social dialogue, Diversity and respect for fundamental rights with the UNI Global Union *(detailed in section 2.3.1.3 of this chapter)*. This agreement stresses the promotion of gender equality. Appended to the agreement is a joint declaration on gender equality proposed by members of the European Committee following a training seminar devoted to the topic in 2012;
- the holding of the second Women Leaders convention in 2015, with 150 senior executives and country directors. In 2013, an initial convention on this topic was held for senior executives, which resulted in the introduction of action plans in all countries. In 2015, a second convention was held, and country executive directors attended too, with the aim of drawing up a report on action undertaken during the previous three years and giving new impetus to the programme. Each country identified new objectives and commitments for the next two years and shared them with the 150 participants in the convention;
- in 2015, Carrefour also awarded internal gender equality trophies to recognise the Company's talented women at every level in every country as well as "champion" gender equality directors and managers. The awards were presented at the convention by Monsieur Georges Plassat, the CEO of the Group.

Practical action plans in each country

Following the first Women Leaders Convention in 2013, the Group countries have identified and implemented their action plans. Mentoring programmes for dynamic female managers are in place in France (year two cohort in 2015), in Italy, in Argentina and in Poland. Several women's networks were launched in 2015: Carrefour Elles in France, with 120 female executives, the *Club di Donne* in Italy, which comprises 65 women from all levels and proposes innovative actions to the Executive Committee, and a cross-disciplinary Women in IT network launched at the convention in November 2015. Other specific initiatives have also been instituted:

- programmes to recruit young graduates in France include at least 50% women. Carrefour France has signed 15 undertakings to promote the work-life balance and has relaxed its geographic mobility rules for its executives;
- Carrefour Argentina has adopted specific measures for female managers returning from maternity leave. They now have the option of working part-time and being paid at the full-time rate;
- in Belgium, a brochure on parenthood has been issued to managers and employees. It was produced by a working group composed of members of management and trade union representatives.

An undertaking at the highest level, rolled out progressively

Carrefour's 2013 signature of the UN Women's Empowerment Principles (WEP) made it the first business in the retail and mass distribution sector to join the 600 businesses that had already signed around the world. The seven WEPs are based on a commitment to and progress towards equality between men and women. In keeping with this commitment, Carrefour has signed a partnership agreement with the UN Women National Committee in France to promote the WEPs in France and around the world. This agreement was renewed in 2015 for a period of two years. Once the undertaking had been taken at Group level, Carrefour was keen for it to be taken at country level too. So the executives directors of Carrefour Argentina, Brazil, Italy and Spain have also signed WEPs. The 200 main executives of Carrefour Belgium have signed and adopted an Equality Pact inspired by the principles of the WEPs.

In 2015, Carrefour elected to adopt the *HeForShe* campaign initiated by UN Women throughout its organisation. The campaign was launched by the Group's Management team members and the CEO, who personally showed their support. The campaign was then rolled out in Head Offices and stores in France, Taiwan, Brazil, Spain and Italy. Carrefour's European and Group Committee members also showed their support for the *HeForShe* operation.

Gender Equality International Standard certification process launched

This international certification standard recognises the involvement of a company and the quality of its initiatives aimed at gender equality in business, education and training in issues related to life balance, salary, involvement of trade unions, etc.

In 2014, four entities earned certification: Carrefour hypermarkets and Carrefour *Market* in France, Carrefour Argentina and Carrefour Romania. The Group was recognised for its global approach, and also received certification in 2014. In 2015, it was Carrefour Taiwan that was recognised and obtained certification. The Group's aim is for all Carrefour countries to be eligible for certification within the next few years.

Combatting discrimination, promoting diversity and equal opportunity

Carrefour fights against discrimination and promotes all forms of diversity. This is reaffirmed in the international agreement to promote social sialogue, diversity and respect for fundamental rights signed on September 30, 2015. Specific Group-level training courses to raise awareness among managers were launched in 2014 and continued in 2015.

- in 2015, Carrefour Brazil continued to train 200 managers in the subject of diversity, and participated in Diversity Week (with one day devoted to gender equality and supporting UN Women's *HeForShe* campaign, and the other days devoted to origin equality, people with disabilities, refugees and the Federation of lesbians, gays, bisexuals and transsexuals – LGBT). Carrefour Brazil reaffirmed its commitment to diversity by supporting the creation of the Business Initiative for Racial Equality and signing the relevant letter of commitments, and also becoming a member of the LGBT Business Forum Board;
- Carrefour *market* in France launched a huge internal and external communication campaign on equal opportunity, with operations to raise awareness among store management teams about equal opportunity, a secure pre-apprenticeship pathway in the butchery business line, disability training for store directors, raising awareness among young schoolchildren about the stereotypes linked to different types of business line, etc. All Market store directors took the diversity and equal opportunity course.

Support for those who have difficulty finding work

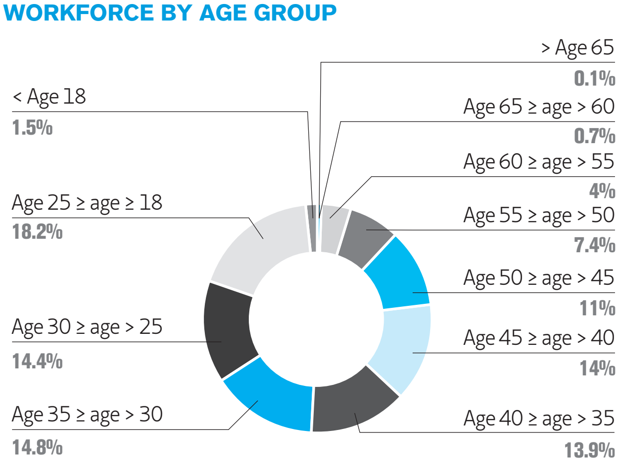
Collaboration with partners in the employment sector

- **Carrefour France** and France's **Pôle Emploi** job centre have been partners since 1992. On July 10, 2015, they renewed their national framework agreement for a further three years. This agreement makes provision for three sections: developing action focusing on digital technology; making the recruitment process simpler and more secure and supporting the return to employment and helping to secure the career paths of new recruits. Carrefour signed a partnership agreement with the *École de la deuxième chance* (second chance school) in the *département* of Seine-et-Marne (77). This school supports young people who have dropped out of school and want a second chance. Carrefour undertakes to open its doors to these young people to help them learn about its business lines. In 2015, Carrefour France also rolled out the Companies and Districts Charter *(Charte Entreprises et Quartiers)*, which was signed in 2013, across five *départements* and regions. Signed in 2014 with the French Minister for urban affairs, this agreement is aimed at promoting access to employment for people living in priority urban areas and thereby contribute to the economic and social development of these areas. Lastly, Carrefour France also signed the Corporate Charter "Committed together for the region" *(Engagés ensemble pour le territoire)* with the city of Montreuil (93) in 2015.

Action in support of employment for young people and seniors

The chart below shows that 20% of the Group's workforce are under age 25, while 12% are over age 50. The proportion of young people is therefore particularly high in the Carrefour teams.

WORKFORCE BY AGE GROUP



The Carrefour group is committed to contributing to the local development of the communities in which it operates and has always focused on recruiting local young people through work-based learning schemes and/or by providing mentoring for new recruits.

- In 2015, Carrefour France held a Youth Employment Day. Throughout France, hypermarkets and supermarkets opened their doors to young people to discuss recruitment possibilities and career paths with them, irrespective of their level of education, and to enable them to find out about the business lines in-store. Through its offer of 5,500 work-study contracts, Carrefour offers young people practical experience through training courses and support from 6,800 tutors. In 2015, Carrefour recruited 3,984 employees on vocational training contracts (hypermarkets, supermarkets, supply chain). Nearly 2,500 of them are preparing for a CQP "commercial business" qualification during their vocational training. 1,154 apprentices are currently being trained (hypermarkets, supermarkets) in preparation for a CAP Bac+5 diploma. Carrefour is also pursuing its partnership with an association called "Talent in our neighbourhood". More than 580 young people have been sponsored since this partnership was started in 2010 by Carrefour employees. Carrefour France was certified "Best company in which to begin your career" by meilleures-entreprises.com and obtained the Happy Trainees badge. 89% of interns and work-study students would recommend Carrefour to anyone starting an internship or work-study programme;
- Carrefour Argentina is continuing the *Jovenes con Futuro* programme in collaboration with the Ministry of labour. In 2015, a further 60 young people aged under 24 were given the opportunity to spend three months training in a business line in-store. 28 stores across the country participated in the programme;
- Carrefour Spain recruited more than 2,400 young people on permanent contracts in 2015, following on from its 2,000 hirings in 2014;
- Carrefour Romania has been developing partnerships with universities and schools. The "best practical teaching partner" prize was awarded to the Company by the *Dumitru Motoc* food industry high school in Bucharest. 150 to 200 young people are accepted for internships every year.

Carrefour also pays particular attention to employing older people and ensuring that they enjoy good working conditions in the later stages of their careers.

- Carrefour Belgium launched a joint working group composed of members of management and Trade union representatives, who are working together on topics relating to gender equality, disability and the employment of people aged over 45.

Practical actions to integrate disabled workers and keep them in employment

At the end of 2011, Carrefour was the first large company to enter into a partnership agreement wih the Disability network of the ILO in order to work together with community organisations and other institutions to promote the employment of disabled people around the world.

In 2015, Carrefour signed the charter in support of the employment of disabled people proposed by the ILO's Disability network. This charter, signed jointly by the CEO of Carrefour and the director general of the ILO, reinforces Carrefour's commitment and actions in this respect throughout the world.

The percentage of Carrefour employees recognised as having a disability (3 % in 2015) has risen since 2011, when it was 2.6 %.

Given the size of the Group, this represents a significant number of employees with disabilities: 11,271 in 2015. Many actions are undertaken by the Group to integrate disabled workers and keep them in employment (*see below*).

	2015	2014	2013
Percentage of employees recognised as having a disability	3.0%	2.9%	2.8%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).

	2015	2014	2013	% of evolution vs. 2014
Number of employees with a disability	11,271	10,523*	9,709	7.1%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).
** 2014 data has been adjusted.*

- In France, Carrefour has made a commitment to the disability support charity ARPEJH to employ young people with disabilities. Carrefour is now organising workshops in which young people receive personalised advice on their CVs and attend simulated interviews. Carrefour Supply Chain participated in the Free Handi'se Trophy race for the third consecutive year in 2015: three teams, each consisting of two employees with disabilities and two able-bodied employees, covered 713 km on tandem bicycles and in canoes. In early 2014, the hypermarkets and supermarkets renewed their Disability agreements. The sixth Disability Agreement signed by the hypermarkets with all the trade union organisations includes five components: hiring and integration; retention, access, and training; communication and education; and management of the approach.

  Carrefour *market* celebrated the 10th anniversary of Mission Handicap Market in 2015. More than 450 stores sprang into action during Disability Employment Week. CDs were sold and the proceeds were donated to the organisation *Différent comme tout le monde* (Different like everybody else), the aim of which is to raise awareness of difference and disabilities among 8th grade schoolchildren. For having initiated this operation, Carrefour *market* received an award from France's PACA region for "raising awareness of the Diversity charter among the general public". Carrefour *market* efforts implemented for 10 years allow it this year to go over the legal rate of 6%;

- Since 2006, Carrefour Poland has been committed to employing people with disabilities. In 2010, it entered into a partnership with the Pion organisation, which enabled it to define a genuine employment policy. Carrefour Poland currently employs 262 people with disabilities;
- In Belgium, Carrefour participated in an operation launched by the Agence Wallonne, a disability support charity, and hosted people with disabilities over a few days to give them the opportunity to learn about different business lines. During this *DuoDay* operation, this also gave managers an opportunity to break down prejudices and discover the talents and abilities of people with disabilities.

2.3.2 Action plan to combat waste

For Carrefour, the preservation of natural resources involves first and foremost fighting against all forms of waste. The first step is to reduce resource consumption and to seek efficiency in all operations. Carrefour's efforts to combat waste are focused primarily on its stores but also upstream at the agricultural and industrial production stage, and downstream with customers and consumers.

In 2012, Carrefour drew up a waste reduction plan called the "Antigaspi plan", which it began to implement in 2013. The aim of this plan is to encourage the business lines to be more efficient and, in doing so, create more value. It is communicated directly by the executive directors of all countries: each country is tasked with setting up the necessary governance structure for local deployment of the plan, by identifying synergies and mobilising the appropriate departments.

2.3.2.1 Combatting food waste

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Combatting food waste	Reduce our food waste by 50% by 2025, *versus* 2016	*Key indicator under definition*	-	-	

Legend: *Challenge for Carrefour*

Carrefour's Policy

Fighting against food waste is a collective challenge: Carrefour combats food waste by taking action in collaboration with various stakeholders. As part of the Antigaspi plan, Carrefour has implemented solutions in its stores (sales of products reaching their use-by date, a dedicated Antigaspi team, optimisation of orders and stock, optimised sorting of produce for donations to charities/associations); with its suppliers (extension of use-by dates and minimum durability dates of Carrefour own-brand products, detailed studies aimed at identifying wastage during the production of bananas, tomatoes, yoghurts and apples; over 350 tonnes in turnover from the promotional sale of products with shape defects to Atacadão with the *Sans Form* label in 2015; launch of the *Tous Antigaspi* brand in France, etc.); and with its customers (awareness-raising activities for customers in-store and online regarding the ripeness of fruit, or diffusion of waste-free recipes).

Teams dedicated to combatting in-store waste (14 Antigaspi coaches) have been travelling around Carrefour's hypermarkets and supermarkets in France since 2013, to identify areas for possible improvement and assist employees with their implementation. Following an assessment, internal processes are improved to ensure that orders, stock and product lines more closely match the needs of stores and customers.

As a last resort, food products that are still suitable for consumption but which cannot be sold are given to food aid charities/associations and to the stores' social grocery partners.

Along the same lines, the Carrefour Foundation supports these associations, particularly by providing logistical support in the form of equipment for the shipping and stocking of foodstuffs *(detailed in section 2.3.4.4 of this chapter)*.

Carrefour's Performance

Following the resolution adopted by the Consumer Goods Forum, Carrefour is now committed to reducing its food wastage by 50% in 2025, compared with 2016. This new target is a challenge for the Group, which in 2016 will define an indicator to track trends and specify the scope.

Key developments

Carrefour initiated an in-depth internal study aimed at measuring the potential impact of each link in the Group's value chain that has a role to play in reducing waste. Ultimately, the issue of food waste is a collective challenge. Case studies have been carried out on key products (bananas, apples, tomatoes, yoghurts), with the participation of all concerned. Planting, harvesting and packaging; shipping; ripening; distribution; consumption: each and every stage has been studied, in order to identify areas for improvement. By way of example, of every 1,000 bananas produced, 84% are consumed whole by customers, 1% are recovered by Carrefour (through methanisation), and 15% go to waste at various points on the chain. Antigaspi solutions have been drawn up for every step in the process, such as the implementation of *daïpas* (paper bags) to protect banana plantations from insects and adverse weather conditions, or the sale of single bananas in lots of three in Carrefour stores. Action plans will be implemented for every product family analysed.

The Antigaspi plan is also adapted and applied to Carrefour's product ranges. After launching the *Sans Form* products in Brazil, the Tous Antigaspi brand was launched and marketed in 2015 in France, to restore value to products with slight defects in their appearance. The brand was originally launched for misshapen camembert cheese (approximately 100,000 products sold in France in 2015). It will be extended to breakfast cereals as of 2016. *Tous Antigaspi* products are socially responsible: for each product purchased in this range, one cent is donated to food aid associations, through the Microdon solidarity fund.

Furthermore, in order to slow down the in-store ripening of certain fruits and vegetables, Carrefour has implemented *It's Fresh* technology, consisting of a freshness tablet that absorbs ethylene, thereby slowing the ripening process. In 2015, the tablet was placed in trays of certain medium ripe fruits in France. Finally, progress was made in 2015 regarding use-by dates (of ultra-fresh produce, cooked meats, dairy and deli products) and the minimum durability dates for certain products (sugar, alcohol, vinegar) to improve the clarity of the information presented and reduce wastage.

2.3.2.2 Recovering waste

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Recovering our waste	Recover 100% of our waste	% of waste recovered	66.6	64.7	

Legend: *Action plans in progress*

Carrefour's Policy

Carrefour's target is to recover 100% of the waste produced by its stores. To reach this target, the teams are tasked with reducing upstream volumes (anti-food waste policy, reduction of secondary packaging, 100% recyclable POSs), optimising in-store wastage sorting, and continually finding new recovery solutions and innovative partners.

The question of wastage is of real interest to the Group, which envisages recuperating a turnover from the resale of recovered waste that exceeds waste disposal costs. In order to contribute to the development of waste sorting and recycling in France, Carrefour is also involved as administrator or shareholder in various ecological organisations (find out more: *www.pourmoipourtous.fr*).

But waste management practices are not uniform from country to country. An exchange of best practices is underway, in order to encourage initiatives on a local level. Every two years, these issues are dealt with at the international non-market purchasing forum.

Carrefour's Performance

In 2015, 66,6% of waste was recovered, which represents an increase of 1,8 point compared with 2014. This progress is linked to an increase in donations, in line with the Carrefour Quality charter, with still-consumable products removed from stores a few days in advance of their use-by date to be donated to charities/associations, that is to say 10% in 2015 *(detailed in section 2.3.4.4 of this chapter)*.

% of waste recovered	2015	2014	2013	Evolution between 2013 and 2015
Waste recovered (food donations included)	66.6	64.7	61.3	5.3 points

Like-for-like BUs (scope 90% of 2015 consolidated sales, excl. VAT) – excluding: HM: AR/SM: AR, IT.

Carrefour encourages the implementation of recovery solutions aimed at the resale of recyclable waste, like cardboard, plastic, organic waste or wood. For example, in 2015, 68% of cardboard/paper waste was recovered, amounting to 2 pt less than in 2014.

Food-related products with no resale value (damaged packaging or used-by-date products, for example) are turned into organic waste, representing 14% in 2015, a figure that has been constantly on the rise since 2013 with the development of methanisation and composting services.

Waste recycled by type of waste	2015	2014	2013	% of evolution between 2013 and 2015
TOTAL *(in thousands of tons)*	**412.6**	**401.8**	**379.0**	**8.9%**
Cardboard/paper waste	68%	70%	74%	
Food donations	10%	10%	9%	
Organic waste	14%	12%	9%	
Other waste *(wood, neon, ink cartridges, cooking oils, metals, food waste donated to animal associations)*	8%	8%	8%	

Like-for-like BUs (scope 90% of 2015 consolidated sales, excl. VAT) – excluding: HM: AR / SM: AR, IT.

Finally, to facilitate sorting and recycling of Carrefour products by customers, the Group has set up collection points at its hypermarkets and supermarkets. The waste that is recovered in-store from customers largely consists of batteries.

Quantity of recycled waste – returned by customers *(tons)*	2015	2014	2013	% of evolution between 2013 and 2015
Batteries	0.8	0.9	0.9	(7.2)%
Other end-of-life products	10.6	6.1	7.3	45.7%

Key developments

Various initiatives were implemented at local level in 2015, depending on voluntarily formed partnerships and national regulations in force.

In France, several initiatives were launched. A tool was established to help compile wastage data and better oversee waste recovery. The aim is to define a waste production model to understand which criteria have the greatest impact on production. Elsewhere, new sorting outlets were developed in 2015, enabling the sorting of hangers, pallets, office paper and hard plastics.

Finally, assistance was sought from an outside firm to help the Market stores find local partners to increase their waste sorting capacities.

Carrefour Romania installed 20 recycling stations in its car parks with the organisation Sigurec. Consumers can thus recycle 10 different types of waste in return for store vouchers.

In Poland, in-store organic waste is sent to composting plants. More than 80 stores had adopted this approach by the end of 2015.

2.3.2.3 Combatting climate change

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Combatting climate change	Reduce our CO_2 emissions by 40% by 2025, and by 70% by 2050, *vs.* 2010	% reduction in CO_2 emissions *versus* 2010	(29.7)	(28.5)	

Legend: *Action plans in progress*

This year, Carrefour set itself new targets, notably to reduce its CO_2 emissions by 40% by 2025 *vs.* 2010 and by 70% by 2050, *vs.* 2010, in addition to reducing its energy consumption by 30% per m² of sales area in 2025, again as compared with 2010.

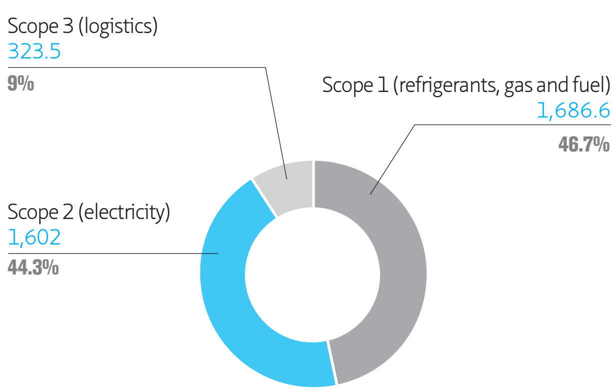
The 29.7% reduction in CO_2 emissions in 2015 *versus* 2010 comes mainly from efforts done in terms of energy savings and more particularly in terms of electricity (cf. Antigaspi Energy part).

Total (direct and indirect) greenhouse gas emissions (GHG) amounted to 3.61 million tons of CO_2 equivalent (t. eq. CO_2) in 2015, or a 1,2% reduction compared with 2014.

The majority of the emissions are either Scope 1 (47% in 2015) or Scope 2 (44% in 2015). Logistics operations only represent a small portion of emissions (9% in 2015). Due to the geographic breakdown of the Carrefour group's activities, greenhouse gas emissions are primarily concentrated in Europe, which accounts for more than half of total emissions (France included). Emissions are calculated according to the guidelines of the international GHG Protocol, and are then subject to reasonable assurance checks by an independent third party, on all consolidated pre-tax sales figures.

GHG EMISSIONS BY SOURCE IN 2015

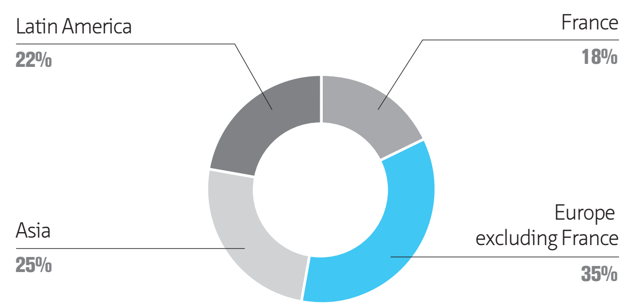
(IN THOUSANDS OF T. EQ. CO_2)



☑ *2015 figures verified with a result of reasonable assurance*

GHG EMISSIONS BY AREA

(IN THOUSANDS OF T. EQ. CO_2)



☑ *2015 figures verified with a result of reasonable assurance*

Antigaspi Energy

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Combatting climate change	To reduce energy consumption by 30% by 2025 *vs.* 2010	% of variation in energy consumption per sq.m. of sales area *vs.* 2010	(12.0)	(11.2)	
	Increase the share of renewable energies	*Key indicator under definition*	-	-	
	Set an internal carbon price	*Key indicator under definition*	-	-	

Legends: *Action plans in progress* *Challenge*

Carrefour's Policy

Carrefour's energy policy consists of progressively moving away from fossil fuels and reducing energy consumption in stores. The combined effect of these two focuses should enable Carrefour to stabilise its energy costs.

As a result, each year Carrefour implements a programme of investments enabling it to reduce its energy consumption, and installs low-consumption light bulbs for new openings or stores that are being renovated.

Other systems also contribute to this reduction, such as the use of night curtains on cooling units, natural fluids for refrigeration systems, heat recovery for sanitary hot water, and insulation of walls and roofs. A catalogue of existing techniques and technologies for cooling, climate control and lighting has been introduced. The implementation of these good practices, along with energy consumption trends and corresponding costs are all being monitored at Group level.

Carrefour's Performance

In-store energy consumption – electricity, gas and fuel *(kWh per m² of sales area)*	2015	2014	2013	% of evolution between 2013 and 2015
Total	551.2	556.1*	572.2	(3.7)%

Like-for-like BUs (scope 100% of 2015 consolidated sales excl. VAT).
☑ 2015 figures verified with a result of reasonable assurance.
** 2014 data has been adjusted*

The diminution of the consumption of energy in the Group stores, and the diminution of the CO_2 emissions linked, are mainly due to the diminution of the electricity consumption in many countries in 2015 thanks to efforts undertaken (cf. Carrefour's policy above), in spite of some rising consumption in some countries due to unfavourable weather conditions.

% of variation in energy consumption per sq.m of sales area, compared with 2010	2015	2014	Evolution vs. 2014
Total	(12.0)	(11.2)	(0.8) point

Like-for-like BUs (scope 100% of 2015 consolidated sales excl. VAT)
☑ 2015 figures verified with a result of reasonable assurance

Carrefour has also set itself the target of voluntarily setting an internal CO_2 price, to encourage investment in lower CO_2 emitting technologies.

Finally, Carrefour continues to seek non-fossil energy production solutions for its stores (geothermal energy, solar panels on roofs or car parks) and works with partners to find new solutions locally.As an example, Poland carries out geothermal energy analysis for all significant renovation works on air conditioning, ventilation and heating facilities, with the result that three of its hypermarkets are already fitted with geothermal equipment (a fourth is planned for 2016). Furthermore, Carrefour has initiated solar energy production solutions in certain countries such as Belgium, China, Spain and France.

Key developments

In October 2015, Carrefour France organised the first Innovation and energy exhibition, which gathered over 50 companies from France and abroad. The aim of this B2B event was to share energy optimisation solutions and future innovations with the banner's decision-makers. Representatives from the 10 integrated countries, as well as franchise partners, were invited to this first edition of the event.

In addition, Carrefour Italy was awarded two prizes in 2015 for its in-store energy efficiency: Place Siena (Milan) received the Good Energy Award for using 30% less energy with refrigeration, air conditioning and lighting solutions. In addition, the Corso Colombo store received the Retail Lighting Award prize thanks to LED installations that reduced energy consumption by 70% (compared with previous technology), *i.e.* a savings of 74 tonnes of CO_2 per years.

Antigaspi Refrigeration

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Combatting climate change	Reduce CO_2 emissions linked to cooling by 40% by 2025 *vs.* 2010	% of variation in CO_2 emissions linked to cooling, *vs.* 2010	(21.2)	(20.2)	

Legend: *Action plans in progress*

Carrefour's Policy

Refrigerants used to run the positive and negative refrigeration systems represent the second-largest source of greenhouse gas emissions generated by the stores' activity. According to a study (carried out in-store by France, *via* the use of intermediary counters), this item is the single biggest electricity consumer in hypermarkets, ahead of air conditioning and lighting. The main problem related to these fluids tends to be leaks, due to the difficulties involved in identifying individual leaks. In order to reduce the CO_2 emissions related to the loss of refrigeration fluids in cooling installations, Carrefour is working on preventing leaks and replacing existing fluids by more water-resistant installations and lower CO_2 emitting fluids. Carrefour's aim is to promote HFC-free solutions in every operating country to encourage the spread of technological innovation. In this regard, Carrefour is testing CO_2 installations in the south of Spain, after first adapting the process to ensure that it is working in hotter climates. Plans are being made to introduce similar installations in Brazil.

The other issue at play here is the elimination of hydrofluorocarbon fluids (HFCs). Measures are being taken by Carrefour to progressively replace these fluids with hybrid solutions or 100% natural fluids, which have a lower impact on climate change and the Ozone layer. Such changes are being progressively implemented at Group level, given the significant amount of investment necessary for these new technologies, which will nevertheless ultimately result in cost savings on electricity consumption (between 10% and 20%) and refrigeration fluids. In terms of deployment, France and Belgium are both examples of countries which, as soon as a new cooling installation for a hypermarket or supermarket is required, automatically turn to mixed low-GWP (Global Warming Potential) or 100% natural solutions.

In terms of action plans, Carrefour's stores are gradually starting to adopt cooling units that run on natural fluids. Moreover, the Group is going to launch a test of a fully-integrated system that consists of one cooling source that serves for both air conditioning and food refrigeration. The system is HFC-free and should be more energy-efficient.

Carrefour's Performance

Carrefour made a new commitment in 2015: to reduce CO_2 emissions linked to cooling fluids by 40% by the year 2025, in comparison with 2010. The current level of reduction stands at 21,2% which can be explained by the introduction of certain measures, such as equipping stores with equipements 100% natural fluids, along with the installation of cooling units functioning on CO_2 for example.

% of variation of CO_2 emissions linked to cooling fluids in 2025, *vs.* 2010	2015	2014	Evolution vs. 2014
Total	(21.2)	(20.2)	(1) point

The 2015 decrease of CO_2 emissions linked to cooling fluids of 21.2% *versus* 2010 and the fall of 16.6% *versus* 2013 of the quantity of refrigerant fluids refilled following leaks are closely related to the spreading of more effective technical solutions: more water-resistant installations and lower CO_2 emitting fluids, and to the implemented efforts to prevent leaks.

In 2015, 90 stores in Carrefour's operating countries were already equipped with 100% natural fluids. In total, counting 100% natural fluid and hybrid systems, 260 stores are currently equipped with these new technologies.

Number of stores equipped with a hybrid or 100% natural fluid system.	2015	2014	Evolution vs. 2014
100% natural fluid (HFC- or HCFC*-free)	90	45	100%
Hybrid (a mix of HFC and natural)	170	115	47%
TOTAL	**260**	**160**	**62%**

**hydrochlorofluorocarbures*

The number of stores equipped with 100% CO_2 refrigeration systems went from 45 to 90 in 2015. This technology results in an average saving of 16% in terms of energy consumption.

Quantity of refrigerant fluids refilled following leaks *(kg per 1,000 m^2 of sales area)*	2015	2014	2013	% of evolution between 2013 and 2015
Total	49.9	53.8	59.8	(16.6)%

Like-for-like BUs (scope 98% of 2015 consolidated sales, excl. VAT) – excluding: SM: AR.

Antigaspi Transport

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Combatting climate change	Reduce our CO_2 emissions linked to transport by 30% by 2025, *vs.* 2010	% reduction in CO_2 emissions per shipping unit (kg/pallet), *vs.* 2010	(14.3)	(15.1)	

Legend: *Action plans in progress*

Carrefour's Policy

The reduction of CO_2 emissions linked to transport is a key Supply Chain target. Carrefour is working on three levels to reduce CO_2 emissions: by optimising the use of shipping space (aluminium pallets, packaging, palletising, etc.), optimising kilometres travelled (Supply Chain transformation project, shipping optimisation tool, etc.) and non-diesel alternative means of transport (biomethane, river, rail, electric, hybrid, etc.).

Optimising loading capacity

The Group is pursuing its programmes to optimise the number of kilometres travelled and improve the efficiency of its logistical operations. Cooperation between the logistics and store teams has helped to streamline order and delivery processes, by pooling deliveries to different store formats in all Group countries, for example. A logistics transformation programme is underway in France, with the aim, among others, of reducing kilometres travelled by bringing loading and delivery sites closer together, through the implementation of a system of multiformat, multiproduct warehouses.

In 2012, Carrefour carried out assessments on the optimisation of distribution lorries, by measuring the volumetric loading rate. This led to the initiation of a project designed to optimise the loading volumes of store distribution lorries. In 2014, a volumetric indicator was adopted in France, to measure the volumetric loading by rate (and not just the floor loading rate), boosting the volumetric loading rate by an average of 20%. As of 2015, these two indicators are now monitored at Group level to engage all Group countries in the calculation and monitoring of the floor and volumetric loading rate of their lorries. Loading capacity efficiency is also being improved by efforts to optimise the configuration of pallets (circuits, grouping) and, in France, by the launch of a new stackable metal crate.

In order to optimise loads in France in keeping with the Group's Antigaspi plan, the Supply teams adopted a programme called Opti'Transport in 2013, one of the goals being to optimise and reduce the carbon footprint of Supply Chain activities. This programme envisages operational changes affecting the whole chain: reviewing rules for preparing pallets, adapting and optimising delivery frequency, using stackable crates in order to increase loading volumes, introducing direct supplier/store deliveries when warranted by volumes.

Preventing pollution

Developing more CO_2 efficient solutions also involves modernising the fleet, with less polluting and less noisy lorries, notably in France.

The issue of noise pollution came to the forefront in 2015. Carrefour France has set a number of objectives, such as introducing silent night-time deliveries in cities (Certibruit, Club Déméter) for the comfort of local residents; responding to the needs of local authorities; and supporting the development of urban stores by creating added value. In this regard, in 2015, three stores were awarded noise-reduction labels, and ten more were being remodelled across France.

Working in partnership with shipping suppliers

The *Cercle des transporteurs* is a platform for interaction and collaboration that was originally initiated between Carrefour France and its strategic shipping suppliers in 2011. Its purpose is to develop and test shipping innovations, while integrating CSR principles. Twenty-two private shipping suppliers, who together provide a third of Carrefour Supply Chain France's shipping activity, are represented by the Circle. The Circle's Charter lays the foundations for a sustainable, efficient and competitive collaboration with its strategic partners, by defining areas for joint progress.

The *Objectif CO_2* Charter, a commitment that Carrefour first signed with ADEME in France in 2011 and which was subsequently renewed in 2014, covers Carrefour's own fleet, and the Group encourages its carriers to commit to it as well. All shipping suppliers in Carrefour's Circle of Shippers have signed the Objectif CO_2 Charter whose logo is "Shippers commit to a CO_2 target". Carrefour's Supply Chain totals 356 shipping suppliers who have signed the Charter, representing approximately 71% of shipping operations. Through this Charter, shippers make a three-year commitment to an action plan that involves modernising vehicle fleets, improving their vehicles' aerodynamics, improving the monitoring of consumption, setting up eco-friendly driving courses for drivers, and deploying on-board computing or route optimisation software.

Developing alternative and multimodal solutions

In the area of alternative shipping methods (*i.e.* waterway, rail and multimodal solutions combining rail/road or canal/road), Carrefour has continued its efforts in countries with the required infrastructure. In France, for upstream shipping (from suppliers to warehouses) multimodal means of delivery have been developed:

- 2,800 containers were shipped by river (*versus* 2,500 in 2014), representing 50% (*versus* 45% in 2014) of imported products, representing nearly 575,000 fewer kilometres by road;

- 3,800 containers were shipped by rail (*versus* 3,150 in 2014), representing 1.7 million fewer kilometres by road.

Combined road/rail solutions are also being used for downstream shipping (from warehouses to stores). In 2015, 2.5 million kilometres were saved in this way (*versus* 2.7 million kilometres in 2014).

Pooling upstream and downstream shipping resources helps reduce the number of kilometres travelled without a load. After making a delivery to a store, the same lorry goes to a nearby supplier to reload with merchandise to ship back to the warehouse.

By reusing the same vehicle for upstream and downstream deliveries, each leg of the journey becomes more energy efficient. In Belgium, Brazil, Spain and Italy, Carrefour favours waterway, rail transport or cabotage (waterway/sea).

Carrefour's Performance

Carrefour is committed to reducing its CO_2 emissions linked to transport by 30% by 2025 *vs.* 2010. The achievement rate for this target currently stands at 14.3%.

% of variation of CO_2 emissions per shipping unit (pallet) in 2025, *vs.* 2010	2015	2014	Evolution vs. 2014
Total	(14.3)	(15.1)	(0.8) point

CO_2 emissions per shipping unit are 6.2 kg of CO_2 per pallet, *vs.* 6.9 kg in 2013, so a 9.8% decrease.

CO_2 emissions per shipping unit *(kg of CO_2/pallet)*	2015	2014	2013	% of evolution between 2013 and 2015
Total	6.2	6.2	6.8	(8.2) %

Like-for-like BUs (scope 93% of 2015 consolidated sales, excl. VAT) – excluding CH.

Key developments

In 2015, shipping suppliers, the French Ministry for Sustainable Development and Ademe launched a CO_2 emissions reduction programme, Fret 21, aimed at shippers. After a pilot phase involving nine pioneer companies, its deployment on a national level was announced in January 2016. Carrefour was one of the nine companies that launched the programme.

At the 2015 International weather and climate Forum, Carrefour announced its plans to deploy 200 biomethane-powered delivery lorries in France's biggest urban areas (Paris, Lyon, Bordeaux, Marseilles and Lille) between now and 2017. This mode of delivery reduces CO_2 emissions by 90%, polluting emissions by 80% and completely eliminates fine particle emissions. Furthermore, the biomethane-powered lorries meet the PIEK standard, thus ensuring that noise levels remain under 65 dB and reducing noise pollution by 50%. At the conclusion of the three-year deployment plan, in 2017, Carrefour will boast 200 biomethane-powered lorries in circulation, supplying 250 of the chain's urban stores in France. As a result of this new environmental action, Carrefour will reduce the impact of its deliveries by over 20,000 tons of CO_2 between now and 2017.

2.3.2.4 Save water

Carrefour's Policy

Carrefour is making every effort to reduce its stores' water consumption. In 2013, Carrefour conducted an analysis of issues related to water consumption: direct and indirect depletion, direct and indirect discharge of organic materials, pesticides, industrial discharge, waterproofing and changes in land use, deforestation, etc. Carrefour is committed to monitoring and reducing the amount of water consumed by its stores and also treats the issue of water consumption in its supply chain and during product use very seriously. Water consumption varies depending on the size and activities of the store. The activities that use the most water are: food preparation (meat, fish, bread, pastries and deli), cleaning equipment and floors, ice for seafood displays, hand-washing and staff restrooms, and watering indoor plants and outside green spaces. Between 2013 and 2015, the consumption of water per sq.m. fell by 7.9% at Group level. In 2015, 1.1% of water was saved per sq.m. of sales area Group-wide. This is the result of a process involving consumption monitoring and awareness-raising, as well as country action plans aimed at reducing consumption and limiting leakage. On a Group level, stores are gradually adopting solutions to limit consumption, such as water-saving taps, motion-detection taps or water-free urinals, and systems for collecting and recycling rainwater for non-drinking use – a solution that could reduce a hypermarket's consumption by 10%.

Given the stores' activities, the wastewater leaving sites does not carry major pollutants. Wastewater treatment and recycling systems have been introduced in some countries.

Carrefour's performance

Amount of water consumed	2015	2014	2013	% of evolution between 2013 and 2015
m^3 by sq.m. of sales area	1.55	1.59	1.68	(7.9)%
m^3 *(in thousands)*	14.0	14.0	14.5	(3.7)%

Like-for-like BUs (scope 89% of 2015 consolidated sales, excl. VAT) – excluding AR/BE.

Key developments

In order to cope with growing water scarcity in Brazil, Carrefour Brazil implemented certain measures to reduce its consumption levels in 2015, as well as a process of business continuity planning in case the drought intensifies. Measures included the formation of a committee and an online tool to monitor store consumption in real time ("Web water").

A campaign to raise the awareness of all employees was also initiated. Thanks to its water rationing programme, Carrefour Brazil was able to reduce its water consumption levels by 20% in 25 stores. As a result of these experiences, Brazil will be used as an example of good practice in water management across the entire group.

2.3.2.5 Reduce the impact related to packaging

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Reduce the impact related to packaging	Work with suppliers to optimise/reduce any impacts related to packaging	*Key indicator under definition*	-	-	Challenge

Legend: Challenge

Carrefour's Policy

Carrefour is working on packaging at several levels. First and foremost, the reduction of the environmental impact of Carrefour's product packaging manifests itself in various ways: reductions in the size, weight and colour of packaging, re-shaping, and the use of renewable and recycled materials. In Spain and in France, as part of new product development, product managers must respond to 10 questions with a view to reducing materials, optimising the packaging-to-product ratio and printing methods used, simplifying opening/closing devices, and so on.

Spain and France have both initiated specific projects involving a wholesale review of the packaging of Carrefour products. In order to limit waste, these countries are replacing the boxes and crates used for the transportation of fruit and vegetables with reusable plastic trays. They are also pursuing the deployment of ready-to-sell secondary packaging, which serves as a display stand, thus enabling primary packaging to become increasingly basic and light. For a supplier of Carrefour Quality Line salmon fillets, the secondary packaging is made of hard plastic instead of traditional expanded polystyrene fish casing. In France, warehouses have continued to introduce 100% recyclable cardboard pallets. Weighing only 3.3 kg (compared to the 20 kg of wooden pallets), this recyclable cardboard version reduces waste while improving handling conditions and reducing the tonnages transported. In Brazil, all external cardboard packaging for yoghurts has been discontinued.

Furthermore, Carrefour provides collection systems for household packaging for its customers. As examples, we can cite the car park initiatives in Romania *(detailed in section 2.3.2.2. of this chapter)*, online check-out collection in Brazil, or eco-organisations in France (for more information: *www.pourmoipourtous.fr)*, in Spain, in Italy and in Belgium.

Finally, Carrefour is committed to eliminating single-use plastic bags at check-out which are replaced by reusable bags. Carrefour stopped handing out free plastic bags in all its French hypermarkets in 2007, and in all its stores worldwide in 2012, except in Argentina and Brazil (where regional legislation and customer demands have slowed the process). In 2015, 1,288 millions of disposable plastic bags (97% in Argentina and Brazil) were purchased by Carrefour stores and distributed free of charge at check-out (*versus* 1,204 millions in 2014). In Argentina and Brazil, Carrefour is working with partners to definitively eliminate their use.

Carrefour's Performance

Carrefour still does not have performance indicators on the issue of packaging, and has chosen instead to systematically reduce the impact of packaging during the product design and development phases. The final aim is to work with suppliers to optimise and reduce any impacts related to packaging.

Key developments

In France, the packaging change working group's accomplishments include:

- the drafting of new criteria on the packaging of Carrefour products;
- the introduction of new processes to validate Carrefour product packaging;

- the inclusion of packaging sorting instructions on over 13,700 currently stocked food and non-food products;
- the implementation of various projects to reduce packaging material volumes by over 880 tons for 224 product listings, which has resulted in the elimination of over 1,530 tons of CO_2 equivalents that would have potentially been released into the atmosphere;
- training the quality teams to improve their knowledge of packaging.

A best practice exchange meeting for Carrefour stakeholders was organised in April 2015 on the specific issue of packaging. Different conclusions were reached, for example on the subject of Carrefour's transparency in their communications regarding packaging or the need for innovation at the product development stage.

2.3.3 The action plan to protect biodiversity

2.3.3.1 Develop agroecology, organic products and fair trade

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Develop agroecology, organic products and fair trade	Foster direct relations with producers to increase the number of agroecology supply lines	Number of Carrefour Quality Lines *(number of partnerships)*	438	414*	
	Promote organic farming	Sales of organic products *(in millions of euros)*	840.1	703.3	

Legend: *Action plans in progress*

* *2014 data has been adjusted*

Carrefour's policy

Agroecology is a source of innovation, demanded by both Carrefour's customers and its partners in the agricultural sector, that enables the development of high performance farming by accentuating and protecting the services provided by natural systems. This model is one of the solutions chosen by Carrefour to guarantee its customers quality products over the long term, while simultaneously maintaining the required levels of biodiversity. In order to protect biodiversity, Carrefour promotes agroecology to customers *via* its Carrefour Quality Lines, organic food and non-food products, and *via* the imports of products from smaller producers with organic and fair trade certification.

Carrefour relies on the collaborative approach reflected in its Quality Lines to help its producer partners implement innovative practices that contribute directly to protecting biodiversity. More than 21,000 producers integrating the principles of agroecology are working with Carrefour in 2015. This initiative is based on long-term partnerships devising their own plans for progress involving producers, processors and Carrefour. The common base shared by all CQLs is to tangibly bring customers added value in the form of traceability, taste and agroecological best practice, while remaining essentially core market products.

CQL producers implement the principles of agroecology through: integrated pest control, crop rotation, a ban on spreading sludge from water treatment plants, the exclusion of soil-free plant production or the absence of post-harvest chemical treatment of fruits and vegetables.

Furthermore, the Group has developed a range of organic products including fresh produce, groceries, cosmetics and a wide choice of textile products (under the brand Tex in France), which was enriched in 2015 with a number of new product listings, including a new line of home textiles and a new clothing line manufactured using organic cotton.

Finally the Group offers fair trade products (own-brand and national brands) across the world. The biggest-selling products are coffee, chocolate, flowers, tea, honey and sugar. Carrefour intends to develop imported products from small producers with both fair trade certification (such as Max Havelaar) and organic farming certification. These two approaches to production complement and mutually enrich each other.

Carrefour's performance

The Group's aim is to develop and promote Carrefour Quality Lines, as well as organic farming and fair trade. In fact, the number of "Carrefour Quality Lines" is steadily growing, increasing from 414 in 2013 to 438 in 2015.

Carrefour stores also offer 2190 references of certified organic food products, up from 2,268 in 2014 (own-brand). Finally, the Group currently offers 77 own-brand fair trade product listings, up from 112 in 2014.

Number of controlled products (Carrefour own-brand) with certification or a CSR focus	2015	2014	2013	% of evolution between 2013 and 2015
Number of Carrefour Quality Lines *(number of partnerships)*	438	414 *	414	5.8%
Number of organic food products	2,190	2,268	2,153	1.7%
Number of fair trade products	77	112	89	(13.5)%

* *2014 data has been adjusted.*

Sales of products with a certification or a CSR focus (own-brand and national brand) *(in millions of euros)*	2015	2014	2013	% of evolution between 2013 and 2015
Total sales (inc. VAT) of Carrefour Quality Line products	903.6	851.4	1,033.6	(12.6)%
Sales (inc. VAT) of organic products	840.1	703.3	601.7	39.6%
Sales (inc. VAT) of fair trade products	124.1	127.6	110.1	12.8%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).

Key developments

In 2015, Carrefour France developed agroecological products in its supply lines, and introduced a number of them in its stores, including kiwis (insecticide free), broccoli from Brittany (insecticide free), beef tomatoes (grown in the open air, insecticide free) and durum wheat semolina from Provence (insecticide free). Furthermore, a consultation with stakeholders was initiated with the goals of assessing the current state of play regarding Carrefour Quality Lines, analysing best supplier practice and areas for improvement, and defining an action plan. This project led to the launch of certain farming pilot schemes to test agroecological solutions with Carrefour's suppliers. New lines were also launched in 2015, such as tomatoes (natural pollination to reduce dependency on hormones) and kiwis (a biocontrol solution) in Argentina, applies (without herbicides) in China, and shallots (plant-based mulch using straw from rice plantations to protect the soil) and cucumbers (use of natural biostimulants) in Taiwan.

Regarding organic textiles, Carrefour's French stores offer over 460 textile products made from organic cotton, through its Tex, Carrefour and Carrefour Home ranges.

This represents 0.5% of all own-brand textile products in France. All organic textile products are GOTS-certified [(1)] (a label reflecting the requirements of European regulations concerning organic cotton, and guaranteeing full traceability from manufacture to the finished product) and Oeko-Tex (a label guaranteeing the absence or only very weak presence of dangerous substances in the textile: heavy metals, chlorinated phelonics, pesticides, etc.). Emissions of volatile organic compounds and odours are also limited.

The year 2015 confirmed consumers' preference for fair trade organic bananas. The fair trade organic bananas distributed by Carrefour originate from several grower associations located in the Dominican Republic, Peru and Ecuador. 13,000 tons were sold in 2015 (compared with 10,000 tons in 2014, the year of the product's launch). In particular, the development of this line guarantees a minimum price for small producers, respect for workers' human rights, and a donation of 4 cents per kilo to grower associations to fund Fair Trade projects and production methods.

(1) Global Organic Textile Standard or Organic Exchange.

2.3.3.2 Encouraging sustainable consumption of sea resources

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Encourage the sustainable consumption of sea resources	Sales evolution of seafood products labelled MSC and ASC + CQL seafood	Sales evolution for seafood products labelled MSC and ASC + CQL seafood *(in millions of euros)*	184.6	ND	

Legend: *Action plans in progress*

Carrefour's Policy

Carrefour's objectives through its sustainable fishing project are as follows:

- market only those species whose stocks are not over-exploited and which are fished *via* selective methods that do not have a serious impact on ecosystems;
- develop sustainable aquaculture, with farming practices that limit the impact on the environment (GMO-free feeding, limited industrial fishing, etc.), thus reducing stress factors, and ban the use of antibiotics as soon as possible;
- enhance the diversity of seafood products, sharing demand out across different species and taking into account the seasonality of sea produce;
- promote the fight against illegal fishing;
- support sustainable local fishing through partnerships with local organisations developing responsible fishing and aquaculture practices.

The Group works with partners who support it in developing its approach to sustainable fishing and plays an active role on the Marine Stewardship Council.

To take into account the need to protect fish stocks in its seafood supply chain, Carrefour has long incorporated sustainability criteria into its product specifications, reduced or eliminated the sale of threatened species and promoted sourcing that uses certified best practices. Carrefour initiated its approach to sustainable fishing in 2005 with the creation of a Carrefour range of responsibly fished products. The first CQL aquaculture products date back to 1999.

Overfishing is a global problem requiring local responses. Solutions to protect resources must be adapted to each fishing area and put into practice jointly with local stakeholders. As a result, the approach is being developed gradually in accordance with initiatives taken at country level.

Carrefour's Performance

In 2015, the Group set the objective of increasing its sales of Carrefour own-brand MSC (Maritime Stewardship Council), ASC (Aquaculture Stewardship Council) and CQL (Carrefour Quality Line) products. This new indicator shows that these products now make up a relatively significant share of overall sales: in time, progress in this regard will be measured.

Sales evolution	2015	2014	Evolution vs. 2014
Sales evolution of MSC, ASC and FQC seafood products *(in millions of euros)*	184.6	ND	NA

Key developments

In 2014, Carrefour held a stakeholder meeting on marine resources. Following up on the conclusions drawn during that meeting, Carrefour decided to consult in 2015 a group of NGOs to update its lists of species and their vulnerability. An inventory was taken in each department to identify sensitive supply sources and define new objectives, including developing certifications and Carrefour Quality Lines for the top sellers, discontinuing sales of the most vulnerable species (about ten), and identifying vulnerable species requiring an action plan and support initiatives with certain fishermen. An Advisory Committee, made up of four NGOs and two suppliers, was then formed to discuss the action plans and expand upon the initiative.

This committee met twice in 2015, with one meeting held in a store to assess communications on the topic. Carrefour's goal now is to internationalize this approach.

Another hot topic is tuna, one of the most threatened fish species due to overfishing and low stocks. As a result, since 2015 Carrefour has been offering two canned tuna products made with skipjack or albacore tuna caught using a traditional method, pole and line, which prevents catching small tuna and other non-target species. In addition, Carrefour launched a canned white tuna product in 2015 with the MSC sustainable fish label. All suppliers of tuna for Carrefour-brand products met in late 2015 to develop a more comprehensive action plan.

2.3.3.3 Encouraging procurement of deforestation-free products

To protect biodiversity, Carrefour has gradually developed a comprehensive policy to reduce the forest footprint of its supply chain. This policy consists of initiatives in all lines directly or indirectly connected to forestry use and is carried out in association with NGOs and dedicated working groups. As part of its membership in the Consumer goods forum, the Carrefour group supported the adoption of a specific objective: zero deforestation by the year 2020.

Palm oil

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Encourage the procurement of products (soy, beef, palm oil, wood and paper) that do not contribute to deforestation	Ensure that 100% of palm oil used in Carrefour products by 2015 is sourced from suppliers supported by the RSPO	% of palm oil from RSPO-supported suppliers	100 %	73 %	Target met
	Conduct tests on 50 products of the additional criteria applicable to palm oil in 2015	Number of products tested	50	ND	Target met

Legend: Target met

Carrefour's Policy

Carrefour's palm oil procurement policy is based on production criteria, including the RSPO (Roundtable on sustainable palm oil) standard and additional requirements to protect natural forests (along with primary forests) and peat bogs.

Carrefour also replaces palm oil in its own brand products with another oil when this improves the product's nutrition, in line with consumer expectations.

Carrefour's Performance

Carrefour set a target of using palm oil exclusively from suppliers supported by the RSPO in own brand products by 2015.

Across all countries, 100% of the palm oil used by volume in Carrefour-brand products [(1)] is 14.3% RSPO certified 'segregated' (fully traced), 44.1% is RSPO certified as "mass balance" (partially traced palm oil), and 41.6% is covered by Green Palm certificates (certificate-trading) to offset the untraced oil. This target was achieved: In the future, Carrefour hopes to increase its percentage of Segregated palm oil (with the highest traceability) so as to reduce as far as possible the supply of palm oil covered by Green Palm certificates.

Moreover, in 2015, Carrefour along with its suppliers and various industry stakeholders worked to ensure that 50 products were traceable at least back to the refiner and met Carrefour's criteria for protecting natural forests and peat bogs.

Key developments

Carrefour held a meeting of all involved stakeholders (NGOs, suppliers, and scientists) in September 2015 to transform the market in light of these new production criteria related to palm oil use. The meeting concluded that Carrefour should continue its relationship with the RSPO to push for strengthening the current criteria and support various stakeholders across the supply chain in their efforts to meet the criteria of the palm oil policy. This work may be conducted jointly with the French Alliance for Sustainable Palm Oil.

Soy

Carrefour's Policy

Plant proteins (including soy) are used in animal feed for breeding purposes. With little production currently in Europe, soy is frequently imported from Brazil, where it contributes to deforestation. Carrefour has been supporting non-GMO soy crops since 2000. Carrefour relies on geographic traceability of soy *via* various standards, including *Pro Terra* (a certification standard for producers and suppliers in non-GMO soy supply chains) to ensure that there is no link to deforestation in the supply chain for CQL and other own brand products produced from animals reared on GMO-free feeds. In this regard, Carrefour is encouraging the development of traceable supply chains using GMO-free soybean meal .

In addition, Carrefour is helping to develop deforestation-free supply lines. For example, the Group is a member of the Round Table on Responsible Soy (RTRS). This international organisation includes soy producers, industry representatives, mass retailers and NGOs. Since 2006, Carrefour has supported the soy moratorium in the Amazon. This initiative, by professionals in the sector in coordination with Brazilian authorities and civil society, is helping to fight deforestation in the Amazon rainforest.

(1) Food and non food consumer goods, produced by our suppliers for our brands.

Carrefour's Performance

Carrefour renewed its support for the Brazilian soy moratorium in 2014 through 2016 and is working locally with players in the sector to develop non-GMO, deforestation-free soy. In France, Carrefour and the Avril group have prepared an agreement to develop French plant proteins as an alternative to imported soy. Under the agreement, starting in 2017, local plant protein should be available to feed poultry, pigs, ducks, and trout.

Key developments

Carrefour launched a specific range of Carrefour Veggie products in 2015 containing no preservatives, dyes, artificial flavours, animal fats, or animal-derived additives. The ingredients (soy, tofu, etc.) are GMO-free (<0.9%). If eggs are used, they are sourced from free-range chickens. If cheese is used, it is made without animal rennet.

Wood and paper

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Encourage procurement of products (soy, beef, palm oil, wood, and paper) that do not contribute to deforestation	Use 100% certified and/or recycled paper in catalogues	% certified/recycled paper	99.6	99.3	
	Increase sales of PEFC and FSC products	Sales of Carrefour PEFC and FSC products and supplier products *(in millions of euros)*	152.3	ND	

Legend: *Action plans in progress*

Carrefour's Policy

To control its supplies of wood and wood products, Carrefour has made a commitment to sustainable forest management for its own brand products in the non-food sector. The Wood charter requires Carrefour suppliers using wood, pulp, paper, or derived products to confirm the following five points: that their procurement is legal; that they respect local populations; that supplies are not sourced from high conservation value forests (HCVF); that supplies are not sourced from species included on the IUCN (International Union for Conservation of Nature) red list of threatened species or species protected under the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora). Carrefour also appended the Wood charter to all contracts signed by suppliers of Carrefour products that contain wood fibres. 100% of suppliers manufacturing wood-based and wood-derived products have received the Wood charter. In 2014, 100% of the tropical wood patio furniture offered by the Group was certified or pending certification. For the non-food sector, the charter includes a questionnaire to help suppliers improve their procurement to ensure that the criteria are met (species, production zones, etc.).

In compliance with current regulations, Carrefour has also reinforced its decision-making and auditing system by adding a more in-depth risk analysis by species and procurement zone and by specifying criteria for evaluating suppliers.

The Group has also collaborated with WWF France and the GFTN (Global Forest Trade Network) to develop a supplier training programme. The Group continues to promote stationery and hygiene items (tissues and paper towels), and packaging that use recycled or FSC/PEFC certified fibre.

With the objective of continuous improvement, Carrefour strives to enhance the expertise of its teams, training them in local regulatory issues, risk analysis, standards and supplier evaluation.

And since 2005, the Carrefour group has taken a comprehensive approach to its commercial publications . Carrefour also works with printers to reduce the impact of its commercial publications.

Carrefour's Performance

Carrefour's new target, as of 2015, is to boost sales of Carrefour PEFC and FSC products. A new indicator was defined to track this target: sales of this type of product represented 152,3 millions of euros in 2015.

Sales trends	2015	2014	Evolution vs. 2014
Sales of Carrefour PEFC and FSC products *(in millions of euros)*	152.3	ND	NA

In 2015, 99.6% of the paper used by the Group for commercial publications was recycled or certified. Carrefour is still working on reaching the 100% target.

% certified and/or recycled paper in Carrefour catalogues	2015	2014	2013	Evolution between 2013 and 2015
Total	99.6	99.3	99.4	0.2 point

In parallel, Carrefour is reducing the quantity of paper used for its publications by reducing paper grammage, going paperless, and optimizing distribution (14.9 kg/sq.m. of sales area in 2015, which is 6.8% less than in 2013).

Quantity of paper purchased for commercial publications (kg/sq.m of sales area)	2015	2014	2013	% of evolution between 2013 and 2015
Total	14.9	15.8	16.0	(6.8)%

Like-for-like BUs (scope 100% of 2015 consolidated sales, excl. VAT).

Key developments

In 2015, Carrefour publicly supported the FSC France's manifesto on forest protection as part of the COP21, as well as the Industry Statement proposed by the WWF to ensure better implementation of European regulations on wood.

This year, the European central purchasing decided to add only FSC-certified garden products to its own brand catalogues. Carrefour France lists only FSC or PEFC charcoal from European forests.

Brazilian beef

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Encourage procurement of products (soy, beef, palm oil, wood, and paper) that do not contribute to deforestation	Work with all suppliers to encourage sustainable beef supply in Brazil	*Key indicator under definition*	-	-	

Legend: *Challenge*

Carrefour's Policy

In certain regions, including Amazonia, beef production contributes to deforestation. Carrefour's aim in Brazil is to develop traceability for livestock so that it can guarantee that Brazilian beef supplies do not contribute to deforestation. This goal requires working with suppliers, NGOs, and beef producers and government agencies at every stage of livestock development. Starting in 2014, Carrefour began encouraging its suppliers to develop traceability for its Brazilian beef suppliers.

In 2013, for example, Carrefour in Brazil was the first banner to offer meat products certified by the Rainforest Alliance. This certification covers the entire production chain and includes criteria for sustainable agriculture, methane emissions offsetting, respect for worker's rights and well-being, protection of ecosystems, and water conservation. It also involves complete traceability of products *via* the Internet and systematic food safety inspections throughout the chain. Since 2009, Carrefour Brazil has participated in the Working Group on Sustainable Beef (*Grupo de Trabalho da Pecuaria Sustentavel* – GTPS), which aims to create a responsible beef supply chain.

Carrefour's Performance

In 2015, Carrefour set the goal of working with all parties involved in the sector in Brazil to find a traceability solution. A specific project will involve all beef suppliers for Carrefour Brazil. The end goal is to implement a geolocation tool that will identify the region of origin and production of the beef to ensure that it is not a deforested area.

2.3.3.4 Ensuring animal welfare

Carrefour's Policy

Carrefour accounts for animal welfare when developing products for the Carrefour Quality Lines. Since 2008, the PMAF (French branch of World Protection of Farm Animals) has been working closely with Carrefour to help it better integrate animal welfare into its overall sustainable development policy. This collaboration covers all of the Carrefour Quality Line meat suppliers, including pork, beef, lamb, and veal.

An animal welfare manager coordinates the initiatives to include animal welfare principles based on the Five Freedoms of farm animals (such as freedom from hunger and thirst, or freedom from fear and distress).

Carrefour's approach in France over the long term has the aim to:

1. ensure that the concept of animal welfare is addressed for all products offered by Carrefour, with an animal welfare coordinator assigned to handle the task;
2. inspect and promote acceptable conditions for raising livestock (sufficient feed and water of high quality, appropriate ranching infrastructures, access to pasture, etc.), transportation (optimised transport times and conditions, handling when unloading, etc.) and slaughtering (reducing animal stress, quick slaughtering methods);
3. help promote good ranching practices, and encourage and provide support for changing practices;
4. recognise producers following a positive animal welfare approach by forming sustainable partnerships;
5. inform consumers about the origin and production mode of products, the characteristics and qualities of products produced with animal welfare in mind, and offer alternatives to conventionally produced products;
6. help inform and train everyone involved in the production line, from rancher to slaughterhouse, shipper, and butcher;
7. develop constructive dialogue with producers and animal rights organisations.

In France, the specifications for poultry, eggs, and other own-brand meats (including poultry, eggs, and rabbits) include requirements related to animal welfare to ensure that regulatory requirements are being met.

Annual inspections are carried out for all Carrefour animal feed lines to make sure that regulatory requirements are being met.

The specifications for Carrefour Quality Line (CQL) meats include strict directions on meeting regulatory requirements (such as directive 2008/120/EC on pork and 2008/119/EC on calves). Some CQL specifications go beyond regulatory requirements, such as those for beef suppliers, which require that livestock have access to pasture land for at least six months in France, or lambs raised on mother's milk for two months. No exceptions to stunning are allowed in terms of animal slaughter for the Carrefour Quality Lines in France. Audits are conducted three to four times a year in the slaughterhouses to make sure these conditions are being met.

Carrefour's Performance

Carrefour's goal is to enforce regulations on animal welfare and define additional criteria that go beyond regulations. Pilot supply lines are being developed in partnership with suppliers, particularly in France (*see Key developments*), to support ranchers using best practices.

Key developments

This policy is reflected at product level by a number of initiatives:

- Group-wide, the use of angora rabbit fur has been prohibited for all own-brand textiles since 2015;
- in France, a supply line is rearing calves in collective pens on straw bedding (representing approximately 20% of sales by volume in French hypermarkets), fed ad libitum; it was awarded Welfarm's first Trophy for excellence in animal welfare for global farm animal protection in 2015 (learn more);
- in Taiwan, Brazil, and France, Carrefour Quality Line beef comes exclusively from "grass-fed" cattle;
- in France, "Carrefour Quality Line" meat chickens (2011) and laying hens (2012), as well as salmon (late 2014), are "raised antibiotic-free" thanks to good rearing practices, high-quality feed, prevention, phytotherapy, and vaccination(learn more);
- in Poland, a new "antibiotic-free" chicken line was also developed in 2015;
- in France, all egg-based mayonnaise is made "with free-range eggs," replacing the eggs from caged chickens (learn more);
- in France, a pilot line is producing pork and deli meats from uncastrated pigs raised antibiotic-free after weaning (learn more);
- in Belgium, only fresh eggs from free-range or cage-free hens have been sold since 2008, and only rabbits raised in parks have been sold since 2013 (learn more).

2.3.3.5 Developing local apiculture and biodiversity

Apiculture

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Developing local apiculture and biodiversity	Encourage Carrefour countries to adopt a local approach to apiculture	*Key indicator under definition*	-	-	

Legend: *Challenge*

Carrefour's Policy

Carrefour's aim is to integrate biodiversity into the design of its car parks and green spaces and increase the presence of beehives and beekeepers near its stores. Carrefour aims to support local apiculture and beekeepers in all Group countries. By establishing beehives, stores can sell locally produced honey and raise awareness among both customers and employees of the need to protect biodiversity and the role of bees as pollinators in supporting plant species.

Carrefour's Performance

In 2015, Carrefour set the goal of rolling out this approach to the entire Group: a key indicator will be defined in 2016 to specifically assess progress in this area.

Key developments

In France, 14 Carrefour hypermarkets have installed beehives on the roof or in the vicinity of the store. The honey harvested is available for sale in these stores. Three shopping malls, one Carrefour store, and one Carrefour *Market*, as well as the head office in Les Ulis, have also installed beehives on the roof or in the vicinity. In total, some twenty hives have been established in France. Carrefour Belgium also installed three beehives on the roof of its Wavre-Bierges store in 2015.

Carrefour is conducting other bee-related initiatives, supporting French beekeepers by offering Carrefour Quality Line AOP honeys from Corsica. Three honeys are available: *maquis de printemps*, *châtaigneraie* and *miellats du maquis*, from nine Corsican beekeeper partners. Since 2004, a beekeeping line was established in Poland to protect the pollinators. The honey it produces comes from the Roztocze region.

Local biodiversity

Carrefour's Policy

In France, as part of its real estate activity (via Carrefour Property) Carrefour has implemented charters on environmentally friendly practices, including the Eco-Design Charter, the Green Site Charter, and the Biodiversity Charter. Guided by these framework documents, Carrefour strives to integrate environmental best practices into each phase of a building's life cycle.

During the design phase, store architecture is chosen to optimise energy consumption, preference is given to natural, eco-friendly materials, and renewable energies are considered whenever possible. Each project is designed to integrate seamlessly into the natural or urban landscape and to minimise environmental impact. During the construction phase, companies that worked on construction sites for Carrefour stores in 2015 signed the Green Site Charter, whose recommendations include sorting waste, cleaning earth-moving machinery's wheels, and limiting noise disturbances. For the operations phase, environmental criteria are included in rental agreements and specifications for outfitting stores, calling for energy-efficient equipment, eco-friendly materials, and waste sorting. An environment addendum has been signed for each new lease since September 2013. The shopping centre renovation plan, which Carrefour undertook with the creation of the Carmila company at the end of 2013, enables environmentally-friendly solutions to be incorporated into new improvements. For example, replacing shopping centre lighting with LEDs should generate up to 50% energy savings. In addition, landscaping improvements are incorporated into renovated sites with planting of local species.

Finally, service stations managed by Carrefour are equipped with facilities designed to prevent environmental risks and odours. The Group constantly monitors the regulatory compliance of its facilities and closely tracks fuel inputs and outputs to control the risk of leakage.

Carrefour's Performance

Since 2014, Carrefour France has aimed to have all new construction and expansions BREEAM Construction certified. The target level for shopping centre expansions is Very Good. For new stores, the target level is Good. Currently, in France, three sites are BREEAM certified for the design phase; one of which is certified as Very Good and the other two as Good. Two sites currently under construction are pending certification at the targeted Very Good level. In 2015, 12 building permits were filed with BREEAM certification: 10 at the Very Good level and two as Good. These projects will receive their certification in several years. Some sites in France are also BREEAM In-Use certified, which applies to the operations phase. Currently, two sites are BREEAM In-Use certified, one of which as Excellent and the other as Very good.

2.3.4 Action plan in support of Carrefour's suppliers

2.3.4.1 Listen to our customers and partners

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Listen to our customers	Include CSR in the customer barometer linked to Carrefour's brand image	*Key indicator under definition*	-	-	

Legend: *Challenge*

Carrefour's Policy

Carrefour's quality approach, broken down into five major components, is designed through constant collaboration with its stakeholders to meet consumer needs. Quality is especially important to consumers in certain product families.

The five priorities of the Carrefour quality policy, the "cornerstones of safety," are essential to ensure the quality and safety of Carrefour's own-brand products. To learn more, an excerpt from the Carrefour Quality Policy is available on this website : *www.carrefour.net*.

All own-brand products are audited by Carrefour, unlike products from national brands, which are neither audited nor monitored by the Group, since this is the producer's responsibility.

Nonetheless, the issue of safety is broader for Carrefour than the requirement of compliance. Indeed, simply meeting regulations does not always ensure safety for stakeholders: the Carrefour Quality Policy aims to go beyond regulations, striving for more quality in an approach of continuous improvement.

Consequently, Carrefour has chosen to publish a summary of its Quality Policy this year, to meet the expectations of its stakeholders. The aim is to demonstrate that Carrefour's strict quality standards apply at every stage in a product's life and in its store operations, as required by Carrefour's partners, including its customers.

Main stakeholders	Have expectations in terms of product quality	Carrefour policy to meet the demands of stakeholders and ensure product quality
Suppliers	Receive support from Carrefour to meet specifications and quality criteria and continue to be listed as suppliers	Detailed specifications distributed, incorporating all aspects of quality (origin of raw materials, recipes, etc.) Comprehensive assessment before any supplier is listed to ensure that it complies with health and safety quality standards (IFS, BRC) and with Carrefour's own requirements, including a specific social audit for high-risk countries Regular check-up audits after a supplier is listed
Customers	Enjoy products that are audited and comply with traceability and safety standards	Inspection procedures in warehouses (approvers check freshness, origin, and category of products) and in stores (team member training, etc.) Withdrawal of non-compliant products
	Are listened to and heard by Carrefour	Implementation of tools for listening and discussion (customer service, round tables, etc.) Awareness-raising campaigns and provision of quality and nutritional information on Carrefour product packaging, in responsible consumption and recycling guides, and online (www.pourmoipourtous.fr/ launched in 2015, Carrefour website, etc.)
	Consume innovate products in terms of value and quality	Development of specific product lines (Veggie line launched in 2015, etc.)
Employees	Apply Carrefour's quality procedures throughout the year	In-house inspections to check that the quality policy is implemented and understood in each country Training on Carrefour quality procedures
Experts, organisations, scientists	Inform and question Carrefour about the latest scientific and regulator advances in the food industry	Ongoing substance watch via formal risk mapping and management methodology based on classification by risk category (4 levels of criticality based on the scientific evidence amassed for each risk: unknown, hypothetical, known, prohibited)
	Work with Carrefour to share the main expectations from civil society	Procedures to capture stakeholder questions and expectations (informal contacts with independent scientific experts by topic, media watch for the food industry via an automated system of memos received three times a day, interviews with administrations in high risk countries, monitoring of laboratory publications in connection with health authorities)

Carrefour's Performance

The Carrefour quality policy has been broadly deployed across the Group. Internal inspections are conducted every year by Carrefour teams to check understanding of all five components of the quality policy and the audit system used by Group countries.

100% of sites manufacturing Carrefour-brand products are either certified under international standards (such as the International Food Standard) or audited by Carrefour.

For sites audited by Carrefour, inspections are performed either by an external service provider (81% in 2015) or by Carrefour teams (19% in 2015). Of the sites audited by Carrefour, only those suppliers who received a rating of B or higher (on a scale of A to D) are accepted, specifically, 95% of suppliers audited in 2015.

In 2015, the quality teams made a sustained effort to secure the future of this approach and disseminate the five components of the Quality policy. The workload was substantial due to Carrefour's many supplier/sites (2,454 in 2015, of which 464 were new in 2014 and 2015), requiring a large number of Carrefour audits conducted by independent laboratories (inspection/analysis plan: more than 5,000 analyses and more than 4,000 external panels in 2015).

This collaboration between Carrefour and its suppliers requires a long-term, trust-based relationship, as indicated by the high proportion of suppliers who have been working with Carrefour for over two years (81% in 2015).

Number of suppliers/sites	2015	2014	% change between 2014 and 2015
TOTAL	**2,454**	**2,481**	**(1)%**

Scope: Private label suppliers from the European supplier listing centre.

% of ratings obtained in audits	2015	2014	% change between 2014 and 2015
Between A and B-	95%	91%	4%
Dont A+	ND	75%	
Between C and D	5%	9%	(4) %

Scope: Private label suppliers from the European supplier listing centre.

Number of inspections performed	2015	2014	% change between 2014 and 2015
Analyses	52,601	53,647	(2)%
External panels	4,588	4,187	10%

Scope: Private label suppliers from the European supplier listing centre.

In France, a customer survey is conducted every year to confirm that the Carrefour quality policy is perceived positively by customers and evaluate the brand's image. It is sent out to 16,000 customers each month, and the results are confidential. Carrefour set a goal of including the issue of CSR in this survey in order to intensify its approach and better understand customers' expectations and current perceptions in this area.

Finally, since there is no way to address quality without also addressing the lack of quality, in the event of non-compliance requiring a product recall, the Group uses an international alert system known as *Alertnet* to inform its stores as quickly as possible. The system is available online, with free, open access for suppliers.

For example, in France, in 2015, 675 products were withdrawn and 129 recalls (four of them accompanied by a press release), were recorded. In case of alert, Carrefour withdraws products immediately; an inspection to ensure that the withdrawal is complete is conducted within 24 hours, and quantity returns are made within three working days after the withdrawal is announced.

Key developments

The concept of an easy-to-understand label on foods to indicate their nutritional quality is very topical in France at the present time. Carrefour has been working on this since July 2013, when several stakeholders, including government authorities, met at Carrefour's invitation to brainstorm the issue. The label indicates a variety of criteria (including calories, free sugars, fibre, and salt), which are combined into a ranking based on a mathematical algorithm. Labelling is voluntary and will apply to industrial food products. In 2015, there was much discussion among stakeholders about how the labels should look to avoid stigmatising certain products on the transparency of the calculation and classification system.

To anticipate this issue, in addition to the detailed product information that has been provided for a number of years (including nutritional information, the Guideline Daily Amounts (GDA) system and the phrase "Eat a varied, balanced diet and get regular exercise!"), in 2014 Carrefour launched the "à quelle fréquence" (how often) programme. Developed in cooperation with food and public health experts, this nutritional information will be presented on Carrefour products to help its customers make enlightened choices based on how often they should be consumed as part of a balanced and varied diet.

A complementary, simplified labelling system will also be offered, in the form of an upside-down pyramid with four different colour schemes offering positive information, since no food product should be automatically eliminated from our diet. The SENS system for simplified nutritional labels was proposed to the French national health directorate (DGS) in October 2015 and was immediately submitted to the country's national food safety authority (ANSES).

After the law to modernise the healthcare system was published, the French government opted to roll out a "life-size" test in stores, to determine how well consumers would understand the system, in the spring of 2016. Carrefour is closely involved in the work currently being performed under Ministry of Health supervision and will be contributing to its success in several ways in the interest of helping customers make everyday choices.

2.3.4.2 Promoting CSR in the supply chain and prioritising local suppliers

Promoting CSR to suppliers

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Promoting CSR in the supply chain and prioritising local suppliers	Promoting CSR in our supply chain	% of suppliers fully participating in the CSR self-assessment	69	NA*	

Legend: *Action plans in progress*

* *New indicator in 2015.*

Carrefour's Policy

Launched in France in 2006 and deployed Group-wide as of 2007, our sustainable development self-assessment tool is a detailed self-evaluation framework designed in conjunction with the WWF. The questionnaire covers all CSR-related topics and is based on the ISO 26000 standard. It is accessible to suppliers online. The tool provides suppliers with some 20 advice sheets and practical examples, and allows them to compare their average with that of other suppliers in their sector. Within this framework, Carrefour recognises suppliers' best practices.

Carrefour's Performance

Carrefour aims to ensure that all of its suppliers answer all questions in the self-assessment and help them implement concrete CSR initiatives. In 2015, Carrefour chose to publish the portion of its suppliers that fully participated in the CSR self-assessment: that figure was 69%.

% of suppliers fully participating in the CSR self-assessment	2015
World	69%
France	78%

Key developments

In 2015, for the first time, best practices by SMEs identified by the self-assessment were recognised internationally. This took the form of the Major Climate Challenge for suppliers that Carrefour launched Group-wide in March 2015. The challenge rewarded projects that had the most impact in combatting climate change. More than a hundred Carrefour suppliers from 10 of the Group's countries answered the Group's call for submissions, proposing their innovations as part of the UN's Paris Climate change conference, COP21. Carrefour chose a panel of NGO partners, ADEME representatives, experts, and stakeholders to select the winners of the challenge. The 10 foreign companies recognised (one award per country) were invited to present their projects at the Group's head office, providing an opportunity for them to discuss best practices.

Additionally, at the SME innovation and CSR Awards, the award-winning French SMEs received special support from Carrefour to follow up on their project, in the form of consulting visits by an external service provider, to identify areas for improvement and develop action plans.

Some 20 applications were received in France; 18 candidates were presented to the jury, and eight innovation Awards and four CSR awards were given in the end. Twenty-six audit visits were scheduled for this purpose.

In a general sense, relationships with suppliers are key factors for Carrefour in creating a collective momentum to incorporate CSR. These relationships are contractually based, but are also built on constructive professional dialogue. In December 2015, Carrefour was the first company to receive the Responsible supplier relationships certification in the food industry sector for its business in France. The certification process analyses the following four components for food products: respect for suppliers' interests, impact of purchases on economic competitiveness, consideration of environmental and societal factors in the purchasing process, and conditions related to the quality of supplier relationships. A document analysis and interviews were conducted to confirm that Carrefour France's purchasing processes complied with the criteria for this certification and ultimately to grant it. The certification is valid for three years and is confirmed by an inspection audit each year. After this year's audit, action plans have been implemented in France to better monitor suppliers' economic dependency, systematise a method for training buyers to prevent corruption, and continue rolling out the SME plan.

Finally, an internal mediator was appointed in 2015 to address any questions that agricultural partners may have about the application of business contracts, to complement the external mediation clause included in those contracts. The internal mediator is independent of purchasing, the commercial departments, and the litigation department.

Suppliers can reach him, and the mediator for agricultural business relationships, within 48 hours. A supplier's option to involve the internal mediator is independent of business negotiations, the annual agreement, and any contracts between Carrefour and the supplier. To learn more: *www.pourmoipourtous.fr*.

Promoting local suppliers

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Promote CSR in our supply chain and give preference to local suppliers	Promote local suppliers	% of sales of Carrefour-brand food products from direct national suppliers	71.1%	73.1%	

Legend: *Action plans in progress*

Carrefour's Policy

The Group favours local procurement of products, particularly food products (*i.e.* products produced in the same country in which they are sold). Carrefour thus supports the growth of SMEs and small producers in all Group countries. The aim is to create a local network of SMEs connected to stores and help entrepreneurs develop their small businesses. In Belgium, for example, producers located no more than 40 kilometres from a hypermarket can be listed as a supplier within two weeks and are in direct contact with that store. Under this project, initiated in 2013, 680 local producers have been able to supply more than 7,000 products to stores, and 2015 sales doubled in comparison with 2014.

In France, a regional organisation identifies SMEs and assists them with their listing. Carrefour launched an SME plan in 2014 to improve cooperation with SMEs across all food and non-food consumer goods sectors. Its aim is to become a preferred partner for SMEs, to create sustainable growth for Carrefour. In 2014, the 5,000 SMEs represented more than 9% of Carrefour's sales and produced 60,000 local products. This plan was formalised and released during the national SME conference held in June 2015. The organization is structured around a steering committee, an SME and Agriculture partnerships director, and an expanded team in 2015.

Promoting local suppliers also means developing lines of regional specialty products. Three examples are: the Reflets de France brand (51 new products launched in 2015, 546 local products, 232 producers involved excluding fruits and vegetables, 107 million products sold, i.e. +8.2% growth over 2014), the Terre d'Italia line (30 new products launched in 2015, more than 400 references, 190 producers involved, 70 million products sold, i.e. +15,7% growth over 2014), or the De Nuestra Terra line in Spain (177 references in 2015, 11.3 million products sold, i.e. +9,6% growth over 2014).

Finally, Carrefour prioritises French producers for its Carrefour BIO lines. In 2015, more than 70% of the Carrefour BIO food products in French stores were sourced from French production sites – including fruits and vegetables. The share of non-French products concerns mainly exotic products and citrus fruits not grown in France, as well as organic products from elsewhere in the European Union when French production is insufficient.

Carrefour's Performance

Carrefour's aim to promote local suppliers is reflected by the part of sales of Carrefour-brand food products from national suppliers. In 2015, the figure is 71% *versus* 73% in 2014, being a decrease of 2 points explained by the sales increase of national brand products. In Argentina and Brazil, the share of Carrefour food products sourced from local suppliers is particularly high: 96% in 2015. In 2015, Carrefour introduced its own-brand products in Asia, which explains the weak percentage of 59%.

% of sales of Carrefour-brand food products from national suppliers	2015	2014
Europe (dont France)	70%	73%
South America	96%	93%
Asia	59%	60%
TOTAL	**71%**	**73%**

Number of products from SMEs	2015	2012	% of evolution vs. 2012
Total	60,000	25,000	140%

Key developments

In 2015, Carrefour continued to roll out its SME plan in France. The objective is to form closer partnerships between Carrefour and its SME and agricultural suppliers, in order to improve the economic and business relationship. In 2015 occurred: dual mediation was adopted, with an internal mediator for agricultural business relationships appointed in February 2015 *(see previous section)*, faster listing for local suppliers, the development of a mechanism to ease cash flow for SMEs, and a Carrefour task force at the French Federation of Enterprises and Entrepreneurs (*Fédération des entreprises et entrepreneurs de France* – FEEF). At the first meeting of this task force, everyone present expressed their perceptions of the partnership with the banner, with the goal of identifying areas for improvement. The discussions helped Carrefour to clarify the initiatives it plans to take in coming months to help SMEs.

Four hundred and forty small and very small businesses in the food and non-food sectors, along with 550 Carrefour employees, attended the 3rd Carrefour SME and Innovation show, in partnership with the FEEF, held in Rungis in June 2015. The goal for store directors and purchasing teams was to enhance the selection of products from small and very small French businesses on the shelves of Carrefour stores, both locally and nationally, to deepen and diversify their business relationships with SMEs, and to encourage innovation. In total, 25% more exhibitors participated in 2015 than in 2014. Carrefour also organised Innovation Awards to recognize eight new products from a field of 60, based on a vote by 50 Carrefour consumers and the banner's sales teams. The winners enjoy the support and expertise of Carrefour's teams, for the management of their project. Feedback confirmed that overall satisfaction level was 91%, and that 66% of SMEs attending the 2015 event deemed it "very likely" that they would attend again in 2016.

2.3.4.3 Ensuring that Carrefour's Suppliers respect human rights

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Ensure that Carrefour's suppliers respect human rights	Complete 100% of the action plan 2015-2017	*Key indicator under definition*	-	-	

Legend: *Action plans in progress*

Carrefour's Policy

Carrefour is committed to constantly improving working conditions for its suppliers. In this regard, Carrefour has adopted a set of tools and procedures for monitoring its suppliers and helping them maintain compliance. The reference framework for Carrefour's policy is its Supplier Charter, which is applied consistently in all countries. This charter describes Carrefour's requirements in terms of human rights and is included in the purchase contract signed by every supplier prior to listing. The Supplier Charter includes eight main sections on topics such as forced and child labor or the health and safety policy. It was implemented in 2000 and updated in 2010. This charter also specifies that meeting these commitments is only possible in the context of a cooperative relationship with its suppliers. Carrefour undertakes not to impose any conditions on suppliers that would prevent them from implementing these conditions.

Moreover, Carrefour undertakes, as far as possible, to support its suppliers in implementing these social principles, specifically by deploying corrective actions in cases of non-compliance.

The Carrefour group has prepared a risk mapping of high-risk countries based on public risk indices, the experience of its own teams, and information from its partners. This mapping will be updated in early 2016. Carrefour currently has suppliers in 21 high-risk countries, a category that includes 87 countries. In these countries, the Group conducts social audits on all suppliers that manufacture Carrefour-brand products. Contractually and through a cascading effect, Carrefour requires its suppliers to have the same social compliance requirements for their own suppliers and prohibits any concealed or unreported subcontracting.

Carrefour strives to build partnerships with its suppliers based on improving quality, productivity, and long-term visibility, which constitute the foundation of better working conditions in factories over the long term. To reach this goal, Carrefour has implemented purchasing rules that apply to all Group countries and strives to work jointly with its suppliers. This approach, in which Carrefour is advised by the FIDH, aims to prevent human rights violations as much as possible within the procurement chain.

In parallel, Carrefour is committed to harmonising the various social verification systems in place and developing shared instruments to implement international labor standards *via* the Global Social Compliance Programme (GSCP) and various task forces.

The purchasing rules followed by Carrefour's sourcing teams include four levels of inspections in countries with a specific vigilance:

- before being listed, a potential supplier is checked briefly by Carrefour teams for compliance with the requirements of the charter;
- this initial analysis is followed by an in-depth audit conducted by an independent auditing firm, which checks the potential supplier's compliance with the ICS standard (Initiative Clause Sociale, a reference shared by several French retailers whose requirements are the same as those in the Carrefour Supplier Charter, allowing the members to share a common audit report template). Only suppliers who have achieved an adequate level of compliance following the audit may be listed and produce Carrefour products;
- after a supplier is listed, unannounced follow-up audits, always conducted by independent auditing firms selected by Carrefour, are performed regularly, depending on the criticality of any compliance failures observed during the previous audit;
- finally, specific and second-opinion audits may be conducted by external companies to check specific or one-time items, for example under the Bangladesh Accord signed in 2013.

In countries that are not particularly high-risk, the inspection system is tailored to fit the supplier, the business, and any local issues that the teams are aware of or that come to the attention of Carrefour.

Carrefour's Performance

Carrefour's aim is to complete 100% of the Carrefour action plan (updated in 2015) by 2017. This plan is continually appraised by the stakeholders, particularly the FIDH in the context of its co-operation with Carrefour.

The countries identified in the tables below (Bangladesh, China, India) are the main high-risk countries in which Carrefour suppliers produce. The number of social audits is down from 1,508 in 2014 to 1,455 in 2015, of which 13% were conducted by our competitors on mutual suppliers using ICS methodology. The decline is due to two factors: the work done to stabilize the supplier pool (hence the lower number of initial audits) and the overall improvement in compliance by existing suppliers (hence the lower frequency of re-audits).

Number of social audits	2015	2014	% change between 2014 and 2015
Bangladesh	109	99	10.1%
China	1,016	1,005	1.1%
India	114	116	(1.7)%
Other sourcing countries	216	288	(25.0)%
TOTAL	**1,455**	**1,508**	**(3.5)%**

All active Carrefour suppliers have been audited for compliance with the Supplier Charter in particularly high-risk countries. These audits are considered initial or listing audits when their purpose is to check working conditions before listing; the result of this audit can be used to select a supplier.

Audits during an existing business relationship are considered follow-up audits, designed to check changes in compliance and the implementation of action plans; the frequency of follow-up audits depends on the criticality of any compliance failures observed during the previous audit. The proportion of social audits is rising, reflecting Carrefour's stricter inspection procedures.

% of follow-up audits among audits	2015	2014	% change between 2014 and 2015
Bangladesh	54%	68%	(14) points
China	58%	57%	1 point
India	46%	40%	6 points
Other sourcing countries	39%	43%	(4) points
TOTAL	**54%**	**53%**	**1 POINT**

An alert is a critical point of non-compliance identified during the audit and requiring immediate action by the supplier. A supplier with an alert will not be listed as is. In 2015, a new ICS audit chart was adopted, which redefined alerts. This makes it difficult to compare the audit results with 2014 figures. The number of alerts, which was 16 under the new methodology, reflects cases including children present in the factory, cases of known forced labour, disciplinary measures, attempted corruption, document falsification, and safety conditions threatening the lives of workers. The work done on the alert list eliminated cases that were not truly serious, making it easier to target critical, urgent issues. Three levels of criticality were established, resulting in better evaluation of the plant's level. In the event of non-critical non-compliance, a corrective action plan is established in conjunction with the supplier and a follow-up audit is carried out to check that it has been implemented in periods depending on the criticalityof the non-compliance (between 3 months and 2 years).

The conclusions in 2015 were as follows: working conditions in factories, including health and safety issues, were evaluated in greater detail, and it was difficult to compare the results from 2014 and 2015 audits in terms of scoring. Each plant is given a score based on its compliance, and the rating scale was changed in 2015. Carrefour will once again publish detailed, quantitative data from its social audits non-compliance in 2016.

Key developments

After the purchasing rules were rewritten in 2013, the Group implemented an action plan in 2014, developed in collaboration with the FIDH and discussed with Carrefour's trade unions. It is structured around four priorities and was further updated in 2015 (see below).

1. Increase formalisation of the purchasing rules by implementing the structures required to develop, inspect, and monitor working conditions in 2015

- train teams on the purchasing rules and new audit grid in the countries (more of 95% of employees trained in 2015);
- carry out an internal audit to check their application;
- revise the mapping of high-risk countries (countries with a substantial risk of human rights violations);
- sign a new framework agreement with UNI bolstering Carrefour's support for freedom of association and the right to collective bargaining in its businesses;
- renew the partnership with the FIDH allowing Carrefour to implement inspection and action processes, conduct a watch for potential human rights violations across its procurement chain, and respond quickly to known violations.

2. Tighten inspections and increase support for suppliers in 2015

- improve the ICS audit grid to more clearly assess factories' compliance by implementing three levels of criticality;
- implement a system for managing the capacities allocated by suppliers in their factories, with on-site confirmation, to ensure the factory's ability to manage production and avoid subcontracting;
- prepare cost sheets for each country and product for clothing products in order to break down the price (raw materials, packaging, labor, administrative costs, incidental costs), consider price changes in relation to salaries;
- sign an MOU with BSCI and ICS, of which Carrefour is a member, to create the conditions for a merger between the two initiatives, thus reducing redundant audits (the two databases have an overlap of between 20% and 50% of suppliers, depending on the country) and harmonising training and awareness-raising recommendations ;
- implement action plans in the Bangladesh factories as required by the *Fire and Building Safety Bangladesh* Accord for more information, view the Accord website, which shows the progress of work on this agreement factory by factory, for all companies).

3. Strengthen performance measurements in 2015

- structure the list of direct suppliers and submit it to third-party organisations as part of specific programmes (specific partnerships, Bangladesh Accord);
- also see: *"Carrefour's Performance on human rights"*.

4. Promote the respect of human rights in 2015

- use the Carrefour Good Factory Standard, which illustrates good and bad practices with photos taken on site to teach and educate suppliers;
- partnership with Sphère, association created and managed by the FIDH, in order to improve the living conditions of populations by strengthening the capacity of NGOs and other independent actors of the civil society, exchange of experience and training. At the end of 2015, the first humanitarian aid projects were presented to Carrefour, in order to promote respect for labor rights and other related rights in Asia.

The action plan was presented to the steering committee of the European committee (CICE) comprised of trade unions and employers' organisations, and progress is tracked at each committee meeting.

It is also subject to internal monitoring by a committee dedicated to human rights which brings together the departments concerned. Many projects are already underway for 2016 to continue to structure the approach; their results will be reported in detail next year.

2.3.4.4 Being a socially responsible retailer

Commitment	Targets	Key indicator	2015	2014	Action plan progress
Be a socially responsible retailer	Food as a way to combat exclusion	Number of meal equivalents donated to food aid associations *(in millions)*	100.5	88.0	

Legend: *Action plans in progress*

Carrefour's Policy

The Carrefour Foundation's solidarity programmes

Created in 2000, the Carrefour Foundation conducts sponsorship programmes related to the retail sector in countries where the Group operates. It had a budget of 7.75 million euros in 2015 that allowed it to fund 71 programmes in 15 countries. The Foundation draws on its local connections and the Group's retail business to collaborate with Carrefour's corporate philanthropy entities (country foundations in Argentina, Brazil, China, Spain, and Taiwan, and local management) to support, develop, and coordinate their solidarity initiatives with organisations in the field. Its efforts are focused in two major areas: food solidarity and emergency humanitarian aid.

Funding requests are assessed by the Carrefour management in a country, based on a rubric of objective criteria, before being reviewed a second time by the Carrefour Foundation. The Foundation works with the country management to determine the financial, technical, and material assistance required to successfully implement the programme in the field. The project is then submitted to the Carrefour Foundation Board of Directors for approval. At this point, an agreement is signed with the local organization to formalise the objectives and the grant awarded. Each country management team tracks and assesses these projects regularly, free of any economic considerations. The Carrefour Foundation ensures that the resources allocated are put to good use and reviews the results achieved. A final assessment measures the impact of the programme and determines the benefits of pursuing it or redirecting it over the medium and long term.

All of the Foundation's actions and partnerships are described in detail at: *www.fondation-carrefour.org/fr* and in the Carrefour Foundation's annual report.

In the 10 countries in which the Group is active, dedicated entities conduct social responsibility initiatives to meet the needs of local communities. Within this framework, Carrefour and its teams work every day to promote solidarity, cooperating with the Carrefour Foundation and supporting local philanthropic entities (including Instituto Carrefour in Brazil, Fundación Solidaridad Carrefour in Spain, Fundación Carrefour Argentina, Carrefour China Food Safety Foundation, Carrefour Taïwan Cultural and Educational Foundation).

For example, in France, initiatives are conducted throughout the year:

- les Boucles du Cœur, a Carrefour initiative during which each store supports either the nationally selected organisation or a local organisation of its choice, inviting customers to participate in various activities to support the cause of childhood: more than 2 million euros were collected over six weeks in 2015 ;
- a "small change" drive: more than 100,000 euros were collected in 2015 and more than 1,100,000 euros were collected since 2003;
- donation of a percentage of sales from partner brands' tinned goods to Secours populaire français: 664,000 euros were collected in 2015;
- the Restos du Cœur food drive: 2,000 tons of food were collected and distributed in 2015;
- the Telethon: 300,000 euros were collected in 2015.

In total, thanks to customers' generosity, all of the solidarity initiatives conducted by Carrefour France raised 3,153,000 euros over the year and allowed the Group to distribute the equivalent of 9 million meals.

Carrefour's Performance

Food donations

Stores enter into local contracts with food aid charities to provide them each day with products nearing their expiration date, removed from the shelves each morning and reloaded onto pallets by employees trained in the process, including fruits, vegetables, fresh products, and grocery products.

Through its stores and warehouses, Intradon – a tool established in 2007 devoted to donations – enables products donated to associations to be traced from the store shelves to the recipient. In 2015, donations represented 100,5 million meals provided by Carrefour including 92 million in France where all consolidated hypermarkets and supermarkets make daily donations to various associations, and where Carrefour is the key partner to more than 800 local food aid organisations.

In Brazil, Carrefour has set up a programme called *Parceria que alimenta* to promote the donation of still-edible products to food banks. 143 Carrefour stores have signed contracts with 34 local food bank branches.

Logistics for social responsibility

Carrefour's corporate philanthropy actions are also demonstrated through its logistical support. The Foundation provides refrigerated vehicles to transport fresh products, as well as cold storage areas to ensure compliance with the cold chain. Since 1994, Carrefour has funded the purchase of 281 refrigerated vehicles and 55 cold storage areas, along with refrigeration chambers and other equipment to support the work of food aid associations around the world. In 2015, the Foundation funded 12 refrigerated vans and four cold storage rooms for the French Federation of Food Banks.

Key developments

By drawing on Carrefour's retail expertise, the Foundation can act to reduce exclusion by working towards food solidarity goals and supporting socially responsible projects in the general interest.

Food for those in greatest need

Carrefour's teams have partnered with Food Bank Federations since 1994, and in 2015 they worked alongside volunteers on the 3rd international food drive, with national food bank federations in 10 countries. 1,446 voluntary employees lent a helping hand to volunteers in 2,217 of the brand's stores: customers, volunteers and Carrefour employees were all called to take part in the drive. The international collection drive supplemented the daily food donations.

At the Milan World's Fair, the Carrefour Foundation supported the Italian Food Bank Federation by funding a refrigerated container. This allowed nearly 50 tons of food to be collected and redistributed to local food aid associations between May and November 2015. On July 6, 2015, the Food Banks were awarded a "Best Practices in Sustainable Development" prize for this initiative, recognising their action in combatting food waste (by donating meals).

Food promoting social inclusion

Founded in 2002, *Rede Cidadã* works in Brazil to promote jobs for young people by facilitating relations between government, associations, and private entities. Carrefour has been a strategic partner to *Rede Cidadã* since 2012 in three ways: providing funding, providing skills, and recruiting. The association's *Conexão-Varejo* project is designed to promote access to employment in food retailing. In 2015, the programme trained 1,358 people (495 of them in retail professions), and Carrefour trained and hired 86 of its graduates. Some classes are run by Carrefour volunteers from the head office, providing support to the instructors. After contributing 337,411 euros in 2012, Carrefour has been subsidising the project with grants worth approximately 500,000 euros annually since 2013.

In France, Carrefour provided 40,000 euros in support to *A table citoyens* for scaling up its *Baluchon* project. Two years after its launch, this programme employs 34 people, 20 of them with job integration or apprenticeship status in food services careers.

Since 2011, the Carrefour Foundation has also supported the social integration project of the Emmaüs Défi association in France, helping set up and develop a Solidarity Equipment Bank in Paris. The system involves selling and delivering new home equipment to underprivileged families at low prices. Since it was created, 1,485 people have benefitted from the Solidarity Equipment Bank. But the process does not stop there; Emmaüs Défi is also a job integration project that hired 187 employees in 187. In addition, 8 immersions were organized at different Carrefour sites.

Innovation supporting solidarity in food

In 2015, Carrefour supported the Taiwanese association Chinese Christian Relief Association (CCRA), founded in 1998 to provide high-quality food to those most in need. Its first food parcel distribution center opened its doors in April 2010, and since then 410 "1919" distribution centers have been established, covering 22 cities in Taiwan. The association provides basic food and hygiene products to underprivileged families, offering support and conducting twice-monthly home visits in partnership with social services. In 2014, the Carrefour Foundation funded the purchase of a vehicle and refrigeration equipment worth 44,327 euros. In December 2015, the CCRA opened a low-income grocery store in the north, benefitting 55 families each month. To support this new store, Carrefour Taiwan will provide two volunteers for each partner store, three hours a week, to train them on inventory management, pricing, and health and safety rules. When stores are renovated or updated, old equipment from certain Carrefour stores will be given first to the Association.

In Romania, Carrefour has been supporting *OvidiuRo*, a pilot program to promote social integration for at-risk families. Under the program, each family receives food vouchers worth 12 euros each month to encourage parents to send their 3- to 6-year-old children to school every day. The Romanian government, recognizing the effectiveness of this program, has just allocated 12.3 million euros in 2016 to keep the program running and allow the children who benefit (more than 110,000 children ages 3 to 6) to attend nursery school.

In France, Solaal received 3.5 times more agricultural donations in 2015 than in 2014, for a total of 5,800 tons of food (98% of it fresh products), which represents 11.6 million meal equivalents. Carrefour also provides Solaal with access to trucks and its Rheu warehouse. Products donated by Breton farmers are brought by Carrefour trucks returning from their delivery rounds to the banner's warehouse to be redistributed to food aid associations, who already come to pick up products donated by Carrefour. The system, which was established in March, has already facilitated the donation of 9 tons of potatoes to three local food aid associations: the French Red Cross, Secours populaire français, and the Food Bank.

Emergency humanitarian aid

In 2015, the Carrefour Foundation released emergency funding on 6 occasions for a total of 392,857 euros (in response to the volcanic eruption near Argentina, explosion and mudslide in China, and flooding in the south of France, Italy, and Argentina). In addition, 1 million euros were released on an exceptional basis to address the migrant crisis in Europe and the Middle East. Moreover, 250,000 euros were sent to Syria to help ACTED, an international solidarity association, improve access to water and decent sanitary infrastructure and to facilitate access to food and basic essentials. The Carrefour Foundation supported the World food programme with a donation of 341,600 euros to fund food vouchers in Jordan, Lebanon, Turkey, and Egypt.

Finally, a donation of 70,000 euros was given to Samu Social International for DOMEUS, a project designed to establish clinics (offering counseling, personal medical files, emergency treatment, and referrals to care or legal assistance) in Italy and host countries in Europe.

In France, a donation of 126,000 euros was given to Secours Populaire Français to provide food aid to 150 families. In Spain, a donation of 150,000 euros was given to the Red Cross to welcome, assist, and support refugees in the country, particularly children (helping with food, healthcare, and counselling). In Belgium, a donation of 62,400 euros was given to the Samu Social to improve the quality of services provided by mobile humanitarian assistance teams to migrants and refugees by hiring two Arabic-speaking social workers.

Since the Carrefour Foundation was founded in 2000, 11.6 million euros has been donated to support 108 emergency and aid initiatives in 38 different countries.

2.4 Carrefour's non-financial results

2.4.1 CSR indicators

All the Carrefour CSR indicators are gathered in the files below. Key indicators are mentioned in bold.

COMBATTING WASTE			
Commitments	Indicators	**2015**	2014
Recover our waste	**% of waste recovered** (food donations included) [1]	66.6	64.7
	Quantity of recycled waste *(total in thousands of tons)*	412.6	401.8
	Quantity of recycled waste – returned by customers: batteries *(in thousands of tons)*	0.8	0.9
	Quantity of recycled waste – returned by customers: other end-of-life product (in thousands of tons)	10.6	6.1
	Number of disposable plastic bags purchased *(in millions)*	1,288	1,204
Combat climate change	**% reduction in CO_2 emissions *versus* 2010**	(29.7)	(28.5
	GHG emissions by source *(in thousands of equivalent tons of CO_2)* ☑	3,612.1	3,674.2
	Scope 1 (refrigerants, gas and fuel) in T.eq.CO_2	*1,686.6*	*1,700.9*
	Scope 2 (electricity) in T.eq.CO_2	*1,602.0*	*1,665.2*
	Scope 3 (logistics) in T.eq.CO_2	*323.5*	*308.0*
	% of variation in energy consumption per sq.m. of sales area vs. 2010	(12.0)	(11.2)
	In-store energy consumption – electricity, gas and fuel *(kWh per m² of sales area)* ☑	551.2	556.1
	% of variation in CO_2 emissions linked to cooling, *vs.* 2010	(21.2)	(20.2)
	Number of stores equipped with a hybrid or 100% natural fluid system	260	160
	100% natural fluid (HFC- or HCFC-free)	*90*	*45*
	Hybrid (a mix of HFC and natural)	*170*	*115*
	Quantity of refrigerant fluids refilled following leaks [2] *(kg per 1,000 m² of sales area)*	49.9	53.8
	% reduction in CO_2 emissions per shipping unit (kg/pallet), *vs.* 2010[3]	(14.3)	(15.1)
	CO_2 emissions per shipping unit *(kg of CO_2/pallet)[3]*	6.2	6.2
	Amount of water consumed per sq.m. of sales area *(m^3/m^2)*	1.60	1.62
	Amount of water consumed *(m^3)*	15.7	15.5
	% of water saved in one year per sq.m. of sales area Group-wide	1.1	5.8

(1) Excluding: HM : AR/SM : AR, IT
(2) Excluding: SM : AR
(3) Excluding: CH
☑ *2015 figures verified with a result of reasonable assurance*

PROTECTING BIODIVERSITY

Commitments	Indicators	2015	2014
Develop agroecology, organic products and fair trade	**Number of Carrefour Quality Lines FQC** *(number of partnerships)*	438	414
	Total sales (inc. VAT) of "Carrefour Quality Line" products *(in millions of euros)*	903.6	851.4
	Number of organic food products (Carrefour own-brand)	2,19	2,268
	Sales (inc. VAT) of organic products (own-brand and national brand) *(in millions of euros)*	840.1	703.3
	Number of fair trade products (Carrefour own-brand)	77	112
	Sales (inc. VAT) of fair trade products (own-brand and national brand) *(in millions of euros)*	124.1	127.6
Encourage the sustainable consumption of sea resources	**Sales evolution for seafood products labelled MSC and ASC + CQL seafood** *(in millions of euros)*	184.6	ND
Encourage procurement of deforestation-free products (beef, paper, palm oil, wood and soybean)	**% of palm oil from RSPO-supported suppliers**	100	73
	% of palm oil RSPO certified 'segregated' (fully traced)	*14.3*	
	% of palm oil RSPO certified as "mass balance" (partially traced palm oil)	*44.1*	
	% of palm oil covered by Green Palm certificates (certificate-trading)	*41.6*	
	% certified/recycled paper	99.6	99.3
	Sales of Carrefour PEFC and FSC products and supplier products *(in millions of euros)*	152.3	ND
	Quantity of paper purchased for commercial publications *(kg/m² of sales area)*	14.9	15.8

SUPPORTING OUR PARTNERS			
Commitments	**Indicators**	**2015**	**2014**
Act as a responsible employer	Workforce (total)	380,920	381,227
	% of women in management	38.3	37.5
	% of permanent contracts	92.3	92.2
	% of part-time employees	22.9	23.2
	Rate of internal promotion *(in %)*	51.1	48.0
	Number of new hires with permanent contracts	91,484	99,511
	Rate of absence due to workplace and travel-related accidents *(in %)*	0.56	0.54
	Number of employees with a disability	11,271	10,523
	% of employees recognised as having a disability	3.0	2.9
	Total number of training hours over the year (*in thousands)*	5,097	5,420
	Average number of training hours per employee	13.6	14.9
Improve the communication of our results/actions to the non-financial community	**RobecoSAM rating**	69	62
	Carbon Disclosure project rating	96B	66C
	Number of meetings with investors	20	18
Promote CSR in the supply chain and prioritizing local suppliers	**% of suppliers fully participating in the CSR self-assessment**	69	ND
	% of sales of Carrefour-brand food products from direct national suppliers	71.1	73.1
Ensure that Carrefour's suppliers respect human rights	% of follow-up audits among social audits	54	53
	Number of social audits	1455	1508
Be a socially responsible retailer	**Number of meal equivalents donated to food aid associations** *(in millions)*	100.5	88.0
	Fondation budget *(in millions of euros)*	7.75	6.5
	Number of projects funded	71	60
	Number of countries of intervention	15	12

2.4.2 CSR cross-reference table

Article 225 Grenelle II law	Page of the management report
1° Labour information	
a) Employment: • total workforce and breakdown of employees by gender, age and geographic region; • new hires and redundancies; • salaries and changes.	33-34, 37-38 and 45
b) Work organisation: • organisation of work schedules; • absenteeism.	34 and 41 to 43
c) Employee relations: • organisation of workplace dialogue, and specifically procedures for notifying, consulting and negotiating with employees; • overview of collective bargaining agreements.	38 to 40
d) Health and safety: • workplace health and safety; • overview of the agreements signed with trade unions or staff representatives regarding workplace health and safety; • workplace accidents, particularly their frequency and severity, as well as occupational illnesses.	41 to 43
e) Training: • policies implemented with regard to training; • total number of training hours.	35 to 37
f) Equal treatment: • measures taken to promote equal treatment of men and women; • measures taken to promote employment of the disabled and their integration into the job market; • anti-discrimination policy.	43 to 47
g) Promotion of and compliance with the provisions of the International Labour Organisation's fundamental conventions regarding: • respect for freedom of association and the right to collective bargaining; • elimination of discrimination in respect of jobs and professions; • elimination of forced or compulsory labour; • effective abolition of child labour.	26 and 69 to 72
2° Environmental information	
a) General environmental policy: • organisation of the Company to handle environmental issues and, where applicable, procedures for conducting environmental assessments or certifications;	22 to 24 and 47-48
• actions taken to train and educate employees regarding environmental protection; • resources devoted to environmental and pollution risk prevention;	115 to 117
• the amount of provisions and guarantees for environmental risks, provided that this information is not likely to seriously harm the Company in the context of pending litigation.	none (scope France)
b) Pollution and waste management: • measures taken to prevent, reduce or redress any discharge into the air, water or soil that has a serious impact on the environment; • measures taken with regard to waste prevention, recycling and disposal; • steps taken to reduce noise pollution and any other form of pollution specific to an activity.	48 to 56
c) Sustainable use of resources: • water consumption and water supply based on local requirements;	54-55
• consumption of raw materials and measures taken to use them more efficiently;	47 to 49 and 55 to 63
• energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources;	23-24 and 49 to 54
• land use.	63
d) Climate change • greenhouse gas emissions; • adaptation to the consequences of climate change.	23-24 and 49 to 54
e) Biodiversity protection • measures taken to preserve and develop biodiversity.	56 to 63
3° Information regarding sustainable development commitments	
a) Local, economic and social impact of the Company's activity: • on regional employment and development; • on nearby or local populations.	67 to 72

Article 225 Grenelle II law	Page of the management report
b) Relations with the people and organisations affected by the Company's activities, including integration associations, educational institutions, environmental protection associations, consumer groups and local populations: • conditions for building dialogue with these people and organisations; • partnership and sponsorship activities.	 26 72 to 74
c) Subcontracting and suppliers: • attention to social and environmental concerns as a factor in the purchasing policy; • use of subcontracting and consideration of suppliers' and subcontractors' social and environmental responsibility in dealings with them.	 69 to 72 67-68
d) Fair practices: • actions taken to prevent corruption; • measures taken to promote consumer health and safety.	 26-27 and 68 64 to 67
e) Other actions taken pursuant to this Section 3 to promote human rights.	69 to 72

2.4.3 Detailed reporting methodology for CSR indicators

The CSR department has a steering committee for the preparation of the 2015 management report. It includes all the relevant Group departments (quality, human resources, legal, marketing, assets, sales and merchandise, and logistics) and with countries representatives.

Principles for drawing up the CSR report

The Carrefour group's management report adheres to the following principles:

CSR (Corporate Social Responsibility)

Carrefour places its own performance within the context of the social, economic and environmental constraints that weigh upon the Group, and puts the resulting data into perspective.

Stakeholder involvement

By maintaining an ongoing dialogue with stakeholders (customers, employees, franchisees, suppliers, local communities and shareholders), the Carrefour group can anticipate and meet the expectations of its target audiences and prevent risks. Thanks to transparent commitments, and the involvement of stakeholders in carrying them out, together we can jointly envisage long-term solutions and ensure the engagement of all those concerned. This dialogue and these partnerships are maintained either at Group level by the CSR department, or at local level by the countries, the banners and the stores.

Materiality

The management report focuses on the social, economic and environmental issues that are most relevant to the Group's operations. The sections on balanced nutrition, labour rights and energy efficiency are just a few examples.

Regularity

For the past 15 years, Carrefour has produced and published an extrafinancial report. Since 2012, it has been integrated into the Group's management report.

Clarity

The Carrefour group endeavours to present information that is clear to the greatest number of people, while retaining an appropriate level of detail.

Scope of reporting

Principles applied

Comprehensiveness: the Group strives to be as comprehensive as possible. Its CSR reporting describes the implementation of its policy in the 10 consolidated countries, and the Key Performance Indicators (KPIs) cover 99.4% of the Group's consolidated sales excluding VAT.

Comparability: the figures presented over several years and any changes are calculated in like-for-like Business Units (BUs). The scope is made plain in each case. BUs excluded from the scope are indicated next to each graph shown in the report.

Scope of reporting for fiscal year 2015

Scope of environmental indicators (energy, water, refrigerants, waste, check-out bags and commercial publications):

The reporting on CSR KPIs applies to all of the Group's BUs. The chart below shows the Group's BUs in 2015.

Country	Abbrev.	HM	SM	PRX	C&C
France	FR	Group BU	Group BU	Group BU	Group BU
Spain	ES	Group BU	Group BU	Group BU	NA
Italy	IT	Group BU	Group BU	Group BU	Group BU
Belgium	BE	Group BU	Group BU	Group BU	NA
Poland	PL	Group BU	Group BU	Group BU	NA
Romania	RO	Group BU	Group BU	NS	NA
Brazil	BR	Group BU	Group BU	NS	NA
Argentina	AR	Group BU	Group BU	Group BU	NA
China	CN	Group BU	NA	NA	NA
Taiwan	TW	Group BU	Group BU	NA	NA

Format	Abbreviation
Hypermarket	HM
Supermarket	SM
Convinience store	PRX
Cash & Carry	C&C

Legend
- Group BU
- NS - Activity under deployment
- NA - No format in the country

The scope excludes consumption from non-Group activities, transport of people, warehouses, franchised stores, head offices and other administrative offices.

The scope includes consolidated stores open from October 1 to September 30 of the reporting period. Since 2012, the reporting on these indicators, as well as the product and logistics indicators, is established on a year-on-year, 12-month basis from October 1 to September 30. In 2015, the water and waste indicators that correspond to the Atacadão format and consolidated for hypermarkets in Brazil were not included in the report.

For check-out bags and commercial publications indicators, consumption of stores opened during the year as well as franchised stores may be included.

The number of square metres of sales area does not include storage areas, food preparation areas or the shopping centre, if applicable. The Group recommends that BUs use the sales area of stores open as of the first day of the reporting period for calculation purposes.

The Group counts Installations Classified for the Protection [...] of the Environment (ICPE) coming under the regulations in stores included in its reporting scope but also in sites out of perimeter such as franchising stores, petrol stations and warehouses. Environmental indicators of those sites are therefore not published.

Scope of HR indicators:

The scope includes all of the Group's Bus, head offices and other administrative offices, trade services, Carrefour Banque and Carrefour Property. The corporate body Carrefour SA is not included in the scope.

In 2015, the indicator linked to the workplace accident seriousness rate (number of days absent due to workplace accident/1,000 work hours), to the rate of absence due to workplace and travel-related accidents and to the absenteeism rate by reason that correspond to the Atacadão format and consolidated for hypermarkets in Brazil was not included in the report.

Carrefour Banque and Carrefour Property Development, as companies issuing securities on a regulated market, have published their corporate, environmental and societal information in their own management report, in accordance with regulations.

Scope variation

The variations in scope are related to creations, acquisitions, sales and closures of stores or BUs.

If a BU was created or acquired after January 1, 2015, it is not included in our reporting.

It should be noted that the employees of Erteco France have been integrated in December 2014.

If a BU was sold or closed in 2015, it is excluded from our reporting on environmental data for the whole year.

CSR Indicators

Principles applied

Sustainable development reporting adheres to the following principles:

- **accuracy:** the Carrefour group strives to ensure the accuracy of its published data by stepping up the number of manual and automatic internal controls.
- **comparability:** the Group strives to maintain consistency throughout its reports. Figures presented for several years apply the same definition.

Choice of indicators

Since 2003, the Carrefour group has used KPIs associated with its strategic priorities for CSR. These indicators, which are revised over the years, are designed to monitor the commitments made by the Group and its progress in environmental and social performance. Each KPI was chosen by the Group for its relevance to the CSR strategy.

References used

The 2015 management report adheres to the guidelines of the Global Reporting Initiative, the guiding principles of the OECD and the Global Compact's recommendations for "communication on progress" (CoP).Carrefour's CoP is yearly published on the United Nations website (*https://www.unglobalcompact.org/*) at the Advanced level (since 2014) further to the peers review, done under the aegis of the Global Compact France.

As an addition to the annual report, it also complies with the requirements of Art. 225 of the French commercial code.

A CSR reporting protocol has been prepared by the Group's CSR department. It stipulates the Group's collection, calculation and consolidation rules.

Furthermore, through BFC, a computerised reporting application which serves as the Group's non-financial data management tool, each reporting liaison has access to a data collection procedure, a user's guide for the BFC reporting application, definitions for each KPI, and a check-list of control points, which are distributed internally to the CSR reporting managers.

Since the 2009 fiscal year, the Group has compiled human resources indicators using the Group Human Resources reporting application. These indicators comply with the definitions drafted jointly by the Group Human Resources Department and the CSR Department.

Methodological particularities: specificities and limitations

All of this information is indicated in the Group's CSR reporting protocol, and in the KPI definition sheets available within the Group's reporting application for environmental KPIs and from the Group Human Resources department for social KPIs.

The environmental and social indicators may have methodological limitations arising from a lack of uniformity amongst national and international laws and definitions (*e.g.* regarding workplace accidents) and/or from the qualitative, and therefore subjective, nature of certain data (such as indicators related to purchasing quality, the logistics process, stakeholders and consumer awareness).

Environmental information

CO_2 emissions: to evaluate the CO_2 emissions related to the stores' energy consumption (electricity, gas and fuel) and refrigerants, conversion factors (of kWh and kg, expressed as kg of CO_2 equivalent) are used. These factors employed come from recognised international bodies, such as the IPCC (Intergovernmental Panel on Climate Change) and the IEA (International Energy Agency). When the BUs have specific national factors, they may use them. The associated CO_2 emissions are then calculated by the tool based on those factors.

The emissions factor related to the electricity consumption of the France BUs is updated annually based on changes made to the electricity supply agreement (50% regulated market/50% open market).

Concerning CO_2 emissions regarding our logistics activity, CO_2 emissions related to downstream road transport (shipping of merchandise between warehouses and stores) are taken into account. A conversion rate equal to 2.6667 kg of emitted CO_2 per litre of fuel consumed, established with Ademe (the French Environment and Energy Management Agency) is used. This indicator counts CO_2 emissions related to the transport of goods between warehouses and stores. The following CO_2 emissions are not taken into account:

- emissions generated by spotters;
- emissions generated during inbound transport of goods to the warehouse;
- emissions related to direct deliveries (direct "producer-to-store" transport of goods without going through a warehouse);
- emissions related to customer and employee journeys;
- emissions related to outbound rail transport (mainly in France) and maritime transport (mainly in Indonesia).

Note that "store/warehouse" return trips are only taken into account for fleets hired for Carrefour's exclusive use.

For the **Logistics KPI** (CO_2 emissions per unit of transport), in the vast majority of cases CO_2 emissions related to the transport of goods are calculated on the basis of distance travelled since there is no actual data on service providers' fuel consumption and average consumption by type of vehicle. Countries where logistics are handled mainly by suppliers are also excluded from the reporting scope.

Also, pallets (transport units) used for backhauls are not included in the total number of pallets used in downstream transport.

In some cases, the KPIs may involve an estimation (as with the energy and water consumption indicators, which are calculated on the amount billed at an average price per kWh or cubic metre). In other cases, the BUs must specify and justify the relevance of the assumptions used in making estimates.

For the **Energy KPI**, the quantity of energy published corresponds to the quantity purchased and not the quantity actually consumed for fuel and gas (15% of the energy consumed by the stores).

For the **Water KPI**, the published quantity of water corresponds mainly to the quantity of water purchased. Depending on the country, water collected by some stores through drilling may not be counted when there is no charge for its withdrawal. In addition, in some cases, there is an insignificant overvaluation of consumption (consumption of water for the shopping centre, costs related to and indissociable from the costs of water consumption).

Refrigerant Fluids KPI: any leaks that may have occurred prior to a change of equipment are not quantified in the reporting. They correspond to emissions generated between the last maintenance operation and replacement of the unit. The impact is insignificant at Group level thanks to both regular monitoring of the units and the staggered timetable for their replacement. Note that the mass balances are not systematically carried out each time the fluid is reloaded or at year-end. For BUs that purchase and store fluids in advance, reports on year-N consumption include fluid still stored in containers.

Waste KPI: the chosen reporting scope included BUs that use waste collection companies, which provide information about the tonnage of waste removed. Generally speaking, when waste is collected directly by local authorities, no information is available. When waste is collected and grouped at the warehouses, the corresponding quantities are not systematically included in the reporting.

Considering the methodological limitations outlined above and the difficulties in gathering data, the reporting scope may vary depending on the indicator. For each indicator that pertains to a limited scope, the scope is specified. For analysing any changes in the indicators, we factor out all BUs for which we lack data for one of the comparison years.

Product Data

Number of listed organic products: the number of listed organic products reported pertains to the number of identified organic items, labelled by outside third parties, among own-brand products whose sales during the year were not zero. The number of Group listed products corresponds to the sum of the listed products sold in each country. With regard to fabrics, colours are differentiated but not sizes.

Fair-trade products: since the fair-trade product label does not exist in all countries where the Group operates, this indicator includes unlabelled products for which the procedure used is similar to that required for labelling. This applies in particular to direct purchases of products sold in China.

Human Resources Information

Employees at the end of the period: those employed by the Company under an employment contract (excluding interns and suspended contracts) as of December 31.

Workplace accidents: for some BUs for which data is obtained based on the payroll tool, the number of workplace accidents with stoppage is estimated according to the number of hours of absence due to a workplace accident.

Hiring : Belgium students contracts hirings are not taking into account.

Limitation related to current legislation: the definition of certain indicators (workplace accidents, absenteeism, employees declared as disabled workers) is defined by the laws in effect in each country, which may cause discrepancies in the method used.

Methods of data collection, consolidation and control

Reporting period

Reporting is performed once annually for the management report submitted to the Board of Directors for approval.

The period used for the annual reporting is the calendar year (January 1 to December 31) for human resources indicators.

Starting in 2012, to meet the requirements of Article 225 of Grenelle II, the indicators corresponding to the stores, merchandise and logistics are now calculated over a 12-month, year-on-year period running from October to September. In the analyses, these figures are considered comparable with the data presented over a calendar year for previous years.

Data collection methods

The system in place is based on dual information reporting that allows for collection of qualitative and quantitative data from the various countries and banners. For qualitative information, best practices applied in the countries are submitted *via* e-mail. For quantitative information, the new BFC application deployed in 2014 handles reporting for key environmental performance indicators. Key social performance indicators are reported through the Group's Human Resources reporting tool. Reporting liaisons identified in each country are responsible for coordinating environmental and social reporting for their respective countries.

Data consolidation methods

The CSR department consolidates all CSR indicators at Group level using the BFC application. The Group also uses this application for financial consolidation and reporting.

Environmental data control methods

BFC, the computerised reporting application, features automatic consistency checks to prevent data entry errors. It also provides the ability to insert explanatory comments, which makes auditing and internal control easier. Each reporting manager verifies the data entered before it is consolidated at Group level, with the help of a check-list and control tips that are explained in the definition sheet for each indicator. The Group's CSR department carries out a second level of data control. Inconsistencies and errors that are found are reviewed together with the countries and corrected as needed.

Social data control methods

Social data are locally checked before being entered in the Group human resources tool. The Group's Human Resources department carries out a second level of data control. Inconsistencies and errors that are found are reviewed together with the countries and corrected as needed.

External audit

Principle applied : reliability

Quantified data are produced, consolidated, analysed and published. Selected data are subject to verification by an outside third party.

External audit

The reporting procedures have been verified by the external Statutory Auditor, Mazars, an independent third body. For the information considered most significant, substantive tests have been conducted on the data. Indicators identified with the ☑ symbol have been reviewed with reasonable assurance.

2.4.4 Report by an independent third party on the consolidated company, environmental and societal information set forth in the management report

Financial Year ended December 31, 2015

To the Shareholders,

In our capacity as independent third party, certified by COFRAC under number 3-1058[1]and member of the Carrefour network of the company's Statutory Auditor, we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2015, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors of Carrefour is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the protocol used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).
- express, at the request of the Company, a reasonable assurance as to whether the information identified by the symbol ☑ in the chapter 2 of the management report was prepared, in all material respects, in accordance with the Guidelines.

Our work involved 5 persons and was conducted between September 2015 and march 2016 during a 14 week intervention period.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in 2.4.3 section of the management report.

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion of the fairness of CSR Information

Nature and scope of our work

We conducted about thirty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate ;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

(1) whose scope is available on the website www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

Regarding the CSR Information that we considered to be the most important[1]:

- at parent entity and CSR and HR Direction level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of Business Units and Directions selected by us[2] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents.

The selected sample represents 30% of headcount and between 24% and 69% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

3. Reasonable assurance report on selected CSR information

Nature and scope of our work

Regarding information selected by the Group and identified by the symbol ☑, we conducted similar work as described in paragraph 2 above for CSR information that we consider to be most significant but of greater depth, especially regarding the number of tests.

The selected sample represents between 72% to 73% of the quantitative environmental information disclosed identified by the symbol ☑.

We deem this work allows us to express a reasonable assurance on the information selected by the company and identified by the symbol ☑.

Conclusion

In our opinion, the Information selected by the Group and identified by the symbol ☑ was prepared, in all material respects, in accordance with the Guidelines.

Courbevoie, April 12, 2016

The Independent Third Party,

MAZARS SAS

Emmanuelle Rigaudias
Sustainable Development Partner

(1) ***Human Resources Information:*** *workforce and breakdown by geographic region, by age group, by gender, % in women in the management, number of new hires, % of part-time employees, turnover, number of accidents, number of trainings hours, number of employees with a disability.*
Environmental Information*: water consumed by m², recycled waste including donation by m², energy consumption by m², CO_2 emissions generated by energy consumption, CO_2 emissions generated by refrigeration consumption, CO_2 emission per shipping unit, paper purchased for commercial publications in kg/m² of sales area, number of controlled organic product listings, number of Carrefour Quality Lines, number of food products from sustainable fishing.*
Social information*: sales of controlled products from national suppliers, number of suppliers social audits*

(2) ***Carrefour France Hypermarket and Supermarket, Carrefour Belgium Hypermarket and Supermarket, Carrefour Romania Hypermarket and Supermarket****: all information mentioned above.*
Carrefour China Hypermarket*: energy consumption by m², CO_2 emissions generated by energy consumption, CO_2 emissions generated by refrigeration consumption.*
Carrefour Spain Hypermarket and Supermarket*: water consumption by m², energy consumption by m², CO_2 emissions generated by energy consumption, CO_2 emissions generated by refrigeration consumption*
Carrefour Poland Hypermarket and Supermarket*: CO_2 emissions generated by energy consumption, CO_2 emissions generated by refrigeration consumption.*
Atacadao *: recycled waste including donation by m² ; water consumption by m², energy consumption by m², CO_2 emissions generated by energy consumption, CO_2 emissions generated by refrigeration consumption ²*
Textile quality Direction*: number of suppliers social audits*

3

Corporate governance

3.1 Corporate Governance Code

The Company refers to the AFEP-MEDEF corporate governance code for listed companies (AFEP-MEDEF code) revised in November 2015. The AFEP-MEDEF code may be consulted at the Company's head office.

3.2 Composition and operation of the Board of Directors

3.2.1 The Board of Directors

3.2.1.1 A balanced composition

The Board of Directors comprises 16 members: Mr. Georges Plassat (Chairman and Chief Executive Officer), Mr. Georges Ralli (Vice-Chairman), Mr. Bernard Arnault, Mr. Thomas J. Barrack Jr, Mr. Nicolas Bazire, Mr. Jean-Laurent Bonnafé, Mr. Thierry Breton, Mr. René Brillet, Mr. Charles Edelstenne, Mr. Philippe Houzé, Mrs. Diane Labruyère-Cuilleret, Mrs. Mathilde Lemoine, Mrs. Patricia Lemoine, Mr. Bertrand de Montesquiou, Mr. Amaury de Sèze (Senior Independent Director) and Mrs. Anne-Claire Taittinger.

On recommendation from the Chairman of the Appointments Committee, the Board of Directors, at its meeting on February 8, 2015, appointed Mr. George Ralli Vice-Chairman of the Board of Directors. The Vice-Chairman is called on to fill in for the Chairman if he is absent, temporarily unavailable, resigning, or deceased, or his term of office is not renewed. If he is temporarily unavailable, this substitution is valid for the limited time of his unavailability; otherwise, it is valid until the new Chairman is elected.

Since January 2016, the Board of Directors appointed Mr. Abilio Diniz as Observer. He attends Board of Directors' Meetings in an advisory capacity. Like the Directors, he is subject to all provisions of the Board of Directors' Internal Rules.

The members of the Board of Directors are appointed for a term of three years. Pursuant to the provisions of the nineteenth resolution adopted by the Shareholders' Meeting of July 28, 2008, and so that the terms of one-third of the members of the Board of Directors are renewed each year, the Board of Directors drew lots to determine the names of those Directors whose terms would be subject to early expiration in the first and second years.

The Directors whose terms expire at the end of the 2016 Shareholders' Meeting are Mr. Thomas J. Barrack Jr, Mr. Thierry Breton, Mr. Charles Edelstenne and Mrs. Anne-Claire Taittinger.

The terms of office of Mr. Georges Plassat, Mr. Georges Ralli, Mr. Nicolas Bazire, Mr. Bertrand de Montesquiou, Mrs. Diane Labruyère-Cuilleret and Mrs. Mathilde Lemoine were renewed for a period of three years by the Shareholders' Meeting on June 11, 2015. Mrs. Patricia Lemoine and Mr. Philippe Houzé were appointed for a term of three years by the Shareholders' Meeting on June 11, 2015.

Subsequent to the appointment of Mrs. Patricia Lemoine on June 11, 2015, four women sit on the Board of Directors representing 25% of the 16 Directors. The Board of Directors is therefore in compliance with the law of January 27, 2011 on balanced representation of women and men, which sets the minimum proportion of Directors of each gender at 20%. The Appointments Committee is continuing its work to select women candidates to integrate the Board of Directors, with the aim of reaching a minimum proportion of Directors of each gender of 40% by 2017, in accordance with the law.

The Board of Directors benefits from the presence of Directors from diverse backgrounds with complementary experience (including retail, financial, industrial, economic and commercial expertise), some of whom have in-depth experience and knowledge of the business, the sector and its environment both in France and abroad. The directors are present, active and committed. This active involvement contributes to the quality of the Board of Directors' deliberations with respect to the decisions it takes.

3.2.1.2 Directors' awareness of ethical rules

Assessment of the Directors' independence

In accordance with the AFEP-MEDEF code and after review by the Appointments Committee, the Board of Directors conducted an assessment of the Directors' independence on March 9, 2016, as it does every year. Of the 16 Directors, 9 are considered as independent Directors, comprising 56% of the total, which is consistent with the recommendations set out in the AFEP-MEDEF code. Thus, Mrs. Diane Labruyère-Cuilleret, Mrs. Mathilde Lemoine, Mrs. Anne-Claire Taittinger, Mr. Georges Ralli, Mr. Thierry Breton, Mr. René Brillet, Mr. Charles Edelstenne, Mr. Bertrand de Montesquiou and Mr. Amaury de Sèze are considered independent Directors.

According to the AFEP-MEDEF code, Directors are independent if they have no relationship of any kind with the company, its group or its management that could compromise their freedom of judgement. Thus, an independent Director must not only be a non-executive director, *i.e.* one not performing any management duties within the company or the group, they must also be free of any personal connection (as a significant shareholder, employee or other) to the company or group.

The criteria that guided the Board of Directors in determining a Director as independant are those specified in the AFEP-MEDEF code, as follows:

- not to be an employee or corporate officer of the Company nor an employee or director of its parent company or consolidated company and not to have been so over the previous five years;
- not to be a corporate officer of a company of which the Company holds office as a director, either directly or indirectly, or in which an employee designated as such or an executive officer of the Company (currently or within the last five years) holds or has held office as a director;
- not to be a client, supplier, corporate banker or investment banker:
  - that is significant for the Company or its group,
  - or for which the Company or its group represents a significant proportion of its business;
- not to have any close family ties with a corporate officer;
- not to have been a Statutory Auditor for the business over the previous five years;
- not to have been a director of the business for over 12 years.

Following a review by the Appointments Committee, the Board of Directors determined that none of the independent Directors have any significant direct or indirect business relationships with the Group which might create a conflict of interest from the point of view of either the Group or the director concerned. Several criteria were used to determine the significance of business relationships: the precedence and history of the contractual relationship between Carrefour group and the group within which a Carrefour Director exercises a corporate office or management function; the application to the contractual relationship of normal market conditions; the absence of economic dependence or exclusivity; the insignificance of the proportion of sales resulting from business relationships between our Group and the group concerned.

In accordance with the Board of Directors' Internal Rules, each Director expresses his or her opinions freely and commits to maintaining, in all circumstances, their independence of analysis, judgement, decision-making and action and to rejecting any pressure, whether direct or indirect, which may be exerted upon him and which may come from other directors, specific groups of shareholders, creditors, suppliers or any other third party. Each Director shall not seek or accept from the Company or associated companies, either directly or indirectly, any advantages that could be considered likely to compromise his or her independence.

Managing conflicts of interest

In accordance with the Board of Directors' Internal Rules, the Directors are also made aware of the rules relating to conflicts of interest.

In particular, conflict of interest exists in situations in which a Director or a member of their family could benefit personally from the conduct of the Company's business or could have a relationship or link of any kind with the Company, its subsidiaries or its management that could compromise the free exercise of the Director's judgement. Each Director shall endeavour to avoid any conflict of interest that may exist between their moral and material interests and those of the Company. Each Director must inform the Board of Directors of any situation involving a real or potential conflict of interest with the Company and its subsidiaries as soon as he become aware of such a situation and must refrain from participating in discussions and voting on a related resolution. The Chairman of the Board of Directors may ask the Director not to attend such discussions and vote. Each Director must therefore inform the Chairman of the Board of Directors without delay of any agreement reached between himself, or a company of which he is a Director, or in which he hold a significant stake either directly or indirectly, or in which he has a direct interest, and the Company and its subsidiaries, or which has been reached through an intermediary. The Chairman of the Board of Directors may ask the Directors at any time to sign a statement certifying that they do not have any conflict of interest.

At its meeting on June 21, 2011, the Board of Directors appointed Amaury de Sèze as Senior Independent Director. The role of the Senior Independent Director is to assist the Chairman of the Board of Directors in his responsibilities in respect of the proper functioning of the Company's governance bodies. He has particular responsibility for examining situations where there is a real or potential conflict of interest, which could affect Directors or the Chairman of the Board of Directors in respect of the interests of the business, whether this relates to operational projects, strategic direction or specific agreements.

Corporate officers' statement

For purposes of their corporate positions, Directors are domiciled at the Company's head office.

There are no family relationships between the Company's corporate officers.

To the Company's knowledge and as of the date this Registration Document was prepared, during the past five years no corporate officers (members of the Board of Directors, the Chairman and Chief Executive Officer and Deputy Chief Executive Officers) have:

- been convicted of fraud;
- been involved in a bankruptcy, receivership or liquidation;
- been subject to official public sanction by statutory or regulatory authorities;
- has been prevented by a court from acting as a member of an administrative, management or supervisory body or from being involved in an issuer's management or business operations.

To the Company's knowledge and as of the date this Registration Document was prepared, no conflict of interest has been identified between the duties of any corporate officers (members of the Board of Directors, the Chairman and Chief Executive Officer and Deputy Chief Executive Officers) with respect to the Company and their private interests or other duties.

To the Company's knowledge and as of the date this Registration Document was prepared, there are no arrangements or agreements concluded with the main shareholders, customers, suppliers or other parties whereby one of the Company's corporate officers (members of the Board of Directors, the Chairman and Chief Executive Officer and Deputy Chief Executive Officers) has been selected as a member of one of their administrative, management or supervisory bodies or as a member of their general management.

To the Company's knowledge and as of the date this Registration Document was prepared, there are no contractual relations between the Company and the members of the Board of Directors.

3.2.1.3 Biography

Georges Plassat

Chairman and Chief Executive Officer

Born on March 25, 1949. French.

Number of Company shares owned: 30,000

Date of appointment to the Board of Directors: May 23, 2012

Date of last renewal: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017.

Experience

Georges Plassat is a graduate of the École hôtelière de Lausanne and Cornell University in the United States. He worked for Casino group as Marketing director from 1983 to 1997, then subsequently as Chief Executive of the Group's catering division (1988-1990), Chief Executive of Casino France (1990-1992), Managing director (1992-1994), Vice-Chairman of the Management Board (1994-1996), then Chairman of the Management Board (1996-1997) of the Casino group. He then joined the Carrefour group as Executive Director for Spain and Chief Executive of Pryca (1997-1999). In 2000, he became Chairman of the Management Board of Vivarte group (formerly the André group), and subsequently its Chairman and Chief Executive Officer in 2004. In April 2012, Georges Plassat joined the Carrefour group as its Deputy Chief Executive Officer. He was named Chairman of the Board of Directors and Chief Executive Officer of Carrefour on May 23, 2012 and renewed on June 11, 2015.

2015 Positions held within the Group

- Chairman and Chief Executive Officer of Carrefour
- Chairman of the Strategic Committee of Carrefour

2015 Positions held outside the Group

- N/A

Former positions held from 2011 to 2014

- Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André) (Expiration date of term: 2012)

Georges Ralli

Vice-Chairman

Independent member

Born on July 23, 1948. French.

Number of Company shares owned: 5,271

Date of appointment to the Board of Directors: June 18, 2012

Date of last renewal: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017

Experience

Georges Ralli holds a DESS (post graduate diploma) in banking and finance from the University of Paris-V, and is a graduate of the Paris Institut d'Études Politiques (economics and finance option) and the Institut Commercial in Nancy.

He joined Crédit Lyonnais in 1970 where he served in a number of management positions until 1981 (General Accounting Research department responsible for monitoring statutory ratios and consolidation procedures for the Group's Alsace Regional department for corporate customers Financial Affairs department responsible for the primary equity market business). In 1982, he became Secretary to the Commission for Savings Development and Protection, then, from 1982 to 1985, managed the Financial Negotiations department of Crédit du Nord (primary equity and bond markets, mergers and acquisitions, proprietary investment).

He joined Lazard in 1986 to develop its primary equity market business. In 1989 he moved to the mergers and acquisitions department. He became managing partner in 1993 and was appointed as co-head of the firm's mergers and acquisitions from 1999. From 2000 to 2012, Georges Ralli was Managing director and Deputy Chairman of the Lazard LLC Executive Committee (USA). He was simultaneously headed up its French branch (Maison Française) until 2009. Until 2012, he was President of the European mergers and acquisitions activities (Maison Lazard) and European asset management and private banking businesses activities (Lazard Frères Gestion and Lazard Wealth Management Europe). Currently, he manages IPF Partners, investment company specialized in health activity.

2015 Positions held within the Group

- Vice-Chairman and member of the Board of Directors of Carrefour
- Chairman of the Accounts Committee of Carrefour
- Member of the Strategic Committee of Carrefour

2015 Positions held outside the Group

- Manager of IPF Management 1 SARL (Luxembourg)
- Manager of IPF Partners SARL (Switzerland)
- Director of Chargeurs SA – *Listed company*
- Director of Veolia Environnement – *Listed company*
- Director of Quadrature Investment Managers

Former positions held from 2011 to 2014

- Chairman of Maison Lazard SAS (Expiration date of term: 2012)
- Chairman of Lazard Frères Gestion SAS (Expiration date of term: 2012)
- Managing Partner of Compagnie Financière Lazard Frères SAS (Expiration date of term: 2012)
- Managing Partner of Lazard Frères SAS (Expiration date of term: 2012)
- Managing Partner of Lazard Frères Gestion SAS (Expiration date of term: 2012)
- Member of the Supervisory Board of VLGI SAS (Expiration date of term: 2012)
- Deputy Chairman and Managing director of Lazard Group LLC (United States) (Expiration date of term: 2012)
- Chief Executive of the European Investment Banking Business of Lazard (United States) (Expiration date of term: 2012)
- Co-Chairman of the European Investment Banking Committee of Lazard (United States) (Expiration date of term: 2012)
- Chairman of the Board of managers of Lazard Wealth Management Europe SARL (Luxembourg) (Expiration date of term: 2012)
- Chairman of the Advisory Board of Lazard GmbH (Switzerland) (Expiration date of term: 2012)
- Member of LFCM Holdings LLC (United States) (Expiration date of term: 2012)
- Member of the Advisory Committee of Lazard BV (Belgium) (Expiration date of term: 2012)
- Member of the European Advisory Board of Lazard (United States) (Expiration date of term: 2012)
- Director of Lazard Wealth Management Holding SL (Spain) (Expiration date of term: 2012)
- Director of LAZ-MD Holding LLC (United States) (Expiration date of term: 2012)
- Director of Lazard Aserores Financieros SA (Spain) (Expiration date of term: 2012)
- Director of Lazard AB (Sweden) (Expiration date of term: 2012)
- Director of Lazard & Co Srl (Italy) (Expiration date of term: 2012)
- Director of Lazard Investments Srl (Italy) (Expiration date of term: 2012)
- Director of SILIC SA (Expiration date of term: 2013)

Bernard Arnault

Born on March 5, 1949. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2016

Experience

Bernard Arnault began his career as an engineer at Ferret-Savinel.

In 1974, he became the company's Head of Construction, and then Chief Executive Officer in 1977 and finally Chairman-Chief Executive Officer in 1978. He remained there until 1984, when he became Chairman-Chief Executive Officer of Financière Agache SA and Christian Dior SE.

He embarked on the restructuring of the Financière Agache Group as part of a development strategy based on prestige brands, making Christian Dior the cornerstone of the organization. In 1989, he became the majority shareholder of LVMH Moët Hennessy-Louis Vuitton, thus creating the world's first luxury goods group. He became its Chairman in January 1989.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour

2015 Positions held outside the Group

- Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SE – *Listed company*
- Chairman of the Management Board of Groupe Arnault SEDCS
- Chairman of the Board of Directors of Christian Dior SE – *Listed company*
- Chairman of the Board of Directors of Fondation Louis Vuitton (Fondation d'Entreprise)
- Director of Christian Dior Couture SA
- Director of Château Cheval Blanc SC
- Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United-States)
- Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan)
- Member of the Supervisory Committee of Financière Jean Goujon SAS
- Director of LVMH Services Limited (United-Kingdom)
- Director of LVMH International SA (Belgium) (Expiration date of term: 2015)

Former positions held from 2011 to 2014

- Member of the Supervisory Board of Lagardère SCA (Expiration date of term: 2012) – *Listed company*

Thomas J. Barrack Jr

Born on April 28, 1947. American.

Number of Company shares owned: 1,000

Date of cooptation to the Board of Directors: January 15, 2014

Approval of the Shareholders' Meeting: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience

Prior to the formation of Colony Capital in 1990, Mr. Thomas J. Barrack Jr, american citizen, held executive functions in the investment company The Robert M. Bass Group, based in the Forth Worth, Texas.

Mr. Barrack also served in the Reagan administration as Deputy Undersecretary of the department of the Interior.

Mr. Barrack holds a BA from the University of Southern California and a JD from the University of San Diego.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour

2015 Positions held outside the Group

- Director of Colony Capital, Inc. (United States) – *Listed company*
- Director of First Republic Bank (United States) – *Listed company*

Former positions held from 2011 to 2014

- Director of Accor (Expiration date of term: 2013) – *Listed company*
- Director of Challenger Financial Services Group Limited (Australia) (Expiration date of term: 2013)

Nicolas Bazire

Born on July 13, 1957. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017

Experience

Nicolas Bazire was an auditor and then senior public auditor with the Court of Auditors. In 1993 he became Chief of Staff to French Prime Minister Édouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999, when he was appointed Chairman of the Supervisory Board. He is Chief Executive Officer of Groupe Arnault SEDCS since 1999.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Appointements Commitee of Carrefour
- Member of the Accounts Committee of Carrefour
- Member of the Strategic Committee of Carrefour

2015 Positions held outside the Group

- Chief Executive Officer of Groupe Arnault SEDCS
- Director of LVMH Moët Hennessy – Louis Vuitton SE – *Listed company*
- Director of Atos SE – *Listed company*
- Director of Suez Environnement Company SA – *Listed company*
- Director of LV Group SA
- Director of Agache Développement SA
- Director of Europatweb SA
- Deputy Chief Executive Officer and permanent representative of Groupe Arnault which is director of Financière Agache SA – *Listed company*
- Director of Groupe Les Échos SA
- Vice-Chairman of the Supervisory Board of Les Échos SAS
- Member of the Supervisory Committee of Montaigne Finance SAS
- Deputy Chief Executive Officer Non-Director and legal representative of Groupe Arnault which is director of Semyrhamis SA
- Director of Fondation Louis Vuitton (Fondation d'Entreprise)
- Permanent representative of UFIPAR which is director of SMB (Monaco)
- Permanent representative of UFIPAR which is director of Louis Vuitton Malletier SA
- Director of Financière Agache Private Equity SA (Expiration date of term : 2015)

Former positions held from 2011 to 2014

- Director of Go Invest SA (Belgium)

Jean-Laurent Bonnafé

Born on July 14, 1961. French.

Number of Company shares owned: 1,030

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2016

Experience

An engineering graduate of the École Polytechnique and École des Mines, Jean-Laurent Bonnafé joined the BNP Group in 1993 in the Major Accounts Division. After serving as Head of Strategy and Development from 1997, he oversaw the merger process between BNP and Paribas. In 2002, he has been Head of French Retail Banking, director of Networks for French Retail Banking and a member of the BNP Paribas Executive Committee. On September 1, 2008, Mr. Bonnafé has been appointed Deputy Chief Executive Officer and has been managing the Group's retail banking business. Since December 1, 2011, Mr. Bonnafé is Chief Executive Officer of BNP Paribas.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour

2015 Positions held outside the Group

- Director and Chief Executive Officer of BNP Paribas – *Listed company*
- Director of BNP Paribas Fortis (Belgium)

Former positions held from 2011 to 2014

- Director of BNP Paribas Personal Finance (Expiration date of term: 2012)
- Director of Erbe SA (Belgium) (Expiration date of term: 2013)
- Director of BNL – Banca Nazionale del Lavoro (Italy) (Expiration date of term: 2013)

Thierry Breton

Independent member

Born on January 15, 1955. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience

Thierry Breton graduated from the Paris École Supérieure d'Électricité (Supelec) and the Institut des Hautes Études de Défense Nationale (IHEDN, 46th class). In 1986, Mr. Breton became Project manager of the Poitiers Futuroscope theme park, then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the field of new information technologies. Mr. Breton also sat on the Poitou-Charentes Regional Council from 1986 to 1992, serving as Vice-Chairman from 1988. He then joined Bull as Head of Strategy & Development, before being appointed as Deputy Chief Executive Officer. Appointed to the Group's Board of Directors in February 1996, he was later made Deputy Chairman of the Board of Directors and then Chief Executive Officer of the Group.

Chairman-CEO of Thomson (1997-2002) and then Chairman-CEO of France Telecom (2002-2005), he was France's Minister of the Economy, Finance, and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) in "Leadership, Corporate Accountability", then Chairman of the Management Board of Atos Origin in November 2008.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Chairman of the Remuneration Committee of Carrefour

2015 Positions held outside the Group

- Chairman of the Board of Directors and Chief Executive Officer of Atos SE – *Listed company*
- Chairman of the Board of Directors of Atos Worldline (Atos Group) – *Listed company*
- Chairman of the Board of Directors of Bull SA (Atos Group) – *Listed company*
- Director of Sonatel (Senegal)
- Member of the Global Advisory Council of the Bank of America Merill Lynch (United-States)
- Director of SATS (Singapour) – *Listed company*
- Chairman of the ANRT
- Member of the Académie des Technologies

Former positions held from 2011 to 2014

- Chief Executive Officer of Atos International SAS (Expiration date of term: 2014)

René Brillet

Independent member

Born on August 1, 1941. French.

Number of Company shares owned: 270,250

Date of appointment to the Supervisory Board: April 20, 2005

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2016

Experience

Carrefour's former Chief Executive Officer Asia, René Brillet began his career as a radio officer in the merchant navy in 1968. In 1972 he joined Carrefour and held a series of posts, ranging from Senior Accountant in Italy and Brazil, to store manager and Head of Organization and Procedures, also while he was in Brazil. In 1981, he moved to Argentina as Executive director, and then to Spain from 1982 to 1985, and finally to France, which he managed from 1986 to 1995. In 1996, he was appointed Chief Executive Officer for Europe and then Chief Executive Officer for Asia in 1998, a position he held until February 28, 2004.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Accounts Committee of Carrefour
- Member of the Remuneration Commitee of Carrefour

2015 Positions held outside the Group

- Director of Electricité et Eaux de Madagascar – *Listed company*

Former positions held from 2011 to 2014

- N/A

Charles Edelstenne

Independent member

Born on January 9, 1938. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience

A qualified chartered accountant (IFEC graduate), Charles Edelstenne joined Dassault Aviation in 1960 as Head of the Financial Analysis Unit. He went on to hold posts such as Deputy Secretary-General and Executive Deputy Chairman, Economic and Financial Affairs, before being appointed to the Board in 1989. He was elected as Chairman-CEO in 2000, a role he has held until January 8, 2013.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Remuneration Committee of Carrefour

2015 Positions held outside the Group

- Director of Dassault Aviation SA – *Listed company*
- Chairman of the Board of Directors of Dassault Systèmes SA – *Listed company*
- Honorary President of Dassault Aviation SA – *Listed company*
- Chief Executive Officer of GIMD SAS (Groupe Industriel Marcel Dassault SAS)
- Member of the Supervisory Board of GIMD SAS (Groupe Industriel Marcel Dassault SAS)
- Director of Sogitec Industries SA
- Director of Thales SA – *Listed company*
- Director of SABCA (Société Anonyme Belge de Constructions Aéronautiques) (Belgium) – *Listed company*
- Director of Dassault Falcon Jet Corporation (United States)
- Manager of ARIE civil partnership
- Manager of ARIE 2 civil partnership
- Manager of NILI civil partnership
- Manager of NILI 2 civil partnership

Former positions held from 2011 to 2014

- Chairman and Chief Executive Officer of Dassault Aviation SA (Expiration date of term: January 8, 2013) – Listed company
- Chairman of Dassault Falcon Jet Corporation (United States) (Expiration date of term: January 8, 2013)
- Chairman of Dassault International Inc. (United States) (Expiration date of term: April 29, 2013)

3

Philippe Houzé

Born on November 27, 1947. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017

Experience

Philippe Houzé is Chairman of the Executive Board of the Galeries Lafayette Group, France's largest chain of department stores.

After gaining a Bachelor's Degree in Political Science and graduating from INSEAD Business School, Philippe Houzé began his career with Monoprix in 1969. He was appointed Chief Executive Officer of Monoprix in 1982 and Chairman and Chief Executive Officer in 1994, holding the position until November 2012. He was Co-Chairman of the Galeries Lafayette Group from 1998 to 2004 and became Chairman of the Executive Board in 2005.

With his sales and marketing expertise, Philippe Houzé used innovative concepts to transform Monoprix, making it a leading local retailer in town and city centers.

As Chairman of the Executive Board of the Galeries Lafayette Group, he has succeeded in making Galeries Lafayette a créateur de désir with innovative collections, fashion items, refurbished stores and organized events.

Today his ambition is to make the Galeries Lafayette Group a multi-channel, international specialist in fashion, beauty and homeware.

The Galeries Lafayette Group, which was founded in Paris in 1894, has the novel aim of "making the good and the beautiful accessible to all". He is seen as a legendary symbol of French art de vivre by shoppers at home and abroad.

Philippe Houzé received in 2015 the price of "international retailer of the year" in the name of Galeries Lafayette from the National Retail Federation (NRF), the prestigious American Association of Retail bringing together key global players in the sector.

As a committed stakeholder in the French economy, Philippe Houzé has made a personal commitment to sustainable development: he has been heavily involved in the regeneration of town and city centers while taking into consideration the Group's environmental and social responsibilities. As outlined in his book La vie s'invente en ville, he intends to continue working on behalf of inner city areas and help build a brighter future for the next generations.

Following in the footsteps of the Group's founders, Philippe Houzé is continuing to support contemporary art and design. For example, he has been personally involved in the Centre Pompidou Mobile project, to which the Galeries Lafayette Group is one of the main partners. He is also keen to support the thirtieth birthday celebrations for France's Regional Contemporary Art Funds (FRAC) in 2013.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Accounts Committee of Carrefour
- Member of the Appointments Committee of Carrefour
- Member of the Strategic Committee of Carrefour
- Observer of the Board of Directors of Carrefour (Expiration date of term: 06/11/2015)

2015 Positions held outside the Group

- Chairman of the Executive Committee of the Group Galeries Lafayette
- Chairman of the Conseil France INSEAD
- Chairman of the Conseil of Novancia Business School
- Chairman of Didier Guérin SAS
- Chairman of Motier Domaines SAS
- Vice-Chairman and Chief Executive Officer of Motier SAS
- Vice-Chairman of the Association Alliance 46.2 Entreprendre en France pour le Tourisme
- Director and Chairman of the Appointements and Accounts Committees of HSBC France - *Listed company*
- Director of the Fondation d'Entreprise Galeries Lafayette *(collège des fondateurs)*
- Director of IDBYME SA (Luxembourg)
- Member of the Supervisory Committee of Bazar de l'Hôtel de Ville – B.H.V. SAS
- Member of the Supervisory Committee of BHV EXPLOITATION (SAS)
- Director of INSEAD
- Elected member at the Chamber of Commerce and Industry of Paris Île-de-France (CCIP)
- Member of the Conseil Fondateur d'EXPOFRANCE 2025

Former positions held from 2011 to 2014

- Director of Casino Guichard Perrachon (Expiration date of term: 2012) – *Listed company*
- Director of HSBC Banque Plc (United-Kingdom) (Expiration date of term: 2012)
- Permanent representative of Monoprix SA at the Board of Directors of FIDECOM (Expiration date of term: 2012)
- Chairmand and Chief Executive Officer of Monoprix SA (Expiration date of term: 2012)
- Director of Monoprix SA (Expiration date of term: 2013)
- Chairman of the Board of Directors of ARTCODIF SA (Expiration date of term: 2013)
- Chairman of Galeries Lafayette Haussmann – GL Haussmann SAS (Expiration date of term: 2013)
- Chief Executive Officer of Galeries Lafayette Participations SAS (Expiration date of term: 2013)
- Chairman of the Board of Directors of the Fondation d'Entreprise Monoprix (Expiration date of term: 2013)
- Director of the National Retail Federation (NRF –United States) (Expiration date of term: 2013)
- Vice-Chairman of the Fondation France INSEAD (Expiration date of term: 2014)
- Chairman and Member of the *Union du Grand Commerce de Centre Ville* (UCV) (Expiration date of term: 2014)
- Permanent representative of Galeries Lafayette SA at the Board of Directors of Laser and Laser Cofinoga companies (Expiration date of term: 2014)

Diane Labruyère-Cuilleret

Independent member

Born on November 27, 1968. French.

Number of Company shares owned: 34,580

Date of appointment to the Board of Directors: June 18, 2012

Date of last renewal: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017

Experience

A graduate of HEC Paris, UC Berkeley and the Fondaçao Getulio Vargas in Sao Paulo, she began her career in the French Development Agency managing agro-industrial projects in Portuguese-speaking Africa.

She was then recruited by the PARIDOC central buying office, where she set up the Research and Marketing department. In 1997 she joined Carrefour as director of Purchasing and Product Marketing. In 2002, she founded the Institut Robin des Bois (Robin Hood Institute) in Geneva, a private foundation financing projects, primarily in Africa, in the fields of healthcare, education and microfinance. In 2007, she joined the family business – Labruyère & Eberlé – and continues to expand its food distribution activities.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Appointments Committee of Carrefour
- Member of the CSR Committee of Carrefour

2015 Positions held outside the Group

- Chairman of the Institut Robin des Bois (Switzerland)
- Director of the Fondation Antenna Technologies (Switzerland)
- Deputy Chief Executive Officer of Groupe Labruyere & Eberlé
- Member of the Executive Committee of Labruyère & Eberle (Expiration date of term: 2015)

Former positions held from 2011 to 2014

- N/A

Mathilde Lemoine

Independent member

Born on September 27, 1969. French.

Number of Company shares owned: 2,159

Date of appointment to the Board of Directors: May 20, 2011

Date of last renewal: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017

Experience

Doctor ès in Sciences of Economics, Mathilde Lemoine is an economist, specializing in macro-economic issues and international trade. She is currently Group Chief Economist of Edmond de Rothschild. She is also Professor at Sciences Po and member of the High Council of Public Finance (HCFP). She is also a member of the Board of Directors of the Ecole Normale Supérieure (ENS)

Mathilde Lemoine started his career as a teacher and researcher and then as Economist and General Secretary of the Observatoire Français des Conjonctures Economiques (OFCE). She was then a member of several ministerial offices and in particular macroeconomics and tax advisor at Matignon (2005– 2006). She was rapporteur of the Conference of Experts on Climate and Energy Contribution (2009) and member of the Commission for growth liberation, said Attali Commission (2010). She participated in the Mission's work on the determinants of competitiveness of French industry by providing its expertise on the competitiveness of the French economy. She was a member of the Conseil d'Analyse Economique and the Commission Economique de la Nation. From 2006 to 2015 she was Director of Economic Studies and Markets Strategy at HSBC France and Economist of the HSBC Group

Mathilde Lemoine has published numerous books and writes regularly on international macroeconomic issues, monetary policy and financial issues. She recently published work on the human capital investment, the mobility of employees and the link between competence and competitiveness. She is an editorialist for the weekly L'Agefi and Challenges. His latest book is "Les grandes questions d'économie et de finance internationales" (ed Boeck, 2nde édition, 2012).

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Accounts Committee of Carrefour

2015 Positions held outside the Group

- Member Executive Committee of HSBC France – *Listed company* (Expiration date of term: January 5, 2016).
- Member of the Board of Directors of École Normale Supérieure
- Director of the Institut Français des Relations Internationales (IFRI)

Former positions held from 2011 to 2014

- N/A

Patricia Lemoine

Born on February 20, 1949. French.

Number of Company shares owned: 1,024

Date of appointment to the Board of Directors: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017

Experience:

After her graduation at the Paris Institute for Political Studies in 1970, she was admitted as Attorney-at-Law in 1971. She was Attorney-at-Law between 1972 and 2014 with expertise in labour law, commercial law, intellectual property law and family law.

Training in both civil and insurance law provided to employees of General Insurance of France (1977-1994). Also, in labour law at UFR of Sociology - University Paris VIII (1985-1992).

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the CSR Committee of Carrefour

2015 Positions held outside the Group

- Chief Executive Officer of MOTIER (SAS)
- Member of the Supervisory Board of Galeries Lafayette (SA)
- Vice-Chairman of the Supervisory Committee of Bazar de l'Hôtel de Ville – B.H.V. (SAS) (fin de mandat : 09/2015)
- Vice-Chairman of the Supervisory Committee of BHV EXPLOITATION (SAS)
- Chairman of Grands Magasins Galeries Lafayette (SAS)
- Chairman of Immobilière du Marais (SAS)
- Director of Théâtre La Bruyère
- Member of the Supervisory Board of S2F Flexico
- Director of French-American Foundation France
- Director of Banque Transatlantique

Former positions held from 2011 to 2014

- Director of Comercial Flexico (Spain) (Expiration date of term: 2012)
- Director of Minigrip Belgium (Belgium) (Expiration date of term: 2012)

Bertrand de Montesquiou

Independent member

Born on July 1, 1947. French.

Number of Company shares owned: 198,261

Date of appointment to the Board of Directors: June 18, 2012

Date of last renewal: June 11, 2015

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017

Experience

Bertrand de Montesquiou is graduated from the École des Hautes Études Commerciales (HEC) business school in 1969. He continued his training at the Faculté des Lettres et Sciences Humaines in Nanterre and the University of Paris-Dauphine. From 1972 to 1980, he worked at the Paris Stock Exchange as portfolio manager for Roth le Gentil-Varangot, then for Sellier (for which he became proxy holder in 1976) and was certified as a professional stockbroker in 1977.

In 1980, he joined the family-owned retail group Guyenne et Gascogne, Carrefour's partner in southwest France and Spain, as an *Attaché* to general management. He was appointed Chief Executive Officer in 1983, Chairman and Chief Executive Officer in 1986 and Chairman of the Management Board in 1996. He was also Vice-Chairman and Chief Executive Officer of Sogara SAS and Vice-Chairman of Centros Comerciales Carrefour (Spain).

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Chairman of the Appointments Committee of Carrefour

2015 Positions held outside the Group

- N/A

Former positions held from 2011 to 2014

- Chairman of the Management Board of Guyenne et Gascogne (Expiration date of term: 2012) – *Listed company*
- Vice-Chairman and Chief Executive Officer of Sogara SAS (Expiration date of term: 2012)
- Vice-Chairman of Centros Comerciales Carrefour (Spain) (Expiration date of term: 2012)

Amaury de Sèze

Senior Independent Director

Independent member

Born on May 7, 1946. French.

Number of Company shares owned: 12,500

Date of appointment to the Supervisory Board: April 20, 2005

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2016

Experience

Amaury de Sèze began his career in 1968 with Bull General Electric. In 1978, he joined the Volvo Group, where he held the posts of Chief Executive Officer, Chairman-Chief Executive Officer of Volvo France, Chairman of Volvo Corporate Europe, member of the Executive Committee of the Volvo Group and member of the Strategic Committee of Renault Volvo. He joined the Paribas group in 1993 as member of the Executive Board of the Compagnie Financière de Paribas and Banque Paribas, in charge of equity holdings and industrial affairs, and as head of the Equity Holdings Division of BNP-Paribas. He served as Chairman of PAI Partners from 1998 to December 2007.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Chairman of the CSR Committee of Carrefour

2015 Positions held outside the Group

- Director of BW Group (Singapore)
- Director of Groupe Bruxelles Lambert (Belgium) – *Listed company*
- Director of Erbe SA (Belgium) – *Listed company*
- Director of Pargesa Holding SA (Switzerland) – *Listed company*
- Chairman of the Supervisory Board of PAI Partners SA
- Member of the Supervisory Board of Publicis Groupe – *Listed company*
- Director of Imerys SA – *Listed company*
- Director of RM2 (Luxembourg)

Former positions held from 2011 to 2014

- Director of Thales SA (Expiration date of term: September 2013) – *Listed company*
- Vice-Chairman of Power Financial Corporation of Canada (Expiration date of term: 2014) – *Listed company*

Anne-Claire Taittinger

Independent member

Born on November 3, 1949. French.

Number of Company shares owned: 3,901

Date of appointment to the Supervisory Board: April 20, 2005

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience

Anne-Claire Taittinger graduated from the Institut d'Études Politiques de Paris, and holds a Master's degree in urban sociology and an advanced degree in urban development from the Centre de Perfectionnement aux Affaires. She began her career in 1976 at the Caisse des Dépôts et Consignations as head of urban development operations at the Société Centrale d'Équipement du Territoire. She joined the Louvre Group in 1979 as Corporate Secretary and then became Chairman-CEO of the Compagnie Financière Deville. She later became Chairman-CEO of Compagnie Financière Leblanc and of ELM-LEBLANC, Deputy Chairman-CEO of the industrial division of DEVILLE, Chairman-CEO of Parfums Annick Goutal France USA, and then of Baccarat. She became Chief Executive Officer and subsequently Chairman of the Executive Committee of the Société du Louvre in 1997. In 2002 she became Chairman of the Executive Board of the Taittinger Group and Chief Executive Officer of its subsidiary Groupe du Louvre when the functions of Chairman of the Board and Chief Executive Officer were separated. She left these posts in July 2006 following a change in ownership at the Taittinger Group.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Appointments Committee of Carrefour

2015 Positions held outside the Group

- Director and Chairman of the Appointments, Remuneration and Corporate Governance Committees of Club Méditerranée (Expiration date of term: 2015) – *Listed company*
- Chairman of Le Riffray SAS
- Director and Chairman of the Accounts Committee of Thales SA – *Listed company*

Former positions held from 2011 to 2014

- Director and member of the Appointments, Remuneration and Corporate Governance Committees of Club Méditerranée (Expiration date of term: 2011) – *Listed company*
- Chief Executive Officer of SAS DFT Immobilier SAS (Expiration date of term: 2012)
- Director of Financités (Expiration date of term: 2013)
- Director of IFA (Institut Français des Administrateurs) (Expiration date of term: 2013)
- Member of the Supervisory Board of Planet Finance (Expiration date of term: 2013)

Abilio Diniz

Observer

Born on December 28, 1936. Brazilian

Date of appointment by the Board of Directors as Observer: January 2016

Experience

Founder, former CEO and Chairman of the Board from 1993 until 2013 of Grupo Pão de Açucar (GPA) incorporated in 1948, Mr. Abilio Diniz was also a member of the Brazilian National Monetary Council between 1979 and 1989. One of the four members of the Board of Management and Development of the Federal Government of Brazil.

Mr. Abilio Diniz holds a BA from Fundação Getulio Vargas an124

made a post graduation in economy at Columbia University. Professor of Management and Leadership of Business Administration School at Fundação Getúlio Vargas. He is Chevalier de La Légion D'Honneur.

2015 Positions held within the Group

- Member of the Board of Directors, Chairman of the Human Resources Committee, Member of the Strategic Committee of Atacadão S.A. (Brazil)

2015 Positions held outside the Group

- Chairman and Director of Peninsula Participações S.A. (Brazil)
- Chairman of BRF S.A. (Brazil) – *Listed company*
- Director of Paic Participações Ltda, Fazenda da Toca Ltda, Ciclade Participações Ltda, Onyx 2006 Participações Ltda, Rio Plate Empreendimentos e Participações Ltda, Zabaleta Participações Ltda and Wilkes Participações S/A (Brazil)
- Director-Chairman of Recco Master Empreendimentos e Participações S.A. (Brazil)

Former positions held from 2011 to 2014

- Chairman of the Board of Directors of Grupo Pão de Açucar (Expiration date of term: 2013) (Brazil) – *Listed company*
- Director of Casino S.A. (Expiration date of term: 2012) – *Listed company*
- Chairman of the Board of Directors of Wilkes Participações S.A. (Brazil)
- Member of the Board of Globex Utilidades S.A. (Brazil) – *Listed company*

3.2.2 Operation of the Board of Directors

The Board of Directors' work in 2015

During the course of the 2015 financial year, the Board of Directors met eight times, with an average attendance rate of 80%.

After taking note of the summaries produced by the Accounts, Appointments, and Remuneration Committees on work relevant to their roles, the Board of Directors' activity focused primarily on the following areas:

- financial management:

  The Board of Directors approved the annual and half-yearly corporate and Consolidated Financial Statements, and related reports, after hearing from the Chairman of the Accounts Committee and the Statutory Auditors. The Board of Directors reviewed quarterly sales and related draft press releases. On June 11, 2015, the Board of Directors implemented the Company's new share buyback program; The Board of Directors approved forecast statutory documents, renewed annual authorisations granted to the Chairman and Chief Executive Officer with regard to bond issues and guarantees; reviewed the Group's liquidity policy and commitments; and decided the disposal of treasury shares;
- Shareholders' Meeting:

  The Board of Directors approved the notice of meeting, the agenda, the draft resolutions, the Board of Directors' report to the Shareholders' Meeting, and the report of the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures; set dividend policy; delegated all powers to the Chairman and Chief Executive Officer for the purposes of increasing share capital in order to pay the dividend in new Company shares; authorised regulated agreements concluded during the fiscal year and conducted an annual review of continuing regulated agreements; approved replies to written questions submitted by shareholders in advance of the Shareholders' Meeting and conducted an assessment of the Directors' independence, the terms of directors office renewed and new appointments made;
- follow up of the strategic questions of the Group and its activities:

  The Board of Directors reviewed the strategic plan, the situation in several countries in which the Group operates, key projects such as the integration of DIA and opportunities such as the acquisition of Rue du Commerce and approved certain investment projects for the Group, such as the acquisition of 85 Billa supermarkets in Romania;
- corporate governance:

  The Board of Directors decided to appoint Mr. Georges Ralli as Vice-Chairman, and Mr. Jérôme Bédier and Mr. Pierre Jean Sivignon as Deputy CEOs; renewed the term of office of the Chairman and Chief Executive Officer; determined the new composition of the Board committees.

  The Board of Directors established the CSR and Strategic Committees and appointed Mr. Abilio Diniz as Observer;
- remuneration of corporate officers:

  The Board of Directors authorised a termination payment and a long-term incentive plan for the Chairman and Chief Executive Officer and decided to modify the supplementary pension plan applicable to corporate officers (Chairman and Chief Executive Officer, Deputy Chief Executive Officers, and some key executive officers);
- business activities:

  The Board of Directors was informed about the economic and competitive climate, the market performance of Carrefour shares and financial rating issues.

Conditions of preparation and organisation of the Board of Directors' work

The work of the Board of Directors is based on the Board of Directors' Internal Rules intended to complement legal and statutory provisions and the recommendations of the AFEP-MEDEF code, which the Company uses as a reference.

The Board of Directors' Internal Rules, divided into three chapters, are structured as follows:

- the first chapter covers the Board of Directors, its role, operation, compensation for Directors and its assessment;
- the second chapter covers the Board of Directors' committees, their common rules, composition and missions;
- the third chapter covers the rights and responsibilities of Directors.

The Board of Directors' Internal Rules deal with the formal aspects of the Board of Directors' duties, as well as the rights and responsibilities of the Directors with respect to corporate governance best practices imposed by the Board of Directors.

In accordance with the Board of Directors' Internal Rules as part of its duties and without this list being exhaustive, the Board of Directors:

- approves the Company's strategy and monitors its implementation;
- sets any necessary limits on the powers of the Chairman and Chief Executive Officer;
- in particular, it:
  - conducts any controls and audits it deems appropriate,
  - conducts audits of Company management and the accuracy of its financial statements,
  - examines and approves the financial statements, establishes the agenda for the meeting, records its activities in the annual report and approves the various statutory and regulatory reports,
  - examines regulated agreements and rules on their prior authorisation,
  - ensures that high-quality financial information is provided to shareholders and markets;

- each year, on the recommendation of the Appointments Committee, draws up the list of Directors considered independent, based on the corporate governance criteria set out in the AFEP-MEDEF code;
- once a year, it examines the budget.

Assessment

In accordance with the Board of Directors' Internal Rules, the Board of Directors conducts regular assessments of its operations and its ability to fulfil its role. Accordingly, it reviews its operating procedures and the quality of the information published and of its decision-making and discussions, as well as each person's actual contribution to the work of the Board of Directors and its committees.

As a result, the Board of Directors is obliged to include a discussion on its operation as an agenda item once a year.

A formal assessment of the Board of Directors was carried out during the 2013 fiscal year with the help of the Appointments Committee and an external consultant. The aim of this assessment was to ensure observance of the Board of Directors' operating principles and compliance with the rules of governance, as well as identify ways to improve its functioning and efficiency. The results of this assessment revealed that the Board of Directors and its committees were being run in a satisfactory manner.

3.2.3 The Board of Directors' committees

The Board of Directors has decided on the implementation of specialist committees responsible for examining questions submitted to them for their opinion by the Board of Directors or the Chairman of the Board of Directors.

To take into account the nature and specific characteristics of the Company's activities, the Board of Directors' committees are as follows:

- the Accounts Committee;
- the Remuneration Committee;
- the Appointments Committee;
- the CSR Committee;
- the Strategic Committee.

The specialist committees are made up of Directors appointed by the Board of Directors for the period of their term of office.

These committees report on their work to the Board of Directors on a regular basis and share with it their observations, opinions, proposals and recommendations.

The Chairman of each committee (or, if they are unavailable, another member of the same committee) present oral summaries of their work to the Board of Directors at its next meeting.

The terms of reference of these committees may not delegate powers to them that are assigned to the Board of Directors in law or under the Articles of Association. The committees have consultative power and conduct their activities under the responsibility of the Board of Directors, which alone has statutory decision-making power and remains collectively responsible for the fulfilment of its missions.

The Chairman of the Board of Directors is responsible for ensuring that the number, missions, composition and operation of the committees reflects the needs of the Board of Directors and best corporate governance practices at all times.

Each committee is chaired by an independent Director drawn from its members except for the Strategic Committee.

The secretary of each committee is an individual selected by the Chairman of each committee.

These committees meet, as necessary, on the invitation of their Chairman, or at the request of one-half of their members. They may call upon outside experts as necessary.

The committee Chairman of the Board of Directors may ask the Chairman of the Board of Directors to interview any Group executive regarding issues that fall within the committee's purview, as defined by the Board of Directors' Internal Rules.

3.2.3.1 The Accounts Committee

The Accounts Committee meets at least four times per year.

Composition

The Accounts Committee is composed of 60 % of members who are qualified as independent Directors. The Chairman of the Accounts Committee has special expertise in financial or accounting matters.

As at December 31, 2015, the composition of the Accounts Committee was as follows:

- Chairman: Georges Ralli (independent Director);
- Members: Mathilde Lemoine (independent Director), René Brillet (independent Director), Nicolas Bazire, Philippe Houzé.

Duties

The main duties of the Accounts Committee are:

- in respect of the financial statements:
  - to carry out a prior examination and offer an opinion on the annual and half-yearly company and Consolidated Financial Statements before they are presented to the Board of Directors,
  - to examine the relevance and permanence of the accounting principles and rules used in drawing up the Company and Consolidated Financial Statements and to warn of any deviation from these rules,
  - to examine the drafts of the annual report and financial statements prior to publication,
  - more generally, to review all issues relating to financial statements and other documents, including the selection of accounting standards, provisions, management accounting data, capital sufficiency requirements, profitability indicators and any accounting issues that raise methodological concerns or give rise to potential risk;

- in respect of internal control:
  - to assess the effectiveness and quality of the Group's internal control systems and procedures, to interview the internal audit manager, to give an opinion on the organisation of the department and to be informed of its programme of work,
  - to examine, in conjunction with internal control managers, the objectives and intervention and action plans in the area of internal audit, the conclusions of such interventions and the actions, recommendations and follow-up arising from them,
  - to examine the methods and results of the internal audit and check that the procedures used help the financial statements to reflect a true and accurate picture of the business in accordance with accounting rules,
  - to assess the reliability of the systems and procedures used to produce the financial statements and the validity of the positions taken in respect of presenting significant transactions,
  - to examine the methods used to report and present accounting and financial information from the subsidiaries and/or operational units,
  - to examine the draft report on internal control and risk management procedures.

Relations with the Statutory Auditors

The Accounts committee oversees the process of selecting Statutory Auditors, formulates an opinion on the appropriate fee levels for legal work pertaining to internal control and submits the results of this selection to the Board of Directors.

It also ensures the Statutory Auditors' independence. It issues a recommendation on the Statutory Auditors whose appointment is proposed by the Shareholders' Meeting.

It reviews the Statutory Auditors' audit plan, their recommendations and the implementation of these recommendations.

It is notified annually of the amount and breakdown of fees paid by the Group to the Statutory Auditors and the networks to which they belong, calculated according to a model approved by the Accounts Committee. It ensures that the amount or share of the Statutory Auditors' revenues represented by the Group is not likely to compromise the Statutory Auditors' independence.

It gives its prior consent for any undertaking whose fees (excluding tax) exceed €1 million. The Accounts Committee approves other undertakings after the fact, based on submissions from the Group finance department. Each year, the Accounts committee receives a report from the Group finance department on all assignments other than auditing carried out by networks to which the Group's Statutory Auditors belong.

The Accounts committee ensures that the signatories of the Financial Statements rotate and that the expiry dates of the terms of office of the Statutory Auditors are staggered.

It ensures that neither the firm(s) responsible for statutory auditing of the accounts nor the network to which it belongs provide any kind of consultancy services to the Group.

The Statutory Auditors each provide an annual presentation to the Accounts Committee on the procedures within their internal-control system for ensuring independence, and annually certify in writing their independence in fulfilling their audit responsibilities.

At least twice per year, the Accounts Committee devotes part of its meeting to a discussion with the Statutory Auditors' teams without the presence of the Company's executive management, after first informing the Chairman of the Board of Directors.

The Accounts committee meets in the presence of the Statutory Auditors' teams to review the half-yearly and annual Financial Statements.

However, the Statutory Auditors do not attend any or all of the meeting dealing with their fees and renewal of their terms of office.

The Statutory Auditors do not attend any or all of the meeting at which the Accounts Committee deals with specific issues relating to any of them.

Where questions of interpretation of accounting standards arise in connection with the half-yearly and annual results, involving choices that have a material impact, the Statutory Auditors and the Group finance department present a memorandum to the Accounts Committee analysing the nature and significance of the issue, presenting the pros and cons of various possible solutions and explaining the reasons for the choice made.

Report by the Chairman

The Accounts Committee reviews the draft report by the Chairman on internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

Interviews

On all issues within its purview, the Accounts Committee may – as it sees fit and outside the presence of any other Company's general management members, if it deems this appropriate – interview the Group's financial and accounting managers as well as the audit and internal-control manager. The Chairman of the Board of Directors must be informed of this in advance.

The Accounts Committee may call on outside experts as necessary.

Activity during the financial year

During the 2015 financial year, the Accounts Committee met seven times, with an average attendance rate of 95%.

In the course of those seven meetings, the following main topics were reviewed:

- in respect of the financial statements:
  - review of draft corporate and Consolidated Financial Statements for the fiscal year ended at December 31, 2014 and the half-yearly Consolidated Financial Statements and related reports,
  - review of litigations and risks as part of the analysis of provisions,
  - hard-close procedures,
  - review of the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information;
- in respect of internal control:
  - follow-up on Group internal audit department missions,
  - Group cash and cash equivalent,
  - financial impact of significant transactions.

3.2.3.2 The Remuneration Committee

The Remuneration committee meets as often as necessary.

Composition

A majority of the members of the Remuneration Committee are independent Directors as defined by the Board of Directors in light of the AFEP-MEDEF code, which serves as a reference.

As at December 31, 2015, the composition of the Remuneration Committee was as follows:

- Chairman:Thierry Breton (independent Director);
- Members:René Brillet (independent Director), Charles Edelstenne (independent Director).

Duties

The Remuneration Committee is responsible for formulating proposals on the various components of compensation paid to members of the Board of Directors and the Chairman and Chief Executive Officer.

It is responsible for reviewing all issues relating to the personal status of corporate officers, including remuneration, pension and welfare benefits, benefits in kind and provisions governing the cessation of their term of office.

Its main responsibility is to formulate proposals for decisions on granting subscription and/or purchase options for shares in the Company to the benefit of corporate officers and all or some of the salaried staff of the Company and subsidiaries in accordance with the authorisations granted by the Shareholders' Meeting. It examines the conditions under which options are granted and proposes a list of beneficiaries of options and the number of options allocated to each of them. It formulates any proposals determining the characteristics of options and in particular, the subscription and/or purchase price of shares, their duration, any conditions to which exercising them may be subject and the terms under which they may be taken up.

It is also responsible for formulating proposals in respect of the free allocation of existing shares or shares to be issued in accordance with the authorisations granted by the Shareholders' Meeting. It proposes the names of beneficiaries of share allocations and any conditions, particularly in respect of the length of acquisition and holding periods and criteria for share allocations.

It is informed of the remuneration policy for top executives who are not corporate officers.

Activity during the financial year

During the 2015 financial year, the Remuneration Committee met three times, with an attendance rate of 100%.

In the course of those three meetings, the following main topics were reviewed:

- components of the Chairman & Chief Executive Officer's remuneration:
  - determination of the variable component for 2014,
  - implementation of a long-term incentive plan,
  - maintenance of the termination payment,
  - modification of the supplementary pension plan;
- remuneration of executive officers:
  - information on the remuneration of Deputy Chief Executive Officers
  - information on the remuneration of executive officers;
- Shareholders' Meeting:
  - resolution to authorize the Board of Directors to make free allotment of existing shares or to issue.

3.2.3.3 The Appointments Committee

The Appointments Committee meets as often as necessary.

Composition

A majority of the members of the Appointments Committee are independent Directors as defined by the Board of Directors in light of the AFEP-MEDEF code, which serves as a reference.

As at December 31, 2015, the composition of the Appointments Committee was as follows:

- Chairman: Bertrand de Montesquiou (independent Director);
- Members: Anne-Claire Taittinger (independent Director), Diane Labruyère-Cuilleret (independent Director), Nicolas Bazire, Philippe Houzé.

Duties

The Appointments Committee examines and formulates an opinion on any application for nomination to the post of Director or a role as a corporate officer, taking particular account of a desirable balance in the composition of the Board of Directors. It assesses the appropriateness of the renewal of terms of office.

It organises a procedure for the purpose of selecting future independent Directors.

The classification of independent Director is discussed by the Appointments Committee and reviewed each year by the Board of Directors prior to the publication of the financial annual report.

It makes recommendations to the Board of Directors on the appointment of members of the specialist committees when they are due for renewal.

It is also charged with assessing Directors' independence and reporting its findings to the Board of Directors. If necessary, the AppointmentsCommittee reviews situations that result from a Director's repeated absence.

It also assists the Board of Directors in adapting the Company's corporate governance practices and assessing their operation.

It examines solutions for organizing the continuity of good corporate governance.

It examines the Chairman's draft report on corporate governance and any other document required by law or regulations.

Activity during the financial year

During the 2015 financial year, the Appointments Committee met three times, with an attendance rate of 100%.

In the course of those three meetings, the following main topics were reviewed:

- Shareholders' Meeting:
  - annual review of the qualification of independent Directors,
  - review of the Chairman's report on corporate governance,
  - proposal to renew the terms of office of six Directors and to appoint Mrs Patricia Lemoine and Mr. Philippe Houzé as Directors,
  - assessing the operation of the Board of Directors;
- Board of Directors' specialist committees:
  - composition of committees,
  - implementation of CSR and Strategic Committees;
- corporate governance:
  - composition of the Board of Directors,
  - governance.

3.2.3.4 The CSR Committee

The CSR Committee was established at the end of 2015 year.

The CSR Committee meets as often as necessary.

Composition

The composition of the CSR Committee is as follows:

- Chairman: Amaury de Sèze (independent Director);
- Members: Patricia Lemoine, Diane Labruyère-Cuilleret (independent Director).

Duties

The CSR Committee:

- reviews the Group's CSR strategy and the implementation of projects linked to this strategy;
- verifies the integration of the Group's CSR commitments, in the light of the challenges specific to the Group's business and objectives;
- evaluates risks, identifies new opportunities, takes account of the impact of CSR policy in terms of economic performance;
- reviews the annual financial report of non-financial performance;
- reviews the summary of ratings awarded to the Group by ratings agencies and in non-financial analyses.

Activity during the financial year

During the 2015 financial year, the CSR Committee met one time, with an attendance rate of 100%.

In the course of these meeting, the following main topics were reviewed:

- Group CSR method;
- overview of Group CSR strategy;
- COP 21.

3.2.3.5 The Strategic Committee

The Strategic Committee was established at the beginning of 2016 year.

The Strategic committee meets as often as necessary.

Composition

- Chairman: Georges Plassat;
- Members: Nicolas Bazire, Philippe Houzé, Georges Ralli, (independent Director);
- Invitee: Abilio Diniz (Observer).

Duties

The Strategic Committee prepares the Board's work on strategic directions of the Group and the major topics of interest, including:

- development priorities and possible opportunities for diversification of Group activities;
- strategic investments, projects of significant partnerships.

3.3 Executive Management

By decision of the Shareholders' Meeting on July 28, 2008, the Company adopted the form of a public limited company with a Board of Directors. By its decision of June 21, 2011, the Board of Directors consolidated the duties of Chairman and Chief Executive Officer. The Board of Directors' decision to consolidate the duties of Chairman and Chief Executive Officer was designed to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance.

Mr. Georges Plassat is the Company's Chairman and Chief Executive Officer since May 23, 2012. His term of office as Chairman and Chief Executive Officer was renewed by the Board of Directors on June 11, 2015.

At its meeting on February 8, 2015, on the Chairman and Chief Executive Officer's proposal and after recommendation of the Chairman of the Appointments Committee, the Board of Directors appointed two Deputy Chief Executive Officers, Pierre Jean Sivignon, Chief Financial Officer, and Jérôme Bédier, General Secretary.

Chairman and Chief Executive Officer and Deputy Chief Executive Officers power's limits

By virtue of the Board of Directors' Internal Rules, the Chairman and Chief Executive Officer could not carry out the following transactions or actions in the name and on behalf of the Company without the Board of Director's prior consent:

- investment and disposal transactions envisaged by the Group, in particular acquisitions and disposals of assets or holdings, subscriptions to any issues of shares, proprietary interests or bonds and entering into partnerships and joint-venture agreements as well as any transaction likely to affect the Group's strategy of an amount in excess of €250 million per investment or disposal on behalf of the Group, it being specified that the Chairman and Chief Executive Officer may not have sole decision-making power for more than two successive transactions of an individual amount less than or equal to €250 million per fiscal year;
- financial transactions, regardless of their conditions, of an amount in excess of €2 billion, the Chairman and Chief Executive Officer being accountable to the Board of Directors for transactions below this amount;
- direct establishment of overseas sites by forming a company, a direct or indirect subsidiary, or by acquiring an interest, or deciding to withdraw from these sites;
- any merger, spin-off or asset transfer for net asset transfer values in excess of €250 million, excluding any internal restructuring;
- the total or partial sale of non-financial assets not valued on the balance sheet, including brands and customer data and in particular the Carrefour brand and customer files;
- in the event of a dispute, any settlement or compromise in an amount greater than €100 million per case.

Deputy Chief Executive Officers are subject to the same power's limits as the Chairman and Chief Executive Officer.

3.4 Compensation and benefits granted to executive officers

3.4.1 Compensation of the members of the Board of Directors

The Shareholders' Meeting of June 11, 2015 established the annual budget for Directors' annual attendance fees allocated to the Board of Directors at €980,000.

Following discussions held on June 11, 2015, the Board of Directors decided to maintain the annual breakdown of these fees as follows:

- Chairman of the Board of Directors: €10,000;
- Senior Independent Director: €40,000;
- Vice-Chairman of the Board of Directors: €40,000;
- Chairman of the Accounts Committee: €30,000;
- Chairman of the Remuneration and Appointments Committees: €10,000;
- Committee Member: €10,000;
- Members of the Board of Directors: €45,000.

It being specified that:

- €10,000 for membership in one or more committees will be based on the committee member's regular attendance at its meetings;
- €45,000 for membership in the Board of Directors will be comprised of a fixed portion of €35,000 and a variable portion of €10,000 based on Director's regular attendance at its meetings.

The variable portion of the Directors' fees is paid in proportion to the number of Board of Directors and/or committee meetings attended by the Directors (100% of the variable portion will be allocated for attendance at all meetings).

Directors' annual attendance fees are paid once per year, in July.

During 2014 and 2015 financial years, the members of the Board of Directors obtained fees with the following amounts: (absence of other compensation except for the Chairman and Chief Executive Officer as detailed in section 3.4.2 of this chapter)

TABLE OF DIRECTORS' ANNUAL ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED

(in euros)	Amount paid during 2014 financial year	Amount paid during 2015 financial year
Georges Plassat	55,000.00	51,666.66
René Brillet	65,000.00	65,000.00
Thierry Breton	63,888.88	63,888.88
Anne-Claire Taittinger	53,888.88	53,888.88
Mathilde Lemoine	55,000.00	55,000.00
Amaury de Sèze	83,888.88	85,000.00
Nicolas Bazire	57,222.21	63,333.33
Charles Edelstenne	53,888.88	52,777.77
Bernard Arnault	38,333.33	37,222.22
Jean-Laurent Bonnafé	42,777.77	39,444.44
Bertrand de Montesquiou	65,000.00	65,000.00
Georges Ralli	85,000.00	103,958.89
Diane Labruyère-Cuilleret	53,888.88	55,000.00
Thomas J. Barrack Jr.	22,319.63	37,222.22
Patricia Lemoine	-	6,001.52
Philippe Houzé	-	9,334.85
TOTAL	**832,745.72** (1)	**843,739.67**

(1) The total amount paid during 2014 financial year includes fees paid to Mr. Sébastien Bazin (Term of office expired on January 15, 2014)

3.4.2 Compensation of the Chairman and Chief Executive Officer

The rules and principles used in determining the compensation and other benefits paid to the Chairman and Chief Executive Officer are approved by the Board of Directors based on proposal submitted by the Remuneration Committee.

Annual compensation

The Chairman and Chief Executive Officer receives an annual compensation composed of a fixed part and a variable part. For the 2015 financial year, the fixed part of the annual compensation of the Chairman and Chief Executive Officer was set at a gross level of €1,500,000.

The annual variable compensation of the Chairman and Chief Executive Officer is based on the fulfillment of objectives and can vary between 0% and 165% of his annual fixed compensation, based on the achievement of objectives. The performance objectives are based, for 50% of his variable compensation, on achieving financial targets (organic sales and recurring operating income, these objectives accounting each for half) and, for the remaining 50%, on the achievement of individual qualitative objectives defined by the Board of Directors (quality of the Group’s governance and sustainable development initiatives, these objectives accounting each for half).

The expected level of achievement of financial targets used to determine the variable part of the annual compensation is established precisely but is not disclosed for confidential reasons.

During its meeting on March 9, 2016, the Board of Directors has decided to set the annual variable part of the Chairman and Chief Executive Officer’s compensation at €2,250,000, the dynamic growth targets for the Group set by the Board of Directors having been achieved.

For the 2016 financial year, the Board of Directors has decided to maintain unchanged both the fixed part of his annual compensation, at a gross level of €1,500,000, and the structure of the variable part of his annual compensation.

Long term incentive plan

During its meeting on April 29, 2015, the Board of Directors has resolved, on recommendation of the Remuneration Committee, that in respect of the financial years 2014/2015, 2015/2016, 2016/2017, the Chairman and Chief Executive Officer will benefit from a long term incentive plan under the following terms and conditions:

- the long term incentive plan can only represent up to a maximum of 45% of the target global remuneration,
- in order to benefit from the plan, two of the three qualitative performance conditions (CSR) and quantitative performance conditions (sales and recurring operating income) set by the Board of Directors must be fulfilled for more than 100% for two consecutive years,
- in order to benefit from the plan, Mr. Georges Plassat must remain Chairman and Chief Executive Officer at the end of the financial years set out above.

In the event of departure before the expiration of the time period set out for the fulfilment of the performance conditions, the benefit of the long term incentive plan is excluded, except in the case of exceptional circumstances set out by the Board of Directors, in compliance with the provisions of the AFEP-MEDEF corporate governance code.

It is noted that no bonus shares or stock options were granted within the Group during the financial years 2012, 2013, 2014 and 2015 and that the Chairman and Chief Executive Officer did not benefit from any long term incentive plan in respect of these financial years.

Within this context, the Board of Directors put in place a long term cash incentive plan in respect of the financial year 2014/2015 in accordance with the principles set out above.

During its meeting on March 9, 2016, the Board of Directors has noted, on recommendation of the Remuneration Committee, that the conditions of the long term incentive plan have been fulfilled in respect of the financial years 2014/2015 and has set the owed gross amount at €3 252 000 that will be paid in 2017. The long term incentive plan in respect of the financial years 2015/2016 will be implemented under the same conditions.

Supplementary pension plan

The Chairman and Chief Executive Officer benefits from a supplementary pension plan with defined benefits, as described in article L.137-11 of the French social security code, that has been offered within the Group since 2009 for the benefit of the Group's executive officers (Chairman and Chief Executive Officer, Deputy Chief Executive Officers, and some key executive officers).

Mr. Georges Plassat's mandate as Chairman and Chief Executive Officer was renewed on June 11, 2015. Therefore, the new provisions of law No. 2015-990 of August 6, 2015 do not apply to him.

However, the Board of Directors, during its meeting on June 11, 2015, on recommendation of the Remuneration Committee, decided to modify the characteristics of the defined benefit supplementary pension plan such as the conditions for acquisition, by subjecting them, among other things, to the fulfilment of performance conditions and eliminating all recognition of years of service not corresponding to actual presence within the Group.

The characteristics of the supplementary pension plan with defined benefits currently in force therefore comply with to the requirements of law No. 2015-990 of August 6, 2015.

1. Eligibility conditions

Access to the plan is subject to fulfilment of the following cumulative conditions:

- Plan beneficiaries must have completed at least 3 years of actual and continued service within the Group,
- They must receive a gross annual compensation of over 18 times the annual Social Security ceiling for contributions, and
- They must have ended their careers within the Group in accordance with the provisions of article L.137-11 of the French social security code.

2. Methods for determining the reference compensation

The reference compensation is the average of the gross annual compensation received within the Group over the last three calendar years preceding that in which the person concerned retires.

This average may not exceed 60 times the annual Social Security ceiling.

In determining the reference compensation, only the basic gross annual salary and the annual variable compensation paid are taken into consideration, to the exclusion of any other form of compensation, whether direct or indirect.

3. Rate of accrual of pension rights

The amount of the annual pension supplement is equal to 2.75% of the reference compensation per year of service, subject to the performance conditions being met.

The annuity thus calculated will be added to any other pensions or retirement annuities (Social Security old age pension, compulsory top-up pension for managers (AGIRC/ARRCO), annuities from supplementary company schemes, etc.).

The number of years of service retained for calculation of the pension supplement will be that acquired by the Chairman and Chief Executive Officer within the Group in his capacity as employee or executive officers. It takes into account the whole of his presence within the Group including under non-consecutive contracts.

4. Fulfilment of performance conditions

The acquisition of pension rights under this scheme is subject to performance conditions.

Any given year is only taken into account in determining the amount of the annuity if it corresponds to a year during which the performance conditions were satisfied.

Each year, the Board of Directors determines the performance conditions applicable that correspond, save exceptions, to satisfaction of at least 80% of the quantitative performance conditions triggering payment of the annual variable compensation of the Chairman and Chief Executive Officer.

At the end of each year, the Board of Directors checks whether the performance conditions were satisfied during the year. If this is not the case, the year is not taken into account when calculating the annuity.

Moreover, attribution of a pension supplement presupposes that for at least 2/3 of the years the performance conditions have been validated during the Chairman and Chief Executive Officer's period of employment within the Group.

5. Methods for determining the caps

The amount of the annuity is subject to a double cap. If this cap is exceeded, it is reduced accordingly.

The cumulated amount of the gross annual annuity and of all the annuities from supplementary Group retirement schemes cannot exceed 25% of the reference compensation.

Moreover, the amount of the gross annual annuity cannot exceed the difference between

- 45% of the reference compensation,
- and the gross annual amount of all the basic, compulsory top-up and supplementary pensions.

6. Methods of financing

The annuities are paid by an insurance institution to which the Company pays premiums according to the financing requirements that evolve as the beneficiaries retire and claim their pensions.

7. Charges and Contributions payable by the Company

The employer pays an annual contribution of 24% on the premiums paid to the insurance company.

For information, the estimated amount of the gross annual annuity at December 31, 2015 is €439,362.

Termination payment

During its meetings on January 29 and February 8, 2012, the Board of Directors put in place a termination payment for the Chairman and Chief Executive Officer in the event of his departure before 2 April 2015.

During its meeting on April 29, 2015, the Board of Directors, on recommendation of the Remuneration Committee, wished to keep the principle of a termination payment.

The retention of this termination payment is justified by exceptional performances achieved by the Chairman and Chief Executive Officer, the absence of any long term incentive plan for the years 2012 and 2013 as well as the non-competition obligation borne by the Chairman and Chief Executive Officer in consideration for the termination payment.

On this basis, the Board of Directors considered that all of these reasons justify derogation from the recommendations of the AFEP-MEDEF code excluding (i) the termination payment in the event of departure not related to a change of strategy or control (ii) and when the Chairman and Chief Executive Officer has the possibility of exercising his right to rapidly claim his pension entitlements. Indeed, these recommendations only concern termination payment and not non-competition obligations.

The Board of Directors noted that the putting in place of this termination payment has a true benefit for the Company since it means that the Chairman and Chief Executive Officer has an interest in the performance of the Company and since it prevents him from taking up professionally competitive activities for the 18 months following the termination of his duties.

Conditions to award the termination payment:

1. Performance conditions

The award of a termination payment is subject to the performance conditions linked to the fulfilment of quantitative targets (growth in sales and recurring operating income) and qualitative targets (CSR).

The Chairman and Chief Executive Officer will therefore benefit from a termination payment if, for at least half the financial years of his mandate as well as for two out of the three years before the termination of his duties as Chairman and Chief Executive Officer, he fulfils all of the quantitative and qualitative targets set by the Board of Directors for the determination of his long term incentive plan (achievement over 100% of the targets). In the absence of a long term incentive plan for one of the financial years considered, the fulfilment of targets fixed by the Board of Directors will be taken into account solely for the determination of his annual variable compensation.

2. Reasons for Departure

A termination payment will be awarded in the event of the termination of his duties as Chairman and Chief Executive Officer, for whatever reason, subject to the exceptions set out below.

No termination payment will be awarded to the Chairman and Chief Executive Officer in the event of:

- dismissal for gross negligence or wilful misconduct,
- change of position within the Carrefour Group.

It is noted that reaching the age limit set out in the Articles of Association of Carrefour does not constitute an exception to the termination payment.

3. Non-competition obligation

The termination payment is subject to the non-competition obligation which will bind the Chairman and Chief Executive Officer at the end of his duties as Chairman and Chief Executive Officer of Carrefour.

This obligation will last for a period of 18 months from the termination of his duties and means that Chairman and Chief Executive Officer cannot take up professionally competitive activities within a number of specified businesses operating in the food distribution sector.

4. Amount of the termination payment

The amount of the termination payment is equal to the compensation received for one year (fixed and variable target compensation) excluding all other form of compensation and notably compensation paid in accordance with the long term incentive plan.

5. Payment of the termination payment

In accordance with the provisions of article L.225-42-1 of the French commercial code, no payment can be made before the Board of Directors (at the time of or after the termination or the effective change of position of the Chairman and Chief Executive Officer) states that the above conditions have been fulfilled.

Directors' annual attendance fees

The amount of Directors' annual attendance fees paid to the Chairman and Chief Executive Officer was set as detailed in section 3.4.1 of this chapter.

Benefits in kind

The Chairman and Chief Executive Officer benefits from a functions car with a driver.

The elements of compensation due or paid with respect to the 2015 financial year to the Chairman and Chief Executive Officer and submitted to the consultative vote of the Shareholders' Meeting on May 17, 2016 are set out in section 3.4.5 of this chapter.

3.4.3 Compensation of the Deputy Chief Executive Officers

The Deputy Chief Executive Officers, Mr. Jérôme Bédier and Mr. Pierre Jean Sivignon, are remunerated for their functions as General Secretary and Chief Financial Officer respectively under their labour contract. They do not benefit from any compensation for their mandate as executive officer. The rules and principles used in determining the compensation and other benefits that they receive are determined by the Chairman and Chief Executive Officer as part of the remuneration policy for executive officers.

The Deputy Chief Executive Officers receive an annual compensation composed of a fixed part and a variable part.

The annual variable compensation of the Deputy Chief Executive Officers is based on the fulfillment of objectives and can vary between 0% and 200% of their annual fixed compensation. The performance objectives are based, for 50% of their variable compensation, on achieving financial targets (gross like-for-likes sales, Recuring Operating Income, average basket, average ticket, these objectives accounting respectively for 30%, 50%, 10%, 10%) and, for the remaining 50%, on the achievement of qualitative objectives set by the Chairman and Chief Executive Officer.

The Deputy Chief Executive Officers benefits from a supplementary pension plan with defined benefits, as described in article L.137-11 of the French social security code, that has been offered within the Group since 2009 for the benefit of the Group's executive officers (Chairman and Chief Executive Officer, Deputy Chief Executive Officers, and some key executive officers).

The appointment of the Deputy Chief Executive Officers took place on February 8, 2015. Therefore, the new provisions of law No. 2015-990 of August 6, 2015 do not apply to them.

However, the Board of Directors, during its meeting on June 11, 2015 on recommendation of the Remuneration Committee, decided to modify the characteristics of the defined benefit supplementary pension plan such as the conditions for acquisition, by subjecting them, among other things, to the fulfilment of performance conditions and eliminating all recognition of years of service not corresponding to actual presence within the Group.

The characteristics of the supplementary pension plan with defined benefits currently in force therefore comply with to the requirements of law No. 2015-990 of August 6, 2015.

Mr. Jérôme Bédier

Annual compensation

Mr. Jérôme Bédier receives an annual compensation composed of a fixed part and a variable part.

For the 2015 financial year, the fixed compensation of Mr. Jérôme Bédier was set at a gross level of €450,000, in accordance with the Board of Directors' decision dated June 11, 2015.

For the 2015 financial year, the variable compensation of Mr. Jérôme Bédier was set at €557,100.

For the 2016 financial year, the Board of Directors during its meeting on March 9, 2016, has approved that the fixed compensation of Mr. Jérôme Bédier amounts to €600,000. His variable compensation remains based on the fulfillment of objectives and can vary between 0% and 200% of his fixed compensation. The performance objectives are based, for 50% of his variable compensation, on achieving financial targets (gross like-for-likes sales, recurring operating income, average basket, average ticket, these objectives accounting respectively for 30%, 50%, 10%, 10%) and, for the remaining 50%, on the achievement of qualitative objectives set by the Chairman and Chief Executive Officer.

Supplementary pension plan

Mr. Jérôme Bédier benefits from the same pension plan as that of the Chairman and Chief Executive Officer. The characteristics of the scheme applicable to Mr. Jérôme Bédier (eligibity criteria, methods of calculating the reference compensation, rate of accrual of pension rights, cap, contributions and charges paid by the Company, etc.) are therefore those described in section 3.4.2 of this chapter.

The modification of the characteristics of this supplementary pension plan which benefit to Mr. Jérôme Bédier has been authorized by the Board of Directors on June 11, 2015 in accordance with regulated agreements procedure pursuant to articles L. 225-38 *et seq*. of the French commercial code. These agreements in relation to supplementary pension plan will be submitted for approval to the Shareholders' Meeting on May 17, 2016 (fourth resolution).

For information, the estimated amount of the gross annual annuity at December 31, 2015 is €91,667.

Benefits in kind

Mr. Jérôme Bédier benefits from a functions car.

Mr. Pierre Jean Sivignon

Annual compensation

Mr. Pierre Jean Sivignon receives an annual compensation composed of a fixed part and a variable part.

For the 2015 financial year, the fixed compensation of Mr. Pierre Jean Sivignon was set at a gross level of €800,000.

For the 2015 financial year, the variable compensation of Mr. Pierre Jean Sivignon was set at €990,400.

For the 2016 financial year, the fixed compensation of Mr. Pierre Jean Sivignon is maintained at €800,000, his variable compensation remains based on the fulfillment of objectives and can vary between 0% and 200% of his fixed compensation. The performance objectives are based, for 50% of his variable compensation, on achieving financial targets (gross like-for-likes sales, Recuring Operating Income, average basket, average ticket, these objectives accounting respectively for 30%, 50%, 10%, 10%) and, for the remaining 50%, on the achievement of qualitative objectives set by the Chairman and Chief Executive Officer.

Supplementary pension plan

Mr. Pierre Jean Sivignon benefits from the same pension plan as that of the Chairman and Chief Executive Officer. The characteristics of the scheme applicable to Mr. Pierre Jean Sivignon (eligibity criteria, methods of calculating the reference compensation, rate of accrual of pension rights, cap, contributions and charges paid by the Company, etc.) are therefore those described in section 3.4.2 of this chapter.

The modification of the characteristics of this supplementary pension plan which benefit to Mr. Pierre Jean Sivignon has been authorized by the Board of Directors on June 11, 2015 in accordance with regulated agreements procedure pursuant to articles L. 225-38 *et seq*. of the French commercial code. These agreements in relation to supplementary pension plan will be submitted for approval to the Shareholders' Meeting on May 17, 2016 (fourth resolution).

For information, the estimated amount of the gross annual annuity at December 31, 2015 is €207,625.

Benefits in kind

Mr. Pierre Jean Sivignon benefits from a functions car.

3.4.4 Tables on compensation and benefits granted to Executive Officers

SUMMARY TABLE OF COMPENSATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE OFFICER

(in euros)	2014 Financial year		2015 Financial year	
	Amounts paid during the financial year	Amounts owed for financial year	**Amounts paid during the financial year**	**Amounts owed for financial year**
Mr. Georges Plassat Chairman and Chief Executive Officer since May 23, 2012				
Fixed compensation	1,500,000	1,500,000	1,500,000	1,500,000
Variable compensation (1)	2,235,000	2,197,500	2,197,500	2,250,000
Long term incentive plan	NA	NA	NA	3,252,000*
Directors' annual attendance fees (2)	55,000	55,000	51,667	51,667
Benefits in kind (functions car with driver)	3,976	3,976	3,976	3,976
Valuation of options granted during financial year	NA	NA	NA	NA
Valuation of performance-based shares granted during financial year	NA	NA	NA	NA
Total	3,793,976	3,756,476	3,753,143	7,057,643

(1) The variable compensation owed for the year is paid in the year N+1.
(2) Period of the year (August 1 to July 31).
NA:Non applicable.

* Amount that will be paid in 2017 with respect to the long term incentive plan for the financial years 2014/2015.

(in euros)	2015 Financial year	
	Amounts paid during the financial year	**Amounts owed for financial year**
Mr. Jérôme Bédier Deputy Chief Executive Officer since February 8, 2015		
Fixed compensation (1)	425,926	425,926
Variable compensation (2)	502,974	585,599
Group Performance plan	232,887	NA
Benefits in kind (functions car)	2,989	2,989
Valuation of options granted during financial year	NA	NA
Valuation of performance-based shares granted during financial year	NA	NA
Total	1,164,776	1,014,513

(1) Fixed compensation pro rata taking into account the increase decided on June 11, 2015.
(2) The variable compensation owed for the year is paid in the year N+1. The variable compensation also integrate incentive and profit-sharing.
NA:Non applicable.

(in euros)	2015 Financial year	
	Amounts paid during the financial year	**Amounts owed for financial year**
Mr. Pierre Jean Sivignon Deputy Chief Executive Officer since February 8, 2015		
Fixed compensation	800,000	800,000
Variable compensation (1)	1,087,174	1,025,310
Group Performance plan	465,773	NA
Benefits in kind (functions car)	5,017	5,017
Valuation of options granted during financial year	NA	NA
Valuation of performance-based shares granted during financial year	NA	NA
Total	2,357,964	1,830,327

(1) The variable compensation owed for the year is paid in the year N+1. The variable compensation also integrate incentive and profit-sharing.
NA:Non applicable.

DIRECTORS' ANNUAL ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY NON-MANAGEMENT CORPORATE OFFICERS

Table presented on page 105.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE OFFICER

None.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE OFFICER

None.

PERFOMANCE-BASED SHARES GRANTED TO EACH EXECUTIVE OFFICER

None.

PERFORMANCE-BASED SHARES WHICH BECAME AVAILABLE FOR TRADING DURING THE FINANCIAL YEAR FOR EACH EXECUTIVE OFFICER

None.

SUMMARY OF GRANTED SHARE SUBSCRIPTION OR PURCHASE OPTIONS INFORMATION ON SUBSCRIPTION OR PURCHASE OPTION

Data as of December 31, 2015	Performance option plan 06/17/2009	Presence option plan 06/17/2009	Presence option plan 05/04/2010	Performance option plan 07/16/2010	Presence option plan 07/16/2010
Date of the Shareholders' Meeting	04/30/2007	04/30/2007	05/04/210	05/04/210	05/04/210
Date of the Board of Directors or Management Board Meeting	06/17/2009	06/17/2009	05/04/2010	07/16/2010	07/16/2010
Total number of shares which may be subscribed for or purchased, including the number which may be subscribed for or purchased by the corporate officers:	1,252,994	6,974,861	60,000	1,439,017	1,941,610
Mr. Lars Olofsson	139,139			171,090	
Date from which options may be exercised	06/17/2011	06/17/2011	05/04/2012	07/17/2012	07/17/2012
Expiry date	06/16/2016	06/16/2016	05/03/2017	07/16/2012	07/16/2012
Price of subscription or purchase	€29,55	€29,55	€32,84	€29,91	€29,91
Exercise procedure (when the plan has several phases)	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years
Number of shares subscribed for as of December 31, 2014	31,377	442,792	0	37,639	121,437
Cumulative number of cancelled or void share subscription or purchase options	821,906	1,467,673	60,000	929,962	468,389
Share subscription or purchase options remaining at the end of the fiscal year	399,711	5,064,396	0	471,416	1,351,784

SUMMARY OF GRANTED PERFORMANCE SHARES INFORMATION ON PERFORMANCE SHARES

None.

	Employment contract		Supplementary pension plan		Compensation or benefits owed or likely to be owed due to termination or change in duties		Compensation related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Mr. Georges PLASSAT: Chairman and Chief Executive Officer since May 23, 2012		X	X		X		X	
Mr. Jérôme BÉDIER: Deputy Chief Executive Officer since February 08, 2015	X		X			X	X	
Mr. Pierre Jean SIVIGNON: Deputy Chief Executive Officer since February 08, 2015	X		X			X	X	

3.4.5 Elements of compensation due or paid with respect to the 2015 financial year to the Chairman and Chief Executive Officer and submitted to consultative vote of the Shareholders' Meeting on May 17, 2016

Elements of compensation due or paid with respect to the last financial year	Amounts submitted to vote	Comments
Fixed annual compensation	**€1,500,000 (gross)**	The fixed compensation is the same since the Board of Directors' decision dated January 29, 2012
Variable annual compensation	**€2,250,000 (gross)**	For the 2015 financial year, the variable compensation of the Chairman and Chief Executive Officer is based on the fulfillment of objectives and can vary between 0% and 165% of his fixed compensation. The performance objectives are based, for 50% of his variable compensation, on achieving financial targets (organic sales and recurring operating income, these objectives accounting each for half) and, for the remaining 50%, on the achievement of individual qualitative objectives defined by the Board of Directors (quality of the Group's governance and sustainable development initiatives, these objectives accounting each for half). During its meeting on March 9, 2016, the Board of Directors has decided, on recommendation of the Remuneration Committee, to set the variable part of the Chairman and Chief Executive Officer's compensation at €2,250,000, the dynamic growth targets for the Group set by the Board having been achieved.
Long term incentive plan	**No payment**	Under the terms and conditions described in Section 3.4.2 of this chapter, the Board of Directors put in place a long term cash incentive plan in respect of the financial years 2014/2015. During its meeting on March 9, 2016, the Board of Directors has noted, on recommendation of the Remuneration Committee, that the conditions of the long term incentive plan have been fulfilled in respect of the financial years 2014/2015 and has set the owed gross amount at €3,252,000 that will be paid in 2017.
Supplementary pension plan with defined benefits	**No payment**	The Chairman and Chief Executive Officer benefits from a supplementary pension plan with defined benefits, as described in article L. 137-11 of the French social security code, that has been offered within the Group since 2009 for the benefit of the Group's executive officers (Chairman and Chief Executive Officer, Deputy Chief Executive Officers, and some key executive officers). The modification of the characteristics of this supplementary pension plan which benefit to the Chairman and Chief Executive Officer has been authorized by the Board of Directors on June 11, 2015 in accordance with regulated agreements procedure pursuant to articles L. 225-38 *et seq.* of the French commercial code. These agreements in relation to supplementary pension plan will be submitted for approval to the Shareholders' Meeting on May 17, 2016 (fourth resolution).
Termination payment	**No payment**	The Board of Directors resolved to award the Chairman and Chief Executive Officer a termination payment under the terms and conditions described in section 3.4.2 of this chapter and in application of the regulated agreements procedure governed by article L. 225-42-1 of the French commercial code. These agreements in relation to termination payment have been approved by the Shareholders' Meeting on June 11, 2015 (fifth resolution). This decision, as well as the decision of the Board of Directors on whether the conditions have been fulfilled, have to be made public according to the provisions and deadlines fixed by article R. 225-34-1 of the French commercial code.
Directors' annual attendance fees	**€51,666.66 (gross)**	The amount is composed of two parts: • As Chairman of the Board of Directors: €10,000 ; • As Director, a fixed part of €35,000 and a variable part of €6,666.66.
Benefits in kind	**Financial benefit: €3,976 (gross)**	Functions car with driver

3.4.6 Transactions carried out by corporate officers with regards to Company shares

In accordance with article 223-26 of the General Regulations of the AMF, we hereby inform you that, during transactions carried out during the 2015 financial year by persons described in article L. 621-18-2 of the French monetary and financial code:

- on March 25, 2015, the company Galfa, a legal entity linked to Mr. Philippe Houzé, Observer of the Company, purchased shares in the amount of €82,250,000, *i.e.* a unit price of €31;
- on March 31, 2015, the company Galfa, a legal entity linked to Mr. Philippe Houzé, Observer of the Company, purchased shares in the amount of €374,552,800, *i.e.* a unit price of €26.1619;
- on June 5, 2015, the company Bunt, a legal entity linked to Mr. Bernard Arnault, Director of the Company, has extended a financial agreement of 24,999,996 call option and 24,999,996 put option;
- on June 8, 2015, the company Groupe Arnault, a legal entity linked to Mr. Bernard Arnault, Director of the Company, has been delivered in respect of the activation of stock options for the following amounts :
  - operation 1 : a total amount of €30,092,400, *i.e.* a unit price of €20.0616,
  - operation 2 : a total amount of €13,848,381.39, *i.e.* a unit price of €19.5944,
  - operation 3 : a total amount of €8,321,400, *i.e.* a unit price of €18.492;
- on July 17, 2015, the company Galfa, a legal entity linked to Mrs. Patricia Lemoine and Mr. Philippe Houzé, Directors of the Company, has been delivered in respect of the option for the payment of the dividend in shares for fiscal year 2014 in the amount of €49,345,555.98, *i.e.* a unit price of €28.77.

3.5 Risk management

In an uncertain, constantly changing environment, proactive risk management is an essential part of sustainable development for our business, and is an aim shared by all of our employees. This approach also enables the review of all processes within the Company and identification of opportunities and areas for improvement.

The risk management system implemented by the Group is primarily based on identifying and accounting for risk factors which may have a significant impact on its activities, its financial position and its image (3.5.1).

For the past several years, the Group has been committed to a coordinated risk management policy based on risk mapping, rules and communication of best practices, with a focus on prevention (3.5.2). The risk management system is also presented in the section entitled "Chairman's Report on internal control and risk management procedures" starting on page 124 of this Registration Document.

As part of a regular analysis and review of insurable risks, the Group also implements solutions to transfer risks to the insurance market (3.5.3).

To manage difficult situations that may significantly impact its activities or its image, the Group has also developed a comprehensive crisis management system (3.5.4).

3.5.1 Risk factors

The principal risk factors identified by the Group are presented below, grouped into four themes: business environment, strategy and governance, operations, and financial.

All listed risks may have an impact on the Group's activities or its ability to fulfil its objectives. There may also be other risks of which the Group is unaware as of the date of this Document, or which may evolve with significant negative consequences.

The system presented in 3.5.2 aims for comprehensive risk management in order to avoid the occurrence of risks or limit their impact, through a customized protection and prevention policy.

The management and oversight systems for each risk factor are briefly stated.

3.5.1.1 Business environment

Political and social environment

Some of the Group's activities are exposed to risk and uncertainty in countries which have experienced or may experience a period of political or social instability or weak governance.

During the past several years the Group has developed country-specific risk mapping which takes into account a number of indicators, is updated annually and provides forward-looking monthly tracking, in order to support decision making in the context of the Group's international growth.

For example, some countries operated with franchise partners are suffering from social tension or political instability, leading the Group to carefully monitor these developing situations.

Economic environment and market volatility

The economic situation in countries where the Group operates may affect demand, spending levels and the purchasing habits of our customers, increased by the instability and unpredictability of the global, national or regional economic climate. Volatility in asset prices and the cost prices of assets and products related to raw materials (agriculture, metals, fuel, energy costs, etc.) may also impact sales, costs and balance sheet values.

Due to the nature of its activities, the Group pays particular attention to monitoring and taking into account the changing economic climate and future outlooks in the countries where it operates, specifically through a number of studies and exchanges. Given the interdependence of activities and the price sensitivity of Group customers, changes in market prices are also taken into consideration at various levels, especially purchases of merchandise and general and administrative expenses. The Group pays close attention to the economic climate in certain emerging countries, and remains vigilant regarding the circumstances in other countries.

Key economic indicators in countries where the Group operates are tracked monthly and are taken into account in both strategic planning and project evaluation. The Group sometimes relies on a panel of experts as part of its oversight.

Environment, pressure and regulatory changes

Regulations applicable to the Group in countries where it operates, along with regulatory changes and actions taken by local, national and international regulators, are likely to impact our activities and the Group's financial performance.

The Group is subject to a wide range of laws and regulations in France and abroad governing the operation of establishments open to the public, consumer protection, relationships between industry and retail, and regulations specific to certain activities (such as banking, insurance, e-commerce, real estate and service stations).

The local Legal department in each country is responsible for monitoring regulations and taking them into consideration, under the coordination and supervision of the Group legal department. With a focus on anticipation and optimal allocation of resources, the Group legal department has also developed and implemented a legal risk mapping process, specifically taking into account the environment, pressure and regulatory developments.

The Group also monitors regulatory developments on personal data protection and consumer information that are currently under discussion in France and in Europe.

Changes in the sector and the competitive environment

Highly exposed to changes in consumer behaviour in a world of changing technology, the retail sector is characterised by strong competitive dynamics with saturated markets in Europe and relatively low margins. This drives constant rapid changes within the sector, which could impact the Group's activity and performance.

The changing competitive environment is monitored and addressed at country level, and handled at Group level by the general management, in an effort to anticipate and identify growth opportunities or decisions to be made.

Natural disasters and climate change

In most countries where it operates, the Group may be exposed to natural disasters, with direct or indirect impacts on its activities, its assets and its employees, and consequences for its financial position. In a context of climate change, changing meteorological conditions may also impact its operations, especially with regard to customer behaviour.

Since 2008, the Group has conducted extensive work to improve the management of natural risks in its operations, and in 2014 updated its risk mapping in order to develop knowledge, improve assessment, adapt preventive measures and adjust insurance coverage. This work was carried out in all countries where the Group operates, either directly or through franchises, with a forward-looking exercise related to climate change, specifically through a mapping of natural risks, assessments by risk and by country to identify 'sensitive' sites and prevention fact sheets.

Terrorism and crime

Due to a multitude of counterparts, the vast number of sites and its activity involving considerable human, product and financial flows, the mass retail sector is particularly exposed to risks of crime and terrorism, with significant direct and indirect impacts, especially in stores.

Preventive and protection measures for each site are determined based on risk exposure, with regular review of the systems and adjustments made based on the development of threats.

Events occurring in 2015 in several countries where the Group operates led the group to revalidate and, where applicable, readjust the prevention and crisis management systems.

3.5.1.2 Strategy and governance

Strategy definition, adjustment and implementation

As with project management or restructuring problems, in an uncertain and complex political, economic, social and competitive environment, the ineffective or unsuitable design, communication and execution of the Group's vision and strategy may damage its reputation and its financial and operational performance.

Under the coordination of general management and as part of overseeing activities and the principal action plans, extensive work is underway at the country level to develop the strategy, with a regular review of objectives and commitments enabling optimal allocation of resources.

Compliance and fair practices

In an increasingly litigious world, with regulatory authorities having broad power, the failure to comply with regulations and contractual commitments, within the scope of the Group's operational activities and in its relations with its employees, can have a significant impact on its financial performance and its reputation.

As part of its preventive approach at the Group and country levels, the Group legal department creates and implements information and training programmes involving all employees concerned. The top fundamental principle of the Group Code of business conduct, which applies to all employees, emphasises strict compliance with regulations wherever the Group operates and in all of its activities. The Company's ethics system is presented in chapter 2 of the Registration Document on Corporate Responsibility.

Corporate responsibility

Looking beyond regulatory compliance, given consumers' growing concerns about responsible and sustainable trade and the nature and reality of commitments, CSR policies and actions may impact the Group's reputation and its financial performance.

For a number of years, the Group has maintained a proactive and committed CSR policy, described in detail in the chapter 2 of the Registration Document on Corporate Responsibility, with a wide range of concrete actions, and the involvement in a decentralised organisation based on the principle of subsidiarity of each country in which the Group operates. Assessment of environmental, labour and societal risk provides essential input when developing and updating the Group's CSR approach.

Environment

In the scope of its activities, the Group may be exposed to a wide range of environmental risks (water, air and ground pollution, noise pollution or visual pollution) mainly with respect to its large number of operated sites.

While environmental regulations have been developing in many countries, along with increased consumer awareness of the stakes, certain activities and processes are especially sensitive (waste treatment, recycling of own-brand product packaging, consumption of refrigerants and energy, explosive atmospheres, service stations, alternative transport, etc.) with particular attention paid to natural resource management (water, fish stocks, wood, etc.).

Environmental protection and preservation is naturally considered by the Group along with industrial risks, with a focus on prevention through study and analysis, but also through the operational implementation of prevention or treatment systems, such as for risks related to service stations. All actions intended to reduce the environmental footprint of our business activities are presented in the chapter 2 of the Registration Document on Corporate Responsibility.

Assessment of environmental risk aims to improve our knowledge and understanding of the challenges, to better address risks in order to protect the Group's business and employees.

Disputes/Litigation

In the scope of its normal activities, the Group is involved in various legal and administrative proceedings and is subject to administrative audits, whose outcomes are uncertain with potentially significant impacts on our financial position or reputation. The Group's potential exposure to any significant litigation is described in Note 9 of the annex to the Consolidated Financial Statements.

The Legal department manages and oversees disputes at the country level and at Group level. Provisions are also set up in the accounts for disputes and litigation when an obligation toward a third party exists at period-end.

To the Group's knowledge, other than those described in Note 9 of the annex to the Consolidated Financial Statements, there are no other ongoing governmental, judicial or arbitration proceedings to which the Group would be a party that are likely to have, or have had during the last 12 months, a material impact on the Group's financial position.

3.5.1.3 Operations

Relevance and performance of economic and business models

In a highly competitive environment with very unstable markets, the relevance of economic and business models and their rapid adjustment to changing consumption habits and patterns, as well as efficient and effective purchasing, can have a significant impact on the Group's operational and financial performance, in its organisation and design as well as in the ability to deploy in stores.

Adapting business models to customer expectations is a major challenge for the teams in charge of development and concepts, using a forward-looking approach and constant oversight. Careful oversight and numerous pre-deployment studies are also used to fully account for all factors and effects involved in establishing the economic models.

On January 4, 2016, the Group announced the finalisation of its acquisition of 100% of the share capital of Rue du Commerce from Altarea Cogedim. This acquisition is a further step in Carrefour's roll-out of its omni-channel approach in France, to better serve its customers in stores and on-line.

Operational and financial control of growth and expansion

In a significant competitive environment with cost pressure and increasingly scarce high-quality locations in certain countries, the Group faces the inability or difficulties in identifying, obtaining or developing the best sites, in a constant search for higher profitability based on valid and reliable assumptions while taking into account all risk factors. This may impact its financial performance and fulfilment of its objectives, along with inadequate identification, assessment and integration of new assets or companies.

All of these elements are considered in the dossiers analysed by the country-level Financial departments, in connection with the Development department and, where applicable, with the Carrefour Property teams. The most significant dossiers are reviewed and approved by the Group Investment Committee (CIG).

Partnerships and franchising

Since most of the Group's stores under banner are operated as franchises and the Group's growth relies on partnerships in several countries, the evaluation, selection, support and oversight of these various franchisees and partners may have an impact on financial and operational performance, and on its reputation in the event the partners' practices do not comply with regulations or with the Group's standards and values.

As part of the implementation and execution of franchise and partnership agreements, support documentation necessary to business operations is provided to franchisees and partners. This documentation covers the Group's business and financial methods, its quality, health and safety standards and the graphic charter. The documents are periodically updated, and franchise advisers offer support for their implementation through regular visits to partners and franchisees.

Some Group projects are carried out through equity affiliates, where the Group's level of influence and control and its ability to manage risk may be limited.

Control of the supply chain

In an interdependent global market with a large number of suppliers and increased cross-docking, in both traditional retailing and e-commerce, the performance of logistics processes and continuity of supply to the Group's stores, both consolidated and franchised, as well as the delivery of customer orders placed through e-commerce, are essential to customer satisfaction and the achievement of operational and financial targets, with greater risk in emerging markets and multinational corporations' growing responsibility for their supply chains.

Although purchasing is a key aspect of standing out from the competition, the Group's organisation is adapted to its international scope (delete) while capitalising on its knowledge of local markets and relying on entities dedicated to sourcing new products.

Over a number of years, the Group has developed expertise which ensures that its stores are supplied, relying on integrated logistics platforms and service providers, along with business continuity plans in the event of an unusual situation.

In this context, on January 1, 2015, Carrefour France and the Cora and Match supermarkets signed an agreement to cooperate on purchasing. This agreement establishes a long-term partnership, with no equity ties between the two companies, under which both companies maintain their independence while committing to sustainable relationships with their suppliers. The agreement will enhance the competitiveness of their banners for the benefit of consumers.

This partnership covers negotiations for the purchase of national and international brands, foods and general merchandise, except for own-brands, products made by small and medium-sized businesses and fresh produce from agricultural supply channels.

Carrefour and the Cora and Match supermarkets maintain their own commercial strategies, with each banner separately defining its prices and promotional policy.

Product quality, compliance and safety

Ensuring product safety and complying with health standards in stores is a major issue which can significantly impact reputation and financial performance, and which may in some cases result in liability for the Group.

The Group Quality department has developed a number of standards and tools which are deployed in all countries where the Group operates. The country-level Quality departments are also part of the Quality network, with regular meetings and discussions aimed at increased sharing of best practices and ensuring a consistent approach. The Group also launched a significant employee training programme and regularly communicates with customers about food safety.

In addition, the system includes a procedure for the rapid withdrawal of any potentially dangerous product inventory.

Carrefour brand products are subject to more stringent procedures and controls, from design to marketing, as part of a comprehensive approach presented in the chapter 2 of the Registration Document on Corporate Responsibility.

Safety of people and property

Compliance with health and safety regulations and the protection of Group assets are important factors. Insufficient consideration of these issues could negatively impact the Group's reputation, activities and financial performance, and may also have legal consequences.

An appropriate crisis management system in case of a major event is an important part of limiting its potentially significant negative consequences, especially with regard to business continuity.

The Group's risk prevention organisation ensures personal safety (of employees and customers) and property security at all Group sites by using human, technical and organisational resources appropriate to the risks.

Coordinated by general management, each country has an organisation which enables rapid information reporting in the event of an incident, and utilises the appropriate resources.

Human resource management

As the largest private employer in many countries where the Group operates, the retail profession is based on human relations and employee commitment. In a highly competitive market for talent with major demographic changes, the Group faces a challenge in attracting, retaining, training, motivating, compensating and developing employees and the top candidates.

As a responsible employer, the Group is implementing a major initiative adapted to these human resources challenges, presented in the chapter 2 of the Registration Document on Corporate Responsibility.

Continuity, integrity and confidentiality of information systems

While most of the Group's activities and a number of its functions largely depend on information systems developed or administered by internal resources or outside service providers, weakness in these systems could noticeably disrupt operations. This could result in significant impacts on financial and operational performance, especially with regard to the ordering, cash handling and financial reporting systems.

With information systems that are constantly changing and difficult to grasp as a whole, along with the development of nomadic computing and cybercrime, information systems security is also a challenge, especially the protection of data concerning our customers and employees.

The Group is implementing a number of measures to ensure continuity of operations and the protection of sensitive data.

The Group Information Systems department handles the development and consistency of all computer applications within the Group, as part of a coordinated effort to promote synergies while taking a forward-looking approach to incorporating technological developments.

A dedicated team, which relies on a network in all countries where the Group operates, works to ensure information systems security through tailored governance, shared standards and regular controls.

Control and valuation of assets

Under the responsibility and coordination of the Group Assets, Development and New Ventures director, who is also in charge of all Carrefour Property activities, each country implements an asset control and valuation policy which is tailored to its strategy.

Site quality and control of the Group's assets are key factors in terms of competitiveness and success. This involves determining and maintaining an optimal level of property holdings, while remaining attentive to the maintenance, management and value of the Group's assets. The completion of appraisal reports on property assets may present a number of risks related to property and financial market drivers.

With a significant portion of stores operated under commercial leases, the Group's inability to renew them under favourable terms could impact performance. The same applies to inefficient or sub-optimal management of tenant relations at sites owned by the Group.

For asset acquisitions or disposals, the cost of some acquisitions may require significant financial resources, particularly external financing which the Group cannot guarantee will be obtained in conditions that are satisfactory to it. In addition, if the economic situation or the real estate market should worsen, the Group may not be in a position to dispose of its commercial real estate assets under satisfactory financial conditions or deadlines, if such should prove necessary.

Finally, with the Group also carrying out real estate development activity for certain sites, the risks related to that activity might incur delays or even cancellations of investment transactions, their completion at a higher cost than initially projected, or lower profits than those expected at the outset.

Under the responsibility of the Group legal department, the Group pursues an active asset protection policy, which includes: filing trademarks, designs and models, and patents to ensure exclusive rights to its creations; centralised ownership of the Carrefour banner and Carrefour's flagship own-brand products; extensive surveillance of digital channels including social networks; partners' compliance with the graphic charter; and the legal defence of its rights to protect itself from counterfeiting and usurpation.

3.5.1.4 Financial risk management

The main risks associated with the financial instruments used by the Group are liquidity, interest rate, currency, credit and equity risks. It is described in detail in Note 12.6 of the annex to the Consolidated Financial Statements.

Due to the differing natures of the various businesses, financial risks arising from the bancassurance business (including Carrefour Banque in particular) are managed separately from those related to the retail business.

An organization has been set up around a cash-pooling system to track financial risks. The Corporate Treasury and Financing department based in Brussels manages the treasury and financing needs of all retail subsidiaries, on the instructions of Group senior management. A reporting system ensures that Group senior management can oversee the department's implementation of the approved management strategies.

The risks associated with the consumer credit business are managed and tracked directly by the entities concerned. Corporate Treasury and Financing oversees the proper implementation of the rules governing the consumer credit business, jointly with the other investors in the business where applicable. A reporting system exists between local teams and Corporate Treasury and Financing.

Liquidity risk

Distribution of borrowings by maturity and detailed information on liquidity risk appear in Note 12.6.1 of the annex to the Consolidated Financial Statements.

Liquidity risk is the risk that Carrefour will be unable to settle its financial liabilities when they fall due.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market.

A Liquidity Committee meets at monthly intervals to check that the Group's financing needs are covered by its available resources.

Corporate Treasury and Financing's liquidity management strategy consists of:

- promoting conservative financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programs, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) program totals €12 billion. Since 2007, the loan agreements for the EMTN program include a soft change of control clause that would be triggered in the event that a change of control led to Carrefour losing its investment grade rating. In this case, the notes would not become immediately repayable but the interest rate would increase;

- using the €5 billion commercial paper program on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2015, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of €3.9 billion. Group policy consists of keeping these facilities on stand-by to support the commercial paper program. The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including pari passu, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. They do not include any rating trigger, although they do allow for the pricing grid to be adjusted up or down to reflect changes in the long-term credit rating. None of the agreements contains a material adverse change clause.

The Group considers that its liquidity position is strong. In addition, it had sufficient cash reserves at that date to meet its debt repayment obligations in the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages four years and four months.

Carrefour Banque's liquidity risk is monitored within the framework of a senior management-approved liquidity strategy that is part of the Group's overall strategy.

Carrefour Banque's refinancing situation is assessed based on internal standards, early warning indicators and regulatory ratios.

Liquidity risk management objectives are to:

- ensure that refinancing needs are met, based on monthly assessments of projected cash surpluses or shortfalls over a three-year period performed by comparing static forecasts of committed financing facilities with dynamic lending forecasts;
- gradually achieve compliance with the new Basel III liquidity coverage ratios, through a process that is designed to deliver a sustainable improvement in asset quality by investing in a dedicated fund eligible for inclusion in the ratio calculation and extending the maturity of liabilities in order to improve the net stable funding ratio;
- diversify refinancing sources to include bank lines of credit, bond issues, securitization programs, money market issues and customer deposits. During 2015, Carrefour Banque carried out two bond issues to support the financing and development of its businesses (Note 5.5.2 of the annex to the Consolidated Financial Statements). The master trust structure allows Carrefour Banque to dynamically manage asset-backed securities series issued by the securitization fund. Within this structure, the €400 million serie was renewed for a two year period, from June 2015.

In November 2014, Carrefour Banque secured its refinancing sources by rolling over its €750 million five-year syndicated line of credit and negotiating two one-year extension options, one of which was exercised during the year, extending the facility's maturity to November 2020. The Group therefore retains an option to extend it by a further year.

Interest-rate risk

Interest rate risk is the risk of a change in interest rates leading to an increase in the Group's net borrowing costs. Detailed information on interest-rate risk appears in Note 12.6.2 of the annex to the Consolidated Financial Statements.

It is managed at headquarters level by Corporate Treasury and Financing, which reports monthly to an Interest Rate Risk Committee responsible for recommending hedging strategies and methods to be used to limit interest rate exposures and optimize borrowing costs.

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates.

Various financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates. These are mainly basic swaps and options. Hedge accounting is applied in all cases where the required criteria are met.

Variable rate long-term borrowings are hedged using financial instruments that cap rises in interest rates over all or part of the life of the debt.

Currency risk

Detailed information on foreign-exchange risk appears in Note 12.6.3 of the annex to the Consolidated Financial Statements.

Currency transaction risk is the risk of an unfavorable change in exchange rates having an adverse effect on cash flows from commercial transactions denominated in foreign currency.

The Group conducts its international operations through subsidiaries that operate almost exclusively in their home country, such that purchases and sales are denominated in local currency. As a result, the Group's exposure to currency risk on commercial transactions is naturally limited and mainly concerns imported products. Currency risks on import transactions (*i.e.* goods purchases billed in foreign currencies) covered by firm commitments are hedged by forward purchases of the payment currency. Currency hedges are generally for periods of less than 12 months.

Currency translation risk is the risk of an unfavorable change in exchange rates reducing the value of the net assets of a subsidiary whose functional currency is not the euro, after conversion into euros for inclusion in the Group's consolidated statement of financial position.

The consolidated statement of financial position and income statement are exposed to a currency translation risk: consolidated financial ratios are affected by changes in exchange rates used to translate the income and net assets of foreign subsidiaries operating outside the eurozone.

The translation risk on foreign operations outside the eurozone mainly concerns the Brazilian real, Argentine peso and Chinese renminbi. For example, changes in the average exchange rates used in 2015 compared with those for 2014 reduced consolidated net sales by €794 million or 1% and recurring operating income by €109 million or 4.5%.

Lastly, when financing is arranged locally, it is generally denominated in local currency.

Equity risk

Equity risk corresponds to the potential impact of changes in the Carrefour share price on its share-based payment commitments and on treasury stock.

Group policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

From time to time, the Group buys back its shares on the market or purchases call options on its shares, mainly in connection with its stock option plans. The frequency and size of these purchases depend on the share price.

At December 31, 2015, shares and options held directly or indirectly by the Group covered its total commitments under outstanding stock option.

Marketable securities portfolios and other financial investments held by the Group consist for the most part of money market instruments that do not expose the Group to any material equity risk.

Quality of financial management, budgets and reporting

The organisation and procedures for financial and accounting matters are set forth in the Group's Reference Guide to Corporate Rules, which applies to all subsidiaries.

Procedures and tools used are intended to control financial flows in all countries where the Group operates, to verify that budgets and forecasts best reflect observed trends, to constitute a realistic estimate of future performance, and to ensure that the Consolidated Financial Statements provide a true and fair view of the Group's financial position and its results.

3.5.1.5 Financial services

Financial services distribute consumer credit, savings products, insurance products and payment services, exposing them to classic financial risks (risks of providing financing and insurance, risks related to financial ratios, liquidity risk) along with regulatory obligations to which financial and banking institutions are subject, specifically systems to fight money laundering and terrorism financing.

Carrefour Banque dispose of a map processes and operational risks and defined the principles and outline for grouping and pooling operational risk management tools for France and for entities in other countries.

Carrefour Banque has defined materiality thresholds for incidents uncovered through internal control procedures.

Credit risk

To protect against default by borrowers, the Group's finance companies have set up systems to check the quality and repayment capacity of their customers. These include:

- decision-making aids such as credit scoring applications, income/debt simulation tools and credit history checking procedures;
- interrogation of positive and negative credit history databases, where they exist;
- active management of collection processes;
- credit risk monitoring and control systems.

Within each credit company, a Credit risk department is responsible for all of these processes, and the Board of Directors receives copies of all Credit Risk Management Committee reports.

At Group level, a Credit Risk – Europe unit has been set up to oversee and implement credit risk management policies in France, Spain, Belgium and Italy.

Detailed information on the Group's exposure to credit risk appears in Note 12.6.4 of the annex to the Consolidated Financial Statements.

3.5.2 Risk prevention

Effective risk management relies on a shared vision of challenges and optimal coordination.

The Group incorporates risk management into its day-to-day business practices. Risk management is a job shared by all employees with the aim of developing a risk management culture.

Risk management within the Group is decentralised to the country executive directors, who are tasked with identifying, analysing and handling the main risks with which they are faced.

They are supported in this by the Group risks & compliance department, which coordinates the deployment of a guidance and mapping tool for major risks, while mapping operational risks and developing tools deployed in the countries.

The Group risks & compliance department also worked on country-by-country mapping of health risks, natural risks, risk of crime and terrorism and legal risk, while conducting studies on emerging risks and supporting certain operational departments. It also supports the Purchasing departments in their knowledge and evaluation of supplier risk.

In operational terms, the Group risks and compliance department coordinates and leads a network of risk prevention directors present in all Group countries. During 2011, Carrefour communicated a Risk Prevention Charter which defines the scope of action, the role and responsibilities of the country-level Risk Prevention units, and the ethical rules they must follow.

In each country where the Group operates, a Risk prevention department is responsible for the security of the Company's tangible and intangible assets and ensures the safety of persons present on its sites. It is tasked with implementing the human, organisational and technical resources necessary to manage both accidental and intentional risks (natural disasters, malicious acts, theft etc.).

The prevention policy relies on risk mapping, loss analysis and identification of emerging risks as part of its on-going oversight and specific studies.

The Group risks and compliance department prepares a consolidated annual report on the risk prevention function at Group level, with benchmarks between management and performance indicators for the function in each country, in terms of loss, workforce, resources and action plans.

3.5.3 Insurance

For the past several years, the Group's insurance strategy has focused on providing the best possible protection for people and property.

3.5.3.1 Group insurance policy

The Group's insurance strategy is primarily based on identifying insurable risks through a regular review of existing and emerging risks, in close collaboration with operational managers, the various Carrefour group departments involved and outside specialists.

Worldwide programmes

The Group has implemented comprehensive, worldwide programmes (especially for Property Damage and Business Interruption, Civil Liability and Construction policies) that provide uniformity of coverage for all formats (consolidated stores only), wherever the stores are located (except in countries where regulations prohibit this type of arrangement).

Thus, the Group has a solid understanding of the limits of coverage in place, and the certainty that its insurance programmes have been taken out with insurers having an international reputation.

Acquisitions during the year

Carrefour group ensures that acquisitions over the course of the insurance year quickly obtain this comprehensive coverage, or, where applicable, benefit from its DIC/DIL (difference in conditions/difference in limits) coverage policies, in order to ensure solid control over existing coverage and benefits.

Prevention policy

Carrefour group's insurance policy requires that risk prevention measures be monitored by the Group risks and compliance department in coordination with local Group liaisons in each country, as well as with the Group's insurers.

Transfer of risk to the insurance market

The Group transfers identified insurable risks to the insurance market or self-insures, in accordance with the Group insurance policy and consistent with the Group's general policies.

Self-insurance of certain risks

In order to optimise insurance costs and better manage risk, the Group has a policy for maintaining its frequency lines through its captive re-insurance company for certain risk categories. The results of this captive company are consolidated in the Group Financial Statements.

3.5.3.2 Information concerning the main insurance programmes

The following information is provided for information purposes only in order to illustrate the scope of action in 2015. This information should not be regarded as unchanging, since the insurance market is constantly changing. Indeed, the Group's insurance strategy depends on and adapts to insurance market conditions.

Property Damage and Business Interruption

This insurance protects the Group's assets through an "all risks, with exceptions" policy, on the basis of guarantees and underwriting capacity available on the insurance market to cover the traditional risks for this type of coverage, which include fire, lightning, theft, natural disaster and operating loss.

The limits of property damage and business interruption are consistent with those of an international retail company. Deductibles are established as appropriate for the various store formats.

Exclusions in force for this policy comply with market practices.

For subsidiaries in Europe in what is known as 'free service provision' zone, this coverage is acquired through the direct captive insurance company.

For subsidiaries located outside the European 'free service provision' zone, the Property Damage and Business Interruption programme is reinsured through the captive insurance company.

A stop-loss provision per claim and per insurance year has been established in order to protect the captive companies' interests and limit their commitments.

Finally, beyond a certain predefined limit, risk is transferred to the insurance market.

Civil liability coverage

This programme is intended to cover the Group's activities against the financial consequences of its civil liability in cases where the Company may be held liable for resulting damage and/or body harm caused to third parties.

The limits of its civil liability policy are consistent with those of an international retail company. Deductibles vary from country to country.

Exclusions in force for this policy comply with market practices.

A specific subscription strategy applies to civil liability risk, through the re-insurance scheme offered by its captive insurer. Anything beyond a certain exposure level, the claim are transferred to the traditional insurance market.

Carrefour group is covered against the risk of harming the environment as part of its comprehensive, worldwide civil liability insurance programme.

Such risk requires a specially designed approach because of conditions imposed by re-insurers, which offer more limited coverage for gradual pollution risk.

Mandatory Insurance

The Carrefour group takes out different insurance programmes in accordance with local law, including:

- automobile insurance;
- construction insurance (building defects, comprehensive worksite, ten year builder liability, etc.);
- professional liability insurance related to its activities:
  - banking,
  - insurance,
  - travel.

3.5.4 Crisis management

To address extraordinary situations that may impact business continuity and the fulfilment of its objectives, the Group has established a global crisis management organisation.

At Group level, the Group risks and compliance department coordinates the crisis management system in close cooperation with the Group communication department.

Depending on the nature and scope of the event, the crisis may be handled locally, reporting to a country-level Executive Board, or at country level in accordance with crisis management principles, as defined in the Group's regulatory framework.

Each Country executive director establishes a formal crisis management organisation to address the main scenarios likely to impact business continuity, by bringing together all internal functions concerned and relying on a network of outside experts depending on the type of crisis.

This organisation specifically includes a backup plan at the level of each establishment, an appropriate system for product recall and withdrawal, in accordance with the Group quality department's recommendations and standards, as well as an alert system to permit rapid reporting of information from all sites.

All members of the country Executive Committee and the other internal players concerned are trained in crisis management and crisis communications. Regular organisation of crisis simulations tests the collective abilities of each Country Executive Committee.

The Group has also developed a number of tools at Group level.

3.6 Internal control

3.6.1 Internal control and risk management system

Introduction

Responsibility for the set-up, maintenance and steering of internal control and risk management processes across the Group lies with general management, which has submitted this section of the report to the Statutory Auditors and the Board of Directors, which approved it on March 9, 2016 on the recommendation of the Accounts Committee.

Applicable reference framework

The Carrefour group's internal-control and risk-management system is based on the reference framework of the *Autorité des marchés financiers* (AMF), updated on July 22, 2010. This section has been drawn up in accordance with article L. 225-37 par. 5 of the French commercial code.

Definition of the internal control system and risk management

The internal control and risk management system comprises a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of the Company and its subsidiaries, which:

- contribute to the control of its activities, the efficiency of its operations and the efficient utilisation of its resources; and
- enable it to take into consideration, in an appropriate manner, all major risks of an operational, financial or compliance-related nature.

More specifically, the internal control and risk management system is designed to ensure:

- that the Group's economic and financial objectives are achieved in accordance with laws and regulations;
- that instructions and directional guidelines fixed by general management in respect of internal control and risk management are applied;
- that the internal processes are functioning correctly, particularly those contributing to the security of assets;
- that financial information is reliable.

By helping to prevent and control the risks that may prevent the Group from achieving its objectives, the internal control and risk management system plays a key role in the management and oversight of its activities. However, as the AMF reference framework underscores, no matter how well designed and properly applied, an internal control and risk management system cannot fully guarantee that the Group's objectives will be achieved. There are inherent limitations in all internal control and risk management system, which arise, in particular, from uncertainties in the outside world, the exercise of judgement or problems that may occur due to technical or human failure, or simple error.

Scope

The internal control and risk-management system presented in this report is implemented in the Company and at all its fully consolidated subsidiaries, and is not limited to a set of procedures or merely to accounting and financial processes.

3.6.1.1 Components of internal control and risk management system

A. Organisation

Customers and consumers lie at the heart of everything the Carrefour group undertakes. The Company is organised geographically to ensure that the specific needs and interests of local customers and consumers are addressed most effectively and its operations are optimally responsive. Each country serves as a basic link in the Group's organisation. The internal control and risk management system is based on this organisational principle:

- general Management sets the reference framework for the Group's internal control and risk management system. Its role is to coordinate, lead, and continuously supervise internal-control and risk-management systems;
- at country level, each country executive director adopts and implements the internal-control and risk-management principles.

Using various procedures and control measures, with a system of Group rules, the Group has set up a formal control environment with a Code of professional conduct and determination of the powers, responsibilities and objectives assigned at each level of the organisation, according to the principle of the separation of tasks:

- at country level, the Group rule system is reflected in precise operating procedures; it is the tool with which each country conducts its internal controls, which are, in turn, audited by the Group;
- the Code of professional conduct is provided to every Group employee. The Code establishes the ethical framework within which all Carrefour employees must conduct their activities on a day-to-day basis;

- the Group General Management has established rules of governance limiting the powers of the corporate officers of each legal entity; prior approval by the Board of Directors or the equivalent body of the Company concerned is required for some transactions; delegations of powers and responsibilities are established at country and Group levels in accordance with hierarchical and functional organisational charts. This structure complies with the principle of the separation of tasks;
- lastly, this structure is conveyed by a management framework that is underpinned by medium-term objectives organised according to country and by the steering of activities orientated in line with annual budget targets and corresponding to individual plans.

B. Functioning of internal processes

Each process is subject to formal procedures and operational methods for each country, which stipulate ways of carrying out an action or process in accordance with the Group's regulatory framework.

- the Group has established a Group regulatory framework to cover the main risks to its assets. Implementation of this framework is mandatory for all countries;
- the country executive directors have established procedures and operating methods, including control activities required to cover all the strategic, operational and asset risks relating to their businesses and organization. These procedures and operating methods include and extend the key controls set out in the Group regulatory framework.

C. The risk management system

The risk management system implemented by the Group relies primarily on identifying, analysing and addressing significant risks likely to affect people, assets, the environment, the Group's objectives and its reputation.

The Group incorporates risk management into its day-to-day business practices. Risk management is a job shared by all employees with the aim of developing a risk management culture.

In particular, the system aims to:

- create and preserve the Group's value, assets and reputation;
- increase the security of the Group's decision-making and procedures to promote achievement of objectives;
- mobilise Group employees to adopt a shared vision of the principal risks and raise their awareness of the risks inherent in their business.

The Country executive director, with the support of the Group risks & compliance department, are responsible for risk management within the Group.

The country executive director:

- perform regulatory watch and recognize impacts;
- establish procedures and suitable measures for preventing and protecting against occurrence and limiting impacts;
- manage incidents;
- notify general management of any event that is likely to have an impact on the Group's image or financial performance.

Adopting and implementing risk management principles is delegated to the country executive directors, whose mission is to identify, analyse and handle the main risks they incur.

The Group risks & compliance department leads the risk management system and provides methodological support to the operational and functional departments through the deployment of an assessment and mapping tool for major risks whilst developing mapping of operational risks.

Twenty-three risk factors have been identified by the Group and are presented in the management report. These factors cover five themes: the business environment, strategy and governance, operations, financial risks and financial services.

The risk assessment tool is completed each year by the Country executive directors on the basis of identified risk factors. These assessments are reviewed during an interview with the Group risks & compliance department

The Group risks & compliance department has also implemented a mapping risks from external sources, health risks, natural risks, risk of crime and terrorism and legal risk, while conducting studies on emerging risks and supporting certain operational departments. It also supports the Purchasing departments in their knowledge and evaluation of supplier risk.

In operational terms, the Group risks and compliance department coordinates and leads a network of Risk Prevention Directors present in all Group countries. Since 2011, a Risk Prevention Charter defines the scope of action, the role and responsibilities of the country-level Risk Prevention units, and the ethical rules they must follow.

In each country where the Group operates, a Risk prevention department is responsible for the security of the Company's tangible and intangible assets and ensures the safety of persons present on its sites. It is tasked with implementing the human, organisational and technical resources necessary to manage both accidental and intentional risks (natural disasters, malicious acts, theft etc.).

The safety of persons and property is one of the essential elements of the risk management system, ensuring:

- protection suitable for the Group's clients, employees, service providers and sites;
- regulatory compliance of sites throughout the country where the Group does business;
- protection and enhancement of the Group's image and reputation.

The prevention policy relies on risk mapping, loss analysis and identification of emerging risks as part of its ongoing oversight and specific studies.

The Group risks and compliance department prepares a consolidated annual report on the risk prevention function at Group level, with benchmarks between management and performance indicators for the function in each country, in terms of loss, workforce, resources and action plans.

An alarm and crisis management system is set up by each country executive director through a formalized crisis management organization that deals with the major scenarios likely to affect the continuity of operations.

For the past several years, the Group's insurance strategy has focused on providing the best possible protection for people and property.

The Group's insurance strategy is primarily based on identifying insurable risks through a regular review of existing and emerging risks, in close collaboration with operational managers, the various Carrefour group departments involved and outside specialists.

The Group's insurance department is responsible for covering insurable risks for the entities when national legislation permits it. It is in charge of the subscription and centralised management of insurance policies.

D. Control activities covering these risks

Control activities are designed to ensure that the necessary measures are taken in order to reduce exposure to the strategic, operational and asset risks likely to affect the achievement of the Group's objectives. Control activities take place throughout the organisation, at every level and in every function, including prevention and detection controls, manual and IT controls and hierarchical controls.

The Group's regulatory framework is aimed at covering asset risks and include:

- accounting and financial risks;
- risks associated with the safety and security of property and people;
- risks to the continuity, integrity, confidentiality and security of information systems;
- contractual obligation, compliance and communication risks.

Control activities are defined and implemented by process managers, coordinated by internal controllers who report to members of the Country Executive Committee and to the Country executive director. Coordination of the internal controllers ensures that control activities are methodologically consistent and that risks are comprehensively covered throughout all processes.

Details of internal-control procedures relating to the preparation and processing of accounting and financial information for the Corporate and Consolidated Financial Statements are provided in section 3.6.2.2 of the present chapter.

E. Guidance and monitoring of the internal control system and risk management system

Continuous monitoring

Continuous monitoring is organised so that incidents can be pre-empted or detected as rapidly as possible. The framework plays a long-term daily role in the effective implementation of the internal control and risk management system. Specifically, it establishes corrective action plans and reports to general management on significant malfunctions when necessary.

Periodic monitoring

Periodic monitoring takes place through managers and operatives, internal country controllers and the Group internal audit department:

- managers and operatives check that the internal-control and risk-management system is functioning correctly, identify the main risk incidents, draw up action plans and ensure that the internal control and risk-management system is appropriate for the Group's objectives;
- the internal country controllers periodically check that control activities are being properly implemented and that they are effective against risks;
- the Group internal audit department provides the country executive directors and Group general management with the results of their assignments and their recommendations.

In addition, the operational effectiveness of internal control relevant to the preparation of the financial information is subject to audit work by the auditors, which report their conclusions and recommendations to the country executive directors and Group general management.

Each Country executive director has established a formal annual self-assessment process:

- which uses standard tools that focus on existing frameworks and are based on an internal control risk analysis for each activity and on identification of key control points;
- the results of the internal-control self-assessment covering asset risks are centralised periodically at Group internal audit level;
- one of the Group internal audit department's objectives in implementing actions is the quantitative measurement, through scoring systems, of the divergence between the self-assessment and the level of internal control determined on the basis of its work. Monitoring these divergences allows the quality of the country's internal-control self-assessment to be gauged.

Guidance and supervision of internal control and risk management system entails internal country controllers' monitoring of action plans relating to the internal control self-assessment and risk mapping processes and of the recommendations of the Group internal audit department. The results of the internal control self-assessment covering asset risks are centralised periodically at Group internal audit level.

The supervision and guidance system is completed by a letter of affirmation on internal control and risk management system signed by the country executive director and the, confirming their appropriation of and responsibility for internal control and risk management in terms of reporting and correcting deficiencies.

Group general management supervises the internal control and risk management system in particular through the minutes of meetings of the following bodies and departments:

- the Ethics Committee;
- the Group Investment Committee;
- the IT Request management Committee;
- financial committees that guide the Group's financial policy;
- the Information systems governance department;
- the Group internal audit department;
- the Group risks & compliance department;
- any other *ad hoc* committee meeting convened according to the needs identified by general management.

Lastly, the performance of the internal control supervision and guidance system for accounting and financial risks is presented regularly to the Accounts Committee.

F. Internal dissemination of information

The Group ensures that relevant and reliable information is disseminated and conveyed to the individuals concerned so that they can perform their duties in accordance with Group standards and procedures.

- the GroupOnline intranet provides employees with a number of practical tools, including information on the primary standards and procedures with which they must comply;
- the Group regulatory framework has been communicated to all country executive directors responsible for disseminating it;
- procedures setting out best practices and the information reporting process are also communicated to the various countries by the Group's main departments;
- the Group's accounting policy is sent to every financial director at the end of each quarter.

Similarly, the countries make sure to relay relevant, reliable information to the individuals concerned so that they can perform their duties in accordance with Group standards and procedures.

3.6.1.2 Entities and individuals involved in internal control and risk management system

A. At Group level

Group general management is responsible for the internal control and risk management system. It is also tasked with designing, implementing and supervising the internal control and risk management systems suited to the size of the Group, its activity and its organization.

It initiates any corrective actions necessary to rectify an identified malfunction and to maintain a situation within the limits of acceptable risk. It ensures that these actions are successfully implemented.

Group General management performs its duties, in relation to the internal control and risk management system, which also include defining the roles and responsibilities in that regard in the Group.

Group general management has created the following structure:

- the **Group finance department** is responsible for:
  - maintaining the reliability of financial and accounting information,
  - controlling accounting and financial risks,
  - measuring Group performance and budget control,
  - following Group investment procedures;
- the **Group legal department** is responsible for:
  - the governance policy for legal services,
  - establishing the governance policy of Group subsidiaries,
  - managing the Group's legal risks;
- the **Group risks & compliance department** is responsible for:
  - identifying, analysing, evaluating and treating risks within the Group, in support of the country executive directors,
  - managing risks associated with the safety and security of property and people,
  - leading the Group ethics system,
  - coordinating the Group crisis-management system;
- the **Group property department** is responsible for:
  - establishing the Group's property policy,
  - managing risks relating to building security;
- the **Group quality department** is responsible for:
  - establishing product quality, health and safety policy within the Group,
  - managing product safety risks,
  - coordinating crisis management relating to product safety risks;
- the **Group human resources department** is responsible for:
  - establishing human resources management policy within the Group that permit to:
    - ensures the proper availability level of resources, suitable for current and future business requirements,
    - monitors employees' career development and commitment,
    - ensures high-quality industrial relations,
    - defines the framework for the remuneration policy and corporate benefits and guides the associated commitments,
    - helps to create a culture of collective development and performance,
  - coordinating social risk management;

- the **Group information systems governance department** is responsible for:
  - establishing the information systems security policy within the Group, the information systems aim to respond to needs and satisfy requirements regarding information security, reliability, availability and traceability:
    - at Group level, the accounting and financial information system is based on reporting and consolidation for preparation of the Consolidated Financial Statements and measurement of the Group's operating performance,
    - the Country executive directors are responsible for their own information systems, and have implemented measures to ensure system security and digital data integrity,
  - managing risks relating to the continuity, integrity, confidentiality and security of information systems;
- the **Group insurance department** is responsible for setting up insurance to cover the Group's insurable assets as effectively as possible and according to available capacity on the market, pursuant to Group insurance policies. It works with the Group risks & compliance department in transferring of a portion of the risks to the insurance market.
- The **Group internal audit department** is tasked with:
  - assessing the operation of the internal control and risk management system related to asset risks, by performing the missions included in the annual audit plan,
  - regularly monitoring and making any necessary recommendations to improve these systems,
  - leading and consolidating the annual self-assessment campaigns to develop internal-control tools as carried out by the Country executive director.

The **Board of Directors** reports on the principal risks and uncertainties faced by the Group in the management report.

It takes note of the essential characteristics of the internal control and risk management system communicated in a timely manner by the Accounts Committee and general management.

In particular, it acquires an overall understanding of procedures relating to the production and treatment of financial and accounting information.

The role of the **Accounts Committee** set up by the Board of Directors is to:

- to assess the effectiveness and quality of the Group's internal control systems and procedures, to interview the internal audit manager, to give an opinion on the organisation of the department and to be informed of its programme of work;
- to examine, in conjunction with internal control managers, the objectives and intervention and action plans in the area of internal audit, the conclusions of such interventions and the actions, recommendations and follow-up arising from them;
- to examine the methods and results of the internal audit and check that the procedures used help the financial statements to reflect a true and accurate picture of the business in accordance with accounting rules;
- to assess the reliability of the systems and procedures used to produce the financial statements and the validity of the positions taken in respect of presenting significant transactions;
- to examine the methods used to report and present accounting and financial information from the subsidiaries and/or operational units;
- to examine the draft report on internal control and risk management procedures.

B. At country level

The Country executive director is responsible for the establishment, operation and supervision of the internal control and risk management system at country level. The Country executive director is supported by internal controllers, who are tasked with:

- helping to define the country internal control and risk management system, particularly by ensuring that the Group internal control framework is properly rolled out;
- ensuring that procedures defined by the country and the Group are properly applied.

3.6.2 Data relating to internal accounting and financial control

During 2015, the Group continued to enhance its accounting and financial internal control system by boosting the role of the functional departments, the implementation of the Corporate Rules and the deployment of a new consolidation and reporting tool.

3.6.2.1 General organizational principles of internal accounting and financial control

Internal accounting and financial control aims to ensure:

- the compliance of published accounting information with applicable rules (international accounting standards);
- the application of instructions and strategic directions established by the Group;
- the prevention and detection of fraud and accounting and financial irregularities;
- the presentation and reliability of published financial information.

Risks related to production of accounting and financial information can be classified into two categories:

- those related to the accounting of current operations in the country, whose control systems must be set as close as possible to decentralised operations;
- those related to the accounting of non-current operations that may have a significant impact on the Group's financial statements.

The internal-control system described in the following paragraphs incorporates this approach to risk.

Management within each country is responsible for identifying risks that impact the preparation of financial and accounting information and for taking the necessary steps to adapt the internal control system.

With regard to information that requires special attention given its impact on the Consolidated Financial Statements, the Group consolidation department requests the necessary explanations and may perform such controls itself, assign an outside auditor to carry out such controls or request the involvement of the Internal audit department through the Chairman and Chief Executive Officer.

The Group consolidation department checks the country-level consolidated reporting packages at each monthly closing. If need be, corrections are made by the countries on the reporting packages. In addition, inspections are conducted in each country at least twice per year.

Impairment testing of goodwill is handled by the Group consolidation department based on projections prepared by the countries in relation to the Strategic Plan updated every year. The Group consolidation department also obtains and reviews impairment tests performed by the countries on tangible fixed assets.

3.6.2.2 Management of the accounting and finance organisation

Organisation of the financial function

The financial function is mainly based on a two-level organisation:

- the Group financial control department defines the IFRS accounting principles applicable to Carrefour and provides leadership and oversight of the production of Consolidated Financial Statements and management reports. This department includes a Consolidation department and a Performance analysis department:
  - the Consolidation department monitors standards, defines the Group accounting doctrine (IFRS accounting principles applicable to Carrefour), produces and analyses the Consolidated Financial Statements and prepares the consolidated accounting and financial information, and is the direct link to the Finance departments at country level,
  - the Performance analysis department aggregates and analyses both prospective and retrospective management reports. It requests explanations from the country-level Finance departments and/or the regional Finance departments, and alerts General Management to key issues and any potential impact;
- the Country-level Finance departments are responsible, under the functional supervision of the Finance directors for each region, for production and control of the country-level company and Consolidated Financial Statements. They are also responsible for deploying an internal-control system within their scope that is adapted to their specific challenges and risks, taking into account the Group's recommendations and directives. Management control and merchandise management control at country level also fall under their responsibility.

The country/business unit/functional administrator accounting function is handled by centralised teams in each country, under the supervision of the Country-level Finance director.

These teams belong to the Finance line and are led by the Group finance department, particularly through the sharing of information on a collaborative platform.

The Group executive director for finance appoints the country-level Finance directors.

Regional Finance directors are mainly charged with improving dissemination of the culture and principles of financial control and ensuring their proper application.

Accounting principles

Group accounting principles are specified in a regularly updated document that is communicated to all those involved in the process.

The IFRS accounting principles applicable to Carrefour are reviewed twice per year, before the closes of the half-yearly and yearly financial statements. They are defined by the Standards Department belong to the Group consolidation department and presented to the Statutory Auditors. Material changes, additions or withdrawals are presented to the Accounts and Internal audit Committee.

An updated version is available to all members of the "file" Finance and Management on the collaborative platform.

The IFRS accounting principles applicable to Carrefour are incumbent upon the country-level Finance departments. If necessary, country-level Finance departments have to consult the Group consolidation department, which alone can provide interpretations and clarifications.

A meeting of country-level Finance directors is held once per year, during which new changes to the IFRS accounting principles applicable to Carrefour and any problems with application that have been encountered since the last meeting are discussed.

The Standards department belong to the Group consolidation department to handle technical monitoring of IFRS standards, organise and manage the process of updating Group accounting principles in connection with the countries, analyse technical issues raised within the Group and ensure that Carrefour is represented within professional organisations that deal with accounting standards.

Tools and operating methods

In recent years, the Group has standardised the accounting systems used in the various countries. Specifically, this has led to the implementation of an organisational model that includes the establishment of shared service centres (for the processing and payment of invoices involving merchandise, fixed assets, general expenses and payroll), thus standardising and documenting procedures in the various countries and ensuring the appropriate separation of tasks. Operating methods are made available to all users.

Each country implements tools to address its specific consolidation needs. A new consolidation and reporting tool was developed and implemented at the end of the year at Group level to detail, make reliable and facilitate transmission of data, controls and consolidation operations.

Accounting and financial information systems are subject to the same requirements as all security systems.

Consolidation process and principal controls

Each country is responsible for consolidating financial statements at its own level. Consolidation at this level is provided by financial teams in each country.

The Group consolidation department team leads this process and is responsible for producing the Group's Consolidated Financial Statements. Responsibilities have been defined by country, as have cross-functional analysis responsibilities within the Group team. Since 2008, consolidation has occurred in each month since 2015 (quarterly before). Only the half-yearly and annual Consolidated Financial Statements are subject to an external audit and published. The Group uses identical tools, data and regional breakdowns for its management reports and Consolidated Financial Statements.

Subsidiaries prepare their own statutory accounts and Consolidated Financial Statements converted into euros for their region. The financial department in each country are based in particular on controls in place in the new consolidation tool. Countries have had access to a benchmark for expected controls during the production of accounting and financial information and the consolidation process. The Consolidation department checks for consistency and performs a reconciliation at the close of each month.

The main options and accounting estimates are subject to review by the Group and the country-level Finance directors, including during meetings for account closing options, organised before account closings at Group and country level in cooperation with external auditors.

Between account closings, country visits by the Consolidation department provide opportunities to improve the process at country level by promoting understanding and dissemination of the Group's accounting principles and addressing specific issues within the various countries. If necessary, inspections can lead to recommendations aimed at improving the country's consolidation procedures.

Since 2012, the Group consolidation department set up the "hard-close" process at the end of September so as to anticipate, as far in advance as possible, potentially sensitive subjects relating to account closing. The process also identifies any weaknesses in internal control and the processes associated with assessing costs and income that, due to their nature and amount, have a significant impact on Group performance, so that these can be rectified if necessary before the annual closing. The specific work that the countries are required to carry out, and the Statutory Auditors' reviews, have led in particular to internal control of the supplier cycle, review of the main disputes and risks, and impairment testing of stores and goodwill.

In order to provide an opinion to the Board of Directors on the draft financial statements, the Accounts Committee reviews the annual and half-yearly financial statements and the findings of the Statutory Auditors' team concerning their work.

With this in mind, the Accounts Committee meet regularly and as necessary so that the Accounts Committee can monitor the process of preparing the accounting and financial information and ensure that the principal accounting options applied are pertinent.

Oversight of the internal-control system

Oversight of the internal-control system is mainly based on:

- a self-assessment process for the application and oversight of the main regulations defined by the Group concerning internal accounting and financial controls. Action plans, defined at country level where necessary and subject to monitoring;
- in-country actions by the Group internal audit department. The internal audit plan incorporates missions to review internal accounting and financial controls.

Oversight also incorporates the assessment of information provided by the Statutory Auditors as part of their in-country operations. The country-level Finance directors systematically provide the Group onsolidation department with summaries of actions and letters of recommendation from the Statutory Auditors. It oversees implementation of its recommendations.

The entire process is regularly presented to the Accounts Committee. When significant shortcomings are detected in a country's internal-control system, the committee will have present developments in action plans on a quarterly basis.

At each statement, the Group internal audit department receives letters of affirmation, signed by the country executive director and Country finance director, certifying that the consolidation reporting packages are fair and were prepared in accordance with the IFRS accounting principles applied by Carrefour.

3.6.2.3 Control over financial communications

Role and mission of financial communications

The objective of financial communications is to provide information:

- on a continuous basis: quality information must be provided regularly over time. This is essential to the Group's credibility and to ensuring shareholder loyalty;
- that conveys a clear, consistent message: communications must allow investors to gain a precise, accurate understanding of the Company's value and management's capacity to boost value even further. Investors must be properly informed in order to make decisions;
- while maintaining the principle of shareholder equality with regard to information: any financial information that might have an impact on market prices must be made public via a single, centralised source at Group level.

Organization of financial communications

Financial announcements address a diverse audience, primarily comprised of institutional investors, individuals and employees, via four channels:

- the shareholder relations department is responsible for informing the general public (individual shareholders);

- the investor relations department, Finance department and the Chairman and Chief Executive Officer are the sole contacts for analysts and institutional investors;
- the Human resources department, with support from the Communications department, manages information intended for employees;
- the Communications department manages press relations.

In practice, financial messages are prepared through close collaboration between the Finance and Communications departments.

They are delivered as required by law (Shareholders' Meeting) and according to the regulations of the French financial markets authority (periodic publications, press releases). Furthermore, beyond its legal obligations, Carrefour employs a wide array of media for its financial communications. The Group may utilise the press, the Internet, direct telephone contact, individual meetings and special forums.

Procedures for controlling financial communications

The Finance department is the exclusive source of financial information.

Internal controls regarding the financial communications process focus on compliance with the principle of shareholder equality, among other issues. All press releases and significant announcements are prepared by mutual agreement between the Financial communications department, which is part of the Finance department, and the Group communications department.

The segregation of roles and responsibilities allows for strict independence between managers, sensitive departments (e.g. mergers and acquisitions) and the Financial communications department.

Financial communications policy

The Financial department defines and implements the policy on disclosing financial results to the markets. The Carrefour group discloses its sales (including tax) each quarter, and reports all of its results on a half-yearly basis. Each disclosure is first presented to the Board of Directors.

In contrast to previous years, at the beginning of the 2015 fiscal year the Group did not issue guidance on its underlying earnings target. However, throughout the fiscal year the Finance department checks that the underlying earnings target provided by the analyst consensus remains achievable and, where applicable, issues a revision when budget forecasts reveal a significant discrepancy.

3.7 Statutory Auditors' report on the report prepared by the Chairman of the Board of Directors

Year-ended December 31, 2015

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of Carrefour, and in accordance with article L. 225-235 of the French commercial code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French commercial code for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by article L. 225-37 of the French commercial code, particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you our observations on the information contained in the Chairman's report regarding the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by article L. 225-37 of the French commercial code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information regarding the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board, in accordance with article L. 225-37 of the French commercial code.

Other disclosures

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by article L. 225-37 of the French commercial code.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, April 15, 2016

French original signed by

MAZARS	KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet David Chaudat	Patrick-Hubert Petit Caroline Bruno-Diaz	Arnaud de Planta

4 Management's discussion and analysis as of December 31, 2015

4.1 Consolidated sales and earnings performance

4.1.1 Main earnings indicators

(in millions of euros)	**2015**	2014	% change	% change at constant exchange rates
Net sales	**76,945**	**74,706**	**3.0%**	**4.1%**
Gross margin from recurring operations	**18,019**	**17,049**	**5.7%**	**6.4%**
in % of net sales	*23.4%*	*22.8%*		
Sales, general and administrative expenses and amortization	(15,574)	(14,662)	6.2%	6.3%
Recurring operating income	**2,445**	**2,387**	**2.4%**	**7.0%**
Recurring operating income after net income from companies accounted for by the equity method	**2,489**	**2,423**	**2.7%**	**7.2%**
Non-recurring operating income and expenses, net	(257)	149	na	na
Finance costs and other financial income and expenses, net	(515)	(563)	(8.4)%	(2.5)%
Income tax expense	(597)	(709)	(15.8)%	(11.9)%
Net income from continuing operations – Group share	**977**	**1,182**	**(17.4)%**	**(13.9)%**
Net income from discontinued operations – Group share	4	67		
Net income - Group share	**980**	**1,249**		
Free cash flow	**687**	**306**		
Net debt at December 31	**4,546**	**4,954**		

Carrefour's 2015 performance reflected the sustained growth momentum enjoyed by the Group, with faster organic sales growth and an increase in recurring operating income at constant exchange rates.

- sales were up 4.1% at constant exchange rates, reflecting organic gains across all formats in France, sales growth in Europe for the first time in seven years and strong organic growth in emerging markets, led by Brazil and Argentina;
- recurring operating income totaled 2,445 million euros, up 7.0% at constant exchange rates with increases of 3.6% in Europe (including France) and 9.2% in emerging markets (Latin America and Asia);
- non-recurring operating income and expenses represented a net expense of 257 million euros, mainly reflecting the impact of transformation plans under way in some of the Group's countries. In 2014, this item mainly corresponded to the gain recognized on the contribution of assets to a new associate, Carmila;
- finance costs, net amounted to 515 million euros. This was 47 million euros less than the 2014 figure, mainly due to the improvement in the cost of net debt resulting from the lower average interest rate on the Group's bond debt;
- income tax expense amounted to 597 million euros, representing an improved effective tax rate of 34.8% compared with 2014;
- net income from continuing operations, Group share, came in at 977 million euros, compared with 1,182 million euros in 2014;
- net income from discontinued operations totaled 4 million euros;
- taking into account all of these items, the Group ended the year with net income (Group share) of 980 million euros, *versus* 1,249 million euros in 2014;
- free cash flow came to 687 million euros *versus* 306 million euros in 2014.

4.1.2 Analysis of the main income statement items

Net sales by region

The Group's operating segments consist of the countries in which it does business, combined by region, and "Global functions", corresponding to the holding companies and other administrative, finance and marketing support entities.

(in millions of euros)	2015	2014	% change	% change at constant exchange rates
France	36,272	35,336	2.6%	2.6%
Rest of Europe	19,724	19,191	2.8%	2.8%
Latin America	14,290	13,891	2.9%	15.3%
Asia	6,659	6,288	5.9%	(8.9)%
TOTAL	**76,945**	**74,706**	**3.0%**	**4.1%**

Carrefour reported significant sales growth in 2015, with the net figure up 4.1% at constant exchange rates (up 3% at current exchange rates). Overall sales were up in all regions at constant exchange rates, with increases of 2.7% in Europe and 7.7% in the emerging economies.

Performance by region can be explained as follows:

- in France, the Group's businesses became more competitive, leading to organic growth in sales (excluding gasoline) across all formats for the third year in a row;
- sales in the rest of Europe increased for the first time in seven years, led by gains in Spain, Italy and Romania and stable performances in Belgium and Poland;
- in Latin America, sales continued to grow rapidly, rising by 15.3% at constant exchange rates. However, due to the extremely negative currency effect, the increase at current exchange rates was just 2.9%;
- in Asia, sales were down 8.9% at constant exchange rates.

Net sales by region – contribution to the consolidated total

(in %)	2015[1]	2014
France	46.7%	47.3%
Rest of Europe	25.4%	25.7%
Latin America	20.6%	18.6%
Asia	7.4%	8.4%
TOTAL	**100.0%**	**100.0%**

(1) At constant exchange rate.

At constant exchange rates, the contribution of emerging markets (Latin America and Asia) to consolidated net sales continued to rise, representing 28% in 2015 *versus* 27% in 2014.

Recurring operating income by region

(in millions of euros)	2015	2014*	% change	% change at constant exchange rates
France	1,191	1,271	(6.4)%	(6.4)%
Rest of Europe	567	425	33.4%	33.4%
Latin America	705	660	6.9%	23.5%
Asia	13	97	(87.0)%	(87.6)%
Global functions	(31)	(67)	(53.4)%	(53.8)%
TOTAL	**2,445**	**2,387**	**2.4%**	**7.0%**

* *For the purposes of comparison with 2015 segment information, 2014 recurring operating income by segment has been restated to reflect an adjustment linked to the allocation of head office costs.*

Recurring operating income increased by 7.0% at constant exchange rates, to 2,445 million euros, reflecting growth in both Europe and the emerging economies. This represented 3.2% of sales, unchanged from 2014.

The increase reflected:

- sales growth by 3.0% at current exchange rate;
- a higher gross margin, representing 23.4% of sales *versus* 22.8% in 2014;
- tight control of sales, general and administrative expenses and depreciation and amortization, which represented 20.2% of net sales compared with 19.6% in 2014.

In France, 2015 recurring operating income totaled 1,191 million euros (3.3% of sales) and operating margin[(1)](1) was up year on year net of the cost of integrating Dia stores, the rise in tax on commercial sites and the transfer of shopping center rental income to Carmila following its creation in 2014. The plan to convert the former Dia stores was stepped up as planned in the second half of 2015.

In the Rest of Europe, recurring operating income of 567 million euros was 33.4% higher at constant exchange rates. Operating margin advanced by 70 points to 2.9% of sales. This strong performance was largely driven by the continued recovery in Spain and improved profitability in Italy. Operating margin was up in all of the Group's countries.

In Latin America, recurring operating income came in at 705 million euros (up 23.5% at constant exchange rates) and represented 4.9% of sales (up 20 points). This improvement reflects solid like-for-like sales growth in Brazil and Argentina as well as a pick-up in gross margin. Sales, general and administrative expenses include an increase in energy costs in Brazil.

In Asia, recurring operating income came to 13 million euros. Against a backdrop of economic slowdown and rapidly evolving consumer expectations in China, the Group continued to reposition itself in the market. In Taiwan, sales grew for the first time in more than two years while recurring operating income improved, boosted by the development of our multi-format model and the modernization of certain hypermarkets.

Depreciation and amortization

Depreciation and amortization amounted to 1,470 million euros in 2015. At 1.9% of sales, the ratio was stable compared with 2014.

Net income from companies accounted for by the equity method

Net income from companies accounted for by the equity method rose to 44 million euros *versus* 37 million euros in 2014.

(1) *Recurring operating income as a percentage of sales.*

Non-recurring income and expenses, net

Non-recurring income and expenses correspond to certain material items that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

Non-recurring items represented a net expense of 257 million euros in 2015.

The detailed breakdown is as follows:

(in millions of euros)	**2015**	2014
Net gains on sales of assets	64	336
Restructuring costs	(237)	(111)
Other non-recurring items	31	1
Non-recurring income and expenses net before asset impairments and write-offs	**(142)**	**226**
Asset impairments and write-offs	(115)	(77)
Impairments and write-offs of goodwill	*(2)*	*0*
Impairments and write-offs of tangible and intangible assets	*(113)*	*(77)*
NON-RECURRING INCOME AND EXPENSES, NET	**(257)**	**149**

In 2015, gains on disposals of assets primarily concerned assets sold to an associate, Carmila. In 2014, they mainly concerned the assets contributed to Carmila at the time of its creation.

Restructuring costs concerned plans to streamline operating structures in several of the Group's countries. The expense recognized in 2015 notably includes the impact of integrating the Dia France store network acquired in late 2014 and the ongoing action plan in China.

A description of non-recurring income and expenses is provided in Note 5.3 to the Consolidated Financial Statements.

Operating income

The Group ended the year with operating income of 2,232 million euros *versus* 2,572 million euros in 2014.

Finance costs and other financial income and expenses, net

Finance costs and other financial income and expenses represented a net expense of 515 million euros, representing 0.7% of sales *versus* 0.8% in 2014.

(in millions of euros)	**2015**	2014
Finance costs, net	(347)	(399)
Other financial income and expenses, net	(168)	(164)
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	**(515)**	**(563)**

Finance costs, net decreased by 52 million euros to 347 million euros. The favorable change was primarily due to a reduction in the average interest rate on the Group's bond debt, following the retirement of existing issues and their replacement with issues at lower rates of interest (1,000 million euros at 1.75% in July 2014 and 750 million euros at 1.25% in January 2015).

Other financial income and expenses represented a net expense of 168 million euros, compared with a net expense of 164 million euros in 2014.

Income tax expense

Income taxes amounted to 597 million euros in 2015 compared with 709 million euros the year before. The effective tax rate was 34.8% (35.3% in 2014).

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests came to 143 million euros *versus* 118 million euros in 2014.

Net income from continuing operations – Group share

The Group reported net income from continuing operations of 977 million euros in 2015, compared with 1,182 million euros in 2014.

Net income from discontinued operations – Group share

In 2015, net income from discontinued operations amounted to 4 million euros, corresponding mainly to the final settlement of litigation dating back to prior years, less the loss generated by Dia stores sold during the year or in the process of being sold at the year-end.

In 2014, net income from discontinued operations consisted primarily of 88 million euros received in settlement of litigation dating back to prior years, less the 24 million euros loss arising on the closure of the Group's operations in India.

4.2 Group financial position

4.2.1 Shareholders' equity

At December 31, 2015, shareholders' equity stood at 10,672 million euros, compared with 10,228 million euros at the previous year-end.

The 444 million euros increase reflected:

- net income for the year of 1,123 million euros;
- the sale of 394 million euros worth of treasury stock on March 23, 2015;
- the sale of a 2% stake in the Group's Brazilian subsidiary, which had a positive net impact of 94 million euros on total shareholders' equity;
- dividend payments of 590 million euros, of which 492 million euros paid to Carrefour shareholders (including 102 million euros paid in stock) and 98 million euros to minority shareholders of subsidiaries;
- exchange differences on translating foreign operations, representing a negative impact of 602 million euros.

4.2.2 Net debt

Net debt was reduced by 408 million euros to 4,546 million euros at December 31, 2015 from 4,954 million euros at December 31, 2014.

Net debt breaks down as follows:

(in millions of euros)	**2015**	2014
Bonds	6,884	6,915
Other borrowings	345	1,078
Commercial paper	0	120
Finance lease liabilities	351	398
Total borrowings before derivative instruments recorded in liabilities	**7,580**	**8,511**
Derivative instruments recorded in liabilities	49	61
Total long and short term borrowings *(1)*	**7,629**	**8,572**
Of which, long term borrowings	*6,662*	*6,815*
Of which, short term borrowings	*966*	*1,757*
Other current financial assets	358	504
Cash and cash equivalents	2,724	3,113
Total current financial assets *(2)*	**3,083**	**3,618**
NET DEBT *(1) - (2)*	**4,546**	**4,954**

Long and short-term borrowings (excluding derivatives) mature at different dates through 2025 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years as shown below:

(in millions of euros)	2015	2014
Due within one year	921	1,696
Due in 1 to 2 years	1,306	954
Due in 2 to 5 years	2,447	2,662
Due beyond 5 years	2,905	3,198
TOTAL	**7,580**	**8,511**

At December 31, 2015, its liquidity position was strengthened by the availability of 3.9 billion euros in committed syndicated lines of credit with no drawing restrictions, expiring in 2019 and 2020.

Cash and cash equivalents totaled 2,724 million euros at December 31, 2015, compared with 3,113 million euros at December 31, 2014, representing a decrease of 389 million euros.

4.2.3 Cash flows for the year and cash and cash equivalents at December 31, 2015

Net debt was reduced by 408 million euros over the year, after increasing by 837 million euros in 2014. The decrease is analyzed in the simplified statement of cash flows presented below:

(in millions of euros)	2015	2014
Cash flow from operations	2,733	2,504
Change in working capital requirement	81	19
Investments	(2,138)	(2,305)
Other	10	88
Free cash flow	**687**	**306**
Financial investments	(85)	(1,336)
Disposals	109	236
Purchases and disposals without change in control	208	311
Cash dividends/capital increase	(474)	(214)
Finance costs, net	(347)	(399)
Changes in the scope of consolidation and impact of discontinued operations	(3)	(64)
Other	315	322
Decrease/(Increase) in net debt	**408**	**(837)**

Free cash flow came in at 687 million euros in 2015, compared with 306 million euros in 2014, after taking into account a 229 million euros increase in cash flow from operations, a 62 million euros favorable change in working capital requirement, and lower capital expenditure (with the net spend down 167 million euros over the year).

Financial investments represented a net outflow of 85 million euros in 2015, compared with a 1,336 million euros outflow in 2014. The 2014 net outflow mainly concerned the acquisition of Erteco (Dia) and the Group's investment in its new associate, Carmila.

Disposals for the year represented a 109 million euros inflow and consisted primarily of the proceeds from asset sales to Carmila in France and Italy.

The 236 million euros inflow in 2014 also consisted of the proceeds from asset sales to Carmila, in France and Spain.

Purchases and disposals without change in control represented a 208 million euros net inflow and consisted primarily of the balance receivable from the sale of a 10% stake in the Group's Brazilian subsidiary to Peninsula in 2014, and the proceeds from the sale of an additional 2% stake in the first half of 2015.

Changes in the scope of consolidation and discontinued operations had a negative net impact of 3 million euros in 2015 and 64 million euros in 2014.

Other impacts mainly correspond to the sale of treasury stock in March 2015, which generated a net inflow of 392 million euros.

4.2.4 Financing and liquid resources

Corporate Treasury and Financing's liquidity management strategy consists of:

- promoting conservative financing strategies in order to ensure that the Group has a sufficiently strong credit rating and can raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programs, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium Term Notes (EMTN) program totals 12 billion euros. Since 2007, the loan agreements for the EMTN program include a soft change of control clause that would be triggered in the event that a change of control led to Carrefour losing its investment grade rating. In this case, the notes would not become immediately repayable but the interest rate would increase;
- using the 5 billion euros commercial paper program on NYSE Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs.

At December 31, 2015, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. Group policy consists of keeping these facilities on stand-by to support the commercial paper program. The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. They do not, however, include any rating trigger, although the pricing grid may be adjusted up or down to reflect changes in the long-term credit rating. None of the agreements contains a material adverse change clause.

The Group considers that its liquidity position is robust, as it has sufficient cash reserves to meet its debt repayment obligations in the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages four years and four months.

At December 31, 2015, Carrefour was rated BBB+/A-2 with a stable outlook by S&P.

4.2.5 Restrictions on the use of capital resources

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its countries.

The local supervisory authorities may require banking subsidiaries to comply with certain capital, liquidity and other ratios and to limit their exposure to other Group parties.

4.2.6 Expected sources of funding

To meet its commitments, Carrefour can use its free cash flow and raise debt capital using its EMTN and commercial paper programs, as well as its credit lines.

4.3 Outlook for 2016

- Carrefour is continuing its transformation and has strong ambitions in a world of changing consumer needs and behaviors. Our multi-format model is expanding into new channels, enabling us to optimize our customers' purchasing experience.
- Carrefour is consolidating its position as a multi-format international retailer and in 2016 will continue to open convenience stores at a swift pace in all countries. Conversion of the Dia store network is being carried out as planned, with close to 500 additional stores expected to be converted in 2016.
- Carrefour is investing to sustain its growth. The Group is continuing to expand its network in order to increase its geographical coverage. It is also pursuing investments to modernize its stores in all countries and boost the appeal of its locations by capitalizing on associate Carmila in France, Spain and Italy.
- Carrefour is also continuing to implement its structural projects, which include revamping the supply chain and streamlining IT systems in France as well as realigning the business model in China.
- Carrefour is accelerating its digital transformation in line with its omnichannel ambition, capitalizing on click & collect services and leveraging its physical store network. Virtually all of the Group's countries now offer e-commerce services. The acquisition of Rue du Commerce in France is a major step that will enable us to expand our product ranges *via* the online market place.
- Carrefour will continue to invest in 2016 while paying close attention to financial discipline:
  - total investments, including Dia France, of between 2.5 billion euros and 2.6 billion euros,
  - constant attention to free cash flow,
  - continued strict financial discipline: maintain BBB+ rating.

4.4 Other information

4.4.1 Accounting principles

The accounting and calculation methods used to prepare the 2015 Consolidated Financial Statements were the same as those used in 2014 except for the changes resulting from the following amendments, which were applicable as of January 1, 2015 and were not early adopted:

- IFRS Annual Improvements 2011-2013.

Application of these amendments had no material impact on the Group's published Consolidated Financial Statements. IFRIC 21 – *Levies*, which was also applicable as of January 1, 2015, was early adopted in 2014.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2015:

Adopted for use in the European Union:

- IFRS Annual Improvements 2010-2012 (applicable in annual periods beginning on or after February 1, 2015);
- amendments to IAS 19 – *Defined Benefit Plans: Employee Contributions* (applicable in annual periods beginning on or after February 1, 2015);
- amendments to IAS 1 – *Disclosure Initiative* (applicable in annual periods beginning on or after January 1, 2016);
- amendments to IFRS 11 – *Acquisition of an Interest in a Joint Operation* (applicable in annual periods beginning on or after January 1, 2016);
- amendments to IAS 16/IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable in annual periods beginning on or after January 1, 2016);
- IFRS Annual Improvements 2012-2014 (applicable in annual periods beginning on or after January 1, 2016).

The possible impact on the Consolidated Financial Statements of applying these new and amended standards is currently being assessed.

Details of the new and amended standards and interpretations, including those not yet adopted for use in the European Union, are provided in Note 1.2 to the Consolidated Financial Statements "Changes of method".

4

4.4.2 Significant events of the period

Placement of 12.7 million treasury shares

On March 23, 2015, Carrefour announced the disposal of 12.7 million treasury shares, representing approximately 1.73% of its share capital.

The sale was carried out through a private placement by way of an accelerated bookbuilding at a price of 31 euros per share, for a total amount of 393.7 million euros.

Of the 12.7 million treasury shares sold, 9.3 million shares were directly owned by Carrefour and 3.4 million shares were indirectly owned through an equity swap. These shares correspond to the excess coverage of Carrefour's obligations under stock option plans and free share allotments.

Operations to strengthen the Group's financial position

On January 22, 2015, the Group obtained a new 2,500 million euros five-year bank facility (expiring in January 2020) with two one-year extension options from a pool of 22 banks.

This facility replaces two existing facilities, for 1,591 million euros and 1,458 million euros, expiring in July 2017 and November 2018 respectively.

The operation contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities and reducing the related borrowing costs, while aligning their amount with the Group's needs.

On January 27, 2015, the Group carried out a new 750 million euros 10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue consolidated the Group's long-term financing, extended the average maturity of its bond debt and further reduced its borrowing costs.

2014 dividend reinvestment option

At the Shareholders' Meeting held on June 11, 2015, shareholders decided to set the 2014 dividend at 0.68 euro per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at 28.77 euros per share, representing 95% of the average of the opening prices quoted on NYSE Euronext Paris during the 20 trading days preceding the date of the Shareholders' Meeting, less the net amount of the dividend of 0.68 euro per share and rounded up to the nearest euro cent.

The option period was open from June 17 to July 7, 2015. At the end of this period, shareholders owning 20.69% of Carrefour's shares had elected to reinvest their 2014 dividends.

July 17, 2015 was set as the date for:

- settlement/delivery of the 3,556,885 new shares corresponding to reinvested dividends, leading to a total capital increase including premiums of 102 million euros;
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 390 million euros.

Acquisition of *Rue du Commerce*

On August 24, 2015, Carrefour announced that it was in exclusive negotiations with Altarea Cogedim for the acquisition of 100% of the shares of *Rue du Commerce*, a major player in the non-food e-commerce market in France.

The acquisition was completed in January 2016 after employee representatives at *Rue du Commerce* had been consulted and the necessary anti-trust approvals had been obtained.

It represents another step in the roll-out of Carrefour's omnichannel strategy in France for the benefit of its customers both in stores and on-line.

Planned acquisition in Romania

On December 22, 2015, Carrefour announced that an agreement had been signed with the Rewe group for the acquisition of Billa Romania, which operates a network of 86 supermarkets spread across the whole of Romania, representing a total sales area of 83,000 square meters.

Through this acquisition, Carrefour would become the leading supermarket operator in Romania, strengthening its multi-format offer to better serve its customers.

Completion of this transaction remains subject to approval by the relevant anti-trust authorities.

4.4.3 Main related party transactions

The main related party transactions are disclosed in Note 7.3 of the Annex to the Consolidated Financial Statements.

4.4.4 Subsequent events

In December 2015, the Group exercised an option to extend a 2,500 million euros credit facility. The one-year extension, until January 2021, became effective in January 2016. The Group retains an option to extend the facility by a further year. The operation has contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.7 to 4.4 years as of December 31, 2015).

On February 29, 2016, the Group announced it had signed an agreement with the Eroski group to acquire 36 compact hypermarkets with a total sales area of 235,000 square meters, as well as 8 shopping malls and 22 gas stations adjacent to the stores. The acquisition is subject to conditions, including approval by the relevant anti-trust authorities.

No other events have occurred since the year-end that would have a material impact on the Consolidated Financial Statements.

4.5 First quarter 2016 sales

Good start to the year, accelerating growth in international markets

First quarter 2016 sales: 20.1 billion euros

- +3.8% ex petrol at constant exchange rates;
- +3.1% like-for-like;
- -4.3% in total;
- +3.2% on an organic basis.

France: stable reported sales ex petrol on a strong comparable base (+7.9% in Q1 2015):

- further growth in food sales;
- acceleration of conversion of stores acquired from Dia, as previously announced; 115 stores converted in Q1;
- roll-out of omni-channel including the contribution of *Rue du Commerce*.

International: reported growth of +6.4% ex petrol and ex currencies, +5.3% on a like-for-like basis:

- accelerating growth in Europe; all countries posted like-for-like sales growth;
- continued excellent performance in Latin America;
- very good momentum in Taiwan; in China, like-for-like sales improved sequentially *versus* Q4 2015.

First quarter 2016 consolidated sales inc. VAT

The Group posted sales of 20,053 million euros. In the quarter, currencies and petrol prices had unfavourable impacts of 6.9% and 1.2% respectively. The calendar effect was +0.6%.

	Sales inc. VAT *(in millions of euros)*	LFL ex petrol and ex calendar	Total growth ex petrol at constant exch. rates
International	10,718	+5.3%	+6.4%
France	9,335	0.0%	+0.1%
GROUP	**20,053**	**+3.1%**	**+3.8%**

Total sales under banners including petrol stood at 24.6 billion euros in the first quarter of 2016, up 2.5% at constant exchange rates.

First quarter 2016 inc. VAT

	Sales inc. VAT *(in millions of euros)*	LFL ex petrol and ex calendar	Total growth ex petrol at constant exch. rates
France	**9,335**	**0.0%**	**+0.1%**
International	**10,718**	**+5.3%**	**+6.4%**
Other European countries	5,196	+3.2%	+2.3%
Latin America	3,451	+13.5%	+18.3%
Asia	2,071	(4.9)%	(5.2)%

In the first quarter, **France** recorded stable sales ex petrol (+0.1%), a good performance over the strong +7.9% growth posted in the first quarter of 2015. Food sales grew in the first quarter for the fourth consecutive year. The evolution of petrol prices had an unfavourable impact of 1.9% this quarter.

Like-for-like sales at **hypermarkets** were down 0.6% on a strong comparable base of +2.1%. Like-for-like sales at **supermarkets** were up by +0.7%, with an equally strong comparable base of +2.5%, marking the sixth consecutive quarterly growth in sales.

Like-for-like sales in **convenience and other formats** were up +1.1%.

The transformation of stores acquired from Dia has gained pace since the start of the year: 115 stores were reopened in Q1 2016, bringing to 267 the number of stores converted to Carrefour banners since the start of the program.

Like-for-like sales in **international** activities rose by 5.3%. The calendar effect was +0.6% in the quarter. The currency impact is strong at -12.6%.

In **other European countries**, like-for-like sales were up +3.2%. Every country posted like-for-like growth in the quarter.

Like-for-like sales in **Spain** continued to grow, with a rise of +3.4% in the first quarter. Trends also improved in **Italy,** where like-for-like sales were up by +4.5%. Sales in **Belgium** were up by +1.0% on a like-for-like basis. They were also up in **Poland** and sharply up in **Romania.**

In **Latin America**, like-for-like sales were up by +13.5% (+17.1% on an organic basis). The currency effect was -34.0%.

In **Brazil,** like-for-like sales were up by +9.9% (+14.3% on an organic basis) on a strong comparable base of +8.4% in the first quarter of 2015. All formats posted continued growth. Like-for-like sales in **Argentina** rose by +23.6%.

Like-for-like sales in **Asia** were down 4.9%. **China** posted a sequential improvement with like-for-like sales down 8.4%. In **Taiwan,** where trends accelerated, sales grew for the fifth consecutive quarter with like-for-like sales up +8.4%.

Variation of first quarter 2016 sales inc. VAT

	Total sales inc. VAT *(in millions of euros)*	Change at current exchange rates inc. petrol	Change at constant exchange rates inc. petrol	LFL inc. petrol	LFL ex petrol ex calendar	Organic growth ex petrol ex calendar
France	**9,335**	**(1.8)%**	**(1.8)%**	**(1.2)%**	**0.0%**	**(0.8)%**
Hypermarkets	4,887	(2.1)%	(2.1)%	(2.1)%	(0.6)%	(0.6)%
Supermarkets	2,991	(2.8)%	(2,8)%	(1.7)%	+0.7%	(1.7)%
Convenience/other formats	1,456	+1.4%	+1.4%	+4.4%	+1.1%	+0.5%
International	**10,718**	**(6.4)%**	**+6.2%**	**+5.7%**	**+5.3%**	**+6.1%**
Other European countries	**5,196**	**+0.9%**	**+1.3%**	**+2.7%**	**+3.2%**	**+2.5%**
Spain	2,024	+0.6%	+0.6%	+1.9%	+3.4%	+2.4%
Italy	1,332	+1.3%	+1.3%	+3.9%	+4.5%	+4.2%
Belgium	1,055	+1.2%	+1.2%	+1.6%	+1.0%	+0.6%
Latin America	**3,451**	**(15.2)%**	**+18.7%**	**+15.0%**	**+13.5%**	**+17.1%**
Brazil	2,665	(12.5)%	+16.7%	+12.2%	+9.9%	+14.3%
Asia	**2,071**	**(7.1)%**	**(5.2)%**	**(4.8)%**	**(4.9)%**	**(5.2)%**
China	1,582	(10.8)%	(8.8)%	(8.1)%	(8.4)%	(9.1)%
GROUP TOTAL	**20,053**	**(4.3)%**	**+2.6%**	**+2.7%**	**+3.1%**	**+3.2%**

Expansion under banners – First quarter 2016

Thousands of sq.m.	December 31, 2015	Openings/Store enlargements	Acquisitions	Closures/Store reductions	Total Q1 2016 change	March 31, 2016
France	5,668	14	1	(7)	8	5,676
Europe (ex France)	6,039	65		(144)	(80)	5,959
Latin America	2,258	8		(4)	4	2,262
Asia	2,734	22		(47)	(25)	2,708
Others (1)	828	37		(3)	34	862
GROUP	**17,526**	**145**	**1**	**(205)**	**(60)**	**17,466**

Store network under banners – First quarter 2016

No. of stores	December 31, 2015	Openings	Acquisitions	Closures/ Disposals	Transfers	Total Q1 2016 change	March 31, 2016
Hypermarkets	**1,481**	**7**		**(8)**		**(1)**	**1,480**
France	242					0	242
Europe (ex France)	489			(5)		(5)	484
Latin America	304	1		(1)		0	304
Asia	369	2		(2)		0	369
Others (1)	77	4				4	81
Supermarkets	**3,462**	**68**	**1**	**(87)**	**11**	**(7)**	**3,455**
France	1,003	3	1	(2)	11	13	1,016
Europe (ex France)	2,096	53		(82)		(29)	2,067
Latin America	168					0	168
Asia	29	2				2	31
Others (1)	166	10		(3)		7	173
Convenience	**7,181**	**122**		**(249)**	**(12)**	**(139)**	**7,042**
France	4,263	29		(39)	(12)	(22)	4, 241
Europe (ex France)	2,464	78		(206)		(128)	2, 336
Latin America	404	12		(2)		10	414
Asia	8					0	8
Others (1)	42	3		(2)		1	43
Cash & carry	**172**	**1**			**1**	**2**	**174**
France	142				1	1	143
Europe (ex France)	18	1				1	19
Others (1)	12					0	12
Group	**12,296**	**198**	**1**	**(344)**		**(145)**	**12,151**
France	5,650	32	1	(41)		(8)	5,642
Europe (ex France)	5,067	132		(293)		(161)	4,906
Latin America	876	13		(3)		10	886
Asia	406	4		(2)		2	408
Others (1)	297	17		(5)		12	309

(1) Africa, Middle East and Dominican Republic.

4.6 Parent company financial review

4.6.1 Activities and results

As Group's holding company, Carrefour (the Company) manages a portfolio of shares of French and foreign subsidiaries and affiliates.

In 2015, operating income amounted to 182 million euros and essentially consisted of costs rebilled to other Group entities.

Financial income, net amounted to 625 million euros in 2015 compared with 1,906 million euros in 2014. The 1,281 million euros decrease can be explained as follows:

- a reduction in dividend income from subsidiaries, with a negative impact of 735 million euros;
- a decrease in the merger surplus, with a negative impact of 304 million euros. The Company had booked a 309 million euros surplus on the Actis merger in 2014, compared to a merger surplus of 5 million euros in 2015;
- a decrease in net provision reversals with a negative impact of 376 million euros, reflecting:
  - 105 million euros in net charges to provisions for impairment of shares in subsidiaries and affiliates *versus* net reversals of 327 million euros in 2014 (negative impact of 432 million euros),
  - reversals of provisions for impairment of treasury stock, due to the rise in Carrefour's share price between 2014 and 2015 (positive impact of 71 million euros),
  - net charges to provisions for other financial risks (negative impact of 15 million euros);
- an increase in capital gains on disposals of treasury stock (positive impact of 64 million euros);
- a decrease in interest expense on intra-group and external borrowings (positive impact of 70 million euros).

Net non-recurring income represented 44 million euros in 2015, corresponding to a reversal of the provision for miscellaneous contingencies.

Net income for the year amounted to 830,629,260.99 euros.

Other transaction

On January 27, 2015, the Company carried out a new 750 million euros 10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue has consolidated the Company's long-term financing, extended the average maturity of its bond debt (from 4.2 years to 4.8 years at February 3, 2015) and further reduced its borrowing costs.

Trade Payables

Accounts payable balances at December 31, 2015 and 2014 break down as follows by due date (disclosure made in accordance with Article L. 441-6-1 of French commercial code).

Carrefour: due date of trade payables *(in millions of euros)*	**December 31, 2015**	December 31, 2014
Accounts payable due in less than one month	32.4	21.1
Accounts payable due in one to two months	0.9	0.3
TOTAL	**33.3**	**21.4**

4.6.2 Subsidiaries and affiliates

As part of its effort to manage its equity portfolio, the Company carried out several transactions during the year, which are described below :

- subscription to the capital increase of the subsidiary Carrefour Management for an amount of €20 million;
- purchase of the entire share capital of Carrefour Systèmes d'Information France (CSIF) for €2 million from Carrefour France. CSIF was subsequently merged with Carrefour Organisation et Systèmes Groupe (COSG), a wholly-owned subsidiary. On completion of the merger, CSIF was renamed Carrefour Systèmes d'Information (CSI);
- transfer of assets and liabilities of CRFP 4, CRFP 10, CRFP 11 and CRFP 16.

4.6.3 Income appropriation

It is proposed to the Shareholders to allocate and distribute earnings for the fiscal year as follows:

Profit for fiscal year	**€830,629,260.99**
Allocation to the legal reserve	€(889,221.25)
Retained earnings at December 31, 2015	€5,213,006,730.57
Total distributable profit	**€6,042,746,770.31**
2015 Dividends paid out of distributable profit	**€516,929,555.80**
Balance of retained earnings after allocation	**€5,525,817,214.51**

The amount of retained earnings after tax for fiscal year 2014 was increased owing to 2014 dividends not paid out on treasury shares.

In the case of a variation in the number of shares eligible for a dividend with respect to 738,470,794 shares comprising the share capital as of December 31, 2015, the total amount of dividends would be adjusted as a consequence and the amount allocated to retained earnings would be determined on the basis of the dividends actually paid.

It is specified that the total dividend of € 516,929,555.80 which represents a dividend of € 0.70 per share, before payroll taxes and non final withholding tax of 21% provided for in article 117 *quater* of the French general tax code, qualifies, for individuals who are French tax residents, for the tax relief equal to 40% of the amount of the dividend in accordance with Section 2° of paragraph 3 of article 158 of the French general tax code.

It is proposed to offer to the Shareholders the option of a dividend payment:

- in cash; or
- in new Company shares.

The new shares, if the option is exercised, will be issued at a price equal to 90% of the average opening prices listed during the twenty stock market trading sessions on Euronext Paris prior to the date of the Shareholders' Meeting, less the amount of the dividend that is the subject of this resolution and rounded up to the nearest euro cent. Such issued shares will immediately be entitled to dividends as of January 1, 2016 and will be part of the share capital of the Company alongside other shares.

Shareholders may opt for payment of the dividend in cash or in new Company shares from May 23, 2016 to June 10, 2016 inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for registered shareholders listed in the issuer-registered accounts held by the Company, to its authorized representative Société Générale, CS 30812, 44308 Nantes Cedex 03.

For shareholders who have not exercised their option by June 10, 2016, the dividend will only be paid in cash.

For shareholders who have not opted for a payment in shares, the dividend will be paid in cash on June 21, 2016 after the expiration of the option period. For shareholders who have opted for a dividend payment in shares, the settlement and delivery of shares will take place on the same date.

It is recalled to the Shareholders in accordance with the law, that the dividends paid on each share for the three preceding fiscal years and the income eligible for tax relief under Section 2° of paragraph 3 of article 158 of the French general tax code per share, were as follows:

Fiscal year	Gross dividend paid	Dividends eligible for tax relief of 40%	Dividends non eligible for tax relief of 40%
2012	€0.58	€0.58	-
2013	€0.62	€0.62	-
2014	€0.68	€0.68	-

4.6.4 Regulated agreements referred to in article L. 225-38 *et seq.* of the French commercial code

We inform you that four new regulated agreements governed by articles L. 225-38 *et seq.* of the French commercial code were authorised by the Board of Directors during the past year, as it will be set out in the Statutory Auditors' special report in accordance with article L. 225-40 of said code, which must mention any regulated agreements authorised during the fiscal year and these have continued during the fiscal year.

These regulated agreements will be submitted for approval to the Shareholders' Meeting.

At its meeting on March 9, 2016, the Board of Directors reviewed the regulated agreements entered into and authorised in previous fiscal years that were still being carried out in 2015.

4.6.5 Research and development

The Company does not implement any research and development policy.

4.6.6 Company earnings performance in the last five fiscal years

(in millions of euros)	**2015**	2014	2013	2012	2011
I – Capital at year-end					
Share capital	1,846	1,837	1,810	1,773	1,698
Issue and merger premiums	16,023	15,930	15,672	15,419	15,094
Number of existing ordinary shares	738,470,794	734,913,909	723,984,192	709,214,653	679,336,000
II – Results of operations for the fiscal year					
Income before tax, employee profit-sharing and depreciation, amortization and provisions	626	2,166	1,758	473	582
Income tax	193	238	222	375	404
Employee profit-sharing payable for the fiscal year					
Income after tax and employee profit-sharing and depreciation, amortization and provisions	831	4,440	1,804	5	(1,077)
Distributed income(1)	517	500	449	411	363
III – Net income per share					
Income after tax and employee profit-sharing but before depreciation, amortization and provisions	1.11	3.27	2.73	1.20	1.45
Income after tax, employee profit-sharing and depreciation, amortization and provisions	1.13	6.04	2.49	0.01	(1.59)
Net dividend allocated to each share(1)	0.70	0.68	0.62	0.58	0.52
IV – Employees					
Average number of employees during the fiscal year	7	8	9	9	12
Amount of payroll for the fiscal year	21	22	15	19	20
Amount paid as employee benefits for the fiscal year (social security, social services)	5	7	5	6	6

(1) For 2015, this has been set by the Board of Directors and will be submitted to the Shareholders' Meeting for approval.

In 2011, the distributed earnings shown in this table do not include the distribution of Dia shares in the form of a dividend-in-kind on July 5, 2011, amounting to 2,310 million euros.

5

Consolidated Financial Statements as of December 31, 2015

The Consolidated Financial Statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding differences between the amounts reported in the various statements.

5.1 Consolidated income statement

(in millions of euros)	Notes	2015	2014	% change
Net sales	*5.1*	76,945	74,706	3.0%
Loyalty program costs		(552)	(609)	(9.3)%
Net sales net of loyalty program costs		**76,393**	**74,097**	**3.1%**
Other revenue	*5.1*	2,464	2,221	10.9%
Total revenue		**78,857**	**76,318**	**3.3%**
Cost of sales	*5.2*	(60,838)	(59,270)	2.6%
Gross margin from recurring operations		**18,019**	**17,049**	**5.7%**
Sales, general and administrative expenses, depreciation and amortization	*5.2*	(15,574)	(14,662)	6.2%
Recurring operating income		**2,445**	**2,387**	**2.4%**
Net income from companies accounted for by the equity method	*7*	44	37	21.4%
Recurring operating income after net income from companies accounted for by the equity method		**2,489**	**2,423**	**2.7%**
Non-recurring income and expenses, net	*5.3*	(257)	149	(272.3)%
Operating income		**2,232**	**2,572**	**(13.2)%**
Finance costs and other financial income and expenses, net	*12*	(515)	(563)	(8.4)%
Finance costs, net		*(347)*	*(399)*	*(12.9)%*
Other financial income and expenses, net		*(168)*	*(164)*	*2.6%*
Income before taxes		**1,717**	**2,010**	**(14.6)%**
Income tax expense	*8*	(597)	(709)	(15.8)%
Net income from continuing operations		**1,120**	**1,300**	**(13.9)%**
Net income from discontinued operations	*3.4*	4	67	(94.7)%
Net income for the year		**1,123**	**1,367**	**(17.9)%**
Group share		**980**	**1,249**	**(21.5)%**
of which net income from continuing operations		977	1,182	(17.4)%
of which net income from discontinued operations		4	67	(94.7)%
Attributable to non-controlling interests		**143**	**118**	**20.8%**

Basic earnings/(loss) per share *(in euros)*	2015	2014	% change
Earnings/(loss) from continuing operations per share	1.35	1.67	(19.2)%
Earnings from discontinued operations per share	0.00	0.09	(94.8)%
Basic earnings per share – Group share	1.36	1.77	(23.3)%

Diluted earnings/(loss) per share *(in euros)*	2015	2014	% change
Diluted earnings/(loss) from continuing operations per share	1.35	1.67	(19.2)%
Diluted earnings from discontinued operations per share	0.00	0.09	(94.8)%
Diluted earnings per share – Group share	1.36	1.77	(23.3)%

Details of earnings per share calculations are provided in Note 11.6.

5.2 Consolidated statement of comprehensive income

(in millions of euros)	**2015**	2014
Net income for the year	1,123	1,367
Effective portion of changes in the fair value of cash flow hedges[1]	1	15
Changes in the fair value of available-for-sale financial assets[1]	(5)	13
Exchange differences on translating foreign operations[2]	(602)	13
Items that may be reclassified subsequently to profit or loss	**(605)**	**42**
Remeasurements of defined benefit plans obligation[1]	(17)	(129)
Items that will not be reclassified to profit or loss	**(17)**	**(129)**
Other comprehensive income after tax	**(623)**	**(87)**
Total comprehensive income	501	1,280
Group share	451	1,138
Attributable to non-controlling interests	49	142

(1) Presented net of the tax effect (see Note 11.4 for details).
(2) Exchange differences on translating foreign operations recognized in 2015 mainly reflect the decline in the Brazilian and Argentine currencies.

5.3 Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	December 31, 2015	December 31, 2014
Goodwill	*6.1*	8,495	8,228
Other intangible assets	*6.1*	1,014	1,315
Property and equipment	*6.2*	12,071	12,272
Investment property	*6.4*	383	296
Investments in companies accounted for by the equity method	*7*	1,433	1,471
Other non-current financial assets	*12.4*	1,291	1,340
Consumer credit granted by the financial services companies – long term	*5.5*	2,351	2,560
Deferred tax assets	*8.2*	744	759
Non-current assets		27,784	28,240
Inventories	*5.4*	6,362	6,213
Trade receivables	*5.4*	2,269	2,260
Consumer credit granted by the financial services companies – short-term	*5.5*	3,658	3,420
Other current financial assets	*12.2*	358	504
Tax receivables		1,168	1,136
Other assets	*5.4*	705	853
Cash and cash equivalents	*12.2*	2,724	3,113
Assets held for sale [1]		66	49
Current assets		17,311	17,549
TOTAL ASSETS		**45,095**	**45,789**

(1) Assets held for sale and liabilities related to assets held for sale correspond mainly to the Dia stores that were in the process of being sold as of December 31, 2015 (Note 3.2.2).

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	Notes	December 31, 2015	December 31, 2014
Share capital	*11.2*	1,846	1,837
Consolidated reserves and income for the year		7,787	7,353
Shareholders' equity – Group share		**9,633**	**9,191**
Shareholders' equity attributable to non-controlling interests	*11.5*	1,039	1,037
Total shareholders' equity		10,672	10,228
Long-term borrowings	*12.2*	6,662	6,815
Provisions	*9*	3,014	3,581
Consumer credit financing – long-term	*5.5*	1,921	1,589
Deferred tax liabilities	*8.2*	508	523
Non-current liabilities		12,106	12,508
Short-term borrowings	*12.2*	966	1,757
Suppliers and other creditors	*5.4*	13,648	13,384
Consumer credit financing – short-term	*5.5*	3,328	3,718
Tax payables		1,097	1,172
Other payables	*5.4*	3,244	3,022
Liabilities related to assets held for sale (1)		34	1
Current liabilities		22,317	23,053
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**45,095**	**45,789**

(1) Assets held for sale and liabilities related to assets held for sale correspond mainly to the Dia stores that were in the process of being sold as of December 31, 2015 (Note 3.2.2).

5.4 Consolidated statement of cash flows

(in millions of euros)	**2015**	2014
Income before taxes	1,717	2,010
Cash flows from operating activities		
Taxes	(663)	(800)
Depreciation and amortization expense	1,574	1,451
Capital (gains)/losses on sales of assets	(13)	(355)
Change in provisions and impairment	(215)	(175)
Finance costs, net	347	399
Net income and dividends received from companies accounted for by the equity method	8	(4)
Impact of discontinued operations	(22)	(23)
Cash flow from operations	**2,733**	**2,504**
Change in working capital requirement (1)	276	18
Impact of discontinued operations	3	86
Net cash from operating activities (excluding financial services companies)	**3,012**	**2,608**
Change in consumer credit granted by the financial services companies	(195)	1
Net cash from operating activities	**2,818**	**2,609**
Cash flows from investing activities		
Acquisitions of property and equipment and intangible assets (2)	(2,378)	(2,411)
Acquisitions of non-current financial assets	(29)	(148)
Acquisitions of subsidiaries and investments in associates (3)	(56)	(1,188)
Proceeds from the disposal of subsidiaries and investments in associates	7	82
Proceeds from the disposal of property and equipment and intangible assets	186	293
Proceeds from the disposal of non-current financial assets	5	3
Change in amounts receivable from and due to suppliers of fixed assets	151	(36)
Investments net of disposals	**(2,115)**	**(3,405)**
Other cash flows from investing activities	(28)	(5)
Impact of discontinued operations	7	13
Net cash from/(used in) investing activities	**(2,136)**	**(3,397)**
Cash flows from financing activities		
Proceeds from share issues to non-controlling interests	14	5
Acquisitions and disposals of investments without any change of control (4)	208	311
Dividends paid by Carrefour (parent company) (5)	(390)	(149)
Dividends paid by consolidated companies to non-controlling interests	(98)	(70)
Change in treasury stock and other equity instruments (6)	384	(18)
Change in current financial assets	40	(48)
Issuance of bonds (7)	750	683

(in millions of euros)	**2015**	2014
Repayments of bonds[7]	(744)	(1,178)
Net interests paid	(360)	(463)
Other changes in borrowings[7]	(625)	71
Impact of discontinued operations	0	(17)
Net cash from/(used in) financing activities	**(821)**	**(874)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**(139)**	**(1,662)**
Effect of changes in exchange rates	(249)	19
Net change in cash and cash equivalents	**(388)**	**(1,643)**
Cash and cash equivalents at beginning of year	**3,113**	**4,757**
Cash and cash equivalents at end of year	**2,724**	**3,113**

(1) The change in working capital is analyzed in Note 5.4.1.
(2) Acquisitions of property and equipment and intangible assets are presented in Notes 6.1 and 6.2.
(3) The amount reported for 2014 corresponds to the various transactions described in Note 3.2.2 (acquisition of Dia in France and Billa in Italy, investments in the associated company Carmila).
(4) This item mainly concerns the sale of shares in the Group's Brazilian subsidiary to a local investment firm, Peninsula, as described in Note 3.2.2, comprising (i) in 2014, part of the proceeds from the year-end sale of an initial 10% interest, and (ii) in 2015, the balance of the proceeds from the end-2014 transaction plus the proceeds from the exercise by Peninsula, in the first half, of a call option on an additional 2%.
(5) Payment of the cash dividend to shareholders who chose not to reinvest their dividends (Note 2.3).
(6) This item corresponds for the most part to the sale of treasury stock described in Note 2.1.
(7) See Note 12.2.

5.5 Consolidated statement of changes in shareholders' equity

(in millions of euros)	Shareholders' equity – Group share						
	Share capital	Translation reserve	Fair value reserve (1)	Other consolidated reserves and net income	Total shareholders' equity – Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity at December 31, 2013	1,810	(315)	(13)	6,442	7,926	754	8,679
Net income for the year 2014				1,249	1,249	118	1,367
Other comprehensive income after tax		(5)	20	(127)	(112)	25	(87)
Total comprehensive income 2014	**0**	**(5)**	**20**	**1,123**	**1,138**	**143**	**1,280**
Share-based payments				0	0		0
Treasury stock (net of tax)				(18)	(18)		(18)
2013 dividend payment(2)	27			(176)	(149)	(70)	(219)
Change in capital and additional paid-in capital					0	5	5
Effect of changes in scope of consolidation and other movements(4)		(5)	(12)	312	295	206	500
Shareholders' equity at December 31, 2014	1,837	(324)	(5)	7,682	9,191	1,037	10,228
Net income for the year 2015				980	980	143	1,123
Other comprehensive income after tax		(511)	(2)	(16)	(529)	(93)	(623)
Total comprehensive income 2015	**0**	**(511)**	**(2)**	**964**	**451**	**49**	**501**
Share-based payments				19	19		19
Treasury stock (net of tax) (3)				344	344		344
2014 dividend payment (2)	9			(398)	(390)	(98)	(488)
Change in capital and additional paid-in capital				1	1	13	14
Effect of changes in scope of consolidation and other movements (4)		1		16	17	39	55
Shareholders' equity at December 31, 2015	1,846	(835)	(7)	8,628	9,633	1,039	10,672

(1) This item comprises:
- *the effective portion of changes in the fair value of cash flow hedges;*
- *cumulative changes in the fair value of available-for-sale financial assets.*

(2) The 2013 dividend totaling 434 million euros was paid:
- *in cash for 149 million euros; and*
- *in new shares for 285 million euros (corresponding to the aggregate par value of the new shares for 27 million euros and premiums for 258 million euros).*

The 2014 dividend (Note 2.3) totaling 492 million euros was paid:
- *in cash for 390 million euros; and*
- *in new shares for 102 million euros(corresponding to the aggregate par value of the new shares for 9 million euros and premiums for 93 million euros).*

(3) This increase corresponds for the most part to the sales of treasury stock described in Note 2.1.

(4) Changes in scope of consolidation and other movements correspond mainly (i) in 2014, to the sale of a 10% interest in the Group's Brazilian subsidiary to a local investment firm, Peninsula, and (ii) in 2015, to the exercise by Peninsula of a call option on a further 2% (see Note 3.2.2).

5.6 Notes to the Consolidated Financial Statements

Note 1 Basis of preparation of the Consolidated Financial Statements

The Consolidated Financial Statements for the year ended December 31, 2015 were approved for publication by the Board of Directors on March 9, 2016. They will be submitted to shareholders for final approval at the Annual General Meeting.

Carrefour (the "Company") is domiciled in France.

The Consolidated Financial Statements for the year ended December 31, 2015 comprise the Financial Statements of the Company and its subsidiaries (together the "Group") and the Group's share of the profits and losses and net assets of associates and joint ventures accounted for by the equity method. The presentation currency of the Consolidated Financial Statements is the euro, which is the Company's functional currency.

1.1 Statement of compliance

In accordance with European Regulation (EC) 1606/2002 dated July 19, 2002, the 2015 Consolidated Financial Statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2015 and applicable at that date, with 2014 comparative information prepared using the same standards.

International accounting standards comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), International Financial Reporting Standards Interpretation Committee (IFRIC) Interpretations and Standing Interpretations Committee (SIC) Interpretations.

All of the standards and interpretations adopted for use in the European Union are available on the European Commission's website,

http://ec.europa.eu/finance/accounting/ias/index_en.htm

At December 31, 2015, the standards and interpretations adopted for use in the European Union were the same as those published by the IASB and applicable at that date, except for IAS 39 – *Financial Instruments: Recognition and Measurement*, which was only partly adopted. The unadopted provisions of IAS 39 had no impact on the Group's Consolidated Financial Statements.

1.2 Changes of method

The accounting and calculation methods used to prepare the 2015 Consolidated Financial Statements were the same as those used in 2014 except for the changes resulting from the following amendments, which were applicable as of January 1, 2015 and were not early adopted:

- IFRS Annual Improvements 2011-2013.

Application of these amendments had no material impact on the Group's published Consolidated Financial Statements. IFRIC 21 – *Levies*, which was also applicable as of January 1, 2015, was early adopted in 2014.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2015:

Adopted for use in the European Union:

- IFRS Annual Improvements 2010-2012 (applicable in annual periods beginning on or after February 1, 2015);
- amendments to IAS 19 – *Defined Benefit Plans: Employee Contributions* (applicable in annual periods beginning on or after February 1, 2015);
- amendments to IAS 1 – *Disclosure Initiative* (applicable in annual periods beginning on or after January 1, 2016);
- amendments to IFRS 11 – *Acquisition of an Interest in a Joint Operation* (applicable in annual periods beginning on or after January 1, 2016);
- amendments to IAS 16/IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable in annual periods beginning on or after January 1, 2016);
- IFRS Annual Improvements 2012-2014 (applicable in annual periods beginning on or after January 1, 2016).

Not yet adopted for use in the European Union:

- IFRS 9 – *Financial Instruments* and amendments to IFRS 9 – *Financial Instruments: Hedge Accounting* and amendments to IFRS 7 and IAS 39 (applicable according to the IASB in annual periods beginning on or after January 1, 2018). IFRS 9, which describes the principles to be applied for the classification and measurement of financial assets and liabilities, replaces IAS 39. The new standard's impact on the amount and timing of the recognition of financial assets and liabilities and on profit cannot yet be reasonably estimated;
- IFRS 15 – *Revenues from Contracts with Customers* (applicable according to the IASB in accounting periods beginning on or after January 1, 2018). This standard, which replaces IAS 18 – *Revenues* and IAS 11 – *Construction Contracts*, may have an impact on the amount and timing of revenue recognition by the Group. This impact cannot yet be reasonably estimated;
- IFRS 16 – *Leases* (applicable according to the IASB in annual periods beginning on or after January 1, 2019). This standard, which replaces IAS 17, sets out the principles for recognizing leases and brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Its impact cannot yet be reasonably estimated;

- amendments to IAS 12 – *Recognition of Deferred Tax Assets for Unrealised Losses* (applicable according to the IASB in accounting periods beginning on or after January 1, 2017);
- amendments to IAS 7 – *Disclosure Initiative* (applicable according to the IASB in annual periods beginning on or after January 1, 2017).

The possible impact on the Consolidated Financial Statements of applying these new and amended standards is currently being assessed.

1.3 Use of estimates and judgment

Preparation of Consolidated Financial Statements involves the use of management estimates and assumptions that may affect the reported amounts of certain assets, liabilities, income and expenses, as well as the disclosures contained in the notes. These estimates and assumptions are reviewed at regular intervals to ensure that they are reasonable in light of past experience and the current economic situation. Actual results may differ from current estimates. In addition to using estimates, Group management is required to exercise judgment when determining what is the appropriate accounting treatment of certain transactions and activities and how it should be applied.

The main estimates and judgments applied for the preparation of these Consolidated Financial Statements concern:

- useful lives of operating assets (Note 6);
- definition of Cash Generating Units (Note 6.3);
- recoverable amount of goodwill, other intangible assets and property and equipment (Note 6.3);
- fair value of identifiable assets acquired and liabilities assumed in business combinations (Note 3);
- classification of leases (Note 6.5);
- measurement of provisions for contingencies and other business-related provisions (Note 9);
- determination of the level of control or influence exercised by the Group over investees (Notes 3 and 7);
- assumptions used to calculate pension and other post-employment benefit obligations (Note 10.1);
- recognition of deferred tax assets (Note 8).

1.4 Measurement methods

The Consolidated Financial Statements have been prepared using the historical cost convention, except for:

- certain financial assets and liabilities measured using the fair value model (Note 12);
- assets acquired and liabilities assumed in business combinations, measured using the fair value model (Note 3);
- non-current assets held for sale, measured at the lower of carrying amount and fair value less costs to sell (Note 3).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Based on the hierarchy defined in IFRS 13 – *Fair Value Measurement*, fair value may be measured using the following inputs:

- level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2 inputs: models that use inputs that are observable for the asset or liability, either directly (*i.e.*, prices) or indirectly (*i.e.*, price-based data);
- level 3 inputs: inputs that are intrinsic to the asset or liability and are not based on observable market data for the asset or liability.

Note 2 Significant events of the year

2.1 Placement of 12.7 million treasury shares

On March 23, 2015, Carrefour announced the disposal of 12.7 million treasury shares, representing approximately 1.73% of its share capital.

The sale was carried out through a private placement by way of an accelerated bookbuilding at a price of 31 euros per share, for a total amount of 393.7 million euros.

Of the 12.7 million treasury shares sold, 9.3 million shares were directly owned by Carrefour and 3.4 million shares were indirectly owned through an equity swap. These shares correspond to the excess coverage of Carrefour's obligations under stock option plans and free share allotments.

2.2 Operations to strengthen the Group's financial position

On January 22, 2015, the Group obtained a new 2,500 million euros five-year bank facility (expiring in January 2020) with two one-year extension options from a pool of 22 banks.

This facility replaces two existing facilities, for 1,591 million euros and 1,458 million euros, expiring in July 2017 and November 2018 respectively.

The operation contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities and reducing the related borrowing costs, while aligning their amount with the Group's needs.

On January 27, 2015, the Group carried out a new 750 million euros 10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue consolidated the Group’s long-term financing, extended the average maturity of its bond debt and further reduced its borrowing costs.

2.3 2014 dividend reinvestment option

At the Annual General Meeting held on June 11, 2015, shareholders decided to set the 2014 dividend at 0.68 euro per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at 28.77 euros per share, representing 95% of the average of the opening prices quoted on Euronext Paris during the 20 trading days preceding the date of the Annual General Meeting, less the net amount of the dividend of 0.68 euro per share and rounded up to the nearest euro cent.

The option period was open from June 17 to July 7, 2015. At the end of this period, shareholders owning 20.69% of Carrefour's shares had elected to reinvest their 2014 dividends.

July 17, 2015 was set as the date for:

- settlement/delivery of the 3,556,885 new shares corresponding to reinvested dividends, leading to a total capital increase including premiums of 102 million euros;
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 390 million euros.

2.4 Acquisition of *Rue du Commerce*

On August 24, 2015, Carrefour announced that it was in exclusive negotiations with Altarea Cogedim for the acquisition of 100% of the shares of *Rue du Commerce*, a major player in the non-food e-commerce market in France.

The acquisition was completed in January 2016 after employee representatives at *Rue du Commerce* had been consulted and the necessary anti-trust approvals had been obtained.

It represents another step in the roll-out of Carrefour's omnichannel strategy in France for the benefit of its customers both in stores and on-line.

2.5 Planned acquisition in Romania

On December 22, 2015, Carrefour announced that an agreement had been signed with the Rewe group for the acquisition of Billa Romania, which operates a network of 86 supermarkets spread across the whole of Romania, representing a total sales area of 83,000 square meters.

Through this acquisition, Carrefour would become the leading supermarket operator in Romania, strengthening its multiformat offer to better serve its customers.

Completion of this transaction remains subject to approval by the relevant anti-trust authorities.

Note 3 Scope of consolidation

3.1 Accounting policies

Basis of consolidation

The Consolidated Financial Statements include the financial statements of subsidiaries from the date of acquisition (the date when the Group gains control) up to the date when the Group ceases to control the subsidiary, and the Group's equity in associates and joint ventures accounted for by the equity method.

(i) *Subsidiaries*

A subsidiary is an entity over which the Group exercises control, directly or indirectly. An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all facts and circumstances when assessing whether it controls an investee, such as rights resulting from contractual arrangements or substantial potential voting rights held by the Group.

The profit or loss of subsidiaries acquired during the year is included in the Consolidated Financial Statements from the date when control is acquired. The profit or loss of subsidiaries sold during the year or that the Group ceases to control, is included up to the date when control ceases.

Intra-group transactions and assets and liabilities are eliminated in consolidation. Profits and losses on transactions between a subsidiary and an associate or joint venture accounted for by the equity method are included in the Consolidated Financial Statements to the extent of unrelated investors' interests in the associate or joint venture.

(ii) *Associates and joint ventures*

Entities in which the Group exercises significant influence (associates), and entities over which the Group exercises joint control and that meet the definition of a joint venture, are accounted for by the equity method, as explained in Note 7 "Investments in companies accounted for by the equity method".

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

(iii) *Other investments*

Investments in companies where the Group does not exercise control or significant influence over financial and operating policy decisions are qualified as available-for-sale financial assets and reported under "Other noncurrent financial assets". The accounting treatment of these investments is described in Note 12 "Financial assets and liabilities, finance costs and other financial income and expenses".

Business combinations

Business combinations, defined as transactions where the assets acquired and liabilities assumed constitute a business, are accounted for by the purchase method. Business combinations carried out since January 1, 2010 are measured and recognized as described below, in accordance with IFRS 3 – *Business Combinations* (as revised in 2008).

- As of the acquisition date, the identifiable assets acquired and liabilities assumed are recognized and measured at fair value.
- Goodwill corresponds to the excess of (i) the sum of the consideration transferred (*i.e.*, the acquisition price) and the amount of any non-controlling interest in the acquiree, over (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. It is recorded directly in the statement of financial position of the acquiree, in the latter's functional currency, and is subsequently tested for impairment at the level of the Cash Generating Unit to which the acquiree belongs, by the method described in Note 6.3. Any gain from a bargain purchase (*i.e.*, negative goodwill) is recognized directly in profit or loss.
- For business combinations on a less than 100% basis, the acquisition date components of non-controlling interests in the acquiree (*i.e.*, interests that entitle their holders to a proportionate share of the acquiree's net assets) are measured at either:
  - fair value, such that part of the goodwill recognized at the time of the business combination is allocated to non-controlling interests ("full goodwill" method), or
  - the proportionate share of the acquiree's identifiable net assets, such that only the goodwill attributable to the Group is recognized ("partial goodwill" method).

  The method used is determined on a transaction-by-transaction basis.
- The provisional amounts recognized for a business combination may be adjusted during a measurement period that ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable, or at the latest 12 months from the acquisition date. Adjustments during the measurement period to the fair value of the identifiable assets acquired and liabilities assumed or the consideration transferred are offset by a corresponding adjustment to goodwill, provided they result from facts and circumstances that existed as of the acquisition date. Any adjustments identified after the measurement period ends are recognized directly in profit or loss.
- For a business combination achieved in stages (step acquisition), when control is acquired the previously held equity interest is remeasured at fair value through profit or loss. In the case of a reduction in the Group's equity interest resulting in a loss of control, the remaining interest is also remeasured at fair value through profit or loss.
- Transaction costs are recorded directly as an operating expense for the period in which they are incurred.

At the IFRS transition date, the Group elected to maintain the accounting treatment for business combinations applied under previous accounting standards, in line with the option available to first-time adopters under IFRS 1.

Changes in ownership interest not resulting in a change of control

Any change in the Group's ownership interest in a subsidiary after the business combination that does not result in control being acquired or lost is qualified as a transaction with owners in their capacity as owners and recorded directly in equity in accordance with IFRS 10 – *Consolidated Financial Statements*. The corresponding cash outflow or inflow is reported in the consolidated statement of cash flows under "Cash flows from financing activities".

Translation of the financial statements of foreign operations

The Consolidated Financial Statements are presented in euros.

An entity's functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Group entities is the currency of their home country.

The financial statements of entities whose functional currency is not the euro and is not the currency of a hyperinflationary economy are translated into euros as follows:

- assets and liabilities are translated at the period-end closing rate;
- income and expenses are translated at the weighted average exchange rate for the period;
- all resulting exchange differences are recognized in "Other comprehensive income" and are taken into account in the calculation of any gain or loss realized on the subsequent disposal of the foreign operation;
- items in the statement of cash flows are translated at the average rate for the period unless the rate on the transaction date is materially different.

No Group companies operated in a hyperinflationary economy in either 2015 or 2014.

Translation of foreign currency transactions

Transactions by Group entities in a currency other than their functional currency are initially translated at the exchange rate on the transaction date.

At each period-end, monetary assets and liabilities denominated in foreign currency are translated at the period-end closing rate and the resulting exchange gain or loss is recorded in the income statement.

Intra-group loans to certain foreign operations are treated as part of the net investment in that operation if settlement of the loan is neither planned nor likely to occur. The gain or loss arising from translation of the loan at each successive period-end is recorded directly in "Other comprehensive income" in accordance with IAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

Non-current assets and disposal groups held for sale and discontinued operations

If the carrying amount of a non-current asset (or disposal group) will be recovered principally through a sale transaction rather than through continuing use, it is presented separately in the consolidated statement of financial position under "Assets held for sale" in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. Liabilities related to non-current assets held for sale are also reported on a separate line of the consolidated statement of financial position (under "Liabilities related to assets held for sale"). Following their classification as held for sale, the assets concerned are measured at the lower of their carrying amount and fair value less costs to sell and they cease to be depreciated or amortized.

A discontinued operation is a component of an entity that has been either disposed of or classified as held for sale, and:

- represents a separate major line of business or geographical area of operations; and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

It is classified as a discontinued operation at the time of sale or earlier if its assets and liabilities meet the criteria for classification as "held for sale". When a component of an entity is classified as a discontinued operation, comparative income statement and cash flow information are restated as if the entity had met the criteria for classification as a discontinued operation on the first day of the comparative period.

In addition, all the assets and liabilities of the discontinued operation are presented on separate lines on each side of the statement of financial position, for the amounts at which they would be reported at the time of sale after eliminating intra-group items.

3.2 Main changes in scope of consolidation

3.2.1 Changes in 2015

No material acquisitions or divestments were carried out in 2015.

The acquisitions of Rue du Commerce and Billa Romania described in Note 2 "Significant events" were not completed until after the year-end. Consequently, they were not included in the scope of consolidation at December 31, 2015.

3.2.2 Changes in 2014

Acquisition of Dia's operations in France

On June 20, 2014, the Carrefour group announced that, following exclusive negotiations with Dia, it had agreed to acquire Dia France based on an enterprise value of 600 million euros. The deal was approved by France's anti-trust authorities in November 2014 and the acquisition was completed on December 1, 2014, allowing the Group to pursue its multi-format expansion in its domestic market. The anti-trust approval covered the acquisition of over 800 points of sale, in exchange for an undertaking by Carrefour to sell around fifty others that had been reclassified as held for sale at December 31, 2014 in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

In the months following the acquisition, the Group completed a review to identify stores eligible to operate under Carrefour banners (Market, City, Contact, etc.) and found that around a hundred stores were unsuitable for this purpose. As the Group does not wish to operate discount stores, the stores concerned are also presented in accordance with IFRS 5 in the 2015 Consolidated Financial Statements.

Application of IFRS 5 to all of these stores resulted in the following reclassifications in the Consolidated Financial Statements at December 31, 2015:

- the net loss generated by the stores in 2015, in the amount of 19 million euros, has been presented in "Net income/(loss) from discontinued operations" (Note 3.4);
- cash flows from the stores concerned have been presented in "Impact of discontinued operations" in the consolidated statement of cash flows;
- the assets of the stores whose sale was in progress at December 31, 2015 and the related liabilities have been presented in "Assets held for sale" and "Liabilities related to assets held for sale" in an amount of 53 million euros and 34 million euros respectively.

In accordance with IFRS 3 – *Business Combinations*, following an estimate of the acquisition-date fair value of the assets acquired and liabilities assumed, provisional goodwill of 189 million euros was recognized at December 31, 2014. The process of measuring at fair value the assets acquired and consideration transferred and identifying the assumed liabilities that was in progress at December 31, 2014 was completed in 2015, leading to the adjustments and reclassifications presented in the table below. After taking into account these adjustments, final goodwill on the Dia acquisition amounted to 289 million euros.

(in millions of euros)	Provisional fair value	Adjustments of the purchase accounting period	Final fair value
Intangible assets	121	(9)	112
Tangible assets	454	(3)	451
Financial assets	23	(11)	11
Adjustment in the value of assets held for sale		(40)	(40)
Non-current assets	**598**	**(64)**	**534**
Net debt	(34)	(0)	(34)
Other net assets and liabilities	(127)	37	(90)
Total identifiable net assets acquired	**437**	**(26)**	**410**
Consideration transferred	**626**	**(6)**	**620**
Goodwill	**189**	**20**	**210**
Reclassification as goodwill of intangible business assets associated with stores (*Fonds de commerce*)		79	79
GOODWILL RECORDED	**189**	**99**	**289**

Creation of Carmila

On April 16, 2014, the Group announced the creation with its co-investment partners of Carmila, a company dedicated to enhancing the value of the shopping centers adjacent to Carrefour hypermarkets in France, Spain and Italy.

On the transaction date, Carmila became the owner of a portfolio of 171 shopping centers comprising:

- on the one hand, 126 sites in France, Spain and Italy acquired on April 16, 2014 from Klépierre for a market value of 2.0 billion euros;
- on the other hand, 45 sites in France contributed by Carrefour with a market value of 0.7 billion euros.

Initial funding consisted of 1.8 billion euros in equity, contributed by the co-investors for 1.0 billion euros and by Carrefour for 0.8 billion euros (of which 0.7 billion euros through the transfer of assets at market value and 0.1 billion euros in cash), and 0.9 billion euros in bank credit lines obtained by Carmila.

Carmila was accounted for by the equity method in the 2014 consolidated statement of financial position, for an initial amount of 784 million euros (Note 7).

The transaction led to the recognition in non-recurring income of a 333 million euros capital gain, in line with the accounting treatment specified in IFRS 10 following the loss of control of a business as defined in IFRS 3 – *Business Combinations* (Note 5.3).

Sale of an interest in the Brazilian subsidiary to an outside investor

On December 18, 2014, the Group sold 10% of its Brazilian subsidiary to local investment firm Peninsula for 1.8 billion reais (525 million euros).

In accordance with IFRS 10 – *Consolidated Financial Statements*, the transaction led to the recognition in consolidated equity of a capital gain of 285 million euros, net of income tax, and of non-controlling interests of 174 million euros.

The Group also granted call options to Peninsula allowing it to increase its interest to up to 16% over the next five years. One of these options was exercised by Peninsula during the first half of 2015, raising its interest to 12%.

Acquisition in Italy

On June 30, 2014, Carrefour announced that it had entered into an agreement with the Rewe group to acquire 53 Billa supermarkets located in northern Italy. The supermarkets represent a total retail surface area of 58,000 square meters and generated revenue of some 300 million euros excluding VAT in 2013. The transaction was completed on September 11, 2014.

In accordance with IFRS 3 – *Business Combinations*, provisional goodwill of 64 million euros was recorded in the Consolidated Financial Statements at December 31, 2014.

The purchase price allocation process was completed during 2015. No material adjustments were made to the acquisition date fair values of the assets acquired and consideration transferred or to the identifiable liabilities assumed compared to the provisional amounts at December 31, 2014.

3.3 Scope of consolidation at December 31, 2015

The list of consolidated companies (subsidiaries and associates) is presented in Note 16.

There were no changes in 2015 in the facts and circumstances considered by the Group to assess whether its subsidiaries were controlled.

3.4 Net income from discontinued operations

(in millions of euros)	**2015**	2014
Net income from discontinued operations – Group share	4	67
Net income from discontinued operations attributable to non-controlling interests	0	0
TOTAL NET INCOME FROM DISCONTINUED OPERATIONS	**4**	**67**

In 2015, net income from discontinued operations amounted to 4 million euros, corresponding mainly to the extinguishment of a risk dating back to prior years, less the loss generated by Dia stores sold during the year or in the process of being sold at the year-end (Note 3.2.2).

In 2014, net income from discontinued operations, in the amount of 67 million euros, consisted primarily of 88 million euros received in settlement of litigation dating back to prior years, less the 24 million euros loss arising on the closure of the Group's operations in India.

Note 4 Segment information

Accounting policies

IFRS 8 – *Operating Segments* requires the disclosure of information about an entity's operating segments derived from the internal reporting system and used by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. The Carrefour group's operating segments consist of the countries in which it conducts its business through its integrated store network, as each country's results are reviewed monthly by the Group's Chief Executive Officer who is the chief operating decision-maker within the meaning of IFRS 8.

Countries located in the same region are considered as having similar characteristics and have been combined to create four geographical segments, as allowed by IFRS 8. These segments are:

- France;
- Rest of Europe: Spain, Italy, Belgium, Poland and Romania;
- Latin America: Brazil and Argentina;
- Asia: China and Taiwan.

The income and expenses of certain support entities are allocated to the various countries proportionately to the services provided to each, with any unallocated revenue and expenses reported under "Global functions".

Segment assets include goodwill, other intangible assets, property and equipment, investment property and "other segment assets", corresponding to inventories, trade receivables, consumer credit granted by the financial services companies and other assets. Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

Segment capital expenditure corresponds to the acquisitions of property and equipment and intangible assets (other than goodwill) reported in the statement of cash flows.

The disclosures in the tables below have been prepared using the same accounting policies as those applied to prepare the Consolidated Financial Statements.

4.1 Segment results

2015 *(in millions of euros)*	Total	France	Europe	Latin America	Asia	Global Functions
Net sales	76,945	36,272	19,724	14,290	6,659	-
Other revenue	2,464	801	600	684	312	66
Recurring operating income	**2,445**	**1,191**	**567**	**705**	**13**	**(31)**
Operating income	**2,232**					
Finance costs and other financial income and expenses, net	(515)					
Income before taxes	**1,717**					
NET INCOME FOR THE YEAR	**1,123**					
Capital expenditure	2,378	957	579	517	204	122
Depreciation and amortization expense	(1,470)	(602)	(389)	(180)	(213)	(87)

2014 *(in millions of euros)*	Total	France	Europe	Latin America	Asia	Global Functions
Net sales	74,706	35,336	19,191	13,891	6,288	-
Other revenue	2,221	738	549	621	270	43
Recurring operating income	**2,387**	**1,271**	**425**	**660**	**97**	**(67)**
Operating income	**2,572**					
Finance costs and other financial income and expenses, net	(563)					
Income before taxes	**2,010**					
NET INCOME FOR THE YEAR	**1,367**					
Capital expenditure	2,411	988	536	622	214	51
Depreciation and amortization expense	(1,381)	(610)	(380)	(174)	(189)	(28)

For the purposes of comparison with 2015 segment information, 2014 recurring operating income by segment has been restated to reflect an adjustment linked to the allocation of head office costs.

4.2 Segment assets and liabilities

December 31, 2015 *(in millions of euros)*	Total	France	Europe	Latin America	Asia	Global functions
Assets						
Goodwill	8,495	4,718	3,138	528	110	1
Other intangible assets	1,014	255	340	101	21	298
Property and equipment	12,071	5,173	3,604	2,102	1,160	32
Investment property	383	31	165	48	139	-
Other segment assets	16,514	8,954	3,024	3,066	912	558
Total segment assets	**38,477**	**19,131**	**10,272**	**5,844**	**2,341**	**889**
Unallocated assets	6,618					
TOTAL ASSETS	**45,095**					
Liabilities (excluding equity)						
Segment liabilities	23,238	11,842	5,268	3,428	2,304	395
Unallocated liabilities	11,185					
TOTAL LIABILITIES	**34,423**					

December 31, 2014 *(in millions of euros)*	Total	France	Europe	Latin America	Asia	Global functions
Assets						
Goodwill	8,228	4,285	3,139	700	103	1
Other intangible assets	1,315	781	313	108	16	97
Property and equipment	12,272	5,014	3,553	2,455	1,219	31
Investment property	296	33	141	64	57	-
Other segment assets	16,442	8,641	2,895	3,413	849	644
Total segment assets	**38,553**	**18,754**	**10,041**	**6,739**	**2,244**	**773**
Unallocated assets	7,236					
TOTAL ASSETS	**45,789**					
Liabilities (excluding equity)						
Segment liabilities	22,885	11,365	4,968	3,906	2,223	423
Unallocated liabilities	12,676					
TOTAL LIABILITIES	**35,561**					

Note 5 Operating items

5.1 Revenue

Accounting policies

Revenue ("Total revenue") comprises net sales and other revenue.

Net sales correspond exclusively to sales *via* the Group's stores, e-commerce sites and service stations (to end-customers) and cash-and-carry sales (to franchisees).

Other revenue comprises revenue from banking and insurance activities (including bank card fees, and arranging fees for traditional and revolving credit facilities), travel agency fees, shopping mall rents and franchise fees.

Revenue is measured at the fair value of the consideration received or receivable in exchange for goods or services, excluding sales taxes and net of any benefits granted to customers.

Loyalty award credits granted to customers are accounted for as a separate component of the sale transaction. They are measured at fair value with some of the proceeds of the initial sale allocated to the award credits as a liability. The deferred portion of the proceeds is recognized as revenue when the award credits are used by the customer, in accordance with IFRIC 13 – *Customer Loyalty Programmes*.

Revenue is recognized:

- on sales of goods, when the risks and rewards of ownership of the goods are transferred to the customer;
- on sales of services, in the period in which the service is rendered. Financial services revenues (bank card fees and arranging fees for traditional and revolving credit facilities) are recognized over the life of the contract.

5.1.1 Net sales

(in millions of euros)	**2015**	2014	% change
Net sales	76,945	74,706	3.0%

At constant exchange rates, 2015 net sales totaled 77,739 million euros compared with 74,706 million euros the previous year, an increase of 4.1%.

Changes in exchange rates reduced net sales by 794 million euros in 2015, with the 1,726 million euros negative currency effect in the Latin America segment partly offset by a positive effect of 933 million euros in the Asia segment.

NET SALES BY COUNTRY

(in millions of euros)	**2015**	2014
France	**36,272**	**35,336**
Rest of Europe	**19,724**	**19,191**
Spain	7,923	7,787
Italy	4,940	4,688
Belgium	3,967	3,968
Poland	1,678	1,679
Romania	1,215	1,069
Latin America	**14,290**	**13,891**
Brazil	10,681	11,148
Argentina	3,609	2,743
Asia	**6,659**	**6,288**
China	5,020	4,888
Taiwan	1,639	1,400

5.1.2 Other revenue

(in millions of euros)	2015	2014	% change
Financing fees and commissions [(1)]	1,330	1,246	6.8%
Rental revenue	210	219	(3.8)%
Revenue from sub-leases	271	230	17.8%
Other revenue [(2)]	653	527	23.9%
TOTAL OTHER REVENUES	**2,464**	**2,221**	**10.9%**

(1) Including net banking revenue generated by the Group's financial services companies.
(2) The amounts reported on the line "Other revenue" in the above table correspond mainly to franchise fees, business lease fees and ancillary revenue.

5.2 Recurring operating income

Accounting policies

Recurring operating income is an earnings indicator disclosed in order to help users of the Consolidated Financial Statements to better understand the Group's underlying operating performance.

It corresponds to operating income (defined as earnings from continuing operations before interest and tax) before material items that are unusual in terms of their nature and frequency and are reported under "Non-recurring income" or "Non-recurring expenses" (Note 5.3).

5.2.1 Cost of sales

Accounting policies

Cost of sales corresponds to the cost of purchases net of rebates and commercial income, changes in inventory (including impairments), discounting revenue, exchange gains and losses on goods purchases, logistics costs and other costs (primarily the cost of products sold by the financial services companies).

Rebates and commercial income are measured based on the contractual terms negotiated with suppliers.

5.2.2 Sales, general and administrative expenses, and depreciation and amortization

(in millions of euros)	2015	2014	% change
Sales, general and administrative expenses	(14,105)	(13,281)	6.2%
Depreciation and amortization	(1,470)	(1,381)	6.4%
TOTAL SG&A AND DEPRECIATION AND AMORTIZATION	**(15,574)**	**(14,662)**	**6.2%**

Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

(in millions of euros)	2015	2014	% change
Employee benefits expense	(8,209)	(7,762)	5.8%
Property rentals	(1,035)	(908)	14.0%
Advertising expense	(896)	(866)	3.4%
Fees	(847)	(861)	(1.5)%
Maintenance and repair costs	(806)	(722)	11.6%
Energy and electricity	(673)	(621)	8.4%
Taxes other than on income	(598)	(532)	12.2%
Other SG&A expenses	(1,041)	(1,008)	3.3%
TOTAL SG&A EXPENSES	**(14,105)**	**(13,281)**	**6.2%**

Depreciation and amortization

Including depreciation of logistics equipment recognized in cost of sales, total depreciation and amortization expense recognized in the consolidated income statement amounted to 1,511 million euros in 2015 (2014: 1,416 million euros), as follows:

(in millions of euros)	2015	2014	% change
Property and equipment	*(1,282)*	*(1,203)*	*6.5%*
Intangible assets	*(155)*	*(147)*	*4.8%*
Assets under finance leases	*(21)*	*(19)*	*13.3%*
Investment property	*(12)*	*(12)*	*2.1%*
Depreciation and amortization of tangible and intangible assets and investment property	**(1,470)**	**(1,381)**	**6.4%**
Depreciation and amortization of logistic activity *(included in Cost of sales)*	**(41)**	**(35)**	**18.8%**
TOTAL DEPRECIATION AND AMORTIZATION	**(1,511)**	**(1,416)**	**6.7%**

5.3 Non-recurring income and expenses

Accounting policies

In accordance with the recommendation of the French accounting authorities (*Autorité des normes comptables* [ANC] recommendation 2013-03 dated November 7, 2013), non-recurring income and expenses are reported on a separate line of the income statement. Non-recurring items are defined as "items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results".

This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as non-recurring impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

They are presented separately in the income statement to "help users of the financial statements to better understand the Group's underlying operating performance and provide them with useful information to assess the earnings outlook".

(in millions of euros)	2015	2014
Net gains on sales of assets	64	336
Restructuring costs	(237)	(111)
Other non-recurring income and expenses	31	1
Non-recurring income and expenses, net before asset impairments and write-offs	**(142)**	**226**
Asset impairments and write-offs	(115)	(77)
Impairments and write-offs of goodwill	*(2)*	*0*
Impairments and write-offs of property and equipment and intangible assets	*(113)*	*(77)*
NON-RECURRING INCOME AND EXPENSES, NET	**(257)**	**149**
of which:		
Non-recurring income	*212*	*490*
Non-recurring expense	*(468)*	*(341)*

Net gains on sales of assets

In 2015, this item consisted primarily of the capital gains realized on the sale of assets to the associated company Carmila.

In 2014, net gains on sales of assets mainly concerned the gain realized on the creation of Carmila described in Note 3.2.2 "Significant events".

Restructuring costs

Restructuring costs concerned plans to streamline operating structures in several of the Group's host countries.

The expense recognized in 2015 primarily reflects the impact of the plan to integrate the Dia France store network acquired in late 2014 and the ongoing action plan in China.

Impairment losses and asset write-offs

In 2015, impairment losses of 41 million euros (2014: 66 million euros) were recognized against property and equipment to take account of the difficulties experienced by certain stores, particularly in China. In addition, 61 million euros worth of assets were written off during the year (2014: 11 million euros).

5.4 Working capital

5.4.1 Change in working capital

The change in working capital reported in the consolidated statement of cash flows under "Cash flows from operating activities" breaks down as follows:

(in millions of euros)	**December 31, 2015**	December 31, 2014	Change
Change in inventories	(528)	(310)	(217)
Change in trade receivables	(69)	80	(149)
Change in trade payables	875	246	629
Change in loyalty program liabilities and other	(55)	(78)	23
Change in trade working capital requirement	**224**	**(63)**	**287**
Change in other receivables and payables	52	81	(29)
CHANGE IN WORKING CAPITAL REQUIREMENT	**276**	**18**	**258**

Working capital, like all other items in the statement of cash flows, is translated at the average rate for the period.

5.4.2 Inventories

Accounting policies

In accordance with IAS 2 – *Inventories*, goods inventories are measured at the lower of cost and net realizable value.

Cost corresponds to the latest purchase price plus all related expenses. This method is appropriate given the rapid inventory turnover, and the resulting values are close to those obtained by the first in-first out (FIFO) method.

The cost of inventories includes all components of the purchase cost of goods sold (with the exception of exchange gains and losses) and takes into account the rebates and commercial income negotiated with suppliers.

Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(in millions of euros)	**December 31, 2015**	December 31, 2014
Inventories at cost	6,595	6,444
Impairment	(233)	(231)
INVENTORIES, NET	**6,362**	**6,213**

5.4.3 Trade receivables

Accounting policies

Trade receivables correspond for the most part to rebates and commercial income receivable from suppliers, amounts receivable from franchisees and shopping mall rental receivables.

They represent financial instruments classified as "Loans and receivables" (Note 12).

Trade receivables are initially recognized for the invoice amount. Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable (Note 12.6.4).

Certain Group subsidiaries operate receivables discounting programs. In accordance with IAS 39 – *Financial Instruments*, receivables sold under these programs are derecognized when substantially all of the related risks and rewards (*i.e.*, mainly default, late payment and dilution risks) are transferred to the buyer.

(in millions of euros)	December 31, 2015	December 31, 2014
Receivables from clients	1,353	1,302
Impairment	(180)	(185)
Receivables from clients, net	**1,173**	**1,117**
Receivables from suppliers	1,096	1,144
TOTAL TRADE RECEIVABLES	**2,269**	**2,260**

5.4.4 Suppliers and other creditors

Accounting policies

Suppliers and other creditors correspond primarily to trade payables.

They are classified as "Financial liabilities at amortized cost" (Note 12). Suppliers and other creditors are initially recognized at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

5.4.5 Other current assets and payables

OTHER ASSETS

(in millions of euros)	December 31, 2015	December 31, 2014
Employee advances	23	23
Proceeds receivable from disposals of non-current assets	23	120
Prepaid expenses	288	302
Other operating receivables, net	372	408
TOTAL OTHER CURRENT ASSETS	**705**	**853**

OTHER PAYABLES

(in millions of euros)	December 31, 2015	December 31, 2014
Accrued employee benefits expense	1,874	1,856
Due to suppliers of non-current assets	831	706
Deferred revenue	121	111
Other payables	419	349
TOTAL OTHER PAYABLES	**3,244**	**3,022**

5.5 Banking activities

Accounting policies

To support its core retailing business, the Group offers banking and insurance services to customers, mainly in France, Spain and Brazil.

The financial services companies offer their customers "Carrefour" bank cards that can be used in the Group's stores and elsewhere, consumer loans and savings products such as life insurance and passbook savings accounts.

Due to its contribution to the Group's total assets and liabilities and its specific financial structure, this secondary business is presented separately in the Consolidated Financial Statements:

- consumer credit granted by the financial services companies (payment card receivables, personal loans, etc.) is presented in the statement of financial position under "Consumer credit granted by the financial services companies – long-term" and "Consumer credit granted by the financial services companies – short-term", as appropriate;
- financing for these loans is presented under "Consumer credit financing – long-term" and "Consumer credit financing – short-term", as appropriate;
- the other assets and liabilities of the banking activities (property and equipment, intangible assets, cash and cash equivalents, accrued taxes and payroll costs, etc.) are presented on the corresponding lines of the statement of financial position;
- net revenues from banking activities are reported in the income statement under "Other revenue";
- cash flows generated by banking activities are reported in the statement of cash flows under "Change in consumer credit granted by the financial services companies".

5.5.1 Consumer credit granted by the financial services companies

At December 31, 2015, consumer credit totaled 6,010 million euros (December 31, 2014: 5,980 million euros), as follows:

(in millions of euros)	**December 31, 2015**	December 31, 2014
Payment card receivables	4,080	4,149
Loans	2,358	2,145
Consumer credit (on purchases made in Carrefour stores)	68	90
Other financing	349	395
Impairment	(846)	(801)
Other	2	3
TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES	**6,010**	**5,980**
Short-term financing	*3,658*	*3,420*
Long-term financing	*2,351*	*2,560*

5.5.2 Consumer credit financing

The related consumer credit financing amounted to 5,249 million euros at December 31, 2015 (December 31, 2014: 5,308 million euros), as follows:

(in millions of euros)	December 31, 2015	December 31, 2014
Debt securities (retail certificates of deposit, medium-term notes)	1,645	1,568
Bank borrowings	214	460
Bonds and notes (1)	1,625	1,254
Customer passbook savings deposits	580	524
Securitizations (2)	510	637
Consumer credit portfolios sold to banks	445	522
Other	231	343
TOTAL CONSUMER CREDIT FINANCING	**5,249**	**5,308**
Short-term borrowings	*3,328*	*3,718*
Long-term borrowings	*1,921*	*1,589*

(1) In 2015:

- *two new bond issues: Carrefour Banque 5-year bonds due March 20, 2020, 3-month Euribor +50bps, 500 million euros; and Carrefour Banque 4-year bonds due October 19, 2019, 3-month Euribor +88bps, 300 million euros;*
- *redemption by Carrefour Banque in September 2015 of a fixed-rate bond representing a nominal amount of 410 million euros.*

In 2014:

- *Carrefour Banque 4-year bonds issued on March 21, 3-month Euribor +75bps, 500 million euros;*
- *in July, buyback and retirement of 150 million euros worth of bonds included in the 710 million euros issue launched in 2012.*

(2) Master Credit Cards Pass reloadable securitization program with compartments launched by Carrefour Banque in November 2013. Asset pool: 560 million euros. Proceeds from the securitization: 400 million euros. Fund amount at December 31, 2015: 510 million euros (December 31, 2014: 510 million euros). FCT Copernic 2012-1 securitization program launched in 2012. Program expired in September 2015 (fund amount at December 31, 2014: 127 million euros). The two securitization funds are fully consolidated in the Group's accounts.

5

Note 6 Intangible assets, property and equipment, investment property

6.1 Intangible assets

Accounting policies

Goodwill

Goodwill is initially recognized on business combinations as explained in Note 3.1.

In accordance with IAS 36 – *Impairment of Assets*, goodwill recognized on business combinations is not amortized but is tested for impairment every year, or more frequently if there is an indication that its carrying amount may not be recovered, by the method described in Note 6.3.

Other intangible assets

Intangible assets consist mainly of software and other intangible assets related to the stores.

Separately acquired intangible assets are initially recognized at cost and intangible assets acquired in business combinations are recognized at fair value (Note 3.1).

Software is amortized by the straight-line method over periods ranging from one to eight years.

Goodwill, which constitutes the main intangible asset, is reported on a separate line of the statement of financial position from other intangible assets.

(in millions of euros)	December 31, 2015	December 31, 2014
Goodwill, net	8,495	8,228
Other intangible assets	1,014	1,315
INTANGIBLE ASSETS, NET	**9,510**	**9,543**

6.1.1 Goodwill

The recoverable amount of goodwill is generally monitored at the level of the cash-generating units (CGUs) represented by the countries in which the Group conducts its business through its integrated store networks.

During 2015, the total carrying amount of goodwill increased by 267 million euros, primarily due to (i) final adjustments in the second half of 2015 to the fair value of the assets acquired and liabilities assumed in the Dia business combination, leading to a corresponding adjustment of the related goodwill (Note 3.2.2) and (ii) the reclassification as goodwill of items presented in "Other intangible assets" in 2014, partly offset by (iii) translation adjustments to goodwill in Brazil and Argentina.

(in millions of euros)	Net goodwill at December 31, 2014	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	**Net goodwill at December 31, 2015**
France	4,285	90			343		4,718
Italy	963	1			1		964
Belgium	959			(2)			957
Spain	862						862
Brazil	613					(149)	465
Poland	246					1	246
Argentina	86					(23)	63
Other countries	214					6	220
TOTAL	**8,228**	**91**	**0**	**(2)**	**343**	**(165)**	**8,495**

(in millions of euros)	Net goodwill at December 31, 2013	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at December 31, 2014
France	4,394	215	(2)		(321)		4,285
Italy	899	64					963
Belgium	959						959
Spain	862						862
Brazil	606					7	613
Poland	253					(7)	246
Argentina	98					(12)	86
Other countries	206					8	214
TOTAL	**8,277**	**279**	**(2)**	**0**	**(321)**	**(4)**	**8,228**

6.1.2 Other intangible assets

(in millions of euros)	December 31, 2015	December 31, 2014
Other intangible assets, at cost	3,214	3,796
Amortization	(2,243)	(2,380)
Impairment	(136)	(247)
Intangible assets in progress	179	146
OTHER INTANGIBLE ASSETS, NET	**1,014**	**1,315**

CHANGE IN OTHER INTANGIBLE ASSETS

(in millions of euros)	Cost	Amortization and impairment	Net
At December 31, 2013	3,044	(2,277)	767
Acquisitions	287		287
Disposals	(62)	42	(20)
Translation adjustment	4	(4)	0
Amortization		(153)	(153)
Impairment		(5)	(5)
Changes in scope of consolidation, transfers and other movements	667	(229)	438
At December 31, 2014	3,940	(2,625)	1,315
Acquisitions	302		302
Disposals	(106)	67	(39)
Translation adjustment	(98)	69	(29)
Amortization		(161)	(161)
Impairment		(26)	(26)
Changes in scope of consolidation, transfers and other movements	(645)	297	(347)
At December 31, 2015	3,393	(2,379)	1,014

6.2 Property and equipment

Accounting policies

Property and equipment mainly comprise buildings, store fixtures and fittings and land.

Initial recognition

In accordance with IAS 16 – *Property, Plant and Equipment*, land, buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Qualifying assets are defined in IAS 23 – *Borrowing Costs* as assets that necessarily take a substantial period of time to get ready for their intended use or sale, corresponding in the Group's case to investment properties, hypermarkets and supermarkets for which the construction period exceeds one year.

Assets under construction are recognized at cost less any identified impairment losses.

Useful lives

Depreciation of property and equipment begins when the asset is available for use and ends when the asset is sold, scrapped or reclassified as held for sale in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (Note 3.1).

Land is not depreciated. Other property and equipment, or each significant part of an item of property or equipment, are depreciated by the straight-line method over the following estimated useful lives:

Buildings	• Building	40 years
	• Site improvements	10 to 20 years
	• Car parks	6 to 10 years
Equipment, fixtures and fittings		4 to 8 years
Other		3 to 10 years

In light of the nature of its business, the Group considers that its property and equipment have no residual value.

Depreciation periods are reviewed at each period-end and, where appropriate, adjusted prospectively in accordance with IAS 8.

Leases

New long-term leases – particularly property leases – are analyzed in accordance with IAS 17 – *Leases* to determine whether they represent operating leases or finance leases, *i.e.*, leases that transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. For property leases, the analysis is performed separately for the land on the one hand and the building on the other.

Finance leases are accounted for as follows:

- the leased assets are recognized in the statement of financial position at fair value or, if lower, the present value of the minimum lease payments. They are depreciated over their useful life, in the same way as assets owned outright, or, if shorter, over the lease term;
- the liability for the future lease payments is recognized in the statement of financial position under "Long-term borrowings" and "Short-term borrowings" (Note 12.2.1);
- lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Leases that do not transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are classified as operating leases. Operating lease payments are recognized in the income statement (under "recurring operating expenses") on a straight-line basis over the life of the lease (Note 5.2.2).

(in millions of euros)	**December 31, 2015**	December 31, 2014
Land	2,373	2,473
Buildings	9,232	9,429
Equipment, fixtures and fittings	14,602	14,385
Other	407	400
Assets under construction	759	660
Finance leases – land	463	474
Finance leases – buildings	1,196	1,197
Finance leases – equipment, fixtures and fittings	83	85
Property and equipment at cost	29,116	29,104
Depreciation	(15,535)	(15,323)
Depreciation of assets under finance leases	(958)	(932)
Impairment	(552)	(578)
PROPERTY AND EQUIPMENT, NET	**12,071**	**12,272**

CHANGES IN PROPERTY AND EQUIPMENT

(in millions of euros)	Cost	Depreciation and impairment	Net
At December 31, 2013	27,124	(16,015)	11,109
Acquisitions (1)	2,050		2,050
Disposals	(808)	694	(114)
Depreciation		(1,253)	(1,253)
Impairment		(61)	(61)
Translation adjustment	185	(117)	69
Changes in scope of consolidation, transfers and other movements (2)	553	(80)	473
At December 31, 2014	29,104	(16,832)	12,272
Acquisitions (1)	2,043		2,043
Disposals	(1,008)	894	(115)
Depreciation		(1,383)	(1,383)
Impairment		(39)	(39)
Translation adjustment	(874)	310	(565)
Changes in scope of consolidation, transfers and other movements	(149)	5	(144)
At December 31, 2015	29,116	(17,045)	12,071

(1) Acquisitions: in both 2015 and 2014, acquisitions of property and equipment primarily reflected the ongoing asset compliance program and capital expenditure to modernize and expand the store base.

(2) Changes in scope of consolidation, transfers and other movements: in 2014, the 473 million euros increase (net value) mainly reflected the acquisition of Dia France.

6.3 Impairment tests

Accounting policies

In accordance with IAS 36 – *Impairment of Assets*, intangible assets and property and equipment are tested for impairment whenever events or changes in the market environment indicate that the recoverable amount of an individual asset and/or a cash-generating unit (CGU) may be less than its carrying amount. For assets with an indefinite useful life – mainly goodwill in the case of the Carrefour group – the test is performed at least once a year.

Individual assets or groups of assets are tested for impairment by comparing their carrying amount to their recoverable amount, defined as the higher of their fair value less costs of disposal and their value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount is less than the carrying amount, an impairment loss is recognized for the difference. Impairment losses on property and equipment and intangible assets (other than goodwill) may be reversed in future periods provided that the asset's increased carrying amount attributable to the reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

Impairment of assets other than goodwill

Impairment tests on property and equipment are performed at the level of the individual stores (CGUs), for all formats.

In accordance with IAS 36, intangible assets (other than goodwill) and property and equipment are tested for impairment whenever there is an indication that their recoverable amount may be less than their carrying amount. All stores that report a recurring operating loss before depreciation and amortization for two consecutive years (after the start-up period) are tested.

Recoverable amount is defined as the higher of fair value less costs of disposal and value in use.

Value in use is considered as being equal to the store's discounted future cash flows over a period of up to five years plus a terminal value. Fair value is estimated based on the prices of recent transactions, industry practice, independent valuations or the estimated price at which the store could be sold to a competitor.

The discount rate applied is the same as for impairment tests on goodwill.

Goodwill impairment

IAS 36 requires impairment tests to be performed annually at the level of each CGU or group of CGUs to which the goodwill is allocated.

According to the standard, goodwill is allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is so allocated should represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment as defined in IFRS 8 – *Operating Segments* before aggregation.

For the purpose of analyzing the recoverable amount of goodwill, each individual country is considered as representing a separate CGU. The choice of this level is based on a combination of organizational and strategic criteria:

- operations within each country (hypermarkets, supermarkets, etc.) use shared resources (country-level centralized purchasing organization, marketing systems, headquarters functions, etc.) that represent an essential source of synergies between the various operations;
- decisions to dispose of business portfolios are generally made at country level and it is rare for just a single store to be sold.

Value in use is considered as corresponding to the sum of discounted future cash flows for a period generally not exceeding five years, plus a terminal value calculated by projecting data for the final year to perpetuity at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows are estimated based on the three-year business plan drawn up by country management and approved by Group management.

The discount rate for each country corresponds to the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is determined based on local parameters (risk-free interest rate and market premium). The cost of debt is determined by applying the same logic.

Additional tests are performed at interim period-end when there is an indication of impairment. The main impairment indicators used by the Group are as follows:

- internal impairment indicator: a material deterioration in the ratio of recurring operating income before depreciation, amortization and provision expense to net revenues excluding gasoline between the budget and the most recent forecast;
- external impairment indicator: a material increase in the discount rate and/or a severe downgrade in the IMF's GDP growth forecast.

Impairment losses recognized on goodwill are irreversible, including those recorded at an interim period-end.

6.3.1 Impairment of goodwill and sensitivity analysis

The impairment tests performed on goodwill and other intangible assets in 2015 and 2014 in accordance with IAS 36 did not lead to the recognition of any impairment losses on these assets.

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2015 and 2014 are presented below by CGU:

	2015		2014	
	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	6.3%	1.6%	6.1%	2.0%
Spain	7.2%	2.1%	6.5%	2.0%
Italy	6.6%	1.6%	6.5%	1.9%
Belgium	6.5%	1.8%	5.9%	2.0%
Poland	8.2%	2.5%	7.6%	2.3%
Romania	8.5%	2.5%	8.2%	2.1%
Brazil	13.2%	5.0%	11.1%	3.6%
Argentina	19.5%	8.8%	20.3%	7.7%
China	9.5%	2.4%	9.3%	3.0%
Taiwan	7.7%	1.8%	7.1%	2.0%

6.3.1.1 CGUs for which the recoverable amount of goodwill was close to the carrying amount

The tests carried out at December 31, 2015 did not reveal any impairments of goodwill.

For the Italy and Poland CGUs, the recoverable amount of goodwill was found to be close to – but still greater than – the carrying amount.

Sensitivity analyses were performed to determine the changes in the main assumptions that would lead to an impairment loss being recognized. The amounts below represent the difference between the recoverable amount and the carrying amount of the net assets allocated to the CGU concerned. The "-" sign indicates that the scenario would have led to the recognition of an impairment loss for the amount shown.

ITALY

Sensitivity to changes in WACC and perpetual growth rate

		WACC (%)				
		(1.0)%	(0.50)%	0.00%	0.50%	1.0%
Perpetual growth (%)	(0.50)%	472	222	19	(151)	(293)
	(0.25)%	611	333	109	(75)	(230)
	0.00%	768	457	209	7	(161)
	0.25%	945	595	319	97	(87)
	0.50%	1,148	750	442	196	(5)

Sensitivity to changes in net sales and EBITDA margin growth rates

		Net sales growth (%)*				
		(1.00)%	(0.50)%	0.00%	0.50%	1.00%
EBITDA margin growth (%)*	(0.50)%	(264)	(221)	(176)	(131)	(85)
	(0.25)%	(81)	(33)	16	67	119
	0.00%	101	155	209	265	322
	0.25%	284	342	402	463	526
	0.50%	466	530	595	661	729

* *Adjustment variable for each of the years covered by the business plan.*

POLAND

Sensitivity to changes in WACC and perpetual growth rate

		WACC (%)				
		(1.0)%	(0.50)%	0.00%	0.50%	1.0%
Perpetual growth (%)	(0.50)%	89	15	(47)	(100)	(145)
	(0.25)%	137	55	(13)	(70)	(119)
	0.00%	191	99	24	(39)	(92)
	0.25%	251	148	65	(4)	(62)
	0.50%	317	202	110	34	(30)

Sensitivity to changes in net sales and EBITDA margin growth rates

		Net sales growth (%)*				
		(1.00)%	(0.50)%	0.00%	0.50%	1.00%
EBITDA margin growth (%)*	(0.50)%	(148)	(136)	(123)	(69)	(55)
	(0.25)%	(82)	(68)	(53)	8	25
	0.00%	(16)	1	24	34	52
	0.25%	50	69	87	107	127
	0.50%	117	137	158	179	201

* *Adjustment variable for each of the years covered by the business plan.*

6.3.1.2 Other countries

For the other countries where the Group conducts business, the analysis of sensitivity to a simultaneous change in the key inputs based on reasonably possible assumptions (such as those presented above for Italy and Poland) did not reveal any probable scenario according to which the recoverable amount of any of the groups of CGUs would be less than its carrying amount.

6.4 Investment property

Accounting policies

IAS 40 – *Investment Property* defines investment property as property (land or a building or both) held to earn rentals or for capital appreciation or both. Based on this definition, investment property held by the Group consists of shopping malls (retail and service units located behind the stores' check-out area) that are exclusively or jointly owned or subject to a finance lease and represent a surface area of at least 2,500 square meters. These assets generate cash flows that are largely independent of the cash flows generated by the Group's other retail assets.

Investment property is recognized at cost and is depreciated over the same period as owner-occupied property (Note 6.2).

Rental revenue generated by investment property is reported in the income statement under "Other revenue" on a straight-line basis over the lease term.

The rewards granted by the Group under its leases are an integral part of the net rental revenue and are recognized over the lease term (Note 6.2).

The fair value of investment property is measured twice a year

- by applying a multiple that is a function of (i) each shopping mall's profitability and (ii) a country-specific capitalization rate, to the gross annualized rental revenue generated by each property; or
- by obtaining independent valuations prepared using two methods: the discounted cash flows method and the yield method. Valuers generally also compare the results of applying these methods to market values per square meter and to recent transaction values.

In view of the limited external data available, particularly concerning capitalization rates, the complexity of the property valuation process and the fact that valuations are based on passing rents for the Group's own properties, the fair value of investment property is considered as being determined on the basis of level 3 inputs.

(in millions of euros)	**December 31, 2015**	December 31, 2014
Investment property at cost	529	435
Depreciation and impairment	(146)	(139)
TOTAL INVESTMENT PROPERTY, NET	**383**	**296**

CHANGES IN INVESTMENT PROPERTY

(in millions of euros)	
At December 31, 2013	313
Depreciation for the period	(13)
Translation adjustment	1
Acquisitions for the period	74
Disposals for the period [(1)]	(89)
Transfers and other movements	9
At December 31, 2014	296
Depreciation for the period	(19)
Translation adjustment	(14)
Acquisitions for the period	41
Disposals for the period	(14)
Transfers and other movements	93
At December 31, 2015	383

(1) Disposals for 2014 concerned investment properties in Spain.

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totaled 64.9 million euros in 2015 (2014: 59.6 million euros). Operating costs directly attributable to the properties amounted to 10.4 million euros (2014: 6.8 million euros).

The estimated fair value of investment property at December 31, 2015 was 696 million euros (December 31, 2014: 753 million euros).

6.5 Leased property

All property leases have been reviewed to determine whether they are operating leases or finance leases to be accounted for by the method described in Note 6.2.

6.5.1 Finance leases

The following table shows future minimum lease payments due for the non-cancelable term of finance leases at December 31, 2015 and 2014:

LEASE COMMITMENTS AT DECEMBER 31, 2015

(in millions of euros)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	645	52	198	395
Discounted present value	399	49	156	194

LEASE COMMITMENTS AT DECEMBER 31, 2014

(in millions of euros)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	709	68	204	437
Discounted present value	449	64	162	222

Rental expense and rental revenue from sub-leases recorded in the income statement are as follows:

LEASE PAYMENTS AND REVENUE FROM SUB-LEASES

(in millions of euros)	2015	2014
Minimum lease payments made during the period	(54)	(73)
Contingent lease payments made during the period	(9)	(14)
Revenue from sub-leases	16	24
Minimum revenue receivable from sub-leases	15	9

6.5.2 Operating leases

The following table shows future minimum lease payments due for the non-cancelable term of operating leases at December 31, 2015 and 2014:

LEASE COMMITMENTS AT DECEMBER 31, 2015

(in millions of euros)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	3,503	1,055	1,597	851
Discounted present value	2,747	978	1,243	527

LEASE COMMITMENTS AT DECEMBER 31, 2014

(in millions of euros)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	3,494	999	1,539	956
Discounted present value	2,744	929	1,212	603

Rental expense and rental revenue from sub-leases recorded in the income statement are as follows:

LEASE PAYMENTS AND REVENUE FROM SUB-LEASES

(in millions of euros)	2015	2014
Minimum lease payments made during the period	(1,047)	(931)
Contingent lease payments made during the period	(26)	(31)
Revenue from sub-leases	308	286
Minimum revenue receivable from sub-leases	18	48

Note 7 Investments in companies accounted for by the equity method

Accounting policies

The consolidated statement of financial position includes the Group's share of the change in the net assets of companies accounted for by the equity method (associates and joint ventures), as adjusted to comply with Group accounting policies, from the date when significant influence or joint control is acquired until the date when it is lost.

Companies accounted for by the equity method are an integral part of the Group's operations and the Group's share of their net profit or loss is therefore reported as a separate component of recurring operating income ("Recurring operating income after net income from companies accounted for by the equity method").

7.1 Changes in investments in companies accounted for by the equity method

Changes in investments in companies accounted for by the equity method can be analyzed as follows:

(in millions of euros)	
At December 31, 2013	**496**
Translation adjustment	5
Share of net income	36
Dividends	(33)
Other movements[(1)]	966
At December 31, 2014	**1,471**
Translation adjustment	(23)
Share of net income	44
Dividends	(52)
Other movements	(7)
At December 31, 2015	**1,433**

(1) The change in this item is mainly due to the use of the equity method to account for Carmila, an associate set up in 2014 (Note 3.2.2).

7.2 Information about associates

The following table shows key financial indicators for associates.

(in millions of euros)	% interest	Total assets	Shareholders' equity	Non-current assets	Net sales	Net income/(loss)
Carmila (France)	42%	4,459	2,270	4,174	260	50
Carrefour SA (Turkey)	46%	959	254	644	1,275	(10)
Provencia SA (France)	50%	391	219	187	788	23
Mestdagh (Belgium)	25%	331	66	94	583	(4)
Ulysse (Tunisia)	25%	178	70	146	368	12
Costasol (Spain)	34%	82	39	59	109	4
Other companies [(1)]		724	247	501	1,249	9

All data taken from the latest financial statements available when the Group's Consolidated Financial Statements were drawn up.

(1) Corresponding to a total of 151 companies, none of which is individually material.

As explained in Note 3.2.2, Carmila was set up in 2014 by the Group and its co-investment partners. Its corporate purpose is to enhance the value of the shopping malls adjacent to Carrefour hypermarkets in France, Spain and Italy. Carmila is accounted for by the equity method because the governance system established with the co-investors allows Carrefour to exercise significant influence over its financial and operating policy decisions.

Its governance is organized by a shareholders' agreement between Carrefour, which owns 42% of the capital, and other institutional investors, which own the other 58%.

The agreement allocates seats on Carmila's Board of Directors to the investment partners and lists the decisions requiring the Board's prior approval (by a simple or qualified majority vote depending on the importance of the issue concerned). The Board currently has twelve members, including one independent director, six directors chosen by the institutional investors and five by Carrefour, which is not able to impose decisions on its partners that require the Board's prior approval or have decisions imposed on it concerning important issues requiring a qualified majority vote.

The following table presents key financial indicators for Carmila at December 31, 2015 and 2014 (as published in Carmila's Consolidated Financial Statements).

Activity	*Real estate*
Country	*France*
Ownership %	*42.22%*

(in millions of euros)	**FY 2015 12 months**	FY 2014 8,5 months
Revenue (rental income)	260	132
Operating income before depreciation and amortisation	211	101
Net income from continuing operations	50	15
Total non current assets	4,174	3,822
Total current assets	286	242
of which Cash and cash equivalent	*128*	*127*
Total non current liabilities	1,957	1,628
Total current liabilities	197	138
Amount of the investment in company accounted for by the equity method	942	963
Carrefour - Cash dividends received from Carmila	27	19

7.3 Transactions with associates (related parties)

The following table presents the main related party transactions carried out in 2015 with companies over which the Group exercises significant influence:

(in millions of euros)	Carmila (France)	Carrefour SA (Turkey)	Provencia (France)	Mestdagh (Belgium)	Ulysse (Tunisia)
Net sales (sales of goods)	-	-	555	50	8
Franchise fees	-	3	9	8	3
Sales of services	12	-	-	-	-
Fees	(6)	-			-
Receivables at December 31	0	1	36	8	3
Payables at December 31	(6)	-			-
Proceeds from the disposal of assets	70	-	-	-	-

Note 8 Income tax

Accounting policies

Income tax expense comprises current taxes and deferred taxes. It includes the *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE) local business tax in France assessed on the value-added generated by the business, which is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12 – *Income Tax*.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities in the consolidated statement of financial position and their tax basis (except in the specific cases referred to in IAS 12), and carried-forward tax losses.

They are measured at the tax rates that are expected to apply to the period when the asset will be realized or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position under "Non-current assets" and "Non-current liabilities".

The recoverability of deferred tax assets is assessed separately for each tax entity, based on estimates of future taxable profits contained in the business plan for the country concerned (prepared as described in Note 6.3) and the amount of deferred tax liabilities at the period-end.

A valuation allowance is recorded to write down deferred tax assets whose recovery is not considered probable.

8.1 Income tax expense for the period

(in millions of euros)	**2015**	2014
Current income tax expense (including provisions)	(544)	(610)
Deferred income taxes	(54)	(99)
TOTAL INCOME TAX EXPENSES	**(597)**	**(709)**

Tax proof

Theoretical income tax for 2015 and 2014 has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate (including the 10.7% *contribution exceptionnelle* surtax applicable until December 30, 2016). For 2015, theoretical income tax expense amounted to 652 million euros compared with actual net income tax expense of 597 million euros.

(in millions of euros)	**2015**	2014
Income before taxes	1,717	2,010
Standard French corporate income tax rate	*38.0%*	*38.0%*
Theoretical income tax expense	**(652)**	**(764)**
Differences in overseas nominal taxation rates	67	59
Adjustments to arrive at effective income tax rate:		
• *Tax expense and tax credits not based on the taxable income (tax provisions, withholding taxes, etc.)* [(1)]	*(7)*	*32*
• *Deferred tax assets not recognized on temporary differences and tax loss carryforwards arising in the year*	*(61)*	*(147)*
• *Deferred tax assets recognized on temporary differences and tax loss carryforwards of previous years* [(2)]	*105*	*55*
• *Valuation allowances on deferred tax assets recognized in prior years*	*-*	*(20)*
• *Tax effect of other permanent differences*	*(29)*	*24*
• *Other differences*	*(19)*	*51*
Total Income tax expense	**(597)**	**(709)**
Effective tax rate	**34.8%**	**35.3%**

(1) The reported amount of taxes with no tax base notably takes into account changes in provisions for tax risks (Note 9.2.1). This caption also includes the CVAE local business tax in France assessed on the basis of the value-added generated by the business, which is considered as meeting the definition of a tax on income. This tax amounted to 64 million euros in 2015 (2014: 64 million euros).

(2) Deferred tax assets recognized on prior years' tax losses primarily concerned Brazil and Spain in 2015 and Italy in 2014.

8.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 236 million euros at December 31, 2015. The change compared with December 31, 2014 was not material.

(in millions of euros)	December 31, 2015	December 31, 2014	Change
Deferred tax assets	744	759	(15)
Deferred tax liabilities	(508)	(523)	15
NET DEFERRED TAX ASSETS	**236**	**236**	**(0)**

The following table shows the main sources of deferred taxes:

		Change			
(in millions of euros)	December 31, 2014	Income statement	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other	December 31, 2015
Tax loss carryforwards	1,055	14	-	(52)	1,017
Property and equipment	309	(26)	-	(21)	262
Non-deductible provisions	909	(26)	9	(39)	854
Goodwill amortization allowed for tax purposes	185	(14)	-	1	171
Other intangible assets	7	(3)	-	(0)	4
Inventories	193	7	-	(25)	174
Financial instruments	34	(1)	(3)	(1)	29
Other temporary differences	353	11	-	(35)	329
Deferred tax assets before netting	**3,046**	**(39)**	**6**	**(174)**	**2,840**
Effect of netting deferred tax assets and liabilities	(583)	(17)	-	(36)	(636)
Deferred tax assets after netting	**2,463**	**(55)**	**6**	**(210)**	**2,204**
Valuation allowances on deferred tax assets	(1,704)	64	1	180	(1,459)
Net deferred tax assets	759	8	8	(30)	744
Property and equipment	(295)	10	-	40	(245)
Provisions recorded solely for tax purposes	(347)	26	-	1	(320)
Goodwill amortization allowed for tax purposes	(177)	(28)	-	47	(158)
Other intangible assets	22	(29)	-	(12)	(20)
Inventories	(38)	3	-	(1)	(37)
Financial instruments	(43)	(17)	5	8	(46)
Other temporary differences	(230)	(42)	-	(45)	(318)
Deferred tax liabilities before netting	**(1,108)**	**(78)**	**5**	**37**	**(1,144)**
Effect of netting deferred tax assets and liabilities	585	17	-	33	636
Deferred tax liabilities after netting	(523)	(61)	5	71	(508)
NET DEFERRED TAXES	**236**	**(53)**	**13**	**41**	**236**

8.3 Unrecognized deferred tax assets

Unrecognized deferred tax assets amounted to 1,459 million euros at December 31, 2015 (December 31, 2014: 1,704 million euros), including 831 million euros related to tax loss carryforwards (December 31, 2014: 949 million euros) and 628 million euros on temporary differences (December 31, 2014: 754 million euros).

Note 9 Provisions and contingent liabilities

Accounting policies

In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recorded when, at the period-end, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation . The amount of the provision is estimated based on the nature of the obligation and the most probable assumptions. Provisions are discounted when the effect of the time value of money is material.

Contingent liabilities, which are not recognized in the statement of financial position, are defined as:

- possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- present obligations that arise from past events but are not recognized because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or (ii) the amount of the obligation cannot be measured with sufficient reliability.

9.1 Changes in provisions

(in millions of euros)	December 31, 2014	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilizations	Other	**December 31, 2015**
Post-employment benefit obligations (Note 10)	1,426	1	91	28	(196)	(91)	(1)	1,258
Claims and litigation	1,570	(226)	421	-	(312)	(232)	2	1,222
Tax reassessments	*892*	*(128)*	*151*	-	*(126)*	*(56)*	*3*	*737*
Disputes with current and former employees	*385*	*(67)*	*130*	-	*(118)*	*(68)*	*(1)*	*261*
Legal disputes	*292*	*(31)*	*140*	-	*(68)*	*(108)*	*0*	*224*
Restructuring	140	1	84	-	(21)	(41)	6	169
Other [(1)]	444	0	74	-	(49)	(63)	(42)	364
TOTAL PROVISIONS	**3,581**	**(224)**	**669**	**28**	**(578)**	**(428)**	**(35)**	**3,014**

(1) Other provisions primarily concern technical risks associated mainly with the insurance business, store closure costs and onerous contracts.

Group companies are involved in a certain number of claims and legal proceedings in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described below. In each case, the risk is assessed by Group management and their advisors.

At December 31, 2015, the claims and legal proceedings in which the Group was involved were covered by provisions totaling 1,222 million euros (December 31, 2014: 1,570 million euros). No details are provided because the Group considers that disclosure of the amount set aside in each case could be seriously detrimental to its interests.

9.2 Disputes and legal proceedings

In the normal course of its operations in around a dozen different countries, the Group is involved in tax, employee-related and commercial disputes and legal proceedings.

9.2.1 Tax reassessments

Certain Group companies have been or are currently the subject of tax audits conducted by their local tax authorities.

In Brazil, tax audits are in progress covering, in particular, the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and federal contributions to the social integration program and to the financing of the social security system (Pis-Cofins). The Group has challenged most of the reassessments, particularly the constitutionality of certain legislative provisions on which they are based. The estimated risk in each case is reviewed regularly with Carrefour Brazil's advisors and an appropriate provision is recorded.

In Argentina, in previous years the tax authorities have challenged Carrefour's omission of certain categories of supplier rebates from the basis for calculating sales tax. Carrefour contested the tax authorities' interpretation but nonetheless recorded a provision in prior years for the estimated risk, as determined jointly with its local tax advisors. The dispute concerning the proposed reassessments was settled in 2015, with no material impact on the Consolidated Financial Statements for the year.

In France, up until 2003, Carrefour paid a rendering levy (*taxe d'équarrissage*) on its meat purchases. In 2003, the Court of Justice of the European Union ruled that this levy, which was paid over by the French State to abattoirs, constituted state aid awarded in breach of EU rules. As a result of this ruling, the rendering levy paid for the years 1997 to 2003 was refunded to the Group.

In 2004, however, the French tax authorities reversed their decision and instructed the Group to repay the refunded amounts for the years 2001 to 2003, totaling 145 million euros. Although this amount was paid by Carrefour in 2012, the Group has contested the validity of the claim and the case is currently pending before the tax courts.

9.2.2 Employee-related disputes

As a major employer, the Group is regularly involved in disputes with current or former employees.

From time to time, disputes may also arise with a large group of current or former employees. In Brazil, many former employees have initiated legal proceedings against the Group, claiming overtime pay that they allege is due to them.

9.2.3 Legal and commercial disputes

The Group is subject to regular audits by the authorities responsible for overseeing compliance with the laws applicable to the retail industry and by the competition authorities. Disputes may also arise with suppliers as a result of differing interpretations of legal or contractual provisions.

On October 1, 2012, a report on the price increases applied by major retailers for "household and personal care" products was handed to the Belgian competition authorities. The report alleges that between 2002 and 2007, the leading retailers coordinated price increases for these products with the help of the products' suppliers. In relation to this report, Carrefour was obliged to pay a fine to the Belgian competition authorities in June 2015.

9.3 Contingent liabilities

To the best of the Group's knowledge, there are no contingent liabilities that may be considered as being likely to have a material impact on the Group's results, financial position, assets and liabilities or business.

Note 10 Number of employees, employee compensation and benefits

Accounting policies

Group employees receive short-term benefits (such as paid vacation, paid sick leave and statutory profit-sharing bonuses), long-term benefits (such as long-service awards and seniority bonuses) and post-employment benefits (such as length-of-service awards and supplementary pension benefits). Post-employment benefits may be paid under defined contribution or defined benefit plans.

All of these benefits are accounted for in accordance with IAS 19 – *Employee Benefits*. Short-term benefits (*i.e.*, benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services) are classified as current liabilities (under "Other payables") and recorded as an expense for the year in which the employees render the related services (Note 5.2.2). Postemployment benefits and other long-term benefits are measured and recognized as described in Note 10.1.

Two types of share-based payment plans have been set up for management and selected employees – stock option plans and stock grant plans. These plans fall within the scope of IFRS 2 – *Share-based Payment* and are accounted for as described in Note 10.2.

10.1 Pension and other post-employment benefits

Accounting policies

Post-employment benefits are employee benefits that are payable after the completion of employment. The Group's post-employment benefit plans include both defined contribution plans and defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity that is responsible for the plan's administrative and financial management as well as for the payment of benefits, such that the Group has no obligation to pay further contributions if the plan assets are insufficient. Examples include government-sponsored pension schemes, defined contribution supplementary pension plans and defined contribution pension funds.

The contributions are recorded as an expense for the period in which they become due.

Defined benefit and long-term benefit plans

A liability is recognized for defined benefit obligations that are determined by reference to the plan participants' years of service with the Group.

The defined benefit obligation is calculated annually using the projected unit credit method, taking into account actuarial assumptions concerning future salary levels, retirement age, mortality, staff turnover and the discount rate.

The discount rate corresponds to the interest rate observed at the period-end for investment grade corporate bonds with a maturity close to that of the defined benefit obligation. The calculations are performed by a qualified actuary.

The net liability recorded for defined benefit plans corresponds to the present value of the defined benefit obligation less the fair value of plan assets (if any). The cost recognized in the income statement comprises:

- current service cost, past service cost and the gain or loss on plan amendments or settlements (if any), recorded in operating expense;
- net interest on the net defined benefit liability, recorded in financial expense.

Remeasurements of the net defined benefit liability (comprising actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling) are recognized immediately in "Other comprehensive income".

10.1.1 Description of the main defined benefit plans

The main defined benefit plans concern supplementary pension benefits paid annually in some countries to retired employees of the Group, and length-of-service awards provided for in collective bargaining agreements that are paid to employees upon retirement. The plans, which are presented below, mainly concern France, Belgium and Italy.

French plans

Group employees in France are entitled to a length-of-service award when they retire, determined in accordance with the law and the applicable collective bargaining agreement. The award is measured as a multiple of the individual's monthly salary for the last twelve months before retirement, determined by reference to his or her years of service.

In 2009, the Group set up a supplementary pension plan. The main terms of this defined benefit plan, which was amended in 2015, are as follows:

- eligibility: plan participants must have completed at least three years' service at the time of retirement and their annual compensation must be greater than 18 times the annual ceiling for Social Security contributions;
- benefits: 2.75% of the reference compensation per year of service, subject to the applicable performance conditions being met for each year. No benefits are paid if a minimum number of years has not been validated in connection with the performance conditions;

- years of service taken into account for the calculation of plan benefits: years of service with the Carrefour group under consecutive or non-consecutive employment contracts. The plan's terms do not provide for any increase in benefits for participants who have completed more than a certain number of years' service;
- the reference compensation is calculated as the average of the last three salaries (basic salary + annual variable compensation) received over the last three calendar years preceding retirement. or 60 times the annual ceiling for Social Security contributions, whichever is lower;
- annual benefit cap: 25% of the reference compensation and the difference between 45% of the reference compensation and the total basic and supplementary pension benefits received by the plan participant;
- reversionary pension: upon the participant's death, payable to the surviving spouse in an amount equal to 50% of the original benefit.

Belgian plans

The Group's main commitments in Belgium concern "prepensions" and the "solidarity fund".

The prepension scheme provided for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement to the statutory retirement age.

Carrefour is committed to topping up the benefits paid by the Belgian State, so that the individuals concerned receive 95% of their final net salary. The retirement age under Belgian law, amended in 2015, is 67 (unless otherwise provided). Under the collective bargaining agreement applicable to Carrefour, employees are eligible for prepension benefits from the age of 62 (unless otherwise provided).

The solidarity fund is a corporate supplementary pension plan that offers participants the choice between a lump sum payment on retirement or a monthly pension for the rest of their lives. The plan was closed in 1994 and replaced by a defined contribution plan. Consequently, the projected benefit obligation only concerns pension rights that vested before 1994.

Italian plans

The Group's commitments in Italy primarily concern the *Trattemento di Fine Rapporto* (TFR) deferred salary scheme. The TFR scheme underwent a radical reform in 2007, with employers now required to pay contributions to an independent pension fund in full discharge of their liability. The Group's obligation therefore only concerns deferred salary rights that vested before 2007.

10.1.2 Net expense for the period

Expense recognized in the income statement *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Service cost [1]	(70)	7	(3)	3	(63)
Interest cost (discount effect)	30	10	4	1	45
Return on plan assets	(3)	(3)	0	(0)	(6)
Other items	(0)	0	0	(1)	(1)
EXPENSE (INCOME) FOR 2014	**(43)**	**14**	**1**	**2**	**(25)**
Service cost [1]	(195)	7	(0)	0	(187)
Interest cost (discount effect)	19	7	2	1	29
Return on plan assets	(1)	(2)	0	(0)	(3)
Other items	1	0	0	0	1
EXPENSE (INCOME) FOR 2015	**(176)**	**12**	**2**	**1**	**(160)**

(1) The following table presents details of service cost:

2014 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Current service cost	55	7	0	0	63
Past service cost (plan amendments and curtailments)	(105)	0	(3)	3	(105)
Settlements and other	(20)	0	0	(0)	(20)
Total Service cost 2014	(70)	7	(3)	3	(63)

2015 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Current service cost	62	8	0	0	70
Past service cost (plan amendments and curtailments)	(252)	(0)	0	0	(252)
Settlements and other	(5)	0	(0)	0	(5)
Total Service cost 2015	(195)	7	(0)	0	(187)

Net amount for 2015, which includes the effect of plan amendments introduced during the year, breaks down as 186 million euros deducted from employee benefits expense and 26 million euros recorded in financial expense.

10.1.3 Breakdown of the provision

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Defined Benefit Obligation	1,080	350	153	30	1,613
Fair value of plan assets	(93)	(89)	0	(6)	(188)
PROVISION AT DECEMBER 31, 2014	**987**	**261**	**153**	**23**	**1,425**
Defined Benefit Obligation	915	334	136	34	1,419
Fair value of plan assets	(70)	(84)	0	(6)	(161)
PROVISION AT DECEMBER 31, 2015	**845**	**250**	**136**	**27**	**1,258**

10.1.4 Change in the provision

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Provision at December 31, 2013	859	227	150	37	1,272
Movements recorded in the income statement	(43)	14	1	2	(25)
Benefits paid directly by the employer	(3)	(15)	(12)	(1)	(31)
Effect of changes in scope of consolidation	26	0	2	(15)	13
Change in actuarial gains and losses (1)	150	34	12	1	196
Other	(1)	1	0	(0)	1
Provision at December 31, 2014	987	261	153	23	1,425
Movements recorded in the income statement	(176)	12	2	1	(160)
Benefits paid directly by the employer	(3)	(14)	(14)	(0)	(32)
Effect of changes in scope of consolidation	(4)	0	0	(0)	(4)
Change in actuarial gains and losses (1)	41	(9)	(6)	2	28
Other	(1)	0	(0)	1	0
Provision at December 31, 2015	845	250	136	27	1,258

(1) This line breaks down as follows:

2014 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	(45)	0	(4)	(0)	(49)
Actuarial (gain)/loss due to demographic assumption changes	22	0	0	1	24
Actuarial (gain)/loss due to financial assumption changes	174	39	16	(0)	229
Return on plan assets (Greater)/ Less than discount rate	(2)	(5)	0	(0)	(8)
Changes in actuarial gains and losses 2014	150	34	12	1	196

2015 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	33	(0)	(0)	1	34
Actuarial (gain)/loss due to demographic assumption changes	25	0	0	1	26
Actuarial (gain)/loss due to financial assumption changes	(16)	(4)	(6)	0	(25)
Return on plan assets (Greater)/ Less than discount rate	(1)	(5)	0	(0)	(6)
Changes in actuarial gains and losses 2015	**41**	**(9)**	**(6)**	**2**	**28**

10.1.5 Plan assets

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Fair value at December 31, 2013	**108**	**92**	**0**	**4**	**204**
Effect of changes in scope of consolidation	1	0	0	0	1
Return on plan assets	3	3	0	(0)	6
Benefits paid out of plan assets	(21)	(12)	0	(1)	(34)
Actuarial gain/(loss)	2	5	0	0	8
Other	1	0	0	3	5
Fair value at December 31, 2014	**93**	**89**	**0**	**6**	**188**
Effect of changes in scope of consolidation	(0)	0	0	0	(0)
Return on plan assets	1	2	0	0	3
Benefits paid out of plan assets	(25)	(11)	0	(1)	(37)
Actuarial gain/(loss)	1	5	0	0	6
Other	0	0	0	1	1
Fair value at December 31, 2015	**70**	**84**	**0**	**6**	**161**

Plan assets break down as follows by asset class:

	December 31, 2015			December 31, 2014		
	Bonds	**Equities**	**Real estate and other**	Bonds	Equities	Real estate and other
France	62%	8%	31%	68%	4%	28%
Belgium	69%	21%	11%	72%	20%	9%

All bonds and equities held in plan asset portfolios are listed securities.

10.1.6 Actuarial assumptions and sensitivity analysis

The assumptions used to measure defined benefit obligations for length-of-service awards are as follows:

	2015	2014
Retirement age	60-67	60-65
Rate of future salary increases	1.8% to 2.7%	2.1% to 3.0%
Inflation rate	1.9%	1.9%
Discount rate	1.9%	1.5% to 1.9%

Projected benefit obligations were calculated using a discount rate of 1.90% for the French, Belgian and Italian plans (2014: 1.90% for the French and Belgian plans, 1.50% for the Italian plan). These rates are based on an index of AA-rated corporate bonds with maturities similar to the estimated duration of the defined benefit obligation.

In 2015, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 10.3 years, 10.2 years and 10.6 years respectively (2014: 11.5 years, 10.4 years and 11 years respectively).

Sensitivity tests show that:

- a 25-bps increase in the discount rate would have a negative impact of around 38 million euros on the defined benefit obligation under the French, Belgian and Italian plans;
- a 25-bps increase in the inflation rate would have a positive impact of around 6 million euros on the defined benefit obligation under the French, Belgian and Italian plans.

10.2 Share-based payments

Accounting policies

Two types of share-based payment plans have been set up for management and selected employees – stock option plans and stock grant plans.

As the plans are equity-settled, the benefit represented by the share-based payment is recorded in employee benefits expense with a corresponding increase in shareholders' equity in accordance with IFRS 2 – *Share-based Payment*.

The amount recorded in employee benefits expense corresponds to the recognition over the vesting period of the benefit's fair value. Fair value is the value determined using the Black & Scholes option pricing model at the grant date in the case of options or the share price at the grant date in the case of stock grants. Performance conditions that are not market conditions are not taken into account to estimate the fair value of stock options and stock grants at the measurement date.

The cost of share-based payment plans is recorded under "Payroll costs" in recurring operating income, with a corresponding increase in equity. The plan cost in 2015 was equal to zero (2014: 0.2 million euros).

Details of the stock option and stock grant plans set up for senior management are presented below.

10.2.1 Stock option plans

No new plans were set up in 2015 or 2014.

The following table provides details of the stock option plans that were in progress at December 31, 2015 or expired during the year.

	Grant date (1)	Number of options granted (2)	Life of the options	Number of grantees	Exercise period (3)	Number of options outstanding (4)	Exercise price *(in euros)* (2)
2008 Presence plan I	June 6, 2008	4,545,183	7 years	505	June 6, 2010 to June 5, 2015	0	39.68
2008 Presence plan II	July 7, 2008	17,109	7 years	1	July 7, 2010 to July 6, 2015	0	39.68
2009 Performance plan	June 17, 2009	1,252,994	7 years	57	June 17, 2011 to June 16, 2016	399,711	29.55
2009 Presence plan	June 17, 2009	6,974,861	7 years	2571	June 17, 2011 to June 16, 2016	5,064,396	29.55
2010 Performance plan	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to July 16, 2017	471,416	29.91
2010 Presence plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,351,784	29.91
TOTAL						**7,287,307**	

(1) Date of the meeting of the Management Board (before July 28, 2008) or Board of Directors (after that date) when the stock option grants were decided.
(2) Adjusted number of options and adjusted exercise price following the distribution of Dia shares in connection with the Maxidiscount demerger on July 5, 2011.
(3) The options will vest only if the grantee is still employed by the Group at the start of the exercise period. Since 2006, the options vest as follows:
- *50% after two years;*
- *25% after three years;*
- *25% after four years.*

Concerning the exercise date, specific rules apply in the event of the grantee's death.
(4) All of the options outstanding at December 31, 2015 were exercisable at that date.

All of the options are exercisable for existing Carrefour shares.

There are two types of plans:

- Presence plans, for which the only condition is that grantees must remain employed by the Group between the grant date and the starting date of the exercise period for each tranche of options (50% of options vest after two years, 25% after three years and 25% after four years);
- Performance plans, for which the above presence condition applies as well as two conditions based on the Group's financial performance, with 50% of the options vesting when each of these conditions are met:
  - Performance conditions for the 2009 Performance plan concerned (i) sales growth for the period 2008 to 2010 and (ii) the level of 2010 free cash flow,
  - Performance conditions for the 2010 Performance plan concerned growth in (i) sales and (ii) recurring operating income over the period 2009 to 2011.

Movements in stock options in 2015 were as follows:

Options outstanding at December 31, 2014	**11,499,870**
of which, exercisable options	*11,499,870*
Options granted in 2015(1)	-
Options exercised in 2015	(633,245)
Options cancelled or that expired in 2015(2)	(3,579,318)
Options outstanding at December 31, 2015	**7,287,307**
of which, exercisable options	*7,287,307*

(1) The Remunerations Committee decided not to grant any stock options in 2015.
(2) The 2008 plans expired in June and July 2015 respectively. The 3,579,318 options that had not been exercised when the plans expired were canceled.

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10.2.2 Stock grant plans

No new stock grants were made in 2015 and no stock grants were outstanding at December 31, 2015.

10.3 Management compensation (related parties)

The following table shows the compensation paid by the Group to serving members of the Management team and the Board of Directors during 2015 and 2014.

(in millions of euros)	**2015**	2014
Compensation for the period	3.9	4.2
Prior year bonus	6.3	6.3
Benefits in kind (accommodation and company car)	0.0	0.1
Total compensation paid during the period	**10.3**	**10.5**
Employer payroll taxes	3.5	3.6
Termination benefits	-	-

Other management benefit plans are as follows:

- defined benefit pension plan described in Note 10.1. The plan liability and cost attributable to members of the Management team cannot be disclosed separately as the total liability and cost are allocated among members of Management and other plan participants using allocation keys;
- stock option plans. The serving members of the Management team at December 31, 2015 held 6,160 stock options at that date (December 31, 2014: 6,160 options). The cost of share-based payment plans for members of the Management team was not material in either 2015 or 2014.

Directors' attendance fees paid to members of the Board of Directors amounted to 0.8 million euros in 2015, unchanged from 2014.

10.4 Number of employees

	2015	2014
Average number of Group employees	375,529	368,797
Number of Group employees at the period-end	380,920	381,227

Note 11 Equity and earnings per share

11.1 Capital management

The parent company, Carrefour, must have sufficient equity capital to comply with the provisions of French commercial code.

The Group owns interests in a certain number of financial services companies (banks, insurance companies). These subsidiaries must have sufficient equity capital to comply with capital adequacy ratios and the minimum capital rules set by their local banking and insurance supervisors.

Capital management objectives (equity and debt capital) are to:

- ensure that the Group can continue operating as a going concern, in particular by maintaining high levels of liquid resources;
- optimize shareholder returns;
- keep gearing at an appropriate level, in order to minimize the cost of capital and maintain the Group's credit rating at a level that allows it to access a wide range of financing sources and instruments.

In order to maintain or adjust its gearing, the Group may take on new borrowings or retire existing borrowings, adjust the dividend paid to shareholders, return capital to shareholders, issue new shares, buy back shares or sell assets in order to use the proceeds to pay down debt.

11.2 Share capital and treasury stock

11.2.1 Share capital

At December 31, 2015, the share capital was made up of 738,470,794 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	**2015**	2014
Outstanding at January 1	**734,914**	**723,984**
Issued for cash	-	-
Issued upon exercise of stock options	-	-
Issued in payment of dividends	3,557	10,930
Cancelled shares	-	-
Outstanding at December 31	**738,471**	**734,914**

The increase during the year corresponded to new shares issued to shareholders who chose to reinvest their 2014 dividend (Notes 2.3 and 11.3).

11.2.2 Treasury stock

Accounting policies

Treasury stock is recorded as a deduction from shareholders' equity, at cost. Gains and losses from sales of treasury stock (and the related tax effect) are recorded directly in shareholders' equity without affecting income for the period.

At December 31, 2015, a total of 10,990,800 shares were held in treasury (December 31, 2014: 23,386,284 shares).

(in thousands of shares)	**December 31, 2015**	December 31, 2014	Change
Shares held directly	7,928	10,281	(2,354)
Shares held indirectly *via* an equity swap	3,063	13,105	(10,042)
Treasury stock	**10,991**	**23,386**	**(12,395)**

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The year-on-year decrease reflected the sale of 12.7 million shares described in Note 2.1.

Shares held directly

The Carrefour shares held directly by the Company are intended, notably, for the Group's stock option plans or for the liquidity agreement set up in January 2014 with Oddo Corporate Finance.

All rights attached to these shares are suspended for as long as they are held in treasury.

Shares held indirectly via an equity swap

In 2009, the Group reorganized the portfolio of treasury shares and instruments held to meet its obligations under the stock option and stock grant plans.

On June 15, 2009, a total of 18,638,439 shares were sold out of treasury at a price of 28.725 euros per share, generating total proceeds of 535 million euros, and 18,638,439 shares were bought back at the same price per share of 28.725 euros for forward delivery at various dates through July 2017. The transaction had no impact on the consolidated income statement.

Following the distribution of Dia shares on July 5, 2011, Carrefour delivered an additional 2,196,200 shares in exchange for a reduction in the buyback price per share to 25.184 euros.

At December 31, 2015, Carrefour was committed to buying back 3,063,097 shares under the equity swap on June 15, 2016 for a total of 77 million euros recorded as a financial liability (Note 12.2.3).

11.3 Dividends

The 2014 ordinary dividend of 0.68 euro per share was paid on July 17, 2015 as follows:

- 3,556,885 new shares were issued and delivered in settlement of reinvested dividends, leading to a total capital increase including premiums of 102 million euros;
- 390 million euros was paid in cash to shareholders who had chosen not to reinvest their dividends.

11.4 Other comprehensive income

	2015			2014		
Group share *(in millions of euros)*	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	(0)	0	(0)	28	(15)	13
Changes in the fair value of available-for-sale financial assets	(3)	1	(2)	10	(3)	7
Exchange differences on translating foreign operations	(511)	0	(511)	(5)	(0)	(5)
Items that may be reclassified subsequently to profit or loss	**(515)**	**1**	**(513)**	**33**	**(18)**	**15**
Remeasurements of defined benefit plans obligation	(27)	11	(16)	(192)	66	(127)
Items that will not be reclassified to profit or loss	**(27)**	**11**	**(16)**	**(192)**	**66**	**(127)**
TOTAL OTHER COMPREHENSIVE INCOME – GROUP SHARE	**(542)**	**13**	**(529)**	**(159)**	**48**	**(112)**

	2015			2014		
Non-controlling interests *(in millions of euros)*	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	2	(1)	1	3	(1)	2
Changes in the fair value of available-for-sale financial assets	(4)	1	(2)	10	(3)	7
Exchange differences on translating foreign operations	(91)	0	(91)	18	0	18
Items that may be reclassified subsequently to profit or loss	**(92)**	**0**	**(92)**	**31**	**(4)**	**27**
Remeasurements of defined benefit plans obligation	(2)	0	(1)	(3)	0	(3)
Items that will not be reclassified to profit or loss	**(2)**	**0**	**(1)**	**(3)**	**0**	**(3)**
TOTAL OTHER COMPREHENSIVE INCOME - NON-CONTROLLING INTERESTS	**(94)**	**1**	**(93)**	**28**	**(4)**	**24**

11.5 Non-controlling interests

Non-controlling interests mainly concern:

- sub-group made up of Carrefour Banque SA and its subsidiaries (part of the France operating segment), which is 60% owned by the Group;
- sub-group made up of Atacadão and its subsidiaries (part of the Brazil operating segment), which includes all the activities operated by Carrefour in Brazil and is 88% owned by the Group.

The following tables present the key information from the sub-groups' Consolidated Financial Statements:

CARREFOUR BANQUE SA SUB-GROUP

Income statement *(in millions of euros)*	**2015**	2014
Revenue (Net Banking Product)	413	440
Net result	37	49
of which:		
• *attributable to the Carrefour group*	*22*	*29*
• *attributable to non-controlling interests*	*15*	*20*

Statement of financial position *(in millions of euros)*	**December 31, 2015**	December 31, 2014
Non current assets	2,090	2,400
Current assets	2,889	2,784
Non current liabilities (excluding shareholders' equity)	1,947	1,587
Current liabilities	2,523	3,104
Dividends paid to non-controlling interests	**13**	**11**

ATACADÃO SUB-GROUP *

Income statement *(in millions of euros)*	**2015**
Total Revenue	11,285
Net result	269
of which:	
• *attributable to the Carrefour group*	*184*
• *attributable to non-controlling interests*	*85*

Statement of financial position *(in millions of euros)*	**December 31, 2015**
Non current assets	2,731
Current assets	3,099
Non current liabilities (excluding shareholders' equity)	1,356
Current liabilities	2,820
Dividends paid to non-controlling interests	**16**

* *Including all the activities operated by Carrefour in Brazil.*

There are no individually material non-controlling interests in other subsidiaries.

11.6 Earnings per share (Group share)

Accounting policies

In accordance with IAS 33 – *Earnings Per Share*, basic earnings per share is calculated by dividing consolidated income – Group share by the weighted average number of shares outstanding during the period. Treasury stock, including shares held indirectly through the equity swap described in Note 11.2.2, are not considered as outstanding and are therefore deducted from the number of shares used for earnings per share calculations. Contingently issuable shares are treated as outstanding and included in the calculation only from the date when all necessary conditions are satisfied.

Diluted earnings per share is calculated by adjusting consolidated income – Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares.

Dilutive potential ordinary shares correspond exclusively to the employee stock options presented in Note 10.2.1. The dilutive effect of stock options is calculated by the treasury stock method provided for in IAS 33 whereby the proceeds from the exercise of stock options are considered as being used to purchase shares at market price (defined as the average share price for the period). In accordance with this method, stock options are considered as potentially dilutive if they are in the money (based on the sum of the exercise price and the fair value of the services rendered by the grantee, in accordance with IFRS 2 – *Share-based Payment*).

Basic earnings per share	2015	2014
Net income from continuing operations	977	1,182
Net income from discontinued operations	4	67
Net income for the year	980	1,249
Weighted average number of shares outstanding (1)	723,322,791	707,397,621
Basic earnings from continuing operations per share *(in euros)*	**1.35**	**1.67**
Basic earnings from discontinued operations per share *(in euros)*	**0.00**	**0.09**
Basic earnings per share *(in euros)*	**1.36**	**1.77**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2014 earnings per share was adjusted to take into account the effect of the 2014 dividends paid in shares on July 17, 2015 (retrospective adjustment of the effect of the 5% discount on shares issued in payment of dividends, determined by the treasury stock method).

Diluted earnings per share	2015	2014
Net income from continuing operations	977	1,182
Net income from discontinued operations	4	67
Net income for the year	980	1,249
Weighted average number of shares outstanding, before dilution	723,322,791	707,397,621
Potential dilutive shares	0	0
Stock grants	*0*	*0*
Stock options	*0*	*0*
Diluted weighted average number of shares outstanding	723,322,791	707,397,621
Diluted earnings from continuing operations per share *(in euros)*	**1.35**	**1.67**
Diluted earnings from discontinued operations per share *(in euros)*	**0.00**	**0.09**
Diluted earnings per share (in euros)	**1.36**	**1.77**

No stock options were taken into account for the calculation of diluted earnings per share as they were out of the money in 2015 (*i.e.*, their exercise price was greater than the average share price for the year). See Note 10.2.1 for details of the plans.

Note 12 Financial assets and liabilities, finance costs and other financial income and expenses

Accounting policies

Non-derivative financial assets

In accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*, the main financial assets are classified in one of the following four categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments;
- available-for-sale financial assets.

Their classification determines their accounting treatment. They are classified by the Group upon initial recognition, based on the type of asset and the purpose for which it was acquired. Purchases and sales of financial assets are recognized on the trade date, defined as the date on which the Group is committed to buying or selling the asset.

(i) Financial assets at fair value through profit or loss

These are financial assets held for trading, *i.e.*, assets acquired principally for the purpose of selling them at a profit in the short term, or financial assets designated at the outset as at fair value through profit or loss.

They are measured at fair value with changes in fair value recognized in the income statement, under financial income or expense.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that do not meet the criteria for classification as either held for trading or available for sale.

They are initially recognized at fair value and are subsequently measured at amortized cost by the effective interest method. For short-term receivables with no specified interest rate, fair value is considered as being equal to the original invoice amount.

These assets are tested for impairment when there is an indication that their recoverable amount may be less than their carrying amount. If this is found to be the case, an impairment loss is recorded.

This category includes receivables from non-consolidated companies, other loans and receivables and trade receivables. They are reported under "Other financial assets" or "Trade receivables".

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets other than loans and receivables with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost by the effective interest method.

The Group did not hold any assets classified as held-to-maturity at December 31, 2015 or December 31, 2014.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that do not meet the criteria for classification in any of the other three categories.

They consist mainly of shares in non-consolidated companies. Available-for-sale financial assets are measured at fair value, with changes in fair value recognized in "Other comprehensive income", under "Changes in the fair value of available-for-sale financial assets". When the assets are sold, the gains and losses accumulated in shareholders' equity are reclassified to the income statement.

However, in the event of a prolonged or significant fall in value of an equity instrument or a decline in estimated cash flows from a debt instrument, an impairment loss is recognized in the income statement. If, in a subsequent period, the impairment decreases, the previously recognized impairment loss is released as follows:

- for equity instruments (shares and other): through "Other comprehensive income";
- for debt instruments (bonds, notes and other): where an increase is observed in estimated future cash flows, through profit or loss for an amount not exceeding the previously recognized impairment loss.

The fair value of listed securities corresponds to their market price. For unlisted securities, fair value is determined by reference to recent transactions or by using valuation techniques based on reliable and observable market data. When it is impossible to obtain a reasonable estimate of an asset's fair value, it is measured at historical cost.

Non-derivative financial assets held by the Group

The main non-derivative financial assets held by the Group are as follows:

- non-current financial assets, mainly comprising investments in non-consolidated companies and long-term loans;
- trade receivables (Note 5.4.3);
- other current financial assets, mainly available-for-sale financial assets, measured at fair value, and short-term loans and deposits.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognized at fair value plus transaction costs and premiums directly attributable to their issue. They are subsequently measured at amortized cost.

Non-derivative financial liabilities held by the Group

The main non-derivative financial liabilities held by the Group are as follows:

- borrowings: "Long-term borrowings" and "Short-term borrowings" include bonds and notes issued by the Group, finance lease liabilities, other bank loans and financial liabilities related to securitized receivables for which the credit risk is retained by the Group;
- suppliers and other creditors (Note 5.4.4);
- other payables: other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly currency and interest rate risks. Exceptionally, the risk of changes in the prices of certain commodities – mainly diesel – may also be hedged.

Derivatives are initially recognized at fair value. They are subsequently measured at fair value with the resulting unrealized gains and losses recorded as explained below.

(i) *Derivatives designated as hedging instruments*

Hedge accounting is applied if, and only if, the following conditions are met:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship;
- the effectiveness of the hedge is demonstrated at inception.

The derivatives used by the Group may be qualified as either cash flow hedges or fair value hedges. The Group does not currently hedge its net investment in foreign operations.

Cash flow hedges

For instruments qualified as cash flow hedges, the portion of the change in fair value determined to be an effective hedge is recognized directly in "Other comprehensive income" and accumulated in shareholders' equity until the hedged transaction affects profit. The ineffective portion of the change in fair value is recognized in the income statement, under "Financial income and expense".

The main cash flow hedges consist of interest rate options and swaps that convert variable rate debt to fixed rate debt, and forward purchases of foreign currencies that hedge future goods purchases in foreign currency.

Fair value hedges

Changes in fair value of instruments qualified as fair value hedges are recognized in the income statement, with the effective portion offsetting changes in the fair value of the hedged item.

Examples of fair value hedges include swaps set up to convert fixed rate bonds and notes to variable rate. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognized in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps.

(ii) *Other derivative instruments*

Other derivative instruments are measured at fair value, with changes in fair value recognized in profit or loss. Hedging instruments used by the Group include interest rate swaps and vanilla interest rate options.

Fair value calculation method

The fair values of currency and interest rate instruments are determined using market-recognized pricing models or prices quoted by external financial institutions.

Values estimated using pricing models are based on discounted future cash flows for futures and forward contracts or, for options, the Black & Scholes option pricing model. The models are calibrated using market data such as yield curves and exchange rates obtained from recognized financial data services.

The fair value of long-term borrowings is estimated based on the quoted market price for bonds and notes or the value of future cash flows discounted based on market conditions for similar instruments (in terms of currency, maturity, interest rate and other characteristics).

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2015 and 2014, the effect of incorporating these two types of risk was not material.

12.1 Financial instruments by category

AT DECEMBER 31, 2015

(in millions of euros)	Carrying amount	Breakdown by category						Fair value
		Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Financial liabilities at amortized cost	Debt hedged by fair value hedges	Derivative instruments	
Investments in non-consolidated companies	78		78					78
Other long-term investments	1,213		443	770				1,213
Other non-current financial assets	**1,291**		**521**	**770**				**1,291**
Consumer credit granted by the financial services companies	6,010			6,010				6,010
Trade receivables	2,269			2,269				2,269
Other current financial assets	358			207			151	358
Other assets [(1)]	418			418				418
Cash and cash equivalents	2,724	2,724						2,724
ASSETS	**13,071**	**2,724**	**521**	**9,674**			**151**	**13,071**
Total long- and short-term borrowings	7,629				7,064	516	49	8,135
Total consumer credit financing	5,249				5,249			5,249
Suppliers and other creditors	13,648				13,648			13,648
Other payables [(2)]	3,123				3,123			3,123
LIABILITIES	**29,649**				**29,085**	**516**	**49**	**30,156**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

AT DECEMBER 31, 2014

(in millions of euros)	Carrying amount	Breakdown by category						Fair value
		Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Financial liabilities at amortized cost	Debt hedged by fair value hedges	Derivative instruments	
Investments in non-consolidated companies	78		78					78
Other long-term investments	1,262		403	859				1,262
Other non-current financial assets	**1,340**		**481**	**859**				**1,340**
Consumer credit granted by the financial services companies	5,980			5,976			4	5,980
Trade receivables	2,260			2,260				2,260
Other current financial assets	504		96	297			111	504
Other assets [(1)]	551			551				551
Cash and cash equivalents	3,113	3,113						3,113
ASSETS	**13,748**	**3,113**	**577**	**9,943**			**115**	**13,748**
Total long- and short-term borrowings	8,572				7,986	525	61	9,147
Total consumer credit financing	5,308				5,015	293		5,308
Suppliers and other creditors	13,384				13,384			13,384
Other payables [(2)]	2,910				2,910			2,910
LIABILITIES	**30,174**				**29,295**	**818**	**61**	**30,749**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

Assets and liabilities measured at fair value based on the hierarchy provided for in IFRS 13 – *Fair Value Measurement* (Note 1.4)

December 31, 2015 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			78	78
Other long-term investments	443			443
Derivative instruments recorded in current financial assets		151		151
Cash and cash equivalents	2,724			2,724
Derivative instruments recorded in liabilities		(39)	(10)	(49)

December 31, 2014 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			78	78
Other long-term investments	403			403
Available-for-sale financial assets		96		96
Derivative instruments recorded in current financial assets		111		111
Cash and cash equivalents	3,113			3,113
Derivative instruments recorded in liabilities		(51)	(9)	(61)

No assets or liabilities were reclassified between the various levels between December 31, 2014 and 2015.

12.2 Net debt

12.2.1 Net debt calculation

Net debt at December 31, 2015 amounted to 4,546 million euros, a decrease of 408 million euros from December 31, 2014. This amount breaks down as follows:

(in millions of euros)	December 31, 2015	December 31, 2014
Bonds and notes	6,884	6,915
Other borrowings	345	1,078
Commercial paper	-	120
Finance lease liabilities	351	398
TOTAL BORROWINGS BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES	**7,580**	**8,511**
Derivative instruments recorded in liabilities	49	61
TOTAL LONG AND SHORT-TERM BORROWINGS *[1]*	**7,629**	**8,572**
Of which, long-term borrowings	*6,662*	*6,815*
Of which, short-term borrowings	*966*	*1,757*
Other current financial assets	358	504
Cash and cash equivalents	2,724	3,113
TOTAL CURRENT FINANCIAL ASSETS *[2]*	**3,083**	**3,618**
NET DEBT *[1] - [2]*	**4,546**	**4,954**

12.2.2 Bonds and notes

(in millions of euros)		Face Value December 31, 2014	Issues	Repayments	December 31, 2015	Book value of the debt December 31, 2015
Public placements	*Maturity*					
Euro Bond Fixed rate, EUR, 7 years, 5.375%	*2015*	644		(644)	-	-
Euro Bond Fixed rate, EUR, 10 years, 3.825%	*2015*	50		(50)	-	-
Euro Bond Fixed rate, EUR, 10 years, 3.85%	*2015*	50		(50)	-	-
Euro Bond Fixed rate, EUR, 10 years, 4.375%	*2016*	167			167	166
EMTNs, EUR, 4 years, 4.375%	*2016*	500			500	504
EMTNs, EUR, 8 years, 4.678%	*2017*	250			250	262
EMTN, EUR, 5 years, 1.875%	*2017*	1,000			1,000	997
Euro Bond Fixed rate, EUR, 7 years, 5.25%	*2018*	279			279	278
EMTNs, EUR, 6 years, 1.75%	*2019*	1,000			1,000	997
EMTNs, EUR, 10 years, 4.00%	*2020*	1,000			1,000	997
EMTNs, EUR, 11 years, 3.875%	*2021*	1,000			1,000	989
EMTNs, EUR, 8 years, 1.75%	*2022*	1,000			1,000	948
EMTNs, EUR, 10 years, 1.25%	*2025*		750		750	744
TOTAL BONDS AND NOTES		**6,940**	**750**	**(744)**	**6,946**	**6,884**

12.2.3 Other borrowings

(in millions of euros)	December 31, 2015	December 31, 2014
Equity swap liability	77	330
Latin America borrowings	107	200
Other borrowings	52	350
Accrued interest (1)	99	112
Other financial liabilities	10	87
TOTAL OTHER BORROWINGS	**345**	**1,078**

(1) Accrued interest on total borrowings, including bonds and notes.

12.2.4 Cash and cash equivalents

Accounting policies

Cash includes cash on hand and demand deposits.

Cash equivalents are highly liquid investments with an original maturity of less than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(in millions of euros)	December 31, 2015	December 31, 2014
Cash	1,286	2,027
Cash equivalents	1,439	1,086
TOTAL CASH AND CASH EQUIVALENTS	**2,724**	**3,113**

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its host countries. The local supervisory authorities may require banking subsidiaries to comply with certain capital, liquidity and other ratios and to limit their exposure to other Group parties.

12.2.5 Other current financial assets

(in millions of euros)	December 31, 2015	December 31, 2014
Available-for-sale financial assets	0	96
Derivative instruments	151	111
Deposits with maturities of more than three months	186	222
Other	22	76
TOTAL OTHER CURRENT FINANCIAL ASSETS	**358**	**504**

12.3 Analysis of borrowings (excluding derivative instruments recorded in liabilities)

12.3.1 Analysis by interest rate

(in millions of euros)	December 31, 2015		December 31, 2014	
	before hedging	after hedging	before hedging	after hedging
Fixed rate borrowings	7,277	6,777	8,035	7,473
Variable rate borrowings	287	803	450	1,038
TOTAL BORROWINGS (BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**7,564**	**7,580**	**8,485**	**8,511**

12.3.2 Analysis by currency

The following analysis by currency concerns borrowings including the impact of currency swaps.

(in millions of euros)	December 31, 2015	December 31, 2014
Euro	7,314	8,120
Brazilian real	80	120
Chinese yuan	14	23
Taiwan dollar	74	73
Argentine peso	28	101
Polish zloty	65	69
Romanian leu	5	6
TOTAL BORROWINGS (BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**7,580**	**8,511**

Euro-denominated borrowings represented 96% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2015 (95% at December 31, 2014).

12.3.3 Analysis by maturity

(in millions of euros)	December 31, 2015	December 31, 2014
Due within one year	921	1,696
Due in 1 to 2 years	1,306	954
Due in 2 to 5 years	2,447	2,662
Due beyond 5 years	2,905	3,198
TOTAL BORROWINGS (BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**7,580**	**8,511**

12.4 Other non-current financial assets

(in millions of euros)	December 31, 2015	December 31, 2014
Investments in non-consolidated companies	78	78
Long-term loans	1	2
Deposits	618	709
Other	594	552
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,291**	**1,340**

12.5 Finance costs and other financial income and expenses

This item breaks down as follows:

(in millions of euros)	**2015**	2014
Interest income from loans and cash equivalents	**32**	**35**
Interest income from bank deposits	30	31
Interest income from loans	2	4
Finance costs	**(380)**	**(434)**
Interest expense on financial liabilities measured at amortized cost, adjusted for income and expenses from interest rate instruments	(352)	(406)
Interest expense on finance lease liabilities	(27)	(28)
Ineffective portion of fair value hedges of borrowings	-	(0)
Finance costs, net	**(347)**	**(399)**
Other financial income and expenses, net	**(168)**	**(164)**
Actualisation cost on defined employee benefit debt	(29)	(45)
Interest income on pension plan assets	4	6
Financial transaction tax	(46)	(37)
Late interest due in connection with tax reassessments and employee-related litigation	(55)	(3)
Dividends received on available-for-sale financial assets	1	1
Proceeds from the sale of available-for-sale financial assets measured at fair value through equity	7	48
Cost of sold available-for-sale financial assets measured at fair value through equity	(2)	(40)
Exchange gains and losses	7	1
Cost of bond buybacks	(7)	(3)
Variation valuation Cash flow hedge	(3)	(31)
Other	(44)	(61)
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	**(515)**	**(563)**
Financial expenses	*(567)*	*(654)*
Financial income	*51*	*91*

12.6 Risk management

The main risks associated with the financial instruments used by the Group are liquidity, interest rate, currency, credit and equity risks. The Group's policy for managing these risks is described below.

Due to the differing natures of the various businesses, financial risks arising from the bancassurance business (including Carrefour Banque in particular) are managed separately from those related to the retail business.

An organization has been set up around a cash-pooling system to track financial risks. The Corporate Treasury and Financing department based in Brussels manages the treasury and financing needs of all retail subsidiaries, on the instructions of Group senior management. A reporting system ensures that Group senior management can oversee the department's implementation of the approved management strategies.

The risks associated with the consumer credit business are managed and tracked directly by the entities concerned.

Corporate Treasury and Financing oversees the proper implementation of the rules governing the consumer credit business, jointly with the other investors in the business where applicable. A reporting system exists between local teams and Corporate Treasury and Financing.

12.6.1 Liquidity risk

12.6.1.1 Retail business

Liquidity risk is the risk that Carrefour will be unable to settle its financial liabilities when they fall due.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market.

A Liquidity Committee meets at monthly intervals to check that the Group's financing needs are covered by its available resources.

Corporate Treasury and Financing's liquidity management strategy consists of:

- promoting conservative financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programs, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) program totals 12 billion euros. Since 2007, the loan agreements for the EMTN program include a soft change of control clause that would be triggered in the event that a change of control led to Carrefour losing its investment grade rating. In this case, the notes would not become immediately repayable but the interest rate would increase;
- using the 5 billion euros commercial paper program on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2015, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. Group policy consists of keeping these facilities on stand-by to support the commercial paper program. The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. They do not include any rating trigger, although they do allow for the pricing grid to be adjusted up or down to reflect changes in the long-term credit rating. None of the agreements contains a material adverse change clause.

The Group considers that its liquidity position is robust as it has sufficient cash reserves to meet its debt repayment obligations in the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages four years and four months.

12.6.1.2 Bancassurance business

Carrefour Banque's liquidity risk is monitored within the framework of a senior management-approved liquidity strategy that is part of the Group's overall strategy.

Carrefour Banque's refinancing situation is assessed based on internal standards, early warning indicators and regulatory ratios.

Liquidity risk management objectives are to:

- ensure that refinancing needs are met, based on monthly assessments of projected cash surpluses or shortfalls over a three-year period performed by comparing static forecasts of committed financing facilities with dynamic lending forecasts;
- gradually achieve compliance with the new Basel III liquidity coverage ratios, through a process that is designed to deliver a sustainable improvement in asset quality by investing in a dedicated fund eligible for inclusion in the ratio calculation and extending the maturity of liabilities in order to improve the net stable funding ratio;
- diversify refinancing sources to include bank lines of credit, bond issues, securitization programs, money market issues and customer deposits. During 2015, Carrefour Banque carried out two bond issues to support the financing and development of its businesses (Note 5.5.2). The master trust structure allows Carrefour Banque to dynamically manage asset-backed securities series issued by the securitization fund. Within this structure, the 400 million euros serie was renewed for a two year period, from June 2015.

In November 2014, Carrefour Banque secured its refinancing sources by rolling over its 750 million euros five-year syndicated line of credit and negotiating two one-year extension options, one of which was exercised during the year, extending the facility's maturity to November 2020. The Group therefore retains an option to extend it by a further year.

The following tables analyze the cash flows generated by the Group's financial and other liabilities by period.

December 31, 2015 *(in millions of euros)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	516	501	251	250	
Borrowings hedged by cash flow hedges	-	-			
Fixed rate borrowings	6,636	7,532	771	3,890	2,871
Unhedged borrowings	77	78	78		
Finance lease liabilities	351	645	52	198	395
Derivative instruments	49	48	22	17	10
Total long and short-term borrowings	**7,629**	**8,803**	**1,173**	**4,355**	**3,275**
Suppliers and other creditors	13,648	13,648	13,648		
Consumer credit financing	5,249	5,249	3,328	1,921	
Other payables [1]	3,123	3,123	3,123		
TOTAL FINANCIAL LIABILITIES	**29,649**	**30,824**	**21,272**	**6,277**	**3,275**

(1) Excluding deferred revenue.

December 31, 2014 *(in millions of euros)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	500	524	12	512	
Borrowings hedged by cash flow hedges	-	-			
Fixed rate borrowings	7,163	7,992	1,572	3,313	3,106
Unhedged borrowings	450	456	236	220	
Finance lease liabilities	398	709	68	204	437
Derivative instruments	61	49	35	5	9
Total long and short-term borrowings	**8,572**	**9,729**	**1,923**	**4,254**	**3,553**
Suppliers and other creditors	13,384	13,384	13,384		
Consumer credit financing	5,308	5,308	3,718	1,589	
Other payables [1]	2,910	2,910	2,910		
TOTAL FINANCIAL LIABILITIES	**30,174**	**31,331**	**21,935**	**5,843**	**3,553**

(1) Excluding deferred revenue.

12.6.2 Interest rate risk

Interest rate risk is the risk of a change in interest rates leading to an increase in the Group's net borrowing costs.

It is managed at headquarters level by Corporate Treasury and Financing, which reports monthly to an Interest Rate Risk Committee responsible for recommending hedging strategies and methods to be used to limit interest rate exposures and optimize borrowing costs.

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates.

Various financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates. These are mainly basic swaps and options. Hedge accounting is applied in all cases where the required criteria are met.

Variable rate long-term borrowings are hedged using financial instruments that cap rises in interest rates over all or part of the life of the debt.

The following table shows the sensitivity of total borrowings to changes in interest rates over one year:

(in millions of euros) *(- = loss; + = gain)*	50-bps decline		50-bps increase	
	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
Investments	-	(4.5)	-	4.5
Variable rate borrowings	-	0.4	-	(0.4)
Borrowings hedged by fair value hedges	-	(2.5)	-	2.5
Swaps qualified as fair value hedges	-	2.5	-	(2.5)
Options classified as cash flow hedges	-	(8.5)	-	13.5
Options classified as held for trading	-	(0.6)	-	1.7
TOTAL EFFECT	**0.0**	**(13.2)**	**0.0**	**19.3**

12.6.3 Currency risk

Currency transaction risk is the risk of an unfavorable change in exchange rates having an adverse effect on cash flows from commercial transactions denominated in foreign currency.

The Group conducts its international operations through subsidiaries that operate almost exclusively in their home country, such that purchases and sales are denominated in local currency.

As a result, the Group's exposure to currency risk on commercial transactions is naturally limited and mainly concerns imported products. Currency risks on import transactions (*i.e.*, goods purchases billed in foreign currencies) covered by firm commitments are hedged by forward purchases of the payment currency. Currency hedges are generally for periods of less than 12 months.

The following table shows the effect of an increase/decrease in exchange rates on instruments:

(in millions of euros) *(- = loss; + = gain)*	10% decline		10% increase	
	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
EUR/USD position	-	68.6	-	(68.6)
EUR/HKD position	-	2.1	-	(2.1)
EUR/PLN position	-	3.5	-	(3.5)
EUR/RON position	-	6.7	-	(6.7)

Currency translation risk is the risk of an unfavorable change in exchange rates reducing the value of the net assets of a subsidiary whose functional currency is not the euro, after conversion into euros for inclusion in the Group's consolidated statement of financial position.

The consolidated statement of financial position and income statement are exposed to a currency translation risk: consolidated financial ratios are affected by changes in exchange rates used to translate the income and net assets of foreign subsidiaries operating outside the eurozone.

The translation risk on foreign operations outside the eurozone mainly concerns the Brazilian real, Argentine peso and Chinese renminbi. For example, changes in the average exchange rates used in 2015 compared with those for 2014 reduced consolidated net sales by 794 million euros or 1% and recurring operating income by 109 million euros or 4.5%.

Lastly, when financing is arranged locally, it is generally denominated in local currency.

12.6.4 Credit risk

The Group's estimated exposure to credit risk is presented below:

(in millions of euros)	**December 31, 2015**	December 31, 2014
Investments in non-consolidated companies	78	78
Other long-term investments	1,213	1,262
Total Other non-current financial assets	**1,291**	**1,340**
Consumer credit granted by the financial services companies	6,010	5,980
Trade receivables	2,269	2,260
Other current financial assets	358	504
Other assets (1)	418	551
Cash and cash equivalents	2,724	3,113
MAXIMUM EXPOSURE TO CREDIT RISK	**13,071**	**13,748**

(1) Excluding prepaid expenses.

12.6.4.1 Retail business

1) Trade receivables

Trade receivables correspond mainly to amounts receivable from franchisees (for delivered goods and franchise fees), suppliers (mainly rebates) and tenants of shopping mall units (rent). Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

At December 31, 2015, trade receivables net of impairment (excluding receivables from suppliers) amounted to 1,173 million euros (Note 5.4.3). At that date, past due receivables amounted to a net 112 million euros, of which 32 million euros were over 90 days past due (2.7% of total trade receivables net of impairment). No additional impairment has been recognized for these receivables as the Group considers that the risk of non-recovery is very limited.

2) Investments (cash equivalents and other current financial assets)

The Group's short-term cash management strategy focuses on acquiring liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value. Investments are made for the most part by Corporate Treasury and Financing, in diversified instruments such as term deposits with leading banks and mutual funds classified by the AMF as "money market" and "short-term money market" funds without any withdrawal restrictions. Investments made at the country level are approved by Corporate Treasury and Financing. Counterparty risk monitoring procedures are implemented to track counterparties' direct investment strategies and the underlying assets held by mutual funds in which the Group invests. The Group's objective is to never hold more than 5% of a fund's units and to never invest more than 250 million euros in any single fund.

12.6.4.2 Bancassurance business

1) Credit risk management

To protect against default by borrowers, the Group's financial services companies have set up systems to check the quality and repayment capacity of their customers. These include:

- decision-making aids such as credit scoring applications, income/debt simulation tools and credit history checking procedures;
- interrogation of positive and negative credit history databases, where they exist;
- active management of collection processes;
- credit risk monitoring and control systems.

Within each credit company, a Credit Risk department is responsible for all of these processes, and the Board of Directors receives copies of all Credit Risk Management Committee reports.

At Group level, a Credit Risk – Europe unit has been set up to oversee and implement credit risk management policies in France, Spain, Belgium and Italy.

2) Impairment for non-performing consumer loans

Consumer loans are classified as non-performing when the Group believes that there is a risk that all or part of the amount due will not be recovered (for example, because of overdue payment).

Impairment models are developed in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement* and local banking regulations in each country, according to a two-step process:

- classification of outstanding loans in uniform risk categories based on the probability of default; then
- modeling of the loss given default based on historical data.

In a certain number of countries, specific provisions are also recorded for certain types of exposures, to comply with local central bank guidelines.

ANALYSIS OF DUE AND PAST DUE CONSUMER LOANS

(in millions of euros)	**December 31, 2015**	Amounts not yet due at the period-end	Amounts due and past-due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	6,010	5,829	27	39	25	90

(in millions of euros)	December 31, 2014	Amounts not yet due at the period-end	Amounts due and past-due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	5,981	5,822	39	24	28	67

ANALYSIS OF CONSUMER LOANS BY MATURITY

(in millions of euros)	**Total December 31, 2015**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,825	1,242	1,465	118
Belgium	175	7	159	8
Spain	1,640	1,180	227	234
Italy	201	93	75	32
Argentina	166	159	8	-
Brazil	1,003	978	24	-
TOTAL	**6,010**	**3,658**	**1,958**	**393**

(in millions of euros)	Total December 31, 2014	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,834	952	1,701	181
Belgium	188	8	174	6
Spain	1,448	1,071	198	178
Italy	190	93	97	-
Argentina	174	170	4	-
Brazil	1,146	1,126	20	-
TOTAL	**5,981**	**3,421**	**2,194**	**366**

12.6.5 Equity risk

Equity risk corresponds to the potential impact of changes in the Carrefour share price on its share-based payment commitments and on treasury stock. Group policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

From time to time, the Group buys back its shares on the market or purchases call options on its shares, mainly in connection with its stock option plans. The frequency and size of these purchases depend on the share price. At December 31, 2015, shares and options held directly or indirectly by the Group covered its total commitments under outstanding stock option plans.

Marketable securities portfolios and other financial investments held by the Group consist for the most part of money market instruments that do not expose the Group to any material equity risk.

Note 13 Off-balance sheet commitments

Accounting policies

Commitments given and received by the Group that are not recognized in the statement of financial position correspond to contractual obligations whose performance depends on the occurrence of conditions or transactions after the period-end. There are three types of off-balance sheet commitments, related to (i) cash transactions, (ii) retailing operations and (iii) acquisitions of securities.

The Group is also party to leases that give rise to future commitments such as for the payment of rent on retail units leased by the Group from owners (commitments given), and the payment of rent on retail units in shopping malls owned by the Group and leased to other parties (commitments received).

		By maturity			
Commitments given *(in millions of euros)*	**December 31, 2015**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2014
Related to cash management transactions	**9,706**	**7,956**	**1,171**	**580**	**7,869**
Financial services companies	*8,961*	*7,855*	*1,106*	*0*	*6,969*
Other companies	*745*	*101*	*65*	*579*	*900*
Related to operations/real estate/expansion, etc.	**2,430**	**1,319**	**984**	**127**	**2,795**
Related to sales of securities	**261**	**131**	**57**	**73**	**171**
Related to leases	**3,503**	**1,055**	**1,597**	**851**	**3,494**
TOTAL	**15,900**	**10,460**	**3,809**	**1,631**	**14,328**

		By maturity			
Commitments received *(in millions of euros)*	**December 31, 2015**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2014
Related to cash management transactions	**6,633**	**938**	**5,675**	**20**	**6,819**
Financial services companies	*1,860*	*146*	*1,696*	*18*	*1,563*
Other companies	*4,774*	*791*	*3,980*	*3*	*5,256*
Related to operations/real estate/expansion, etc.	**1,040**	**239**	**530**	**270**	**921**
Related to sales of securities	**279**	**176**	**79**	**23**	**337**
Related to leases	**636**	**226**	**325**	**84**	**654**
TOTAL	**8,588**	**1,579**	**6,610**	**399**	**8,730**

Off-balance sheet commitments related to cash transactions include:

- credit commitments given to customers by the financial services companies in the course of their operating activities, and credit commitments received from banks;
- mortgages and other guarantees given or received, mainly in connection with the Group's real estate activities;
- committed lines of credit available to the Group but not drawn down at the period-end.

Off-balance sheet commitments related to operations include:

- commitments to purchase land given in connection with the Group's expansion programs;
- miscellaneous commitments arising from commercial contracts;
- performance bonds issued in connection with the Group's expansion programs;
- rent guarantees and guarantees from shopping mall operators;
- guarantees for the payment of receivables;
- other commitments given or received.

Off-balance sheet commitments related to securities consist of firm commitments to purchase and sell securities received from third parties:

- for the most part in France, in connection with the Group's franchising activities;
- including immediately exercisable put and call options and sellers' warranties given to third parties. No value is attributed to sellers' warranties received by the Group.

Off-balance sheet commitments related to leases:

At December 31, 2015, 691 hypermarket properties and 509 supermarket properties were owned outright out of a total integrated store base of 1,190 hypermarkets and 1,353 supermarkets.

Rent on store properties not owned by the Group totaled 1,035 million euros in 2015 (Note 5.2.2).

Of total future minimum rentals due under operating and finance leases, 27% are due within one year, 43% in one to five years and 30% beyond five years.

Future minimum rentals under operating leases – determined based on the Group's maximum commitment in terms of both duration and amount for each of the property leases in progress at the period-end – amounted to 3,503 million euros at December 31, 2015, or 2,747 million euros after discounting (Note 6.5).

The Group also owns various shopping malls, mainly built on the same sites as its hypermarkets and supermarkets.

Rental of the retail units in these malls generated revenues of 206 million euros in 2015. Future minimum rentals receivable from these retail units – determined based on the tenants' maximum commitment in terms of both duration and amount for each of the leases in progress at the period-end – amounted to 636 million euros at December 31, 2015, or 510 million euros after discounting.

Note 14 Subsequent events

In December 2015, the Group exercised an option to extend a 2,500 million euros credit facility. The one-year extension, until January 2021, became effective in January 2016. The Group retains an option to extend the facility by a further year. The operation has contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.7 to 4.4 years as of December 31, 2015).

On February 29, 2016, the Group announced it had signed an agreement with the Eroski Group to acquire 36 compact hypermarkets with a total sales area of 235,000 square meters, as well as 8 shopping malls and 22 gas stations adjacent to the stores. The acquisition is subject to conditions, including approval by the relevant antitrust authorities.

No other events have occurred since the year-end that would have a material impact on the Consolidated Financial Statements.

Note 15 Fees paid to the auditors

	2015				2014			
(in millions of euros)	Deloitte & Associés	KPMG	Mazars	Total	Deloitte & Associés	KPMG	Mazars	Total
Audit services	3.0	8.3	2.2	13.6	2.3	10.2	2.5	15.1
Other services	0.8	0.2	0.1	1.1	0.8	0.3	0.1	1.2
TOTAL	**3.8**	**8.5**	**2.3**	**14.7**	**3.1**	**10.5**	**2.6**	**16.3**

Note 16 List of consolidated companies

16.1 Fully consolidated companies at December 31, 2015

FRANCE	Percent interest used in consolidation
Ajaccio Distribution	100.0
Alhe Distribution	100.0
Alsatop	100.0
Amidis et Cie	100.0
Antidis	100.0
Apen	100.0
Avenue	52.0
Bellevue Distribution	100.0
Blo Distribution	100.0
Boedim	100.0
Brem 63 SCI	51.0
CSD	74.0
CSF	100.0
Cads	97.9
Callian Distribution	100.0
Callouets	51.0
Campus Erteco	100.0
Carautoroutes	100.0
Cardadel	100.0
Carfuel	100.0
Carima	100.0
Carma	50.0
Carma Courtage	50.0
Carma Vie	50.0
Carrefour Administratif France	100.0
Carrefour Banque (Ex S2P - Societe des Paiements Pass)	60.0
Carrefour Drive	100.0
Carrefour France	100.0
Carrefour France Participation	100.0
Carrefour Hypermarchés	100.0
Carrefour Import	100.0
Carrefour Management	100.0
Carrefour Marchandises Internationales	100.0
Carrefour Monaco	100.0
Carrefour Partenariat International	100.0
Carrefour Property Developpement	58.23
Carrefour Property France	100.0
Carrefour Property Gestion	100.0
Carrefour Property International	100.0
Carrefour Proximite France	100.0
Carrefour SA	100.0
Carrefour Services Clients	100.0

FRANCE	Percent interest used in consolidation
Carrefour Station Service	100.0
Carrefour Supply Chain	100.0
Carrefour Voyages	100.0
Carvilleneuve	100.0
Centre De Formation Et Competences	100.0
Challenger	100.0
Chamnord	56.7
Cigotop	100.0
Clairefontaine	100.0
Codiep	100.0
Compagnie d'activité et de commerce international – CACI	100.0
Coviam 8	100.0
Covicar 2	100.0
Covicar Ic 1	99.99
Covicar Ic 2	99.99
Covicar Ic 3	99.99
Covicar Ic 4	99.99
Covicargo 4	99.99
Covicargo 5	99.99
CPF Asset Management	100.0
CRF Régie Publicitaire	100.0
CRFP10	100.0
CRFP11	100.0
CRFP13	100.0
CRFP14	100.0
CRFP15	100.0
CRFP16	100.0
CRFP19	100.0
CRFP20	100.0
CRFP21	100.0
CRFP22	100.0
CRFP23	100.0
CRFP4	100.0
CRFP8	100.0
CSD Transports	74.0
CSI	100.0
Dauphinoise de Participations	100.0
De Kersalun	100.0
De La Coquerie	51.0
De La Fontaine	51.0
De Siam	51.0
Deldis	99.9

FRANCE	Percent interest used in consolidation
Digital Media Shopper	100.0
Diplo	99.96
Distrival	100.0
Dorel	99.9
Ecalhan	51.0
ED Franchise	100.0
EPG	66.0
Erteco	100.0
Erteco France	100.0
Faldis	99.9
Favicar	100.0
Fct Master Credit Card 2013	60.0
Financiere Rsv	100.0
Finifac	100.0
Forum Developpement	100.0
Gamacash	100.0
Geilerop	100.0
Genedis	100.0
Gernimes	100.0
GIE Carrefour Personal Finance Services	57.5
GM Carrefour	100.0
Grandvins-privés.com	100.0
Guilvidis	99.9
Guyenne & Gascogne	100.0
GVTIMM	51.0
Hauts De Roya	100.0
Hermes	100.0
Hyparlo	100.0
Hyperadour	100.0
Hypermarchés De La Vezère	50.0
Immauffay	51.0
Immo Artemare	51.0
Immo Bacqueville	51.0
Immobiliere Carrefour	100.0
Immobiliere Erteco	100.0
Immocyprien	51.0
Immodis	100.0
Immodivine	51.0
Immoloubes	51.0
Immotournay	51.0
Interdis	100.0
Kergalys	100.0
La Baudrière	51.0
La Croix Vignon	51.0
La Gersoise	51.0
Lalaudis	99.0
Lann Kerguen	51.2

FRANCE	Percent interest used in consolidation
Lapalus	100.0
Le Courtemblet	100.0
Le Phenix	100.0
Les Tasseaux	51.0
Les Vallees	51.0
Logidis	100.0
Logisticadour	100.0
Ludis	100.0
LVDIS	100.0
Maison Joannes Boubee	100.0
Market Pay	100.0
Market Pay Tech	100.0
Matolidis	100.0
Maximoise De Creation	51.0
Melgven Distribution	100.0
Menudis	100.0
Michel Hochard	100.0
Monteco	100.0
Montel Distribution	100.0
Morteau Distribution	100.0
Mpf Podiroux	100.0
Mph Distri	99.9
Newmag	100.0
Nosael	51.0
Nova.Dis	100.0
On Line Carrefour	100.0
Ooshop	100.0
OPCI Kart CRF	100.0
PRM	100.0
Pasdel	99.9
Phivetol	100.0
Ploraudis	100.0
Profidis	100.0
Profidis et Cie	99.9
Prolacour	100.0
Ressons	51.0
Saint Hermentaire	100.0
Sainte Victoire Distribution	100.0
Sam Prospective	90.0
Samad	100.0
Selima	100.0
Seloja	51.0
Sigoulim	51.0
Société Des Nouveaux Hypermarchés	100.0
Sodico	100.0
Sodimob	100.0
Sodimodis	100.0

FRANCE	Percent interest used in consolidation
Sodisal	100.0
Sodiscaf	100.0
Sodita	100.0
Soditrive	100.0
Sofaline	100.0
Sofidim	98.9
Sofidis	100.0
Sopromal	100.0
Soval	99.9
Station Sud	100.0
Stelaur	99.9
Stenn	100.0
Superadour	100.0
Superdis	96.5
Tertra	51.0
Univu	100.0
Valecar	100.0
Varjea	100.0
Vezere Distribution	50.0
Visage	100.0
Vizegu	90.1

GERMANY	Percent interest used in consolidation
Carrefour Procurement International AG & Co. KG	100.0

ARGENTINA	Percent interest used in consolidation
Banco De Servicios Financieros SA	60.0
INC SA	100.0

BELGIUM	Percent interest used in consolidation
Bigg's SA	100.0
Brugge Retail Associate	100.0
Caparbel	100.0
Carrefour Belgium	100.0
Carrefour Finance	100.0
Carum	100.0
De Netelaar	100.0
Dikon	100.0
Drive 1	100.0
Drive 2	100.0

BELGIUM	Percent interest used in consolidation
Eclair	100.0
Filunic	100.0
Fimaser	60.0
Fomar	100.0
Freshfood	100.0
GB Retail Associates Sa	100.0
Gent Dampoort Retail Associate	100.0
GMR	100.0
Grosfruit	100.0
Halle Retail Associate	100.0
Heppen Retail Associate	100.0
La Louviere Retail Associate	100.0
Mabe	100.0
Market A1 CBRA	100.0
Market B2 CBRA	100.0
Market C3 CBRA	100.0
Market D4 CBRA	100.0
Market E5 CBRA	100.0
Market F6 CBRA	100.0
Quievrain Retail Associate	100.0
R&D Food	100.0
Rob	100.0
Ruluk	100.0
Schilco	100.0
South Med Investments	100.0
Stigam	100.0
Vanden Meerssche Nv	100.0
Versmarkt	100.0
Wapro	100.0

BRAZIL	Percent interest used in consolidation
Atacadão Distribuicao Comercio E Industria LTDA	88.0
Banco CSF SA	44.9
BSF Holding SA	44.9
Carrefour Commercio E Industria LTDA	88.0
CMBCI Investimentos E Participações LTDA	88.0
Comercial De Alimentos Carrefour SA	88.0
Imopar Participcoes E Administracao Imobiliaria LTDA	88.0
Pandora Participacoes LTDA.	88.0
Riobonito Assessoria De Negocios LTDA.	88.0
Tropicargas Transportes LTDA	88.0
Verparinvest SA	88.0

CHINA	Percent interest used in consolidation
Beijing Carrefour Commercial Co., LTD.	55.0
Beijing Champion Shoulian Community Chain Stores Co Ltd.	100.0
Beijing Chuangyijia Carrefour Commercial	100.0
Beijing Representative Office Of Carrefour SA	100.0
Carrefour (China) Management & Consulting Services Co.	100.0
Carrefour (SH) E-Commerce Co., Ltd	100.0
Carrefour (SHANGHAI) Investment Management And Consulting Services Co., Ltd.	100.0
Carrefour (SH) Supply Chain Co., Ltd	100.0
Changchun Carrefour Commercial Co., Ltd.	75.0
Changsha Carrefour Hypermarket	100.0
Changzhou Yueda Carrefour Commercial Co., Ltd.	60.0
Chengdu Carrefour Hypermarket Co Ltd	80.0
Chongqing Carrefour Commercial Co Ltd	65.0
Dalian Carrefour Commercial Co., Ltd.	65.0
Dongguan Carrefour Commercial Co., Ltd	100.0
Foshan Carrefour Commercial Co.,Ltd	100.0
Fuzhou Carrefour Commercial Co Ltd	100.0
Guangzhou Jiaguang Supermarket Co	100.0
Guizhou Carrefour Commercial Co.,Ltd	100.0
Haikou Carrefour Commercial	100.0
Hangzhou Carrefour Hypermarket Co., Ltd	80.0
Harbin Carrefour Hypermarket Co., Ltd	83.0
Hebei Baolongcang Carrefour Commercial Co., Ltd.	51.0
Hefei Yuejia Commercial Co., Ltd.	60.0
Huhhot Carrefour Commercial Company Co.,Ltd.	100.0
Jinan Carrefour Commercial Co., Ltd	100.0
Kunming Carrefour Hypermarket Co., Ltd	100.0
Nanchang Yuejia Commercial Co.,Ltd	60.0
Nanjing Yuejia Supermarket Co Ltd	65.0
Ningbo Carrefour Commercial	80.0
Qingdao Carrefour Commercial	95.0
Qujing Carrefour Hypermarket Co.,Ltd.	100.0
Shandong Carrefour Commercial Co., Ltd.	100.0
Shangai Carhua Supermarket Ltd	55.0
Shanghai Global Sourcing Consulting Co Ltd	100.0
Shanghai Proximity Supermarket	100.0
Shanxi Yuejia Commercial Co.,Ltd	55.0

CHINA	Percent interest used in consolidation
Shenyang Carrefour Commercial Co Ltd	65.0
Shenzhen Carrefour Commercial	100.0
Shenzhen Lerong Supermarket Co Ltd	100.0
Shijiazhuang Carrefour Commercial Co., Ltd.	51.0
Sichuan Carrefour Commercial Co., Ltd.	100.0
Suzhou Yuejia Supermarket Co., Ltd	55.0
The Carrefour(China) Foundation For Food Safety Ltd.	100.0
Tianjin Jiafu Commercial Co., Ltd.	100.0
Tianjin Quanye Carrefour Hypermarket Co., Ltd	65.0
Wuhan Hanfu Supermarket Co., Ltd.	100.0
Wuxi Yuejia Commercial Co., Ltd.	55.0
Xiamen Carrefour Commercial Co Ltd	100.0
Xian Carrefour Hypermarket Co Ltd	100.0
Xinjiang Carrefour Hypermarket	100.0
Xuzhou Yuejia Commercial Co Ltd	60.0
Zhengzhou Yuejia Commercial Co., Ltd.	60.0
Zhuhai Carrefour Commercial Co.,Ltd.	100.0
Zhuhai Letin Supermarket Co., Ltd.	100.0
Zhuzhou Carrefour Commercial Co., Ltd.	100.0

SPAIN	Percent interest used in consolidation
Carrefour Espana Properties, SL	100.0
Carrefour Navarra, SL	100.0
Carrefour Norte, SL	100.0
Carrefouronline SL (SUBMARINO HISPANIA)	100.0
Centros Comerciales Carrefour, SA	100.0
Correduria De Seguros Carrefour	100.0
Establecimientos De Descuento Stone	100.0
Group Supeco Maxor	100.0
Inversiones Pryca, SA	100.0
Norfin Holder SL	100.0
Servicios Financieros Carrefour EF.C. (FINANCIERA PRYCA)	59.9
Sidamsa Continente Hipermercados, SA	99.9
Sociedad De Compras Modernas, SA (SOCOMO)	100.0
Supermercados Champion, SA	100.0
Viajes Carrefour, SL Unipersonal	100.0

HONG KONG	Percent interest used in consolidation
Carrefour Asia Ltd	100.0
Carrefour Global Sourcing Asia	100.0
Carrefour Trading Asia Ltd (CTA)	100.0

INDIA	Percent interest used in consolidation
Carrefour India Master Franchise Ltd	100.0
Carrefour WC & C India Private Ltd	100.0

IRLAND	Percent interest used in consolidation
Carrefour Insurance Limited	100.0

ITALIA	Percent interest used in consolidation
Carrefour Banca	60.0
Carrefour Italia Finance SRL	100.0
Carrefour Italia SPA	100.0
Carrefour Property Italia SRL	99.8
Consorzio Proprietari Centro Commerciale Brianza	52.8
Consorzio Proprietari Centro Commerciale Burolo	89.0
Consorzio Proprietari Centro Commerciale Giussano	76.8
Consorzio Proprietari Centro Commerciale Massa	54.1
Consorzio Proprietari Centro Commerciale Thiene	57.8
Consorzio Proprietari Centro Commerciale Torino Montecucco	87.2
Consorzio Proprietari Centro Commerciale Vercelli	84.2
Diperdi SRL	99.8
Galleria Commerciale Paderno SRL	99.8
Galleria Commerciale Property Futura SRL	99.8
GS SPA	99.8
SCARL Shopville Gran Reno	57.7
Societa Sviluppo Commerciale SRL	99.8

LUXEMBOURG	Percent interest used in consolidation
Velasques SA	100.0

NETHERLANDS	Percent interest used in consolidation
Carrefour China Holdings BV	100.0
Carrefour International Services BV (HYPER GERMANY HOLDING BV)	100.0
Carrefour Nederland BV	100.0
Carrefour Property BV	100.0
Ficadam BV	100.0
Fouret BV	100.0
Hyper Germany BV	100.0
Hyper Invest BV	100.0
Intercrossroads BV	100.0
Soca BV	100.0

POLAND	Percent interest used in consolidation
Carrefour Polska	100.0
Carrefour Polska Waw	100.0
Cpa Waw 1 Ska	100.0
Ibes	100.0
Galerie Alkoholi	100.0
Wigry	100.0

ROMANIA	Percent interest used in consolidation
Artima SA	100.0
Carrefour Merchandising	100.0
Carrefour Roumanie	100.0
Militari Galerie Comerciala	100.0
Supeco Investment SRL	100.0

SWITZERLAND	Percent interest used in consolidation
Carrefour World Trade	100.0
Hyperdema (PHS)	100.0
Promohypermarkt AG (PHS)	100.0

TAIWAN	Percent interest used in consolidation
Carrefour Insurance Broker Co	60.0
Carrefour Stores Taiwan Co	60.0
Carrefour Telecommunication Co	30.6
Charng Yang Development Co	30.0
Presicarre	60.0

16.2 Companies accounted for by the equity method at December 31, 2015

FRANCE	Percent interest used in consolidation
Abredis	50.0
Adialea	45.0
Alexandre	50.0
AP2L Distribution	50.0
Aroblis	50.0
Audist SAS	50.0
Azaydis	34.0
Azimmo	33.8
Bladis	33.3
Borderouge	49.9
BPJ	26.0
Calodian Distribution	50.0
Cardutot	26.0
Cargan	50.0
Carmila	42.2
Cerbel	50.0
Cevidis	50.0
Cherbourg Invest	48.0
Christia	50.0
Cinqdis 09	50.0
CJA Distribution	50.0
Colodor	50.0
Concept 2003	50.0
Corou	50.0
Coviam 21	50.0
Decodis	50.0
Dépôt Pétrolier De Lyon	50.0
Dépôts Pétroliers Cotiers	24.4
Diric	50.0
Dismonpt	50.0
Distri Palavas	50.0
Distribourg	50.0
Distrifleury	50.0
Du Moulin	49.9
Entrepôt Pétrolier de Valenciennes	34.0
Fabcorjo	50.0
Faro	50.0
Ferrari	50.0
Fiver	50.0
Foncière Marseillan	50.0
Foncière Planes	50.0
Foncière Solandis	33.8
Frelum	50.0
Gandis	50.0
Geric GIE	60.8

FRANCE	Percent interest used in consolidation
GPVM	30.0
Grandi	50.0
Gwenda	50.0
HBLP	25.0
Idec	50.0
Immo St Pierre Église	50.0
Josim	34.0
Jupilou	34.0
La Catalane De Distribution	50.0
La Craudis	50.0
Laita Belon Distribution	50.0
Laurenji	50.0
LB Le Plan	50.0
Le Clauzels	50.0
Le Petit Bailly	50.0
Leatild	50.0
Les Oliviers	50.0
Lezidis	50.0
Lsodis	50.0
Lumimmo	51.0
Madis	50.0
Magodis	50.0
Maison Vizet Fabre	29.1
Malissol	50.0
Maridys	50.0
Masseine	50.0
Maudis	50.0
MBD	50.0
My Design	40.0
Nasoca	50.0
Noukat	50.0
Olicours	50.0
Ouisdis	50.0
Ovea	50.0
Pam	50.0
Plamidis	50.0
Plane Marseillan	50.0
Prassidis	50.0
Prodix	50.0
Prophi	50.0
Provencia Sa	50.0
Rebais Distribution	50.0
Rimadis	50.0
Rond Point	34.0
Rose Berger	50.0

FRANCE	Percent interest used in consolidation
Sam	50.0
SCA	50.0
SCB	26.0
SCI Dominique	50.0
SCI Immodisc	50.0
SCI La Clairette	50.0
SCI Latour	60.0
SCI Pont d'Allier	50.0
SCI Sovalac	50.0
Scomondis	50.0
Scycadis	50.0
SDR	50.0
Seredis	26.0
SIFO	50.0
SMD	50.0
SME	50.0
Socadis	50.0
Socadis Cavalaire	50.0
Sodibor	50.0
Sodilim	50.0
Sodyen	50.0
Solandis	34.0
Soquimdis	50.0
Sovadis	50.0
St Paul De Distribution	50.0
Sté Du Depôt Pétrolier De Nanterre	20.0
Sté Financière Geric	34.9
Storydis	50.0
Tardis	50.0
Turenne	50.0
Valmendis	50.0

BELGIUM	Percent interest used in consolidation
Mestdagh	25.0

BRAZIL	Percent interest used in consolidation
Cosmopolitano Shopping Empreendimentos SA	44.0

SPAIN	Percent interest used in consolidation
2013 Couñago Nevado	26.0
2013 Cid Otero	26.0
2013 Albadalejo Valencia	26.0
2013 Martinez Carrion	26.0
2013 Gisbert Cataña	26.0
2013 Sobas Romero	26.0
2013 Corcoles Argadoña SL	26.0
2011 Cayetano Panelles, SL	26.0
2013 Alvaro Efrem Jimenez	26.0
2013 Cordoba Rodriguez	26.0
2013 Erik David	26.0
2013 Flores Hernandez	26.0
2013 Lizanda Tortajada	26.0
2013 Nayara S.Martin	26.0
2013 Vicente Arlandis	26.0
Antonio Perez, SL	26.0
Costasol De Hipermercados, SL	34.0
Diagonal Parking, SC	57.5
Glorias Parking SA	50.0
Hegervis Mataro, SL	26.0
Iliturgitana De Hipermercados, SL	34.0
JM.Marmol Supermercados. SL	26.0
J.Carlos Vazquez, SL	26.0
Luhervasan, SL	26.0
Sagrada Familia, SL	26.0
Supermercados Centeno SL	26.0
Valatroz	26.0

ITALIA	Percent interest used in consolidation
Carmila Thiene SRL	49.8
Consorzio Cieffea	49.9
Consorzio Proprietari Centro Commerciale Assago	49.9
Consorzio Proprietari Centro Commerciale Romanina	46.3
Consorzio Proprietari Centro Commerciale Siracusa	33.3
SCARL Shopville Le Gru	39.3

POLAND	Percent interest used in consolidation
C Services	30.0

ROMANIA	Percent interest used in consolidation
Ploiesti Shopping City	50.0

TURKEY	Percent interest used in consolidation
Carrefour Sabanci Ticaret Merkezi AS Carrefour SA	46.0

TUNISIA	Percent interest used in consolidation
Ulysse	25.0

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5.7 Statutory Auditors' report on the Consolidated Financial Statements

Year-ended December 31, 2015

This is a free translation into English of the Statutory Auditors' report on the Consolidated Financial Statements issued in French and is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the Consolidated Financial Statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Consolidated Financial Statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying Consolidated Financial Statements of Carrefour "the Group";
- the justification of our assessments;
- the specific verification required by French law.

The Consolidated Financial Statements have been approved by the Board of Directors. Our role is to express an opinion on these Consolidated Financial Statements based on our audit.

1. Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position and the assets and liabilities of the Group as of December 31, 2015, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

2. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French commercial code relating to the justification of our assessments, we bring to your attention the following matters:

Note 1.3 to the Consolidated Financial Statements states that the Company's Group's Management uses estimates and makes assumptions that may affect the book value of certain assets and liabilities as well as the accompanying notes to the financial statements. Note 1.3 also states that, depending on the evolutions of those assumptions, the book value of these assets and liabilities in the future financial statements may differ from the current estimates.

We have notably verified the followings:

- Your Group has performed at year-end an impairment test of goodwill and an assessment of the recoverability of other intangible and tangible assets as soon as there was any indication of impairment, according to the methodology described in Note 6.3 to the Consolidated Financial Statements. We have reviewed the methodology used to conduct the impairment tests and the identification of triggers of impairment, as well as the cash flow forecasts and assumptions used and verified the appropriate information provided in Note 6.3. to the Consolidated Financial Statements. We have reviewed the calculations performed by your Group; we have compared previous periods' accounting estimates with actual results and reviewed Management's approval process of these estimates;
- with respect to provisions, we have assessed the basis upon which such provisions have been set up, reviewed the Group's procedures to identify them, their assessment, and their recording and reviewed the information relating to the risks presented in Notes 9 and 10.1 to the Consolidated Financial Statements.

These assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by French law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the Consolidated Financial Statements.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 9, 2016

French original signed by

MAZARS	KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet David Chaudat	Patrick-Hubert Petit Caroline Bruno-Diaz	Arnaud de Planta

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Company Financial Statements as of December 31, 2015

6.1 Balance sheet at December 31, 2015

The financial statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding differences between the amounts reported in the different statements.

Assets

(in millions of euros)	Notes	2015 Total	2015 Depreciation, amortization and impairment	2015 Net	2014 Net
Intangible fixed assets		13,821	2,404	11,417	11,419
Tangible fixed assets		2	2	-	-
Financial investments		25,637	1,661	23,976	24,061
Fixed assets	*3*	**39,460**	**4,067**	**35,393**	**35,480**
Accounts receivable	*4*	999	187	812	3,655
Marketable securities	*5*	267	7	260	334
Current assets		**1,266**	**194**	**1,072**	**3,989**
Prepayments and deferred charges	*4*	45	-	45	47
TOTAL ASSETS		**40,771**	**4,261**	**36,510**	**39,516**

Equity and liabilities

(in millions of euros)	Notes	2015	2014
Share capital		1,846	1,837
Issue and merger premiums		16,023	15,930
Legal reserve		184	181
Regulated reserves		378	378
Other reserves		39	39
Retained earnings		5,213	1,361
Net income for the year		831	4,440
Shareholders' equity	*6*	**24,514**	**24,166**
Provision for contingencies and charges	*7*	**396**	**367**
Financial liabilities			
Bonds		7,043	7,048
Bank borrowings		-	120
Operating liabilities			
Trade payables		33	21
Accrued taxes and payroll costs		74	81
Other operating liabilities		-	-
Miscellaneous liabilities			
Other miscellaneous liabilities		4,450	7,713
Liabilities	*8*	**11,600**	**14,983**
TOTAL EQUITY AND LIABILITIES		**36,510**	**39,516**

6.2 Income statement as of December 31, 2015

(in millions of euros)	2015	2014
Reversals of impairment and provisions, and transferred charges	44	3
Other income	138	363
Total operating income	**182**	**366**
Other purchases and external charges	(176)	(393)
Wages and salaries, payroll taxes	(26)	(29)
Depreciation, amortization, impairment and other provision expense	(6)	(25)
Taxes other than on income, other operating expenses	(5)	(10)
Total operating expenses	**(213)**	**(457)**
Operating loss	**(31)**	**(91)**
Income from shares in subsidiaries and affiliates	848	1,583
Interest income, revenue from disposals of marketable securities	110	343
Reversals of impairment and other provisions	67	419
Total financial income	**1,025**	**2,345**
Provision charges and impairment of financial assets	(137)	(113)
Interest and other financial expense	(263)	(326)
Total financial expenses	**(400)**	**(439)**
Financial income, net	**625**	**1,906**
Recurring income before tax	**594**	**1,815**
Net non-recurring income (expense) from revenue transactions	-	(53)
Net non-recurring income (expense) from capital transactions	-	688
Non-recurring depreciation, amortization, impairment and other provision income (expense), net	44	1,752
Net non-recurring income	**44**	**2,387**
Employee profit-sharing	**-**	**-**
Income tax benefit	**193**	**238**
NET INCOME	**831**	**4,440**

6.3 Statement of cash flows

(in millions of euros)	2015	2014
Net income	**831**	**4,440**
Depreciation and amortization	(1)	13
Provisions and impairment of financial assets, net of reversals	(16)	(2,049)
Capital gains and losses on disposals of fixed assets	-	(688)
Other changes	(5)	-
Cash flow from operations	**809**	**1,716**
Change in other receivables and payables	(32)	28
Net cash from operating activities	**777**	**1,744**
Acquisitions of tangible and intangible fixed assets	-	(33)
Acquisitions of shares in subsidiaries and affiliates	(20)	(728)
Disposals of tangible and intangible fixed assets	-	67
Disposals of shares in subsidiaries and affiliates	-	30
Change in other financial investments	-	(206)
Other cash flows from (used in) investing activities[1]	79	(113)
Net cash from (used in) investing activities	**59**	**(983)**
Dividends paid	(394)	(159)
Net change in debt	(125)	(371)
Change in intra-group receivables and payables	(344)	(635)
Net cash used in financing activities	**(863)**	**(1,165)**
Net change in cash and cash equivalents	**(27)**	**(404)**
Cash and cash equivalents at beginning of year[2]	83	487
Cash and cash equivalents at end of year[2]	56	83
Net change in cash and cash equivalents	**(27)**	**(404)**

(1) Of which change in treasury stock (recorded in assets, under "Marketable securities").
(2) Excluding treasury stock (see Note 5).

6.4 Notes to the Company Financial Statements

Note 1 Accounting principles

The financial statements of the Company have been prepared and are presented in accordance with the principles and policies defined in *Autorité des Normes Comptables* (ANC) Regulation 2014-03, approved by government order of September 8, 2014.

The financial statements have been prepared on a going concern basis using the accruals method, in accordance with the principle of prudence.

Accounting policies have been applied consistently from one period to the next, except as regards pension benefit obligations (change in accounting policy as described in the "Pension benefit obligations (defined benefit plans)" section).

Assets and liabilities are measured according to the historical cost convention.

There were no changes in measurement or presentation methods in 2015 compared with the previous year.

1.1 Tangible and intangible fixed assets

Intangible assets mainly comprise software, stated at acquisition or development cost, and the goodwill arising from the Carrefour-Promodès merger in 2000. These amounts are tested for impairment at each year-end to confirm that their carrying amount does not exceed their recoverable amount, defined as the higher of fair value less costs to sell and value in use. Value in use is determined by discounting the future cash flows expected to be generated by the use of the asset, adjusted for the net debt of the tested entity if applicable.

Tangible fixed assets are stated at cost, corresponding to the purchase price and ancillary expenses.

Intangible fixed assets are amortized and tangible fixed assets are depreciated over their estimated useful lives, as follows:

- software: 3 to 8 years;
- computer equipment: 3 years;
- building fixtures and fittings: 8 years;
- other: 3 to 10 years.

If the net book value of a tangible or intangible fixed asset is not expected to be recovered through the future economic benefits generated by the asset, an impairment loss is recognized for the difference between its carrying amount and the higher of its value in use and fair value less costs to sell.

1.2 Financial investments

Financial investments consist of shares in subsidiaries and affiliates, advances to subsidiaries and affiliates, loans and other financial investments.

1.3 Shares in and advances to subsidiaries and affiliates

Shares in subsidiaries and affiliates are stated at the lower of cost and either fair value or value in use.

Value in use is estimated based on a range of criteria including the Company's interest in the investee's net assets, projected future cash flows from the investment and a fair value measurement of the net assets based on reasonable business projections.

Impairment losses are recorded in financial income and expense, along with impairment reversed on disposals of the interests concerned. Gains and losses on disposal of shares in subsidiaries and affiliates are recorded in non-recurring items.

1.4 Loans and other financial investments

Loans and other financial investments are stated at nominal value.

An impairment loss is recognized when their estimated recoverable amount is less than their carrying amount.

1.5 Accounts receivable

Accounts receivable mainly correspond to intra-group receivables on disposals of shares in subsidiaries and affiliates and on provision of services, in which case the receivables are recognized when the service is provided.

Accounts receivable are stated their nominal amount and an impairment loss is booked when their recoverable amount falls below their carrying amount.

1.6 Marketable securities

Marketable securities include:

- Carrefour shares designated as being held for allocation to employees under stock option plans. These shares are stated at cost. They are not written down to market value because they are intended to be allocated to employees and a provision is recorded in liabilities as explained below in the note on provisions;
- Carrefour shares available for allocation to employees or to stabilize the share price.

These shares are stated at the lower of cost and market value, corresponding to the average share price for the month of December.

- Carrefour shares and mutual funds which are part of the liquidity agreement. These shares are stated at the lower of cost and market value corresponding to the average share price for the month of December;
- Mutual fund units and retail certificates of deposit, stated at the lower of cost and market value.

1.7 Foreign currency transactions

Revenues and expenses in foreign currencies are recorded at the exchange rate on the transaction date. Receivables, payables and cash in foreign currency are recorded in the balance sheet at the year-end exchange rate or the hedging rate if applicable.

The difference arising from the application of the year-end rate is recorded in the balance sheet under "Prepayments and deferred charges".

1.8 Pension benefit obligations

Pension benefit obligations correspond to amounts payable to employees on retirement and benefits payable under supplementary pension schemes and are measured using the projected unit credit method. The main actuarial assumptions used to measure the obligations are described below.

For the first time in its Company financial statements, Carrefour has chosen to apply the rules set out under ANC Recommendation 2013-02 for the recognition and measurement of pension benefits and other obligations.

In so doing, the Company has elected to apply method 2, whereby actuarial gains and losses are recognized immediately in the income statement.

This change in accounting policy led to the recognition of a provision for the full amount of past service costs and actuarial gains and losses which, up to December 31, 2014, had been expensed over the average working life of the beneficiaries, with unrecognized past service costs and actuarial gains and losses shown in off-balance sheet commitments. The impact at January 1, 2015 totals 89 million euros and is shown in "Retained earnings" (Note 6).

Consequently, the provision at December 31, 2015 reflects the full amount of the present value of pension benefit obligations (including actuarial gains and losses and past service costs), net of plan assets.

The impact of this change in accounting policy on 2014 income and equity (pro forma information prepared on the basis of the new policy) is set out in Note 2.

1.9 Retirement obligations

The Company's total liability for amounts payable to employees on retirement is covered by a provision recorded in the balance sheet. The assumptions used to calculate the provision are as follows:

- rate of future salary increases: 2.5%;
- payroll tax rate: 45%;
- discount rate: 1.9%;
- staff turnover rate: average of the actual turnover rates for headquarters staff in 2013, 2014 and 2015, *i.e.*, employees with 0 to 5 years' seniority: 9.28%, employees with 6 to 10 years' seniority: 7.01%, employees with 11 to 15 years' seniority: 7.04%, employees with 16 to 20 years' seniority: 5.26%, employees with 21 to 25 years' seniority: 4.36%, and employees with 26 years' seniority or more: 3.00%. For employees aged over 55, the turnover rate is assumed to be zero;
- mortality table: TH TF 00-02.

1.10 Supplementary pension plan

In 2009, the Group set up a supplementary pension plan. The main terms of this defined benefit plan, which was amended in 2015, are as follows:

- eligibility: plan participants must have completed at least three years' service at the time of retirement, their annual compensation must be greater than 18 times the annual ceiling for Social Security contributions;
- years of service taken into account for the calculation of plan benefits: years of service with the Carrefour group under consecutive or non-consecutive employment contracts. The Company does not grant any length-of-service awards;
- benefits: 2.75% of the reference compensation per year of service, subject to the applicable performance conditions being met for each year.
- No benefits are paid if a minimum number of years has not been validated in connection with the performance conditions;
- reference compensation: average of the last three years' salary and bonus preceding the retirement date or 60 times the annual ceiling for Social Security contributions, whichever is lower;
- annual benefit cap: 25% of the reference compensation and the difference between 45% of the reference compensation and the total basic and supplementary pension benefits received by the plan participant;
- reversionary pension: upon the participant's death, payable to the surviving spouse in an amount equal to 50% of the original benefit.

1.11 Income tax

Carrefour is the head company of a tax group.

Under the terms of the agreement between the companies in the tax group, each company records in its accounts the income tax expense or benefit that it would have paid or received if it had been taxed on a stand-alone basis, and the tax saving or additional tax charge corresponding to the difference between the sum of the taxes payable by the companies in the tax group and the tax expense or benefit calculated on the basis of the tax group’s consolidated profit or loss is recorded by Carrefour.

The corporate income tax rate in France is 33.33% and companies are also required to pay a surtax (*contribution additionnelle*) corresponding to 3.3% of their tax liability beyond the first 763,000 euros, plus an additional 10.7% (*taxe additionnelle*), bringing the total tax rate to 38.00%.

Tax credits deductible from income tax expense are reported in the income statement under “Income tax benefit”.

1.12 Provisions

A provision is recorded when (i) the Company has an obligation towards a third party, (ii) the amount of the obligation can be reliably estimated, (iii) it is probable that an outflow of resources will be necessary to settle the obligation and (iv) no equivalent economic benefit is expected to be received in return.

A liability is recognized when (i) the decision has been made to set up a stock option or stock grant plan, (ii) the Company has an obligation to deliver existing shares to grantees and (iii) it is probable or certain that an outflow of resources will be necessary to settle the obligation without any equivalent economic benefit being received in return. When the stock rights or stock option rights may only be exercised at the end of a specified period of employee service, the liability is recognized as a provision that is reduced over the vesting period as the employee service is received.

The main characteristics of stock option plans outstanding at December 31, 2015 or that expired during the year are presented below:

	Grant date(1)	Number of options granted(2)	Life of the options	Number of grantees	Exercise period(3)	Number of options outstanding(4)	Exercise price *(in euros)*(2)
2008 Presence plan I	June 6, 2008	4,545,183	7 years	505	June 6, 2010 to June 5, 2015	0	39.68
2008 Presence plan II	July 7, 2008	17,109	7 years	1	July 7, 2010 to July 6, 2015	0	39.68
2009 Performance plan	June 17, 2009	1,252,994	7 years	57	June 17, 2011 to June 16, 2016	399,711	29.55
2009 Presence plan	June 17, 2009	6,974,861	7 years	2,571	June 17, 2011 to June 16, 2016	5,064,396	29.55
2010 Performance plan	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to July 16, 2017	471,416	29.91
2010 Presence plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,351,784	29.91
TOTAL						**7,287,307**	

(1) Date of the meeting of the Management Board (before July 28, 2008) or Board of Directors (after that date) when the stock option grants were decided.
(2) Adjusted number of options and adjusted exercise price.
(3) The options will vest only if the grantee is still employed by the Group at the start of the exercise period. Since 2006, the options vest as follows:
- *50% after two years;*
- *25% after three years;*
- *25% after four years.*

Concerning the exercise date, specific rules apply in the event of the grantee's death.
(4) The number of options outstanding includes both options exercisable at December 31, 2015 and options that were not yet exercisable at that date.

There are two types of plans:

- Presence plans, for which the only condition is that grantees must remain employed by the Group between the grant date and the start date of the exercise period for each tranche of options (50% of options vest after two years, 25% after three years and 25% after four years);
- Performance plans, for which the above presence condition applies as well as two conditions based on the Group's financial performance, with 50% of the options vesting when each of these conditions are met:
  - Performance conditions for the 2009 Performance plan concerned (i) sales growth for the period 2008 to 2010 and (ii) the level of 2010 free cash flow,
  - Performance conditions for the 2010 Performance plan concerned growth in (i) sales and (ii) recurring operating income over the period 2009 to 2011.

1.13 Risk information

Interest rate and foreign exchange risk

Interest rate hedging instruments are used mainly to limit the effects of changes in exchange rates on the Company's variable rate borrowings.

The main instruments are interest rate swaps and options and forward foreign exchange purchase and sale contracts, purchased over-the-counter from leading banking counterparties.

Gains and losses on hedging instruments are recognized on a symmetrical basis with the loss or gain on the hedged item. A provision is booked at the year-end for losses on derivative instruments that do not qualify for hedge accounting.

Details of derivative instruments outstanding at December 31 are presented in Note 10.

Equity risk

Equity risk concerns Carrefour shares acquired for allocation upon exercise of stock options. When their market price is less than the option exercise price, the shares are reclassified as "Shares available for allocation" in the marketable securities account, and an impairment loss is recognized for the difference between their purchase price and the average Carrefour share price for the month of December. See Note 5 for details.

Note 2 Significant events of the year

2.1 Financial income, net

Financial income, net amounted to 625 million euros in 2015 compared with 1,906 million euros in 2014. The 1,281 million eurosdecrease can be explained as follows:

- a reduction in dividend income from subsidiaries, with a negative impact of 735 million euros;
- a decrease in the merger surplus, with a negative impact of 304 million euros. The Company had booked a 309 million euros surplus on the Actis merger in 2014, compared to a merger surplus of 5 million euros in 2015;
- a decrease in net provision reversals with a negative impact of 376 million euros, reflecting:
  - 105 million euros in net charges to provisions for impairment of shares in subsidiaries and affiliates *versus* net reversals of 327 million euros in 2014 (negative impact of 432 million euros),
  - reversals of provisions for impairment of treasury stock, due to the rise in Carrefour's share price between 2014 and 2015 (positive impact of 71 million euros),
  - net charges to provisions for other financial risks (negative impact of 15 million euros);
- an increase in capital gains on disposals of treasury stock (positive impact of 64 million euros);
- a decrease in interest expense on intra-group and external borrowings (positive impact of 70 million euros).

2.2 Net non-recurring income

Net non-recurring income represented 44 million euros in 2015 and consisted mainly of the reversal of a provision for miscellaneous contingencies.

2.3 Financial position strengthened

On January 22, 2015, Carrefour obtained a new 2,500 million euros five-year bank facility (expiring in January 2020) with two one-year extension options from a pool of 22 banks.

This facility replaces two existing facilities, for 1,591 million euros and 1,458 million euros, expiring in July 2017 and November 2018 respectively.

The operation contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.5 years to 4.7 years at January 22, 2015), and reduce the related borrowing costs, while aligning their amount with the Group's needs.

On January 27, 2015, Carrefour carried out a new 750 million euros 10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue has consolidated Carrefour's long-term financing, extended the average maturity of its bond debt (from 4.2 years to 4.8 years at February 3, 2015) and further reduced its borrowing costs.

2.4 Placement of 12.7 million treasury shares

On March 23, 2015, Carrefour announced the disposal of 12.7 million treasury shares, representing about 1.73% of its share capital.

The sale was carried out through a private placement by way of an accelerated bookbuilding at a price of 31 euros per share, for a total amount of 393.7 million euros.

Of the 12.7 million treasury shares sold, 9.3 million shares were directly owned by Carrefour and 3.4 million shares were indirectly owned through an equity swap. These shares correspond to the excess coverage of Carrefour's obligations under stock option plans and free share allotments.

2.5 Change in the accounting policy for pension benefit obligations

The change in accounting policy for pension benefit obligations described in Note 1 above (see the section on accounting policies applied to pension benefit obligations) would have had the following impacts if it had been applied at December 31, 2014:

EQUITY AND LIABILITIES

	2014	Restatement	2014
(in millions of euros)	Published	*Pro forma*	*Pro forma*
Share capital	1,837		1,837
Issue and merger premiums	15,930		15,930
Revaluation reserve	-		-
Legal reserve	181		181
Regulated reserves	378		378
Other reserves	39		39
Retained earnings	1,361	(63)	1,298
Net income for the year	4,440	(26)	4,414
Shareholders' equity	**24,166**	**(89)**	**24,077**
Provision for contingencies and charges	**367**	**89**	**456**
Financial liabilities			
Bonds	7,048		7,048
Bank borrowings	120		120
Operating liabilities			
Trade payables	21		21
Accrued taxes and payroll costs	81		81
Other operating liabilities	-		-
Miscellaneous liabilities			
Other miscellaneous liabilities	7,713		7,713
Liabilities	**14,983**	**-**	**14,983**
TOTAL EQUITY AND LIABILITIES	**39,516**	**-**	**39,516**

INCOME STATMENT

(in millions of euros)	2014 Published	Restatement *Pro forma*	2014 *Pro forma*
Reversals of impairment and provisions, and transferred charges	3		3
Other income	363		363
Total operating income	**366**		**366**
Other purchases and external charges	(393)		(393)
Wages and salaries, payroll taxes	(29)		(29)
Depreciation, amortization, impairment and other provision expense	(25)	(26)	(51)
Taxes other than on income, other operating expenses	(10)		(10)
Total operating expenses	**(457)**	**(26)**	**(483)**
Operating loss	**(91)**	**(26)**	**(117)**
Income from shares in subsidiaries and affiliates	1,583		1,583
Interest income, revenue from disposals of marketable securities	343		343
Reversals of impairment and other provisions	419		419
Total financial income	**2,345**		**2,345**
Provision charges and impairment of financial assets	(113)		(113)
Interests and other financial expenses	(326)		(326)
Total financial expenses	**(439)**		**(439)**
Financial income, net	**1,906**		**1,906**
Recurring income before tax	**1,815**	**(26)**	**1,789**
Net non-recurring income (expense) from revenue transactions	(53)		(53)
Net non-recurring income from capital transactions	688		688
Non-recurring depreciation, amortization, impairment and other provision income (expense), net	1,752		1,752
Net non-recurring income	**2,387**		**2,387**
Employee profit-sharing	**-**		**-**
Income tax benefit	**238**		**238**
NET INCOME	**4,440**	**(26)**	**4,414**

Note 3 Fixed assets

(in millions of euros)	Intangible fixed assets	Tangible fixed assets	Financial investments	Total
Cost				
At January 1, 2015	13,821	2	25,652	39,475
Acquisitions	-	-	22 (1)	22
Retirements	-	-	(37) (2)	(37)
At December 31, 2015 *A*	**13,821**	**2**	**25,637**	**39,460**
Amortization, depreciation and impairment				
At January 1, 2015	2,402	2	1,591	3,995
Amortization and depreciation for the period	2			2
Impairment recorded and reversed during the period			70	70
Retirements				-
At December 31, 2015 *A*	**2,404**	**2**	**1,661**	**4,067**
NET TOTAL *A - B*	**11,417**	**-**	**23,976**	**35,393**

(1) Mainly corresponds to the Carrefour Management capital increase for 20 million euros.
(2) Corresponds to a decrease in the value of shares in merged subsidiaries.

Note 4 Current assets, prepayments and deferred charges

4.1 Maturities of receivables

(in millions of euros)	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Accounts receivable	999	999		
Prepayments and deferred charges	45	6	25	14
TOTAL	**1,044**	**1,005**	**25**	**14**

Prepayments and deferred charges mainly include bond redemption premiums for 23 million euros and bond issuance costs for 16 million euros, which are amortized over the life of the corresponding bonds.

At December 31, 2014, outstanding receivables represented 3,655 million euros, of which 2,923 million euros corresponding to the disposal of the Company's stake in GMR, which bought back its own shares.

Note 5 Marketable securities

Marketable securities include Carrefour shares:

- 6,409,942 Carrefour shares available for allocation to employees of Carrefour and its subsidiaries, for 161 million euros;
- 1,517,761 Carrefour shares held under a liquidity agreement for a gross amount of 45 million euros;
- premiums of 4 million euros paid on call options on Carrefour shares to be acquired for allocation on exercise of stock options outstanding at December 31, 2015. The premiums' amortized cost at December 31, 2015 was 3 million euros.

In 2015, changes in Carrefour shares held by the Company were as follows:

		Assets *(in millions of euros)*		
	Number	**Cost**	**Impairment**	**Provision** *(in millions of euros)*
At December 31, 2014	**10,281,473**	**279**	**(31)**	**(11)**
Acquisition of shares under equity swap arrangements	10,041,714	253		
Acquisition of shares under a liquidity agreement, net of disposals	937,761	31	(4)	
Disposal of shares on the market	(12,700,000)	(340)		
Delivery of shares further to the exercise of stock options	(633,245)	(17)		
Impairment of shares not yet allocated to specific share-based payment plans, or allocated to out-of-the-money stock options			28	11
At December 31, 2015	**7,927,703**	**206**	**(7)**	**-**

The market value of Carrefour shares held at December 31, 2015, based on the final quoted price for the year of 26.65 euros per share, was 211 million euros.

This item also includes units in money market funds for 56 million euros.

Note 6 Shareholders' equity

6.1 Share capital

The share capital is made up of 738,470,794 shares with a par value of 2.50 euros each.

6.2 Appropriation of profit (Articles 25 and 26 of the Memorandum and Articles of Association)

1 Income or loss for the year consists of the difference between revenue and expenses for the year after deducting depreciation, amortization and provision expense, as shown in the income statement.

2 At least 5% of income for the year, less any losses brought forward from the prior year, is allocated to the legal reserve until such time as the reserve represents one-tenth of the share capital, or to increase the statutory reserve if it falls below one-tenth of the capital.

The remaining balance plus any retained earnings brought forward from the prior year is available for distribution.

The Annual Shareholders' Meeting may decide to offer shareholders the option of reinvesting all or part of their dividend.

The Board of Directors may decide to pay an interim dividend, in cash or in shares, during the fiscal year, in accordance with the applicable laws and regulations.

(in millions of euros)	Share capital	Issue and merger premiums	Other reserves, retained earnings and net income	Total shareholders' equity
Shareholders' equity at December 31, 2014 including net income for the year	1,837	15,930	6,399	24,166
Distribution of dividends*				
Decided at the 2015 Annual Shareholders' Meeting			(499)	(499)
Issuance of new shares as part of the 2014 dividend	9	93		102
Change in premiums, reserves and retained earnings			3	3
Change in retained earnings			**(89)**	**(89)**
Shareholders' equity at December 31, 2015 before net income for the year	1,846	16,023	5,814	23,683
Net income for the year			831	831
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2015 INCLUDING NET INCOME FOR THE YEAR	**1,846**	**16,023**	**6,645**	**24,514**

* *The 2014 dividend was paid in July 2015, in cash for 394 million euros and in Carrefour shares for 102 million euros, resulting in the issuance of 3,556,885 new shares.*

Dividends not paid on Carrefour shares held in treasury on the ex-dividend date, amounting to 3 million euros, were credited to retained earnings on payment of the cash dividend.

The impact of the change in accounting policy for pension benefit obligations described in the section on accounting policies and in Note 2 (significant events) is a decrease of 89 million euros in retained earnings.

6.3 Treasury share reserve

The carrying amount of Carrefour shares held in treasury at December 31, 2015 was 199 million euros.

Note 7 Provisions and impairment

(in millions of euros)	January 1, 2015	Increases	Reversals		Change in accounting policy(2)	December 31, 2015
			Used	Unused		
Provision for contingencies and charges						
Obligations to deliver shares	11			(11)		-
Pension obligations	23	1		(42)	89	71
Other(1)	333	54		(63)		324
Impairment	-					-
On intangible fixed assets	680					680
On financial investments	1,592	80		(9)		1,663
On accounts receivable	185					185
Other (marketable securities)	32	5		(29)		8
TOTAL	**2,856**	**140**	**-**	**(154)**	**89**	**2,931**
Analysis						
Movements recorded in operating income and expense	47	5		(43)	89	98
Movements recorded in financial income and expense	2,048	135		(67)		2,116
Movements recorded in non-recurring income and expense	761			(44)		717
TOTAL	**2,856**	**140**	**-**	**(154)**	**89**	**2,931**

(1) "Other" relates to provisions for risks related to subsidiaries and affiliates and provisions for miscellaneous contingencies and disputes.
(2) Details of the change in accounting policy for pension benefit obligations are provided in the section on accounting policies relating to pension obligations and in Note 2 ("Significant events of the year").

Note 8 Change in financial liabilities

(in millions of euros)	2014	Increases	Decreases	2015	o/w accrued interest
Bonds	7,048	750	755	7,043	97
Bank borrowings	120		120	-	
TOTAL	**7,168**	**750**	**875**	**7,043**	*97*

MATURITIES OF LIABILITIES

(in millions of euros)	Amount	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds	7,043	764	3,529	2,750
Bank borrowings	-	-		
Trade payables	33	33		
Accrued taxes and payroll costs	74	74		
Other miscellaneous liabilities(1)	4,450	4,450		
TOTAL	**11,600**	**5,321**	**3,529**	**2,750**

(1) Liabilities due within one year mostly correspond to borrowings from subsidiaries.

At December 31, 2014, other miscellaneous liabilities represented a balance of 7,713 million euros, notably including a liability for 1,667 million euros related to the purchase of Carrefour Finance shares from GMR.

Note 9 Related party transactions

Assets	
Financial investments	23,970
Accounts receivable	478
TOTAL ASSETS	**24,448**

Liabilities	
Financial liabilities	-
Operating liabilities	21
Miscellaneous liabilities	4,434
TOTAL LIABILITIES	**4,455**

Expenses	
Operating expenses	(116)
Interest expense	(17)
Income tax	-
TOTAL EXPENSES	**(133)**

Revenue	
Operating revenue	138
Dividend and interest income	850
Income tax benefit	131
TOTAL REVENUE	**1,119**

There were no material transactions with related parties other than wholly-owned subsidiaries that were not entered into on arm's length terms.

Note 10 Other commitments

(in millions of euros)	Amount	o/w related parties
Commitments given		
Guarantees	48	36
Forward purchases of Carrefour shares(1)	77	
Subsidiaries' tax losses utilized by Carrefour SA	1,061	1,061
Rent guarantees(2)	214	
Other guarantees given	35	
TOTAL	**1,435**	**1,097**
Commitments received		
Undrawn syndicated lines of credit(3)	3,900	
Rent guarantees(2)	214	214
TOTAL	**4,114**	**214**

(1) Forward share purchase agreement:

- *In 2009, 18,638,439 Carrefour shares were purchased forward at a price of 28.725 euros per share.*
- *In 2010, 2,774,041 shares were purchased under the agreement. At December 31, 2010, 15,620,200 shares were available for purchase under the agreement at a price of 28.725 euros per share.*
- *In 2011, 2,196,200 shares were delivered for repurchase under the agreement and the forward price per share was reduced from 28.725 euros to 25.184 euros. In addition, 106,646 shares were purchased at the new price of 25.184 euros.*
- *In 2012, 664,970 shares were purchased at the price of 25.184 euros.*
- *In 2014, 3,939,973 shares were purchased at the price of 25.184 euros.*
- *In 2015, 10,041,714 shares were purchased at the price of 25.184 euros.*
- *At December 31, 2015, 3,063,097 shares were available for purchase under the agreement at a price of 25.184 euros per share, representing a total commitment of 77 million euros.*

(2) Rent guarantees:

- *Rent guarantees given or received under real estate leases: the guarantee corresponds to the future minimum payments due under non-cancelable real estate leases.*

(3) At December 31, 2015, the Company had two undrawn syndicated lines of credit obtained from a pool of leading banks totaling 3,900 million euros and expiring in 2019 and 2020. During the year, two lines of credit were terminated and replaced by a new facility (see "Significant events of the year").

NOTIONAL AMOUNT OF DERIVATIVE INSTRUMENTS BY MATURITY AT DECEMBER 31

(in millions of euros)	**December 31, 2015**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2014	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Issuer swap (Carrefour variable-rate borrower)								
Euribor/fixed rate	500	250	250	0	500	0	500	0
Purchased interest rate options (caps)								
Notional amount	5,550	500	4,750	300	5,000	250	3,750	1,000
Purchased swaptions								
Notional amount	400	0	400	0	0	0	0	0

FAIR VALUE OF DERIVATIVE INSTRUMENTS AT DECEMBER 31

(in millions of euros)	December 31, 2015
Issuer swap (Carrefour variable-rate borrower)	16
Purchased interest rate options (caps)	13
Purchased interest rate options (swaptions)	4

Note 11 Employees

11.1 Average number of employees

	2015
Managers	7
Supervisors	0
Administrative staff	0
TOTAL	**7**

11.2 Compensation

Statutory and discretionary profit-sharing plans have been set up by the Company for all employees with at least three months' service with the Carrefour group.

The amounts payable under these plans were as follows in 2015 and 2014:

(in euros)	2015	2014
Discretionary profit shares paid in respect of the prior year and invested in the discretionary profit-sharing fund	147,063	144,544
Statutory profit shares in respect of the prior year invested in the statutory profit-sharing fund	0	67,140

Details of management compensation are provided in the management report.

11.3 Employee retirement and pension benefits

Benefits payable to employees on retirement

The provision recorded in the balance sheet for benefits payable to employees on retirement amounted to 71 million euros at December 31, 2015.

Supplementary pension plan

Following the change in accounting policy for pension benefit obligations (see the section on accounting policies), unrecognized past service cost in 2014 for 41 million euros and unrecognized actuarial gains and losses for 48 million euros (arising on the fall in discount rates and the rise in tax) are now shown in provisions. These amounts were included in off-balance sheet commitments at December 31, 2014.

At December 31, 2015, the provision for pension benefit obligations therefore includes the full amount of the Company's pension benefit obligations.

Note 12 Tax

Unrecognized deferred taxes

CHANGE IN UNRECOGNIZED DEFERRED TAXES

	December 31, 2014		Changes		December 31, 2015	
Permanent and temporary differences	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
1 – Temporarily non-deductible expenses						
• Provisions for pension obligations	9		44		53	
• Provisions for impairment of receivables						
• Provisions for contingencies and charges						
• Other	4				4	
2 – Temporarily non-taxable revenue						
• Capital gains on mergers and asset contributions qualifying for rollover relief		346				346
TOTAL	**13**	**346**	**44**		**57**	**346**

BREAKDOWN OF NET INCOME AND CORRESPONDING TAX

(in millions of euros)	Before tax	Tax	After tax
Recurring income before profit-sharing	594	62	656
Non-recurring income	44		44
Group relief		131	131
BOOK INCOME	**638**	**193**	**831**

Note 13 Subsequent events

In December 2015, the Group exercised an option to extend a 2,500 million euros credit facility. The one-year extension, until January 2021, became effective in January 2016. The Group retains an option to extend the facility by a further year.

The operation has contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.7 to 4.4 years as of December 31, 2015).

No other events have occurred since the year-end that would have a material impact on the Company's financial statements.

Note 14 Subsidiaries and affiliates

Financial information

Certain data have not been provided because their disclosure would be seriously prejudicial to the Company's interests.

	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment net	Last published income	Last published revenue	Dividends received	Notes
A – Detailed information									
1 – Subsidiaries (over 50% owned)									
France									
BOEDIM	75.9	26.5	100.00	76.9	76.9	0.0			
CARMA	23.3	54.3	50.01	44.0	44.0	6.3		3.1	(1)
CARREFOUR BANQUE	100.0	516.3	60.00	124.4	124.4	64.9	405.3	19.8	(1)
CARREFOUR FRANCE	1,994.9	3,592.0	99.62	3,979.1	3,979.1	1,800.0	42.8	349.4	(1)
CARREFOUR MANAGEMENT	0.0	(0.7)	100.00	22.7	0.0	0.4			
CRFP 8	3,381.5	234.9	74.76	2,528.0	2,528.0	165.1		227.5	
CRFP 13	41.3	3.5	100.00	41.3	41.3	1.5		10.1	
GUYENNE ET GASCOGNE	106.4	19.5	100.00	427.7	427.7	(8.3)	542.4		(1)
HYPARLO	63.0	120.0	100.00	449.6	449.6	98.7	5.7		(1)
PRM	151.5	56.7	100.00	151.9	151.9	0.0			
Total				7,845.6	7,822.9	2,128.6	996.1	609.8	
International									
CARREFOUR ASIA	17.9	(126.4)	100.00	22.9					(1)
CARREFOUR NEDERLAND	2,259.1	3,525.8	100.00	3,603.1	3,603.1				(1)
NORFIN HOLDER	2.0	4,552.0	79.94	3,177.1	3,177.1			119.3	(1)
CAPARBEL (FORMERLY NORTHSHORE)	6,334.1	(0.5)	99.99	6,334.1	6,334.1				(1)
Total				13,137.2	13,114.3	0.0	0.0	119.3	
2 – Affiliates (10%-50% owned)									
France									
CRFP 14	986.0	0.0	34.87	343.8	343.8				
FINIFAC	3.7	92.7	49.32	18.0	18.0	10.2	18.2	4.9	(1)
Total				361.8	361.8	10.2	18.2	4.9	
International									
ATACADÃO	1,259.0	468.1	36.70	251.2	251.2			0.1	(1)
CARREFOUR FINANCE	6,823.0	(6.7)	25.00	1,667.7	1,667.7				(1)
CARREFOUR ITALIA	1,182.0	506.3	29.99	2,072.3	475.2				(1)
Total				3,991.3	2,394.1	0.0	0.0	0.1	

	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment net	Last published income	Last published revenue	Dividends received	Notes
B- Aggregate information									
1. Other subsidiaries									
France				28.9	18.9			102.6	
International				1.7	1.7			0.0	
2. Other investments									
France				16.3	8.3			0.4	
International				247.9	247.2			10.9	
C- General information about investments									
French subsidiaries (total)				7,874.5	7,841.8			712.4	
International subsidiaries (total)				13,138.9	13,116.0			119.3	
French affiliates (total)				378.1	370.2			5.3	
International affiliates (total)				4,239.1	2,641.4			10.9	
TOTAL				**25,630.7**	**23,969.3**			**847.9**	

(1) The columns "Share capital", "Reserves and retained earnings", "Last published income" and "Last published revenue" correspond to information for 2014 since the 2015 data are not yet available.

6.5 Statutory Auditors' report on the annual Financial Statements

Year-ended December 31, 2015

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying annual financial statements of Carrefour;
- the justification of our assessments;
- the specific verifications and information required by French law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2015 and of the results of its operations for the year then ended, in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matter set out in the paragraphs of Notes 1 and 2.5 to the financial statements regarding pension obligations, disclosing the change in accounting method of pension obligations following the first-time application of ANC recommendation n°2013-02 issued by the French Accounting Standards Body.

2. Justification of assessments

In accordance with the requirements of Article L. 823-9 of the French commercial code (*Code de commerce*), we bring to your attention the following matters.

As stated in Note 1 to the financial statements, intangible assets, composed mainly of goodwill (*Malis de fusion*), for which forecast future cash flows no longer allow the carrying amount to be recovered, are impaired. This impairment is determined by comparing the carrying amount to the recoverable amount, which is the higher of the asset's value in use and its market value.

As stated in Note 1 to the financial statements, equity investments are subject to impairment by comparing their carrying amount to their market value or their value in use; value in use was estimated by the Company based on the value of shareholders' equity, future cash flows or revalued net assets.

We assessed the information and assumptions underlying the calculation of values in use and, in particular cash flow forecasts prepared by your Company's Management. We reviewed the calculations performed by your Company, compared previous periods' accounting estimates with actual results and reviewed the Management approval process for these estimates. We would remind you, however, that these estimates are based on forecasts which by nature are uncertain and as such actual results may differ from the current estimates.

The paragraphs "Pension benefit obligations", "Retirement obligations" and "Supplementary pension plan" of Note 1 to the financial statements, Note 2.5 "Change in the accounting method for pension benefit obligations" and Note 7 "Provisions and impairment" describe the valuation method and accounting treatment of long-term employee benefit obligations. In the context of our assessment of the significant estimates used to prepare the financial statements, we reviewed the calculation basis and the calculation methods as well as the appropriateness of the information disclosed in the notes to the financial statements.

These assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders regarding the financial position and the annual financial statements.

With regard to the information provided in accordance with Article L. 225-102-1 of the French commercial code on remuneration and benefits received by corporate officers, as well as any other commitments granted in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare the financial statements and, where necessary, with the information collected by your Company from companies controlling or controlled by your Company. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the management report provides you with all the required information relating to the acquisition of investments and controlling stakes and the identity of the shareholders and holders of voting rights.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, April 15, 2016

French original signed by

MAZARS	KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet David Chaudat	Patrick-Hubert Petit Caroline Bruno-Diaz	Arnaud de Planta

7 Information about the Company and the capital

7.1 Information about the Company

7.1.1 Corporate name/trade and companies register

Carrefour

Nanterre Trade and Companies Register no. 652 014 051

7.1.2 Head office

33 Avenue Émile-Zola, Boulogne-Billancourt (92100), France.

Phone: +33 (0)1 41 04 26 00

7.1.3 Legal form/term

Public limited company (*société anonyme*) formed under French law and governed by the provisions of the French commercial code.

By decision of the Shareholders' Meeting of July 28, 2008, the Company adopted the form of public limited company (*société anonyme*) with a Board of Directors. Following its discussions on June 21, 2011, the Board of Directors decided to consolidate the duties of Chairman and Chief Executive Officer.

The Board of Directors' decision to consolidate the duties of Chairman and Chief Executive Officer was designed to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance.

The term of the Company, which began on July 11, 1959, will expire on July 10, 2058, except in the event of early dissolution or extension.

7.1.4 Main provisions of the Article of Association

7.1.4.1 Corporate purpose (article 3)

The purpose of the Company is to:

- create, acquire and operate, in France and abroad, stores for the sale of all items, products, foodstuffs and merchandise and, secondarily, to provide within the said stores all services that may be of interest to customers;
- purchase, manufacture, sell, represent and package the said products, foodstuffs and merchandise;
- in general, carry out all industrial, commercial, financial, movable and immovable property operations relating directly or indirectly to the said purpose or which may facilitate the said purpose or ensure its development.

The Company may act, directly or indirectly, and conduct all of these operations in all countries, on its own behalf or on behalf of third parties, either alone or within partnerships, alliances, groups or companies, with any other persons or companies, and carry out and complete them in any manner whatsoever.

The Company may also acquire all interests and stakes in any French or foreign companies or businesses, regardless of their purpose.

7.1.4.2 The Board of Directors (articles 11, 12, 13 and 14)

The Company is administered by a Board of Directors comprising three to eighteen members.

As soon as the number of directors over age 70 is greater than one third of the Directors in office, the oldest Director is automatically deemed to have resigned and his/her appointment will end on the date of the next Ordinary Shareholders' Meeting.

Each Director must own at least 1,000 shares during the term of his/her appointment.

The members of the Board of Directors are appointed for a three-year term, and one-third (or as close a percentage as possible) of its members are replaced each year. During the Board of Directors' meeting following the first appointments, the names of the Directors whose terms will expire early at the end of the first and second years are determined by drawing lots. The outgoing Directors may be reappointed.

The Directors' duties end following the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which their term expires.

The Board of Directors elects a Chairman from among its members, who must be a private individual. The age limit for the position of Chairman is 70. The Chairman may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's Financial Statements and held during the year in which he/she reaches age 70.

The Chairman may be appointed for the entire term of his/her appointment as director.

The Board of Directors appoints a Vice-Chairman from among its members, who is asked to replace the Chairman in case of absence, temporary unavailability, resignation, death or non-renewal of his/her term of office.

In the event of temporary unavailability, this replacement is valid only as long as the Chairman is unavailable; in all other cases, it is valid until a new Chairman is elected.

The Chairman organises and directs the Board of Directors' work, on which it reports to the Shareholders' Meeting.

The Chairman ensures the proper functioning of the Company's bodies and, in particular, sees to it that the directors are able to perform their duties.

The Board of Directors meets as often as required to serve the Company's interests, either at the head office or at any other place indicated in the notice of meeting.

The Directors are called to meetings by the Chairman or, where necessary, by the Vice-Chairman, by any means, including verbally.

Board of Directors' meetings are chaired by the Chairman of the Board of Directors or, where necessary, by the Vice-Chairman.

Proceedings are conducted under the conditions of *quorum* and majority prescribed by law.

The Secretary of the Board of Directors is authorised to certify copies and extracts of the proceedings' minutes.

The Board of Directors determines the Company's business strategy and oversees its implementation.

Subject to the powers expressly attributed to the Shareholders' Meetings and within the scope of the corporate purpose, it deals with all matters relating to the proper management of the Company and, through its proceedings, handles other matters concerning the Board.

The Board of Directors conducts the controls and audits that it deems appropriate. The Directors receive all information needed to perform their duties and may consult any documents that they deem appropriate.

7.1.4.3 Management (article 16)

As provided by law, the Management of the Company comes under the responsibility of either the Chairman of the Board of Directors or another private individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Based on a majority of the Directors present or represented, the Board of Directors chooses between the two aforementioned management methods.

The Board of Directors appoints, from among its members or otherwise, the Chief Executive Officer, who must be a private individual under the age of 70 and who has the broadest powers to act on the Company's behalf under all circumstances. The Chief Executive Officer exercises his/her powers within the scope of the corporate purpose and subject to those powers expressly attributed by law to the Shareholders' Meetings and Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

The age limit for the position of Chief Executive Officer is 70. The duties of a Chief Executive Officer who reaches this age end following the Shareholders' Meeting called to approve the previous year's Financial Statements and held during the year in which this age is reached.

When the Company is managed by the Chairman, the provisions of the laws and regulations or Articles of Association relating to the Chief Executive Officer are applicable to him/her. The Chairman assumes the title of Chairman and Chief Executive Officer and may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's Financial Statements and held during the year in which he/she reaches the age of 70.

The Board of Directors may determine the areas in which the Chief Executive Officer must consult the Board of Directors in performing his/her duties.

7.1.4.4 Breach of thresholds (article 7)

Pursuant to Article 7 of the Articles of Assocation, in addition to compliance with the legal obligation to inform the Company when holding certain percentages of the capital and related voting rights, any private individual or legal entity, acting alone or in concert, that holds a number of shares representing a proportion of the share capital or voting rights greater than or equal to 1% of the share capital or voting rights, or any multiple of this percentage, must inform the Company of the total number of shares and voting rights held, as well as the securities giving future access to the capital and the voting rights potentially related to them, by registered mail with return receipt within five trading days of the date on which the threshold is breached.

The obligation to inform the Company also applies when the shareholder's percentage of capital or voting rights falls below each of the aforementioned thresholds.

The penalties provided by law for failure to comply with the obligation to declare a breach of the statutory thresholds also apply in the event of non-declaration of breach of the thresholds stipulated in these Articles of Association, at the request, as noted in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the Company's capital or voting rights.

7.1.4.5 Shareholder rights (article 9)

Double voting rights are conferred on all fully paid up registered shares that have been registered in the name of the same shareholder for at least two years.

The Extraordinary Shareholders' Meeting is solely authorised to modify shareholders' rights, as provided by law.

7.1.4.6 Shareholders' Meetings (articles 20 to 23)

All shareholders are entitled to attend Shareholders' Meetings in person or by proxy, upon presentation of proof of identity and share ownership (in the form and at the place indicated in the notice of meeting) by no later than midnight Paris time three business days prior to the date of the Shareholders' Meeting.

Every shareholder has the right to participate in Shareholders' Meetings by way of a proxy given to any other person of his or her choice, and may also participate by sending their proxy and mail voting forms, subject to the conditions set forth under applicable laws and regulations.

Any shareholder may, if the Board of Directors so decides when convening the Shareholders' Meeting, also participate in and vote at Shareholders' Meetings *via* videoconference or any other means of telecommunication (including the Internet) that enables him/her to be identified under the conditions and according to the procedures laid down by the laws in force. Shareholders are notified of such a decision in the notice of meeting published in the *Bulletin des annonces légales obligatoires* (French bulletin of compulsory legal notices).

Those shareholders who use, for this purpose and within the required periods, the electronic voting form provided on the website set up by the Shareholders' Meeting's centraliser are considered shareholders present or represented. The electronic form may be completed and signed directly on this site through a user code and password, as provided for in the first sentence of the second paragraph of article 1316-4 of the French civil code.

The proxy or vote thus cast electronically prior to the Shareholders' Meeting, as well as the acknowledgement of receipt provided, will be considered irrevocable documents that are valid against all persons, it being specified that, in case of a transfer of shares occurring prior to midnight Paris time of the third business day preceding the Shareholders' Meeting, the Company will invalidate or modify accordingly, depending on the situation, the proxy or vote cast prior to the said date and time.

Shareholders' Meetings are convened by the Board of Directors under the conditions and within the times prescribed by law. They are held at the head office or in any other place indicated in the notice of meeting.

The Shareholders' Meeting is presided over by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman or a Director designated by the Board of Directors.

Returning officer duties are fulfilled by the two shareholders, present and willing, who hold the greatest number of votes, both in their own name and as agents.

The committee appoints a secretary, who does not need to be a member of the Shareholders' Meeting.

Ordinary and Extraordinary Shareholders' Meetings voting under the conditions of *quorum* and majority prescribed by law exercise the powers assigned to them in accordance with the law.

7.1.4.7 Provision of the issuer's Articles of Association that would cause a change in its control to be delayed, postponed or prevented

None.

7.2 Information on the capital

7.2.1 Change in share capital

Capital increase

The Ordinary and Extraordinary Shareholders' Meeting of June 11, 2015, under its third resolution, resolved to offer each shareholder the option of payment of the net dividend, to which the shareholder is entitled by virtue of shares held, in the form of new Company shares.

The Company's share capital was accordingly increased by a nominal amount of €8,892,212.50 (eight million, eight hundred nighty-two and two hundred twelve euros and fifty cents) through the creation of 3,556,885 new Company shares, which were fully paid up as of their issue, carry dividend rights as of January 1, 2015 and rank *pari passu* with the other shares in the Company's share capital.

Following this increase, the share capital amounts to €1, 846,176,985 (one thousand and eight hundred forty-six million, one hundred seventy-six thousand, nine hundred eighty-five euros). It is divided into 738,470,794 shares of €2.50 each.

Shares not representing capital; number and main characteristics

None.

Amount of convertible or exchangeable securities or securities with stock purchase warrants

None.

Information on the conditions governing any right of acquisition and/or any obligation relating to unpaid share capital, or on any undertaking to increase the capital

None.

Information on the capital of any member of the Group that is under option or agreed, conditionally or unconditionally, to be put under option, and the details of such options

None.

7.2.2 Summary overview of delegations of powers and authorities concerning capital increase

Type	Amount	Duration	Expiration
Issue of shares and/or marketable securities with preferential subscription rights maintained			
• Shares	€500 million	26 months	August 11, 2017
• Other marketable securities	€6,24 billion	26 months	August 11, 2017
Issue of shares and/or marketable securities with preferential subscription rights cancelled (Public offer and public offering implemented by the Company on another company)			
• Shares	€175 million	26 months	August 11, 2017
• Other marketable securities	€2.17 billion	26 months	August 11, 2017
Issue of shares and/or marketable securities with preferential subscription rights cancelled (Private Investment)			
• Shares	€175 million	26 months	August 11, 2017
• Other marketable securities	€2.17 billion	26 months	August 11, 2017
Issue of shares and/or marketable securities to remunerate contributions-in-kind granted to the Company in an amount of up to 10% of capital	10%	26 months	August 11, 2017
Capital increase through capitalisation of reserves, profits or premiums	€500 million	26 months	August 11, 2017
Capital increase for Group employees (shareholder waiver of preferential subscription right)	€35 million	26 months	August 11, 2017
Allotment of free of charge existing shares or to issue to salaried personnel and/or to Executive Officers of the Company and its subsidiaries (shareholder waiver of preferential subscription right)	0,5% 0,15% (Executive Officers)	24 months	June 11, 2017

CHANGE IN THE COMPANY'S CAPITAL

Event	Change in the number of shares	Capital *(in euros)*
Position at June 30, 1999	**233,069,544**	**582,673,860.00**
Capital increase in payment of the exchange offer initiated on the shares of Promodès	109,427,940	
Capital increases following the exercise of share subscription options	4,866	
Position at December 31, 1999	**342,502,350**	**856,255,875.00**
Capital increase in payment of the takeover merger of Promodès	6,387,126	
Cancellation of 15,000 CDV in connection with the above merger	(15,000)	
Allotment of free shares (at a rate of one new share per old share)	348,874,476	
Capital increases following the exercise of share subscription options	6,600	
Capital increases following the exercise of stock purchase warrants	8,412	
Capital increases following bond conversions	1,062,032	
Capital increase reserved for employees	12,317,444	
Position at December 31, 2000	**711,143,440**	**1,777,858,600.00**
Capital increases following the exercise of share subscription options	12,300	
Capital increase following the exercise of stock purchase warrants	84	
Capital increase following bond conversions	30	
Position at December 31, 2001	**711,155,854**	**1,777,889,635.00**
Capital increases following the exercise of share subscription options	9,000	
Capital increase following bond conversions	72	
Capital increase in payment of the takeover merger of Bontemps	4,535,604	
Cancellation of the shares received in connection with the above merger	(4,535,604)	
Capital increase in payment of the exchange offer initiated on the shares of Centros Comerciales Carrefour (Spain)	4,976,845	
Position at December 31, 2002	**716,141,771**	**1,790,354,427.50**
Capital increase following the exercise of stock purchase warrants	612	
Position at December 31, 2003	**716,142,383**	**1,790,355,957.50**
Capital reduction through cancellation of shares	(11,022,833)	
Position at December 31, 2004	**705,119,550**	**1,762,798,875.00**
Capital increase in payment of the takeover merger of Paroma	79,158,600	
Cancellation of the shares received in connection with the above merger	(79,159,434)	
Position at April 20, 2005	**705,118,716**	**1,762,796,790.00**
Capital reduction through cancellation of shares	(216,000)	
Position at December 31, 2005	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2006	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2007	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2008	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2009	**704,902,716**	**1,762,256,790.00**
Capital reduction through cancellation of shares	(25,566,716)	
Position at December 31, 2010	**679,336,000**	**1,698,340,000.00**
Position at December 31, 2011	**679,336,000**	**1,698,340,000.00**
Capital increase in payment of the Guyenne & Gascogne exchange offer	13,331,250	
	692,667,250	**1,731,668,125.00**
Capital increase resulting from the option to pay the dividend in shares	16,547,403	
Position at December 31, 2012	**709,214,653**	**1,773,036,632.50**
Capital increase resulting from the option to pay the dividend in shares	14,769,539	
Position at December 31, 2013	**723,984,192**	**1,809,960,480.00**
Capital increase resulting from the option to pay the dividend in shares	14,769,539	
Position at December 31, 2014	**734,913,909**	**1,837,284,772.50**
Capital increase resulting from the option to pay the dividend in shares	3,556,885	
Position at December 31, 2015	**738,470,794**	**1,846,176,985.00**

7.2.3 Treasury shares buybacks

Treasury shares

At December 31, 2015, the Company held 7, 927, 703 treasury shares (1,07% of capital).

The market value of Carrefour shares held based on the final quoted price for 2015 of €26.65, was €211 million.

March 23, 2015, Carrefour announces the successful completion of the disposal of 12.7 million treasury shares, representing about 1.73% of its share capital.

The share disposal was carried through a private placement by way of an accelerated bookbuilding at a price of €31 per share, for a total amount of €393.7 million

Of the 12.7 million treasury shares sold, 9.3 million shares were directly owned by Carrefour and 3.4 million shares were indirectly owned through an equity swap. These shares correspond to the excess coverage of Carrefour's obligations under stock option plans and free share allotments.

None of the Issuer's subsidiaries held Carrefour company shares.

Share buyback

The Ordinary and Extraordinary Shareholders' Meeting held on June 11, 2015, deliberating pursuant to article L. 225-209 of the French commercial code, authorised the Board of Directors to purchase Company shares, enabling it to use the option of dealing in treasury shares, in particular to:

- engage in market making activities with respect to Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French financial markets authority (*Autorité des marchés financiers*);
- fulfill any stock option plan in respect of the Company, free share allocation or other forms of allocation of shares or compensation related to the share price, to employees or corporate officers of the Company or a Group company;
- allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits set by the applicable regulations;
- cancel them;
- engage in any market making activities that may be recognized by law or the French Financial Markets Authority (*Autorité des marchés financiers*).

For each of the goals pursued, the number of shares purchased was as follows:

1. Liquidity agreement

   The Company has entrusted Oddo Corporate Finance with the implementation of a liquidity agreement applying to Carrefour ordinary shares (ISIN code FR0000120172) that are traded on the regulated market of NYSE Euronext in Paris.

   In 2014, for the implementation of this agreement, €100,000,000 have been allocated to the liquidity account.

   In 2015, the Company purchased 15,577,656 shares at an average price of €29.17 and sold 14,639,895 shares at an average price of €29.23. At December 31, 2015, the Company hold 1,517,761 shares.

2. Stock option plan coverage

   In all, 633,245 shares were delivered in 2015 following the exercise of stock options by stock option plan beneficiaries. A total of 474,169 options were exercised at a price of 29.55 euros per option, representing a total price of €14,011,693.95, and 159,076 options were exercised at a price of €29.91 per option, representing a total price of €4,757,963.16.

   Under the forward purchase contract implemented on June 15, 2009, the Company acquired by anticipation:

   - 3,456,321 shares at a price of €25.184 per share on March 23, 2015, representing a total price of €87,044,380.79;
   - 1,000,000 shares at a price of 25.184 euros per share on March 25, 2015, representing a total price of €25,184,113.62;
   - 2,000,000 shares at a price of 25.184 euros per share on April 1, 2015, representing a total price of €50,368,226.89

   Under the forward purchase contract implemented on June 15, 2009, the Company acquired at the expiry date:

   - 3,585,393 shares at a price of 25.184 euros per share on July 7, 2015, representing a total price of €90,294,944.05.

3. Cancellation

   In 2015, the Company did not cancel any shares.

Description of the share buyback program approved by the Shareholders' Meeting of June 11, 2015

1. Date of the Shareholders' Meeting that approved the share buyback program and implementation decision:

   Approval of the program: Shareholders' Meeting of June 11, 2015.

   Implementation decision: Board of Directors' Meeting of June 11, 2015.

2. Number of shares and percentage of capital held directly or indirectly by the issuer:

   At March 31, 2015, the Company held 4,803,179 treasury shares, *i.e.* 0.65% of the share capital.

3. Purposes for which shares are held by the Company:

   2,992,276 treasury shares are used to cover share purchase option plans and 1,810,903 treasury shares are hold by the Company through the liquidity agreement.

4. Objectives of the share buyback program:

   Purchases are made, in descending order of priority, to:

- to engage in market making activities with respect to Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French financial markets authority (*Autorité des marchés financiers*);
- to fulfill any stock option plan in respect of the Company, free share allocation or other forms of allocation of shares or compensation related to the share price, to employees or corporate officers of the Company or a Group company;
- to allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- to keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits set by the applicable regulations;
- to cancel shares;
- to engage in any market making activities that may be recognized by law or the French financial markets authority (*Autorité des marchés financiers*).

The purchase, sale or transfer of shares may be carried out and paid for by any means, on one or more occasions, on the open market or through a private transaction, including the use of option mechanisms, derivatives – in particular the purchase of call options – or securities giving a right to shares of the Company, under the terms set forth by the market authorities.

Moreover, the maximum portion of capital that can be transferred as blocks of securities may extend to the entire share buyback programme.

The Company may not use the authority granted by the Shareholders' Meeting of June 11, 2015 and continue to implement its share buyback program in the event of a tender offer involving shares or other securities issued or initiated by the Company.

5. Maximum percentage of capital, maximum number and characteristics of the shares the Company intends to acquire and maximum purchase price:

   The maximum purchase price per share is €45 and the maximum number of shares that may be purchased is 73,491,390 (*i.e.* approximately 10% of the capital at March 31, 2015). The total amount that the Company may use to buy back its own shares may not exceed €2,278,233,090

   Given that the Company already held 4,803,179 treasury shares at May 31, 2015, *i.e.* 0.65% of share capital as of that date, the maximum number of shares that may be purchased under this authorization is 68,688,211.

6. Term of the share buyback program

   18 months from June 11, 2015 pursuant to the authorization granted at the Shareholders' Meeting, *i.e.* until December 15, 2016.

7. Transactions carried out by way of acquisition, disposal or transfer under the previous share buyback program

Percentage of capital held directly and indirectly by the Company *(in shares + as percentage)* at the beginning of the previous program on April 15, 2014	6,078,894 / 0.84%
Number of shares cancelled over the past 24 months	
Number of shares held at May 31, 2015 *(in shares + as a percentage)*	4,803,179 / 0.65%
Gross book value of the portfolio *(in euros)*	131,585,550
Market value of the portfolio *(in euros)*	148,442,247

	Total gross flows		Open positions on the day of the programme description's publication			
	Purchases	Sales/Transfers	Open purchase position		Open sale position	
Number of shares	34,069,410	35,345,125	Call options purchased	Forward purchases	Call options sold	Forward sales
Average maximum maturity			805 days	269 days		
Average transaction price	26,39	28,23				
Average exercise price			29.91	25.184		
Amount	899,075,233	997,703,554				

2015 allocation of options

No options were granted in 2015.

7.3 Shareholders

7.3.1 Principal shareholders

At December 31, 2015, the share capital was €1,846,176,985 (one thousand and eight hundred forty-six million, one hundred seventy-six thousand, nine hundred eighty-five euros). It is divided into 738,470,794 shares of €2.50 each.

The Company is authorised to identify bearer shares. On the basis of extrapolations carried out using the identifiable bearer securities report as of December 2015, the number of listed shareholders exceeds 250,000 (slightly more than 2,200 of which are registered shareholders).

The number of voting rights at December 31, 2015 was 838,675,830. After deducting the voting rights that cannot be exercised from this figure, the total number of voting rights is 830,748,127.

CAPITAL (AT DECEMBER 31, 2015)

Shareholders	Number of shares	As a %	Number of ordinary voting rights	As a %	Number of extraordinary voting rights	As a %
Blue Partners [(1)]	38,611,538	5.23%	64,564,811	7.70%	64,564,811	7.70%
Cervinia Europe	38,046,501	5.15%	71,870,406	8.57%	71,870,406	8.57%
Groupe Arnault	2,656,752	0.36%	2,656,752	0.32%	2,656,752	0.32%
Bunt [(2)]	25,388,570	3.44%	25,388,570	3.03%	25,388,570	3.03%
Sub total	104,703,361	14.18%	164,480,539	19.61%	164,480,539	19.61%
Galfa	74,282,174	10.06%	74,282,174	8.86%	74,282,174	8.86%
Stanhore Trading International SRL	34,497,549	4.67%	34,497,549	4.11%	34,497,549	4.11%
Energy Jet SRL	1,461,957	0.20%	1,461,957	0.17%	1,461,957	0.17%
Fundo De Invest.Em Acoes Maldivas	1,321,508	0.18%	1,321,508	0.16%	1,321,508	0.16%
Sub total	37,281,014	5.05%	37,281,014	4.45%	37,281,014	4.45%
Employee	7,406,057	1.00%	14,745,233	1.76%	14,745,233	1.76%
Shares owned	7,927,703	1.07%				
Public	506,870,485	68.64%	547,886,870	65.33%	547,886,870	65.33%
TOTAL	**738,470,794**	**100.00%**	**838,675,830**	**100.00%**	**838,675,830**	**100.00%**

(1) Held through assimilation of 4,135,736 Carrefour shares lent by Blue Partners with right of recall at its sole initiative by virtue of article L. 233-9 I, 6° of the French commercial code.
(2) Of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.
At December 31, 2015, Blue Partners and Cervinia Europe owned 61,274,178 shares granting double voting rights.

On February 4, 2016, the simplified joint-stock company Galfa (27 rue de la Chaussee d'Antin, 75009 Paris) notify the French financial markets authority *(Autorité des marchés financiers)* that it had increased, February 2, 2016, following the acquisition of a call option on 10 million Carrefour shares, the threshold of 10% of the voting rights of the Company and hold 85,012,174 shares representing as many voting rights, representing 11.51% of the capital and 10:14% of voting rights in the Company. Galfa also had made a statement of intent stating the objectives it intends to pursue *vis-à-vis* the Company for the next six months.

On April 13, 2016, the simplified joint-stock company Galfa (27 rue de la Chaussee d'Antin, 75009 Paris) notify to the Company that it had increased, April 11, 2016, the threshold of 11 %, 12%, 13% et 14% of the voting rights of the Company.

On March 30, 2016, the concert parties composed of Stanhore Trading Internacional SRL (Ruta 8 Km 17, 500 Oficina 002A, Edificio Beta 3, Zonamerica, Montevideo, Uruguay), Energy Jet SRL (Ruta 8 Km 17, 500 Oficina 002A, Edificio Beta 3, Zonamerica, Montevideo, Uruguay) and Fundo de Investimento em Acoes Madivas – Investimento no Exterior (Praia de Botafogo, 501, 5° Andar (Parte) that it had increased, March 30, 2016 , the threshold of 5 % of the voting rights of the Company and hold 59 413 630 CARREFOUR's shares representing as many voting rights, representing 8.05% of the capital and 7.09% of voting rights in the Company.

Stanhore Trading Internacional SRL had increased individually the threshold of 5 % of the capital and the voting rights of the Company.

Stanhore Trading Internacional S.R.L. has declared that its acquisition, dated March 30, 2016 of 22 154 124 Carrefour' shares has been financed by a structured financing with a bank (with 7 July 2021 as final maturity date) and, in this context, has pledged 30,754,124 Carrefour's shares to the benefit of the bank.

Carrefour shareholder agreement

There is no shareholder agreement at Carrefour.

As a reminder, the breakdown of capital and voting rights at December 31, 2014 and December 31, 2013 was as follows:

CAPITAL (AT DECEMBER 31, 2014)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Partners[(1)]	41,383,842	5.63%	67,337,115	8.11%	67,337,115	8.11%
ColDevelopment SARL	1,250,000	0.17%	1,250,000	0.15%	1,250,000	0.15%
Cervinia Europe	38,046,501	5.18%	69,546,501	8.37%	69,546,501	8.37%
Groupe Arnault SAS[(2)]	2,656,752	0.36%	2,656,752	0.32%	2,656,752	0.32%
Bunt[(3)]	25,388,570	3.45%	25,388,570	3.06%	25,388,570	3.06%
Subtotal	**108,725,665**	**14.79%**	**166,178,938**	**20.01%**	**166,178,938**	**20.01%**
Galfa[(4)]	69,817,000	9.50%	69,817,000	8.41%	69,817,000	8.41%
Employee	7,783,462	1.06%	15,531,062	1.87%	15,531,062	1.87%
Shares owned	10,281,473	1.40%				
Controlled shares						
Public	538,306,309	73.25%	579,022,897	69.72%	579,022,897	69.72%
TOTAL	**734,913,909**	**100.00%**	**830,549,897**	**100.00%**	**830,549,897**	**100.00%**

(1) Of which 5,000,000 lent by Blue Partners with right of recall at its sole initiative by virtue of article L. 233-9 I, 9° of the French commercial code.
(2) Held through assimilation of Carrefour shares that can be acquired under a call option.
(3) Of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.
(4) Of which 14,316,725 shares via equity swap.
At December 31, 2014, Blue Partners and Cervinia Europe owned 57,453,273 shares granting double voting rights.

CAPITAL (AT DECEMBER 31, 2013)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Partners	25,953,351	3.58%	51,906,624	6.33%	51,906,624	6.33%
Colony Blue Investor SARL[(1)]	15,166,771	2.09%	15,166,771	1.85%	15,166,771	1.85%
ColDevelopment SARL[(2)]	1,337,001	0.18%	1,337,001	0.16%	1,337,001	0.16%
Blue AIV SARL[(3)]	176,692	0.02%	176,692	0.02%	176,692	0.02%
Cervinia Europe	36,270,585	5.01%	67,770,585	8.27%	67,770,585	8.27%
Groupe Arnault SAS[(4)]	2,656,752	0.37%	2,656,752	0.32%	2,656,752	0.32%
Bunt[(5)]	25,379,553	3.51%	25,379,553	3.10%	25,379,553	3.10%
Subtotal	**106,940,705**	**14.77%**	**164,393,978**	**20.06%**	**164,393,978**	**20.06%**
Employee	7,871,862	1.09%	15,736,862	1.92%	15,736,862	1.92%
Shares owned	5,761,500	0.80%				
Controlled shares						
Public	603,410,125	83.35%	639,365,658	78.02%	639,365,658	78.02%
TOTAL	**723,984,192**	**100.00%**	**819,496,498**	**100.00%**	**819,496,498**	**100.00%**

(1) Held through assimilation of 15,166,769 Carrefour shares lent by Colony Blue Investor SARL with right of recall at its sole initiative.
(2) Held through assimilation of 87,000 Carrefour shares lent by ColDevelopment SARLwith right of recall at its sole initiative and held through assimilation of 1,250,000 Carrefour shares that can be acquired under a call option.
(3) Held through assimilation of 176,691 Carrefour shares lent by Blue AIV SARL with right of recall at its sole initiative.
(4) Held through assimilation of Carrefour shares that can be acquired under a call option.
(5) Of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.
At December 31, 2013, Blue Partners and Cervinia Europe owned 57,453,273 shares granting double voting rights.

Employee shareholding

At year-end, Group employees held 1% of the Company's share capital through the Company mutual fund.

7.3.2 Information referred to in article L. 233-13 of the French commercial code

At the end of the 2015 financial year, Blue Partners a private limited company formed under Luxembourg law whose head office is located at 121 Avenue de la Faïencerie, L-1511 Luxembourg, Grand Duchy of Luxembourg, acting in concert with Cervinia Europe a private limited company formed under Luxembourg law whose head office is located at 2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg, the Groupe Arnault SAS a simplified joint-stock company formed under French law whose head office is located at 41 Avenue Montaigne, 75008 Paris, France and Bunt a private limited company formed under Luxembourg whose head office is located at 2-4, avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg held more than one-tenth of the share capital and more than three-twentieths of the voting rights.

Galfa a simplified joint-stock company formed under French law whose head office is located at 27 rue de la Chaussée d'Antin, 75009 Paris, France, held more than one-tenth of the share capital and one-fifth of the voting rights.

Stanhore Trading Internacional SRL whose head office is located at Ruta 8 km 17, 500 Oficina 002A Edificio Beta 3 Zonamerica Montevideo Uruguay, acting in concert with Energy Jet SRL whose head office is located at Ruta 8 km 17, 500 Oficina 002A Edificio Beta 3 Zonamerica Montevideo Uruguay, Fundo de Investimento em Acoes Maldivas-Investimento no Exterior whose head office is located at Praia de Botafogo 501 5° Andar (Parte) Torre Corcovado Botafogo CEP 22250-40 RJ Brésil held more than one-fifth of the share capital.

7.3.3 Information referred to in article L. 225-100-3 of the French commercial code

To the Company's knowledge, the composition of the capital stock is as shown in the table on page 261 of this Registration Document.

To the Company's knowledge, there is no agreement between its principal shareholders that could result in a change of control of the Company if implemented subsequently.

The summary table of current delegations of authority and powers granted to the Board of Directors appears on page 257 of this Registration Document. Any delegation whose implementation is likely to frustrate the public offer is suspended during the public offer period.

7.4 Stock market information

Carrefour is listed on the Paris Stock Exchange (Euronext Paris – Compartment A – ISIN code: FR0000120172). It is eligible for the Deferred Settlement Service. It is included in the CAC 40, SBF 120, FTSE Eurotop 100 and Stoxx Europe 600 Retail indices.

At December 31, 2015, Carrefour's share was in 25th position in the CAC 40 index in terms of market capitalisation, with a weighting of 1.58%.

The evolution of Carrefour's share price must be assessed over the long term, short term changes do not always reflect the Group's fundamentals.

	2011	2012	2013	2014	2015
Closing price (in euros) (1)					
highest	*36.08 (2)* *31.52 (3)*	*19.63*	*29.02*	*29.2*	*32.8*
lowest	*15.07*	*13.07*	*18.9*	*22.09*	*23.65*
at December 31	*17.62*	*19.35*	*28.81*	*25.3*	*26.65*
Number of shares at December 31	*679,336,000*	*709,214,653*	*723,984,192*	*734,913,909*	*738,470,794*
Market capitalisation at December 31 (in billions of euros)	*12.0*	*13.7*	*20.9*	*18.6*	*19.7*
Average daily volume (1) (4)	*3 ,935,400 (2)*	*3,239,839*	*2,598,027*	*2,985,228*	*3,064,488*
Net income from recurring operations per share (in euros)	*(3.35)*	*0.17*	*1.37*	*1.67*	*1.35*
Net dividend (in euros)	*0.52*	*0.58*	*0.62*	*0.68*	*0.70 (5)*
Yield	*2.95 %*	*3.00 %*	*2.15 %*	*2.69 %*	*2.63 %*

(1) Source: NYSE Euronext.
(2) Data not adjusted for the distribution-in-kind on July 5, 2011 (Dia).
(3) Data adjusted for distribution-in-kind on July 5, 2011 (Dia).
(4) Average daily volume on Euronext.
(5) Subject to approval by the Shareholders' Meeting on May 17, 2016.

CARREFOUR SHARE PRICE IN 2015

	Highest*	Lowest*	Average closing price*	Number of shares traded	Capital*
January	28.56	23.65	26.41	82,264,178	2,170,308,194
February	29.60	28.11	28.90	51,492,607	1,483,538,345
March	31.89	29.31	30.91	82,405,415	2,552,055,662
April	32.80	30.79	31.82	52,953,205	1,687,675,894
May	31.97	30.37	31.06	51,267,926	1,589,381,759
June	30.92	28.43	29.84	82,761,854	2,455,087,180
July	31.57	27.50	29.99	65,697,547	1,953,424,966
August	31.97	27.00	30.11	62,186,337	1,832,992,977
September	28.58	25.27	27.09	75,953,275	2,053,827,844
October	30.20	26.15	28.53	68,830,994	1,954,593,571
November	29.49	28.12	29.49	51,162,083	1,504,901,474
December	27.06	26.01	27.06	57,526,290	1,634,421,140

Source: NYSE Euronext.
** In euros.*

CHANGE IN SHARE PRICE (BASE 100 AT JANUARY 1, 2015)

Carrefour share price in relation to the CAC 40, BEFOODR [(1)] and STOXX Europe 600 Retail [(2)] indices.

Source Bloomberg.

(1) Composition of Bloomberg Europe Food Retailers (BEFOODR) index: Ahold, Carrefour, Casino, Colruyt, Delhaize, Dia, Green King PLC, Ocado, ICA Gruppen, Sainsbury, Jeronimo Martins, Kesko OYJ, Metro, Morrison, Tesco.

(2) Composition of Stoxx Europe 600 Retail index: AA PLC, Ahold, B&H European Value Retail, Groupe Booker, Carrefour, Casino, Colruyt, Delhaize, Dixons Retail, Dia, Dufry, Galenica, H&M, ICA Gruppen, Inchcape, Inditex, Jeronimo Martins, Just Eat, Kering, Kesko, Kingfisher, Marks & Spencer, Metro, Morrison, Next, Ocado, Sainsbury, Sports Direct International, Tesco, WH Smith, Zalando.

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Shareholders' Meeting

8.1 Agenda

Ordinary resolutions

1. Approval of the Corporate Financial Statements for fiscal year 2015;
2. Approval of the Consolidated Financial Statements for fiscal year 2015;
3. Allocation of earnings and setting the dividend; option for payment of the dividend in shares;
4. Approval of regulated agreements referred to in articles L. 225-38 et seq. of the French commercial code;
5. Advisory opinion on the elements of compensation due or awarded for fiscal year 2015 to the Chairman and Chief Executive Officer;
6. Renewal of the appointment of Mr. Thierry Breton as member of the Board of Directors;
7. Renewal of the appointment of Mr. Charles Edelstenne as member of the Board of Directors;
8. Renewal of the appointment of Mrs. Anne-Claire Taittinger as member of the Board of Directors;
9. Appointment of Mr. Abilio Diniz as member of the Board of Directors;
10. Appointment of Mr. Nadra Moussalem as member of the Board of Directors;
11. Approval of the Director's annual attendance fees;
12. Authorization for the Board of Directors to trade in the Company's own shares for a period of 18 months pursuant to article L. 225-209 of the French commercial code;

Extraordinary resolutions

13. Authorization granted for a period of 24 months to the Board of Directors to reduce the share capital by cancelling shares already acquired through a share repurchase program;
14. Authorization granted for a period of 38 months to the Board of Directors to allocate free of charge existing or new shares to salaried personnel and executive officers of the Company and its subsidiaries, which would entail a waiver by the shareholders of their preferential subscription rights to the free shares to be issued, up to 0.8% of the share capital;
15. Authorization granted for a period of 26 months to the Board of Directors to increase the share capital, cancelling the preferential subscriptions rights for shareholders, in favor of employees who are members of a company savings plan, for a maximum nominal amount of €35 million;
16. Amendment to article 20 of the Company's Articles of Association.

8.2 Presentation of the resolutions

The Shareholders' Meeting of May 17, 2016 is asked to vote on ordinary resolutions, for which the adoption requires a majority of the votes, and extraordinary resolutions, for which the adoption requires two-thirds of the votes.

8.2.1 Ordinary resolutions

The Board of Directors asks that the Shareholders' Meeting vote on the following ordinary resolutions:

First, second and third resolutions: approval of the financial statements, allocation of net income and setting of dividend

Statement of reasons

In its first and second resolutions, the Board of Directors asks that the Shareholders' Meeting approve the Corporate and Consolidated Financial Statements for the fiscal year ended December 31, 2015.

The Shareholders' Meeting is asked to approve:

- the Corporate Financial Statements, including the income statement, which shows a net profit of €830,629,260.99 in 2015 compared with €4,440,248,624.63 in 2014;
- the Consolidated Financial Statements.

Details of the financial statements are shown in chapters 4, 5, 6 of this Registration Document.

The purpose of the third resolution is to propose to the Shareholders' Meeting the allocation of net income and to set the dividend per share for fiscal year 2015 at €0.70, payable in cash or in new shares of the Company, at the shareholders' discretion.

The proposed dividend amounts to a payout ratio of 45% of net income, Group share, adjusted for exceptional items, in line with the policy set out in March 2012.

The full dividend amount of €516,929,555.80, which represents a dividend per share of €0.70 before social security contributions and the compulsory levy ("prélèvement obligatoire non libératoire") of 21% stipulated in article 117, subparagraph 4 of the French general tax code, is, for private individuals who are residents in France for tax purposes, eligible for the 40% tax reduction described in article 158-3-2 of the French general tax code.

In case of payment of the dividends in new shares, these shares would be issued at a price equal to 90% of the average of the opening prices quoted on the Euronext Paris regulated market during the 20 trading sessions preceding the date of the Shareholders' Meeting, reduced by the net amount of the dividend and rounded up to the nearest euro cent.

The quotation date of ex-dividend shares is set on May 23, 2016. The option period during which shareholders may opt for a payment of the dividends in cash or in new shares would begin on May 23, 2016 and continue until June 10, 2016 included. Shareholders may submit their request to the financial intermediaries authorised to pay the dividend or, for shareholders listed in the registered accounts held by the Company, to its authorized representative, Société Générale, CS 30812, 44308 Nantes Cedex 03.

Payment of the dividend and delivery of the new shares would occur on June 21, 2016.

First Resolution *(Approval of the Corporate Financial Statements for fiscal year 2015)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, and having been informed of the Board of Directors' and Statutory Auditors' reports, approves the Corporate Financial Statements for fiscal year 2015, as presented, together with the transactions reflected in those financial statements and summarized in those reports.

Second Resolution *(Approval of the Consolidated Financial Statements for fiscal year 2015)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, and having been informed of the Board of Directors' and Statutory Auditors' reports, approves the Consolidated Financial Statements for fiscal year 2015 as presented, together with the transactions reflected in those financial statements and summarized in those reports.

Third Resolution *(Allocation of earnings and setting the dividend; option for payment of the dividend in shares)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, on a proposal from the Board of Directors resolves to allocate the profit for year 2015 which amounts to €830,629,260.99 as follows:

Profit for fiscal year	**€830,629,260.99**
Allocation to the legal reserve	€(889,221.25)
Retained earnings at December 31, 2015	€5,213,006,730.57
Total distributable profit	**€6,042,746,770.31**
2015 Dividends paid out of distributable profit	**€516,929,555.80**
Balance of retained earnings after allocation	**€5,525,817,214.51**

The amount of retained earnings after tax for fiscal year 2014 was increased owing to 2014 dividends not paid out on treasury shares.

In the case of a variation in the number of shares eligible for a dividend with respect to 738,470,794 shares comprising the share capital as of December 31, 2015, the total amount of dividends would be adjusted as a consequence and the amount allocated to retained earnings would be determined on the basis of the dividends actually paid.

It is specified, in accordance with current fiscal regulation, that the total dividend of €516,929,555.80, which represents a dividend of €0.70 per share, before payroll taxes and non final withholding tax of 21% provided for in article 117 quater of the French general tax code, qualifies, for individuals who are French tax resident, for the tax relief equal to 40% of the amount of the dividend in accordance with Section 2° of paragraph 3 of article 158 of the French general tax code.

The Shareholders' Meeting, in accordance with article L. 232-18 of the French commercial code and article 26 of the Articles of Association, noting that share capital has been paid up in full, decide to offer each shareholder the option to choose for his/her dividend to be paid either:

- in cash; or
- in new shares of the Company.

The new shares, if the option is exercised, will be issued at a price equal to 90% of the average opening prices listed during the twenty stock market trading sessions on Euronext Paris prior to the date of this Shareholders' Meeting, less the amount of the dividend that is the subject of this resolution and rounded up to the nearest euro cent. Such issued shares will immediately be entitled to dividends as of January 1, 2016 and will be part of the share capital of the Company alongside other shares.

Shareholders may opt for payment of the dividend in cash or in new shares from May 23, 2016 to June 10, 2016 inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for registered shareholders listed in the issuer-registered accounts held by the Company, to its authorized representative, Société Générale, CS 30812, 44308 Nantes Cedex 03.

For shareholders who have not exercised their option by June 10, 2016, the dividend will only be paid in cash.

For shareholders who have not opted for a payment in shares, the dividend will be paid in cash on June 21, 2016 after the expiration of the option period. For shareholders who have opted for a dividend payment in shares, the settlement and delivery of shares will take place on the same date.

If the amount of the dividends for which the option is exercised does not correspond to a whole number of shares, shareholders may obtain the immediately higher number of shares by paying the difference in cash on the date they exercise the option, or receive the immediately lower number of shares, with the balance in cash.

The Shareholders' Meeting gives full powers to the Board of Directors, with the option of sub-delegation to the Chairman of the Board of Directors, in accordance with the conditions provided for by law, in order to make the payment of the dividend in new shares, to specify the terms and conditions of application and implementation thereof, to record the number of shares issued pursuant to this resolution and to make all requisite amendments to the Articles of Association concerning the share capital and the number of shares that make up the share capital and, in general, to take all requisite action.

It is recalled in accordance with the law, that the dividends paid on each share for the three preceding fiscal years and the income eligible for tax relief under Section 2° of paragraph 3 of article 158 of the French general tax code per share, were as follows:

Fiscal year	Gross dividend paid	Dividends eligible for tax relief of 40%	Dividends non eligible for tax relief of 40%
2012	€0.58	€0.58	-
2013	€0.62	€0.62	-
2014	€0.68	€0.68	-

Fourth resolution: regulated agreements

Statement of reasons

The Statutory Auditors' Special report mentions the regulated agreements authorized by the Board of Directors during fiscal year 2015 submitted for the approval of the Shareholders' Meeting, the regulated agreements authorized by the Board of Directors during fiscal year 2015 that were previously approved by the Shareholders' Meeting held on June 11, 2015, and also the ones which entered into and authorized during the previous fiscal years as described in chapter 8, section 8.3 of this Registration Document.

The Board of Directors asks that the Shareholders' Meeting approves the regulated agreements authorized by the Board of Directors during fiscal year 2015.

During its meeting on June 11, 2015, the Board of Directors, on recommendation of the Remuneration Committee, authorized:

- the commitment undertaken by the Company for the benefit of Mr. Jérôme Bédier, Deputy Chief Executive Officer, regarding fixed gross annual compensation under his employment agreement.

  On June 11, 2015, the Board of Directors authorized an increase in the fixed gross annual compensation of Mr. Jérôme Bédier under his employment agreement. A draft amendment to his employment agreement was signed, which increased by €50,000 his fixed gross annual compensation;
- the commitments undertaken by the Company for the benefit of Mr. Georges Plassat, Chief Executive Officer, Mr. Jérôme Bédier and Mr. Pierre Jean Sivignon, Deputy Chief Executive Officers, regarding the supplementary pension plan.

  The Chairman and Chief Executive Officer and the Deputy Chief Executive Officers benefit of the supplementary pension plan pursuant to article L.137-11 of the French social security code, in force within the Group since 2009.

On June 11, 2015, on recommendation of the Remuneration Committee, the Board of Directors authorized the modification of this supplementary pension plan.

The main characteristics of the scheme are:

- plan participants must have completed at least three years' service at the time of retirement, their annual compensation must be greater than 18 times the annual ceiling for Social Security contributions;
- years of service taken into account for the calculation of plan benefits: years of service with the Carrefour group under consecutive or non-consecutive employment contracts. The Company does not grant any length-of-service awards;
- benefits: 2.75% of the reference compensation per year of service, subject to the applicable performance conditions being met for each year. No benefits are paid if a minimum number of years has not been validated in connection with the performance conditions;
- reference compensation: average of the last three years' salary and bonus preceding the retirement date or 60 times the annual ceiling for Social Security contributions, whichever is lower;
- annual benefit cap: 25% of the reference compensation and the difference between 45% of the reference compensation and the total basic and supplementary pension benefits received by the plan participant;
- reversionary pension: upon the participant's death, payable to the surviving spouse in an amount equal to 50% of the original benefit.

During its meeting on March 9, 2016, the Board of Directors reviewed the regulated agreements entered into and authorized during the previous fiscal years whose performance continued during fiscal year 2015.

Fourth Resolution *(Approval of regulated agreements referred to in articles L. 225-38 et seq. of the French commercial code)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, having examined the Board of Directors' report and the Statutory Auditors' special report on regulated agreements prepared pursuant to articles L. 225-38 et seq. of the French commercial code, approves the new regulated agreements signed during fiscal year 2015, referred to therein.

Fifth resolution: advisory opinion on the elements of compensation due or awarded for fiscal year 2015 to the Chairman and Chief Executive Officer

Statement of reasons

Pursuant to the recommendations in the AFEP-MEDEF corporate governance code for listed companies reviewed in November 2015 to which the Company refers, the Board of Directors asks that the Shareholders' Meeting give its favourable opinion on the elements of compensation due or awarded for fiscal year 2015 to Mr. Georges Plassat, Chairman and Chief Executive Officer, as shown in chapter 3, Section 3.4.2 of this Registration Document.

Fifth Resolution *(Advisory opinion on the elements of compensation due or awarded for fiscal year 2015 to the Chairman and Chief Executive Officer)*

The Shareholders' Meeting, consulted pursuant to the AFEP-MEDEF corporate governance code for listed companies, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, gives a favourable opinion on the elements of compensation due or awarded for fiscal year 2015 to Mr. Georges Plassat, Chairman and Chief Executive Officer, as shown in chapter 3 Section 3.4.2 of this Registration Document.

Sixth, seventh, eighth resolutions: renewal of the terms of three members of the Board of Directors

Statement of reasons

The terms of Mr. Thomas J. Barrack Jr, Mr. Thierry Breton, Mr. Charles Edelstenne and Mrs Anne-Claire Taittinger are due to expire at the end of this Shareholders' Meeting.

On recommendation of the Appointments Committee, the Board of Directors asks that the Shareholders' Meeting renew the terms of Mr. Thierry Breton, Mr. Charles Edelstenne and Mrs Anne-Claire Taittinger for a period of three years, until the Shareholders' Meeting called to approve the financial statements for fiscal year 2018.

Biographies of the members of the Board of Directors concerned

Thierry Breton

Independent member

Born on January 15, 1955. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience

Thierry Breton graduated from the Paris École Supérieure d'Électricité (Supelec) and the Institut des Hautes Études de Défense Nationale (IHEDN, 46th class). In 1986, Mr. Breton became Project manager of the Poitiers Futuroscope theme park, then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the field of new information technologies. Mr. Breton also sat on the Poitou-Charentes Regional Council from 1986 to 1992, serving as Vice-Chairman from 1988. He then joined Bull as Head of Strategy & Development, before being appointed as Deputy Chief Executive Officer. Appointed to the Group's Board of Directors in February 1996, he was later made Deputy Chairman of the Board of Directors and then Chief Executive Officer of the Group.

Chairman-CEO of Thomson (1997-2002) and then Chairman-CEO of France Telecom (2002-2005), he was France's Minister of the Economy, Finance, and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) in "Leadership, Corporate Accountability", then Chairman of the Management Board of Atos Origin in November 2008.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Chairman of the Remuneration Committee of Carrefour

2015 Positions held outside the Group

- Chairman of the Board of Directors and Chief Executive Officer of Atos SE – *Listed company*
- Chairman of the Board of Directors of Atos Worldline (Atos Group) – *Listed company*
- Chairman of the Board of Directors of Bull SA (Atos Group) – *Listed company*
- Director of Sonatel (Sénégal)
- Member of the Global Advisory Council of the Bank of America Merill Lynch (United States)
- Director of SATS (Singapour) – *Listed company*
- Chairman of the ANRT
- Member of the Académie des Technologies

Former positions held from 2011 to 2014

- Chief Executive Officer of Atos International SAS (Expiration date of term: 2014)

Charles Edelstenne

Independent member

Born on January 9, 1938. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience

A qualified chartered accountant (IFEC graduate), Charles Edelstenne joined Dassault Aviation in 1960 as Head of the Financial Analysis Unit. He went on to hold posts such as Deputy Secretary-General and Executive Deputy Chairman, Economic and Financial Affairs, before being appointed to the Board in 1989. He was elected as Chairman-CEO in 2000, a role he has held until January 8, 2013.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Remuneration Committee of Carrefour

2015 Positions held outside the Group

- Director of Dassault Aviation SA – *Listed company*
- Chairman of the Board of Directors of Dassault Systèmes SA – *Listed company*
- Honorary President of Dassault Aviation SA – *Listed company*
- Chief Executive Officer of GIMD SAS (Groupe Industriel Marcel Dassault SAS)
- Member of the Supervisory Board of GIMD SAS (Groupe Industriel Marcel Dassault SAS)
- Director of Sogitec Industries SA
- Director of Thales SA – *Listed company*
- Director of SABCA (Société Anonyme Belge de Constructions Aéronautiques) (Belgium) – *Listed Company*
- Director of Dassault Falcon Jet Corporation (United States)
- Manager of ARIE civil partnership
- Manager of ARIE 2 civil partnership
- Manager of NILI civil partnership
- Manager of NILI 2 civil partnership

Former positions held from 2011 to 2014

- Chairman and Chief Executive Officer of Dassault Aviation SA (Expiration date of term: January 8, 2013) – Listed company
- Chairman of Dassault Falcon Jet Corporation (United States) (Expiration date of term: January 8, 2013)
- Chairman of Dassault International Inc. (United States) (Expiration date of term: April 29, 2013)

Anne-Claire Taittinger

Independent member

Born on November 3, 1949. French.

Number of Company shares owned: 3,901

Date of appointment to the Supervisory Board: April 20, 2005

Date of appointment to the Board of Directors: July 28, 2008

Date of last renewal: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience:

Anne-Claire Taittinger graduated from the Institut d'Études Politiques de Paris, and holds a Master's degree in urban sociology and an advanced degree in urban development from the Centre de Perfectionnement aux Affaires. She began her career in 1976 at the Caisse des Dépôts et Consignations as head of urban development operations at the Société Centrale d'Équipement du Territoire. She joined the Louvre Group in 1979 as Corporate Secretary and then became Chairman-CEO of the Compagnie Financière Deville. She later became Chairman-CEO of Compagnie Financière Leblanc and of ELM-LEBLANC, Deputy Chairman-CEO of the industrial division of DEVILLE, Chairman-CEO of Parfums Annick Goutal France USA, and then of Baccarat. She became Chief Executive Officer and subsequently Chairman of the Executive Committee of the Société du Louvre in 1997. In 2002 she became Chairman of the Executive Board of the Taittinger Group and Chief Executive Officer of its subsidiary Groupe du Louvre when the functions of Chairman of the Board and Chief Executive Officer were separated. She left these posts in July 2006 following a change in ownership at the Taittinger Group.

2015 Positions held within the Group

- Member of the Board of Directors of Carrefour
- Member of the Appointments Committee of Carrefour

2015 Positions held outside the Group

- Director and Chairman of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée (Expiration date of term: 2015) – *Listed company*
- Chairman of Le Riffray SAS
- Director and Chairman of the Accounts Committee of Thales SA – *Listed company*

Former positions held from 2011 to 2014

- Director and member of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée (Expiration date of term: 2011) – *Listed company*
- Chief Executive Officer of DFT Immobilier SAS (Expiration date of term: 2012)
- Director of Financités (Expiration date of term: 2013)
- Director of IFA (Institut Français des Administrateurs) (Expiration date of term: 2013)
- Member of the Supervisory Board of Planet Finance (Expiration date of term: 2013)

Pursuant to the recommendations in the AFEP-MEDEF corporate governance code for listed companies and on recommendation of the Appointments Committee, the Board of Directors has decided, after review, that Mr. Thierry Breton, Mr. Charles Edelstenne and Mrs Anne-Claire Taittinger can continue to be considered as independent Directors.

Sixth Resolution *(Renewal of the appointment of Mr. Thierry Breton as member of the Board of Directors)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, renews the term of office of Mr. Thierry Breton, as member of the Board of Directors of the Company for a period of three years, until the Shareholders' Meeting called to approve the financial statements for fiscal year 2018.

Seventh Resolution *(Renewal of the appointment of Mr. Charles Edelstenne as member of the Board of Directors)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, renews the term of office of Mr. Charles Edelstenne, as member of the Board of Directors of the Company for a period of three years, until the Shareholders' Meeting called to approve the financial statements for fiscal year 2018.

Eighth Resolution *(Renewal of the appointment of Mrs. Anne-Claire Taittinger as member of the Board of Directors)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, renews the term of office of Mrs. Anne-Claire Taittinger, as member of the Board of Directors of the Company for a period of three years, until the Shareholders' Meeting called to approve the financial statements for fiscal year 2018.

Ninth resolution: appointment of Mr. Abilio Diniz as member of the Board of Directors

Statement of reasons

Since January 2016, the Board of Directors appointed Mr. Abilio Diniz as Observer.

On recommendation of the Appointments Committee, the Board of Directors asks that the Shareholders' Meeting appoint Mr. Abilio Diniz as member of the Board of Directors for a period of three years, until the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year 2018.

Abilio Diniz

Observer

Born on December 28, 1936. Brazilian

Date of appointment as Observer of the Board of Directors: January 2016

Experience

Founder, former CEO and Chairman of the Board from 1993 until 2013 of Grupo Pão de Açucar (GPA) incorporated in 1948, Mr. Abilio Diniz was also a member of the Brazilian National Monetary Council between 1979 and 1989. One of the four members of the Board of Management and Development of the Federal Government of Brazil.

Mr. Abilio Diniz holds a BA from Fundação Getulio Vargas and made a post graduation in economy at Columbia University. Professor of Management and Leadership of Business Administration School at Fundação Getúlio Vargas. He is Chevalier de La Légion D'Honneur.

2015 Positions held within the Group

- Member of the Board of Directors, Chairman of the Human Resources Committee, Member of the Strategic Committee of Atacadão S.A. (Brazil)

2015 Positions held outside the Group

- Chairman and Director of Peninsula Participações S.A. (Brazil)
- Chairman of BRF S.A. (Brazil) – *Listed company*
- Director of Paic Participações Ltda, Fazenda da Toca Ltda, Ciclade Participações Ltda, Onyx 2006 Participações Ltda, Rio Plate Empreendimentos e Participações Ltda, Zabaleta Participações Ltda and Wilkes Participações S/A (Brazil)
- Director-Chairman of Recco Master Empreendimentos e Participações S.A. (Brazil)

Former positions held from 2011 to 2014

- Chairman of the Board of Directors of Grupo Pão de Açucar (Expiration date of term: 2013) (Brazil) – *Listed company*
- Director of Casino S.A. (Expiration date of term: 2012) – *Listed company*
- Chairman of the Board of Directors of Wilkes Participações S.A. (Brazil)
- Member of the Board of Globex Utilidades S.A. (Brazil) – *Listed company*

Ninth Resolution *(Appointment of Mr. Abilio Diniz as member of the Board of Directors)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, appoints Mr. Abilio Diniz as member of the Board of Directors of the Company for a period of three years, until the Shareholders' Meeting called to approve the financial statements for fiscal year 2018.

Tenth resolution: appointment of Mr. Nadra Moussalem as member of the Board of Directors

Statement of reasons

On recommendation of the Appointments Committee, the Board of Directors asks that the Shareholders' Meeting appoint Mr. Nadra Moussalem as member of the Board of Directors, in replacement of Mr. Thomas J. Barrack Jr, who's term expire at the end of the Shareholders' Meeting, for a period of three years, until the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year 2018.

Nadra Moussalem

Born on July 4, 1976. French.

Experience

Graduated from the École Centrale in Lyon, with a Masters in Information and Communication Technology, Nadra Moussalem, Executive Director and Head of Colony Capital Europe, is responsible for the identification, evaluation, execution and management of European investments. Prior to joining the Colony Capital business in 2000, Mr. Moussalem worked for AXA in Paris in the Financial Products engineering department.

2015 Positions held outside the Group

- Director of ACCOR SA – *Listed company*
- Director of Edenred SA – *Listed company*
- Director of Carmila SAS
- Chairman of Colony Capital SAS
- Chairman of Data IV Services
- Chairman of Data IV France
- Chairman of DC 115 SAS
- Chairman of Holding Sports & Événements
- Chairman of Colfilm SAS
- Chairman of ColIllkirch France
- Chairman of Colkart SAS
- Chief Executive Officer of ColSpa
- Managing Director of ColEvreux SCI
- Managing Director of Colnîmes SARL
- Managing Director of ColNozay EURL
- Managing Director of Colnozay SCI
- Permanent representative of Colony Capital SAS, Chairman of Colkart Investment Europe
- Chairman of Data 4 Italy (Italy)
- Chairman of Data 4 Services Italy (Italy)
- Director of Colyzeo Investment Management (United Kingdom)
- Managing Director of Colyzeo Investment Advisors Limited (United Kingdom)
- Chairman and Chief Executif Officer of Edenred SA (Expiration date of term: October 25, 2015) – *Listed company*
- Managing Director of Data Genpar Sarl (Luxembourg) (Expiration date of term : January 15, 2015)
- Director of Data4 UK Limited (United Kingdom)
- Director of Data 4 UK Services Limited (United Kingdom)

Former positions held from 2011 to 2014

- Director of Distribuidora Internacional de Alimentacion (DIA) (Spain) (Expiration date of term : June 17, 2015)
- Managing Director of the SC George V 301 (Expiration date of term : October 1, 2014)
- Managing Director of the SC George V 302 (Expiration date of term : October 1, 2014)
- Director of de Sisters Soparfi SA (Luxembourg) (Expiration date of term : June 18, 2014)
- Managing Director of the Cedar Trust (Luxembourg) (Expiration date of term : November 12, 2014)
- Managing Director of the CT Real Estate (Luxembourg) (Expiration date of term : November 12, 2014)

Tenth Resolution *(Appointment of Mr. Nadra Moussalem as member of the Board of Directors)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, appoints Mr. Nadra Moussalem as member of the Board of Directors of the Company for a period of three years, until the Shareholders' Meeting called to approve the financial statements for fiscal year 2018.

Eleventh resolution: approval of the Directors' annual attendance fees

Statement of reasons

The Shareholders' Meeting of June 11, 2015 set the amount of Directors' annual attendance fees at €980,000.

To take into account the appointment of an additional Director and the implementation of two new Board of Directors' Committees, on recommendation of the Remunerations Committee, the Board of Directors asks that the Shareholders' Meeting establish the Directors' annual attendance fees at €1,135,000 for current period (August 1, 2015 – July 31, 2016) and for subsequent periods, until a further decision by the Shareholders' Meeting.

The Directors' annual attendance fees are paid once per year, in July.

Eleventh Resolution *(Approval of the Directors' annual attendance fees)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority, approves the Directors' annual attendance fees at €1,135,000 per year, for current period (August 1, 2015 – July 31, 2016) and for subsequent periods until another decision is made in this respect by the Shareholders' Meeting.

Twelfth resolution: share buyback program

Statement of reasons

Pursuant to articles L. 225-209 *et seq*. of the French commercial code, the Board of Directors proposes that the Shareholders' Meeting authorizes the Board of Directors, for a period of 18 months, to buy back and sell the Company's shares, except during a tender offer, in particular to:

- ensure an active market in Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French financial markets authority (*Autorité des marchés financiers*);
- fulfil any stock option plans, free share allocation or other forms of allocation of shares or compensation related to the share price, for the benefit of employees or corporate officers of the Company or a Group company;
- allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits established by the applicable regulations;
- cancel them;
- engage in any market making activities that may be recognised by law or the French financial markets authority (*Autorité des marchés financiers*).

The Company contracted with Oddo Corporate Finance to implement a liquidity agreement applying to Carrefour ordinary shares (ISIN code FR0000120172) that are traded on the regulated market of NYSE Euronext in Paris.

During 2015 year, the Company purchased 15,577,656 shares at an average price of €29.17 per share, and sold 14,639,895 shares at an average price of €29.23. Through this contract, the Company held 1,517,761 shares at year-end.

In accordance with the regulations in force, the Company may not hold, at any given time, more than 10% of the shares comprising its share capital.

Under this new authorisation proposed to the Shareholders' Meeting, the maximum purchase price per share would be set at €45 and the maximum number of shares that may be purchased will be set at 73,847,079 (*i.e.* nearly 10% of the share capital as of December 31, 2015).

The total amount that the Company may use to buy back its own shares may not exceed €3,323,118,555.

This authorization would be granted for a period of eighteen months from the date of this Shareholders' Meeting, and would supersede, for the remainder of its on-going validity period the authorization granted by the Shareholders' Meeting on June 11, 2015.

Twelfth Resolution *(Authorization for the Board of Directors to trade in the Company's own shares for a period of 18 months)*

The Shareholders' Meeting, deliberating under the conditions required for ordinary shareholders' meetings as to quorum and majority and having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the option of sub-delegation, to trade in the shares of the Company as provided below, in accordance with article L. 225-209 of the French commercial code.

The maximum purchase price of the shares is set at €45 per share and the maximum number of shares that may be acquired is 73,847,079 (approximately 10% of the share capital as of December 31, 2015).

The total amount that the Company may allocate to the share repurchase program shall not exceed €3,323,118,555.

In the event of an alteration of the Company's share capital structure, in particular by a share capital increase through the capitalization of reserves, grant of free shares, share split or consolidation, the number of shares and the aforementioned purchase price will be adjusted to take account of the impact of such transactions on the value of the shares.

This authorization intends to allow the Company to use the possibilities of intervention on its own shares, in particular for the following purposes:

- to engage in market making activities with respect to Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French financial markets authority (*Autorité des marchés financiers*);
- to fulfill any stock option plan in respect of the Company, free share allocation or other forms of allocation of shares or compensation related to the share price, to employees or corporate officers of the Company or a Group company;
- to allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- to keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits set by the applicable regulations;
- to cancel shares;
- engage in any market making activities that may be recognized by law or the French financial markets authority (*Autorité des marchés financiers*).

The Shareholders' Meeting resolves that (i) the purchase, sale or transfer of shares may be effected and financed by all means and in one or several installments, on the market, off-market or over the counter, including by use of options, derivatives – including the purchase of options – or securities giving access to shares of the Company, as provided for by the market authorities, and (ii) the maximum number of shares that can be bought, sold or transferred in the form of blocks of shares may be equal to the entirety of the share repurchase program.

The Shareholders' Meeting resolves that the Company shall not use this authorization and at the same time continue its repurchase program in the event a public offer on the shares or other securities issued by the Company is made.

The Shareholders' Meeting gives full powers to the Board of Directors, with the option of sub-delegation, pursuant to the conditions provided for by law and by the Articles of Association, to decide upon and implement this authorization, by placing any stock exchange orders, entering into any agreements, carrying out all formalities and declarations (in particular, in accordance with the regulations set out by the French financial markets authority (*Autorité des marchés financiers*), allocate or reallocate the shares acquired for various purposes in accordance with any legal and regulatory requirements, and more generally taking any necessary action for the implementation of this resolution.

This authorization is granted for a period of eighteen months from the date of this Shareholders' Meeting, and supersedes, for the remainder of its on-going validity period the authorization granted by the Shareholders' Meeting on June 11, 2015.

8.2.2 Extraordinary resolutions

The Board of Directors asks that the Shareholders' Meeting vote on the following extraordinary resolutions:

Thirteenth resolution: capital reduction through cancellation of treasury shares

Statement of reasons

Pursuant to the provisions of article L. 225-209 of the French commercial code, the Board of Directors proposes that the Shareholders' Meeting renew, for a period of 24 months, the authorization granted to the Board of Directors on April 15, 2014 to reduce the share capital, on one or more occasions, by cancelling shares already held by the Company and/or shares that it may purchase as part of a share buyback.

The Company did not cancel any shares during 2015.

As provided by law, such a reduction may not exceed 10% of the share capital per 24 month period.

This authorization would be granted for a period of 24 months from the date of the Shareholders' Meeting.

Thirteenth Resolution *(Authorization granted to the Board of Directors for a period of 24 months, to reduce the share capital by cancelling shares)*

The Shareholders' Meeting, deliberating under the conditions required for extraordinary shareholders' meetings as to quorum and majority, having reviewed the report of the Board of Directors and the Statutory Auditors' special report, authorizes the Board of Directors, with the option of sub-delegation, pursuant to the provisions of article L. 225-209 of the French commercial code, to reduce the share capital, on one or more occasions, at its sole discretion and at any time it deems appropriate, through the cancellation of shares already held by the Company and/or shares the Company might acquire through a share repurchase program.

As required by law, the reduction may be made on no more than 10% of the share capital during each twenty-fourth month period.

All powers are granted to the Board of Directors, with the option of sub-delegation, in order to:

- to perform and record the capital reduction transactions;

- to perform and determine the terms and conditions for the cancellation of shares;
- to modify accordingly the Company's Articles of Association;
- deduct the difference between the carrying value of the cancelled shares and their par value on all reserves or premiums;
- and, generally, take all necessary measures, enter into all agreements and carry out all formalities in order to successfully complete the proposed share capital reduction, record its completion and subsequently amend the Company's Articles of Association.

This authorization is granted for a period of twenty-fourth months from the date of this Shareholders' Meeting. It supersedes the authorization granted by the Shareholders' Meeting on April 15, 2014.

Fourteenth resolution: allotment of free of charge existing shares or to issue existing Company shares reserved to salaried personnel and to executive officers of the Company and its subsidiaries

Statement of reasons

The Group remuneration policy aims to build loyalty and motivate the Group's talent, and give to salaried personnel a stake in its performance. The Group wishes to grant free of charge shares to executive directors, top management and certain high-performing salaried personnel that the Group wishes to recognise for their performance and commitment.

On recommendation of the Remunerations Committee, the Board of Directors asks that the Shareholders' Meeting authorizes the allocation of free shares of the Company, subject to performance conditions, reserved for salaried personnel and executive officers of the Company and its subsidiaries, for a period of thirty-eight months. Preferential subscription rights are cancelled by law.

The total number of free shares allocated shall not represent more than 0,8% of the share capital on the day of the Board of Directors' allocation decision.

In accordance with the recommendations in the AFEP-MEDEF code, the Board of Directors has decided that the total number of free shares allocated to the executive officers shall not represent more than 0.25% of the Company's share capital on the day of the Board of Directors' allocation decision.

The Board of Directors shall determine the identity of the beneficiaries of free share allocations as well as the conditions and, where applicable, the criteria for allocating the shares.

The vesting of shares shall be linked to fulfillment of performance conditions defined by the Board of Directors at the time of the allocation.

The allotment of shares to their beneficiaries will happen definitely by the end of the acquisition period, the duration of which will be fixed by the Board of Directors.The minimum duration of this acquistion period can't be less than three years, being specified that the Board of Directors may , if appropriate, impose a holding obligation for the shares which duration will be fixed by the Board of Directors.

This delegation would be granted for a period of 38 months from the date of the Shareholders' Meeting. It would cancel and replace the authorization granted by the Shareholders' Meeting of June 11, 2015.

Fourteenth Resolution *(Authorization granted for a period of 38 months to the Board of Directors to allot free of charge existing shares or to issue to salaried personnel and to executive officers of the Company and its subsidiaries, which would entail a waiver by the shareholders of their preferential subscription rights to the free shares to be issued, up to 0.8% of the capital)*

The Shareholder's Meeting deliberating under the conditions required for extraordinary shareholders' meetings as to quorum and majority, in accordance with the provisions of articles L. 225-197 of the French commercial code and having reviewed the report of the Board of Directors and the special report of the Auditors:

- authorizes the Board of Directors to make free allotments of existing shares or to issue shares to salaried personnel and executive officers of the Company and/or companies or economic interest groups directly or indirectly linked to the Company under the terms of article L. 225-197-2 of the French commercial code;
- resolves that the total number of shares free allotted through this authorization cannot represent more than 0.8% of the share capital on the date of the decision of the Board of Directors, it being stated that this limit does not take into account future adjustments to be made in order to conform with applicable regulatory and legislative provisions and, when appropriate, to applicable contractual provisions, in order to preserve the rights of holders of securities or other rights giving access to capital. To this effect, the Shareholders' Meeting authorizes the Board of Directors to increase the share capital where necessary by the incorporation of reserves, profits or premiums; and
- resolves that the total number of shares free allotted to executive officers of the Company through this authorization cannot represent more than 0.25% of the share capital of the Company at the date of the decision to allot.

The Board of Directors will decide on the identity of the beneficiaries of the allotments as well as the terms and conditions and, if necessary, the criteria for allotment of the shares.

The Shareholders' Meeting recognizes that this decision will happen automatically, for the benefit of the beneficiaries of the allotted shares, in terms of the waiver by the shareholders on one hand of their preferential subscription rights and on the other hand the issue premiums which will be incorporated into the capital where new shares are issued.

The Shareholders' Meeting resolves that the allotment of shares to their beneficiaries will happen definitely by the end of the acquisition period, the duration of which will be fixed by the Board of Directors.

The minimum duration of this acquisition period can't be less than three years, being specified that the Board of Directors may, if appropriate, impose a holding obligation for the shares which duration will be fixed by the Board of Directors.

The Shareholders' Meeting resolves that the allotment of shares to the beneficiaries will be definitive before the end of the acquisition period in case of the invalidity of the beneficiaries corresponding to them falling within the second or third of the categories set out in article L. 341-1 of the French social security code.

The Shareholders' Meeting resolves that the definitive allotment of shares must be linked to the fulfilment of performance conditions defined by the Board of Directors at the time they make their decision to allot.

Full authority is granted to the Board of Directors to implement this authorization, and notably to:

- decide on the terms and conditions or the plans and fix the conditions under which the shares will be issued;
- implement the above or the increase in capital from the allotments which may occur from using this delegation, where necessary by incorporation of reserves, profit or premiums;
- if necessary provide for an adjustment in the number of shares granted where there are capital transactions and modify the Articles of Association accordingly.

This authorization is granted for a period of 38 months from the date of this Shareholders' Meeting. It supersedes the authorization granted by the Shareholders' Meeting on June 11, 2015.

Fifteenth resolution: capital increase reserved for employees

Statement of reasons

Given that the Shareholders' Meeting will be asked to authorise the Board of Directors to allot free of charge existing shares or to issue to salaried personnel and to executive officers of the Company and its subsidiaries, the Board of Directors asks that the Shareholders' Meeting renews, in the same conditions as last Shareholders' Meeting the delegation of authority to increase the capital reserved for employees.

The Group encourages employee savings in Company mutual funds by offering a Group Savings Plan. In France, the Group also renewed its Group profit-sharing agreement in 2013 for a period of three years.

At year-end, Group employees held 1% of the Company's share capital and 1.76% of the votes through the Company mutual fund.

This resolution provides for:

- a maximum nominal amount of the capital increase set at thirty-five (35) million euros;
- this amount will be charged against the overall nominal ceiling of €500 million specified in the nineteenth resolution approved by the Shareholders' Meeting of June 11, 2015;
- the subscription price for new shares will not be less than 80% of the average share price quoted on NYSE Euronext Paris during the 20 trading sessions preceding the date of the decision that sets the opening date of subscriptions;
- this delegation will automatically entail the shareholders' waiver, in favor of the holders of marketable securities issued pursuant to this resolution that give access to the Company's share capital, of their preferential right to subscribe for the shares to which these marketable securities entitle their holders.

This delegation will be granted for a period of 26 months from the date of this Shareholders' Meeting. It cancels and replaces the authorization granted by the Shareholders' Meeting of June 11, 2015.

Fifteenth Resolution *(Authorization granted to the Board of Directors for a maximum period of 26 months in order to increase the share capital, cancelling the preferential subscription rights of the shareholders, in favor of employees who are members of a company savings plan, for a maximum nominal amount of €35 million)*

The Shareholders' Meeting, deliberating under the conditions required for extraordinary shareholders' meetings as to quorum and majority, in accordance with the provisions of articles L. 225-129, L. 225-129-2 to L. 225-129-6 and L. 225-138-1 of the French commercial code and articles L. 3332-1 et seq. of the French labor code, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- delegates to the Board of Directors, with the option of sub-delegation within the law, its authority to increase the share capital, on one or more occasions, at the time and under the terms and conditions it will determine, to a maximum nominal amount of thirty-five (35) million euros by issuing shares as well as any other equity securities or securities conferring immediate or deferred access to the share capital of the Company, and that this nominal amount shall be counted against the aggregate nominal value of five hundred (500) million euros provided for in the nineteenth resolution approved by the Shareholders' Meeting on June 11, 2015 and that this amount will be increased, as may be necessary, by reason of any adjustments made in accordance with applicable legislative and regulatory provisions and, as the case may be, of contractual stipulations to preserve the rights of holders of equity securities, securities or other rights conferring access to share capital;
- resolves to cancel the preferential subscription rights of shareholders to the new shares or other securities to be issued giving rights to the share capital of the Company reserved for the participants in one or more company savings plans (or any other plan within the scope of article L. 3332-18 of the French labor code, whereby a share capital increase may be reserved under equivalent conditions) which may be put in place within the Group formed by the Company and the French and foreign companies, included within the scope of consolidation of the Company's

financial statements under article L. 3344-1 of the French labor code;

- recognizes that this authorization will constitute a waiver by existing shareholders of their preferential subscription rights in respect of new shares, in favor of holders of equity securities or securities to be issued under this resolution;
- resolves that the subscription price for the new shares will be at least 80% of the average of the opening price of existing shares on the Euronext Paris market over the 20 trading days immediately preceding the date on which the issue price is set. However, the Shareholders’ Meeting expressly authorizes the Board of Directors to reduce the aforementioned discounts within the legal and regulatory limits so as to take account, where required, of locally applicable legal, accounting, tax and social security regimes provisions in the country of residence of members of a savings plan who are beneficiaries of the share capital increase.

The Board of Directors may also replace all or part of the discount through the grant of free shares or other securities, in existence or to be issued, giving access to the Company’s share capital, it being understood that the total advantage resulting from this allotment and, if applicable, the discount described above, shall not exceed the benefit that members of the Company savings plan would have enjoyed if this difference had been 20%.

The Board of Directors may proceed, in accordance with article L. 3332-21 of the French labor code, with the grant of free shares as well as equity securities or securities conferring access to the share capital of the Company, by way of subscription, and/or in lieu of the discount.

This authorization is granted for a period of twenty-six months from the date of this meeting and supersedes the authorization granted by the Shareholders’ Meeting on June 11, 2015.

Sixteenth resolution: amendment of article 20 of the Company's Articles of Association

Statement of reasons

The amendment to article 20 of the Company’s Articles of Association has to objective to remove the reference to the time periods to be taken into account to participate in the meeting of shareholders. The provisions of the French commercial code on this issue are a matter of public policy, and are effective even in the absence of provisions in the Articles of Association.

Accordingly, it is proposed that the Shareholders’ Meeting remove any reference to the time periods to be taken into account.

Sixteenth Resolution *(Amendment to article 20 of the Company’s Articles of Association)*

The Shareholders’ Meeting, deliberating under the conditions required for extraordinary shareholders’ meetings as to quorum and majority, after having reviewed the report of the Board of Directors, resolves to amend article 20 of the Company’s Articles of Association as follows:

Current version

1. All shareholders are entitled to attend Shareholders’ Meetings in person or by proxy, upon presentation of proof of identity and share ownership, in the form and at the place indicated in the notice of meeting, by no later than midnight Paris time three business days prior to the date of the Shareholders’ Meeting.

   (...)

   The proxy or vote thus cast electronically prior to the Shareholders’ Meeting, as well as the acknowledgement of receipt provided, will be considered irrevocable documents that are valid against all persons, it being specified that, in case of a transfer of shares occurring prior to midnight Paris time of the third business day preceding the Shareholders’ Meeting, the Company will invalidate or modify accordingly, depending on the situation, the proxy or vote cast prior to the said date and time.

Proposed new version

1. All shareholders are entitled to attend Shareholders’ Meetings in person or by proxy, upon presentation of proof of identity and share ownership, in the form and at the place indicated in the notice of meeting, in the conditions set forth under applicable laws and regulations.

   (...)

   The proxy or vote thus cast electronically prior to the Shareholders’ Meeting, as well as the acknowledgement of receipt provided, will be considered irrevocable documents that are valid against all persons, it being specified that, in case of a transfer of shares occurring prior to the deadline set forth under applicable laws and regulations, the Company will invalidate or modify accordingly, depending on the situation, the proxy or vote cast prior to the said date and time.

The other provisions of article 20 remain unchanged.

8.3 Statutory Auditors' special reports

8.3.1 Report on regulated agreements and commitments

Year-ended December 31, 2015

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on the regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have identified during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French commercial code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French commercial code relating to the implementation during the year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments subject to the approval of the Shareholders' Meeting

Agreements and commitments authorized during the past year

Pursuant to Article 225-40 of the French commercial code, the following agreements, which were previously authorized by the Board of Directors, have been brought to our attention.

Commitments given by the Company in favor of Mr. Georges Plassat, Chairman and Chief Executive Officer and Messrs. Jérôme Bédier and Pierre Jean Sivignon, Deputy Chief Executive Officers, concerning the supplementary defined benefit pension plan

Persons concerned

Mr. Georges Plassat, Chairman and Chief Executive Officer and Messrs. Jérôme Bédier and Pierre Jean Sivignon, Deputy Chief Executive Officers.

Nature and purpose

On June 11, 2015, your Board of Directors authorized an amendment to the supplementary defined benefit pension plan governed by Article L. 137-11 of the French social security code (*Code de la sécurité sociale*) to which Messrs. Georges Plassat, Jérôme Bédier and Pierre Jean Sivignon are eligible.

It is recalled that Mr. Georges Plassat's eligibility for the pension plan in effect in the Group since 2009, was approved by the Board of Directors on January 29, 2012 and by the Shareholders' Meeting of June 18, 2012.

Terms and conditions

This amended top-up defined benefit pension plan is intended for the Group's main executives (Chairman and Chief Executive Officer, Deputy Chief Executive Officers and certain key executives) and is subject to the following terms and conditions:

- *beneficiaries*: a minimum of three years effective seniority, gross annual remuneration in excess of 18 times the social security annual ceiling and career completed with Carrefour;
- *benefits*: 2.75% of benchmark remuneration per year of seniority, subject to compliance with applicable performance conditions each year. No pension is paid if a minimum number of years have not been validated with respect to performance conditions;
- *applicable seniority* is seniority within Carrefour group: encompasses all time with the Group including under non-consecutive employment contracts. There is no provision for the grant of additional seniority;
- *benchmark remuneration* is equal to the average annual remuneration (base salary + annual variable remuneration) received during the last three calendar years preceding the year of cessation of activity, capped at 60 times the French social security ceiling;
- *annual pension subject to a dual cap*: (i) 25% of benchmark remuneration and (ii) the difference between 45% of the benchmark remuneration and the annual amount of basic, complementary and supplementary pensions.
- In case of death, the *surviving spouse* receives a pension equal to 50% of the beneficiary's retirement pension.

- *respect of performance criteria:*
  - a year is only taken into account in determining the amount of the pension if the performance conditions for that year are attained,
  - the Board of Directors determines the applicable performance conditions each year corresponding, subject to exception, to at least 80% satisfaction of quantitative performance conditions triggering the payment of annual variable remuneration,
  - at the end of each year, the Board of Directors verifies the attainment of performance conditions during the prior year. Failing this, the year is not taken into account in determining the pension,
  - furthermore, the grant of an additional pension requires the validation of at least two-thirds of years with respect to performance conditions throughout the individual's presence with the Group.

Reasons justifying that the commitment is in the Company's interest:

The Board of Directors considers that:

- the amendments to the supplementary defined benefit pension plan simplify the terms of determining the additional pension without increasing the financial commitments recognized by the Company in respect of Mr. Georges Plassat's additional pension;
- application of the amended pension plan to Messrs. Jérôme Bédier and Pierre Jean Sivignon is in the interests of the Company as it requires them to complete their career with the Company in order to be eligible. These changes do not create any additional rights for these individuals.

Amendment to the employment contract of Mr Jérôme Bédier, Deputy Chief Executive Officer, in respect of his fixed annual remuneration

Person concerned

Mr. Jérôme Bédier, Deputy Chief Executive Officer.

Nature and purpose

On June 11, 2015, your Board of Directors authorized an increase in the gross fixed annual remuneration of Mr. Jérôme Bédier.

Terms and conditions

A draft amendment to his employment contract in respect of his duties as General Secretary of the Group, was prepared increasing his gross fixed annual remuneration by 50,000 euros.

Reasons justifying that the agreement is in the Company's interest

Your Board of Directors considered that the salary increase was justified by the quality of services rendered by Mr. Jérôme Bédier in respect of his duties as General Secretary and the conformity of his remuneration with market practice.

Agreements and commitments already approved by the Shareholders' meeting

A. Agreements and commitments authorized in previous years and having continuing effect during the year

In accordance with Article R. 225-30 of the French commercial code, we have been informed that the following agreements and commitments, authorized in previous years by Shareholders' Meeting, have had continuing effect during the year.

Investment agreement and shareholders' agreement with Colony Capital Acquisitions LLC

Person concerned

Thomas J. Barrack, Company director and Managing director of Colony Capital LLC, the management company of Colony Capital Acquisitions LLC.

Nature and purpose

At its meeting on January 15, 2014, your Board of Directors authorized the signing of an investment agreement with, notably, Colony Capital Acquisitions LLC.

Terms and conditions

This agreement defines the terms and conditions of the transfer of Carrefour assets and the terms and conditions of investments by Carrefour and other investors, including Colony Capital Acquisitions LLC, in a new company, Carmila; this agreement also included a shareholders' agreement.

Following the signature of the final agreement between the parties on January 24, 2014, Carmila, dedicated to enhancing the value of the shopping malls adjacent to Carrefour hypermarkets in France, Spain and Italy became the owner of a portfolio of 171 shopping malls.

The shareholders' agreement was signed on April 16, 2014.

Syndicated loans with a syndicate of banks including BNP Paribas

Person concerned

Jean-Laurent Bonnafé, Company director and director and CEO of BNP Paribas.

Nature and purpose

At its meetings on July 30 and October 15, 2014, your Board of Directors authorized the signing of an amendment to a syndicated loan dated April 4, 2012 and a new agreement to replace agreements dated July 23, 2010 and November 21, 2011, with a syndicate of banks including BNP Paribas.

Terms and conditions

1st contract (Revolving Facility Agreement) signed on April 4, 2012, modified by an amendment dated July 31, 2014

The syndicated loan agreement (Revolving Facility Agreement), as modified, now provides for a revolving line of credit of 1,400 million euros. The term of the agreement is 7 years (expiry April 2019).

Interest payable on amounts drawn is calculated at EURIBOR plus an initial margin of 0.30%. This initial margin of 0.30% is adjusted according to a credit margin grid based on the long-term credit rating of the Company. In addition to interest, a utilization fee is charged based on the portion of the facility drawn.

If the line of credit is not drawn, Carrefour must pay a non-utilization fee equal to 35% of the applicable margin (0.30% margin adjusted, if applicable, according to the credit margin grid).

As of December 31, 2015, this line of credit was not drawn by the Company.

2nd contract (Revolving Facility Agreement) signed on January 22, 2015

A new 2,500 million euros syndicated loan agreement (Revolving Facility Agreement) accompanied by a 1 billion euros security line of credit (Swingline) was signed on July 22, 2015. Following exercise of the extension option in November 2015, effective January 2016, the term of this Revolving Facility Agreement is six years (expiry January 2021) with a one-year extension option.

Interest payable on amounts drawn is calculated at EURIBOR plus an initial margin of 0.275% for the revolving facility and at EONIA plus an initial margin of 0.275% and mandatory costs for the swingline facility. The initial margin of 0.275% is adjusted according to a credit margin grid based on the long-term credit rating of the Company. In addition to interest, a utilization fee is charged based on the portion of the facility drawn (fee representing between 0.10% and 0.40% of the amount drawn).

If the line of credit is not drawn, Carrefour must pay a non-utilization fee equal to 35% of the applicable margin (35% of the 0.275% margin adjusted, if applicable, according to the credit margin grid).

As of December 31, 2015, this line of credit was not drawn by the Company.

B. Agreements and commitments approved during the fiscal year

Furthermore, we have been informed that the following commitment, approved by the Shareholders' Meeting of June 11, 2015 and presented in our additional special report of May 19, 2015, remained in force but had no effect during the past year.

Commitments given by the Company in favor of Mr Georges Plassat, Chairman and Chief Executive Officer, in the event of termination of his duties

Person concerned

Georges Plassat, Chairman and Chief Executive Officer.

Nature and purpose

At its meeting on April 29, 2015, your Board of Directors approved the financial conditions to be applied in the event that Mr. Georges Plassat's duties are terminated.

Terms and conditions

In the event of termination of his duties as Chairman and Chief Executive Officer, except in cases of removal for serious misconduct or wrongful acts or following a change in his appointment within Carrefour group, Mr. Georges Plassat will be entitled to receive a settlement payment of an amount equal to one year's fixed and target variable remuneration (excluding other kinds of remuneration and especially remuneration paid under a long term incentive plan), it being specified that reaching the age limit set out in the Carrefour Articles of Association does not constitute an exclusion for the purposes of the settlement payment.

Performance conditions linked to the attainment of quantitative targets (growth in revenue and recurring operating income) and qualitative targets (CSR) are applicable to the grant of the settlement payment. Mr. Georges Plassat will receive a settlement payment if during at least half of the years comprising his terms of office as well as during two of the last three years of his appointment as Chairman and Chief Executive Officer, he has met all his quantitative and qualitative targets set by the Board of Directors for the determination of his long-term incentive plan (over 100% attainment of targets). In the absence of a long term incentive plan for one of the financial years considered, the attainment of targets set by the Board of Directors for the determination of his annual variable remuneration will be solely taken into account.

Moreover, the settlement payment is subject to a non-compete obligation which will bind Mr. Georges Plassat during an 18-month period commencing the termination of his duties as Chairman and Chief Executive Officer.

Your Board of Directors notes that the implementation of this settlement payment is in the interests of Carrefour as it links the Chairman and Chief Executive Officer's interests to the performance of the Company and prevents him from taking-up a competing professional activity within several determined entities of the food distribution sector during an 18-month period commencing the termination of his appointment.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, April 15, 2016

French original signed by

MAZARS	KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet David Chaudat	Patrick-Hubert Petit Caroline Bruno-Diaz	Arnaud de Planta

8.3.2 Report on the share capital reduction

Combined Shareholders' Meeting of May 17, 2016

Thirteenth resolution

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

As Statutory Auditors of your Company and pursuant to the duties set forth in Article L. 225-209 of the French commercial code (*Code de commerce*) concerning share capital reductions by cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and terms and conditions of the proposed share capital reduction.

The Board of Directors proposes that shareholders delegate to it, for a period of 24 months from the date of this Shareholders' Meeting, all necessary powers to cancel, up to a maximum of 10% of its share capital by 24-month period, the shares purchased by the Company pursuant to the authorization to purchase its own shares in the context of the aforementioned Article.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*) applicable to our engagement. These procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed share capital reduction, which does not undermine shareholder equality.

We have no comments on the reasons for and the terms and conditions of the proposed share capital reduction.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, April 15, 2016

MAZARS	KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet David Chaudat	Patrick-Hubert Petit Caroline Bruno-Diaz	Arnaud de Planta

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8.3.3 Report on the authorization to grant free shares (existing or to be issued)

Combined Shareholders' Meeting of May 17, 2016

Fourteenth resolution

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

As Statutory Auditors of your Company and pursuant to the duties set forth in Articles L. 225-197-1 of the French commercial code (*Code de commerce*), we hereby report to you on the proposed authorization to grant free shares, existing or to be issued, subject to performance conditions defined by the Board of Directors, to employees and corporate officers of your Company and/or companies and economic interest groupings that are directly or indirectly related to your Company pursuant to Article L. 225-197-2 of the French commercial code, a transaction on which you have been asked to vote.

The total number of shares that may be granted for nil consideration may not exceed 0.8% of the share capital on the date of the grant decision by the Board of Directors, it being noted that the total number of shares granted to corporate officers of your Company pursuant to this authorization may not represent more than 0.25% of the share capital of your Company at the date of the grant decision.

Based on its report, the Board of Directors is asking for authorization, for a period of 38 months from the date of this Shareholders' Meeting, to grant free shares, existing or to be issued.

It is the responsibility of the Board of Directors to prepare a report on the transaction it wishes to perform. Our role is to express our comments, if any, on the information presented to you on the planned transaction.

We conducted the procedures we deemed necessary in accordance the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*) applicable to our engagement.

These procedures mainly consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with applicable legal provisions.

We have no comments on the information presented in the Board of Directors' report on the proposed authorization to grant free shares.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, April 15, 2016

MAZARS	KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet David Chaudat	Patrick-Hubert Petit Caroline Bruno-Diaz	Arnaud de Planta

8.3.4 Report concerning the issue of shares or marketable securities granting access to share capital, reserved for members of a Company savings plan

Combined Shareholders' Meeting of May 17, 2016

Fifteenth resolution

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

As Statutory Auditors of your Company and pursuant to the duties set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French commercial code, we hereby report to you on the proposed delegation of authority to the Board of Directors to increase the share capital, on one or more occasions, through the issue of shares or other equity securities or marketable securities granting immediate or future access to the Company's share capital, with cancellation of preferential subscription rights, reserved for members of a Company savings plan set-up within the Group comprising your Company and the French and foreign companies included in the consolidation scope of the Company's financial statements in accordance with Article L. 3344-1 of the French labor code (*Code du travail*), a transaction on which you are asked to vote.

The maximum par value amount of the share capital increases that may be carried out, immediately or in the future, is 35 million euros, it being stipulated that this amount will be charged against the overall ceiling of 500 million euros specified in the nineteenth resolution adopted by the Shareholders' Meeting of June 11, 2015.

Shareholders are asked to approve these share capital increases pursuant to Article L. 225-129-6 of the French commercial code and Article L. 3332-18 *et seq.* of the French labor code (*Code du travail*).

Based on its report, the Board of Directors proposes that shareholders delegate to it, with the ability of sub-delegation, for a period of 26 months from the date of the Shareholders' Meeting, the authority to decide a share capital increase, on one or more occasions, and to cancel your preferential subscription rights to the shares and marketable securities to be issued. Where applicable, it will determine the final terms and conditions of this transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French commercial code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issue, contained in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*) applicable to our engagement. These procedures consisted in verifying the content of the Board of Directors' report regarding this transaction and the rules for determining the issue price of the equity securities to be issued.

Subject to a subsequent review of the terms and conditions of the issues decided, we have no matters to report on the rules presented in the Board of Directors' report for determining the issue price of equity securities to be issued.

As the final terms and conditions under which the issues would be carried out have not been determined, we cannot express an opinion on them and, therefore, on the proposed cancellation of preferential subscription rights.

In accordance with Article R. 225-116 of the French commercial code, we will prepare an additional report, where applicable, when these delegations are used by your Board of Directors in the event of issues of shares and marketable securities consisting of equity securities granting access to the Company's share capital and in the event of issues of marketable securities granting access to equity securities to be issued.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, April 15, 2016

MAZARS	KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet David Chaudat	Patrick-Hubert Petit Caroline Bruno-Diaz	Arnaud de Planta

9 Additional information

9.1 Publicly available documents

Documents concerning the Company and, in particular, its Articles of Association, Financial Statements and reports presented to its Shareholders' Meetings by the Board of Directors and the Statutory Auditors may be consulted at the head office at 33 Avenue Émile-Zola, 92100 Boulogne-Billancourt, France.

These documents are also available on the Company's website at *www.carrefour.com*.

9.2 Persons responsible for the Registration Document and annual financial report

Mr. Georges Plassat, Chairman and Chief Executive Officer.

Mr. Jérôme Bédier and Mr. Pierre Jean Sivignon, Deputy Chief Executive Officers.

9.3 Certification by the persons responsible for the Registration Document and annual financial report

"We hereby certify, having taken all reasonable measures to this end, that the information contained in this Registration Document is, to the best of our knowledge, true and correct, and that there are no omissions that could alter its scope.

We hereby certify that, to the best of our knowledge, the Financial Statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial situation and income of the Company and of all the consolidated companies, and that the attached management report gives a true and fair view of the changes in the business, results and financial situation of the Company and of all the consolidated companies, as well as a description of the main risks and uncertainties to which they are subject.

We have obtained a letter from the Statutory Auditors stating that they have completed their assignment, which included checking the information concerning the financial situation and the Financial Statements provided in this document and reading the entire document.

The Consolidated Financial Statements for the years ended December 31, 2013 and December 31, 2014 were subject to Statutory Auditors' reports appearing on page 222 in the 2013 Registration Document filed with the AMF on March 24, 2014 and on page 211 in the 2014 Registration Document filed with the AMF on April 24, 2015, which contain observations."

April 25, 2016

Mr. Georges Plassat
Chairman and Chief Executive Officer

Mr. Jérôme Bédier
Deputy Chief Executive Officer

Mr. Pierre Jean Sivignon
Deputy Chief Executive Officer

9.4 Persons responsible for auditing the Financial Statements and fees

Principal Statutory Auditors

Deloitte & Associés

185, avenue Charles-de-Gaulle, (92524) Neuilly-sur-Seine Cedex, France

Signatory: Mr. Arnaud de Planta

Date of initial appointment: Ordinary Shareholders' Meeting of April 15, 2003

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the Financial Statements for the fiscal year ended December 31, 2020.

KPMG S.A.

Tour Eqho, 2 avenue Gambetta, 92066 Paris La Défense Cedex

Signatories: Mrs. Caroline Bruno-Diaz and Mr. Patrick-Hubert Petit

Date of initial appointment: Ordinary Shareholders' Meeting of May 9, 1968

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the Financial Statements for the fiscal year ended December 31, 2020.

Cabinet Mazars

61, rue Henri-Régnault, (92075) Paris La Défense, France

Signatories: Mr. Pierre Sardet and Mr. David Chaudat

Date of initial appointment: Ordinary Shareholders' Meeting of June 21, 2011

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the Financial Statements for the fiscal year ended December 31, 2016.

Alternate Statutory Auditors

BEAS

7-9, Villa Houssay, (92524) Neuilly-sur-Seine Cedex, France

Date of initial appointment: Ordinary Shareholders' Meeting of April 15, 2003

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the Financial Statements for the fiscal year ended December 31, 2020.

SALUSTRO REYDEL

Tour Eqho, 2 avenue Gambetta, 92066 Paris La Défense Cedex

Date of initial appointment: Ordinary Shareholders' Meeting of June 11, 2015

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the Financial Statements for the fiscal year ended December 31, 2020.

Mr. Thierry Colin

61, rue Henri-Regnault, (92400) Courbevoie, France

Date of initial appointment: Ordinary Shareholders' Meeting of June 21, 2011

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the Financial Statements for the fiscal year ended December 31, 2016.

STATUTORY AUDITORS' FEES (FISCAL YEARS 2014-2015)

	DELOITTE & ASSOCIÉS				KPMG				MAZARS			
	Amount *(in € thousands)*		%		Amount *(in € thousands)*		%		Amount *(in € thousands)*		%	
Fiscal year	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**
Audit												
Audit of Financial Statements, certification, review of individual and consolidated financial statements												
Issuer	343	309	11.12	7.34	778	537	7.38	6.30	426	308	16.21	13.26
Fully consolidated subsidiaries	1,851	1,890	60.00	44.90	8,731	7.261	82.77	85.13	1,827	1,774	69.52	76.40
Other work and services directly relating to the Statutory Auditors' assignment												
Issuer	98	352	3.18	8.36	144	172	1.37	2.01	104	89	3.96	3.83
Fully consolidated subsidiaries	33	865	1.07	20.55	594	377	5.63	4.42	193	60	7.34	2.58
Subtotal	2,325	3,416	75.37	81.15	10,247	8,347	97.15	97.86	2,550	2,231	97.03	96.08
Other services provided by the networks to fully consolidated subsidiaries												
Legal, fiscal, labour	722	343	23.40	8.16	98	71	0.93	0.83	0	0	0.00	0.00
Others	38	450	1.23	10.69	203	111	1.92	1.31	78	91	2.97	3.92
Subtotal	760	793	24.63	18.85	301	182	2.85	2.14	78	91	2.97	3.92
TOTAL	**3,085**	**4,209**	**100.00**	**100.00**	**10,548**	**8,529**	**100.00**	**100.00**	**2,628**	**2,322**	**100.00**	**100.00**

9.5 Information included by reference

In accordance with article 28 of EU Regulation 809/2004 of April 29, 2004, this Registration Document includes by reference the following information, to which the reader is invited to refer:

- for the financial year ended December 31, 2014: Consolidated Financial Statements, Corporate Financial Statements and related Statutory Auditors' reports included in the Registration Document filed with the *Autorité des marchés financiers* (AMF – French markets authority) on April 24, 2015 under number D. 15-0399, on pages 135 to 210, 211 to 212, 213 to 231 and 232 to 233 respectively;
- for the financial year ended December 31, 2013: Consolidated Financial Statements, Corporate Financial Statements and related Statutory Auditors' reports included in the Registration Document filed with the *Autorité des marchés financiers* (AMF – French markets authority) on March 24, 2014 under number D. 14-0191, on pages 133 to 221, 222 to 223, 225 to 243 and 244 to 245 respectively.

The information included in these two Registration Documents, other than that indicated above, is, where applicable, replaced or updated by the information included in this Registration Document. These two Registration Documents are available under the conditions described in section 9.1 - *Publicly available documents* - of this Registration Document.

9.6 Registration Document concordance table

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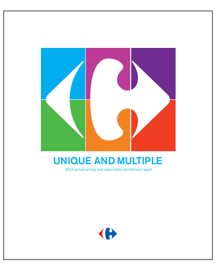

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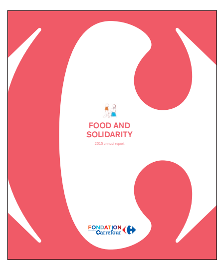

2015 Carrefour Foundation annual report

2016 Shareholder's guide (in French)

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