



CSR Commitment Charter – Controlled product suppliers Contractual Annex

This charter applies to all of the Carrefour's suppliers of controlled products. "Supplier" means supplier of controlled products as well as their own suppliers and subcontractors. "Controlled products" are products purchased by Carrefour, whether for resale or not, which meet a set of specifications defined by Carrefour and which are subject to a specific quality control process by Carrefour.

Carrefour Corporate Social Responsibility

With near 13 million daily clients and thousands of suppliers throughout the countries in which it operates and sources goods, Carrefour has always been conscious of the environmental, social and economic impact of its activities. These different issues are included in the Group's Corporate Social Responsibility (CSR) policies which are at the heart of the company's strategy.

Ethical principles along with respect for Human Rights and the environment throughout its supply chain guide its actions. This commitment is the basis for this contractual charter.

A commitment respecting International Principles

Carrefour's corporate social commitment is consistent with its compliance with and promotion of:

- The Universal Declaration of Human Rights
- The ILO eight fundamental conventions
- The OECD guidelines for multinational enterprises
- The 10 principles that make up the United Nations Global Compact
- The UN Guiding Principles on Business and Human Rights
- The international agreement between Carrefour and the UNI Global Union

Carrefour promotes compliance with international standards in its field of activity and therefore undertakes to act diligently in the conduct of its activities by taking into account the local context of the countries where it operates when assessing the impacts commonly generated by its activities and, in particular, by avoiding any conduct complicit in human rights abuses by its commercial relations or by governmental or non-state organizations.

Carrefour also actively supports the harmonization and convergence of voluntary corporate actions to improve compliance with international human rights standards, including labor rights.

Carrefour's Principles of Ethics

As a major international player in the retail sector, Carrefour's ambition is to develop a more sustainable and responsible business, with the utmost respect for ethics and the law. A document entitled "Our Ethical Principles" formalizes these commitments to professional ethics.

These ethical principles set the framework in which Carrefour and its employees go about their day-to-day business. In particular, it guarantees the development of fair and transparent business practices.

To ensure compliance with this code within the company, Carrefour has set up Ethics Committees at both corporate and country levels.

Through this CSR commitment charter, Carrefour reaffirms the commitments it expects from its suppliers in terms of business ethics and shares its own vision and principles of action with them.

OUR PRINCIPLES OF ETHICS



SUPPLIER OBLIGATIONS

All suppliers commit to comply with the following principles.

They also commit to ensuring that their own suppliers and subcontractors comply with these same principles.

1. Prohibition of Forced, bonded, indentured and prison Labour

1.1 All work must be conducted on a voluntary basis, and not under threat of any penalty or sanctions.

1.2 The use of forced or compulsory labour in all its forms, including prison labour when not in accordance with Convention 29, is prohibited.

1.3 Suppliers shall not require workers to make deposits/financial guarantees and shall not retain identity documents (such as passports, identity cards, etc.), nor withhold wages outside a legal contractual agreement.

1.4 Bonded labour is prohibited. Suppliers shall not use any form of bonded labour nor permit or encourage workers to incur debt through recruitment fees, fines, or other means.

1.5 Indentured labour is prohibited. Suppliers shall respect the right of workers to terminate their employment after reasonable notice. Suppliers shall respect the right of workers to leave the workplace after their shift.

2. Prohibition of Child Labour

2.1 Suppliers shall comply with:

- i) the national minimum age for employment;
- ii) or the age of completion of compulsory education;
- iii) or any otherwise specified exceptions;

and shall not employ any person under the age of 15, whichever of these is higher. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply, provided that special protection measures are taken.

2.2 Suppliers shall not recruit child labour nor exploit children in any way. If children are found to be working directly or indirectly for the supplier, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first.

2.3 Suppliers shall not employ young workers under 18 years of age at night, or in conditions which compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

3. Respect for Freedom of association and effective recognition of the right to collective bargaining

3.1 Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorization from suppliers' management. Suppliers shall not interfere with, obstruct or prevent such legitimate activities.

3.2 Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers shall not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labour standards.

3.3 Suppliers shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation with a trade union, or their legitimate trade union activity, in accordance with international labour standards.

3.4 Suppliers shall give worker representatives access to the workplace in order to carry out their representative functions, in accordance with international labour standards.

4. Prohibition of Discrimination, harassment and abuse

4.1 Suppliers shall respect equal opportunities in terms of recruitment, compensation, access to training, promotion, termination or retirement.

4.2 Suppliers shall not engage in, support or tolerate discrimination in employment including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination or retirement on the basis of gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations including unions, political affiliation, sexual orientation, or any other personal characteristics.

4.3 Suppliers shall treat all workers with respect and dignity.

4.4 Suppliers shall base all terms and conditions of employment on an individual's ability to do the job, not on the basis of personal characteristics or beliefs.

4.5 Suppliers shall not engage in or tolerate bullying, harassment or abuse of any kind.

4.6 Suppliers shall establish written disciplinary procedures and shall explain them in clear and understandable terms to their workers. All disciplinary actions shall be recorded.

5. Health and safety

Provisions under Health and Safety shall be further defined to cater for specific conditions and related hazards pertaining to different industries, in accordance with the relevant applicable Health & Safety principles:

5.1 Suppliers shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.

5.2 Suppliers must take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Appropriate and effective personal protective equipment shall be provided as needed.

5.3 Suppliers shall provide access to adequate medical assistance and facilities.

5.4 Suppliers shall provide all workers with access to clean toilet facilities and to drinkable water and, if applicable, sanitary facilities for food preparation and storage.

5.5 Suppliers shall ensure that residential facilities for workers, where provided, are clean and safe.

5.6 Suppliers shall assign the responsibility for health and safety to a senior management representative.

5.7 Suppliers shall provide regular and recorded health and safety training to workers and management, and such training shall be repeated for all new or reassigned workers and management.

5.8 Suppliers shall provide adequate safeguards against fire, and shall ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.

5.9 Suppliers shall undertake sufficient training of workers and management in waste management, handling and disposal of chemicals and other dangerous materials.

6. Decent Wages, benefits and terms of employment

6.1 Work performed must be on the basis of a recognised employment relationship established in compliance with national legislation and practice and international labour standards, whichever affords the greater protection.

6.2 Labour-only contracting, sub-contracting or home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, excessive use of fixed term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.

6.3 Suppliers must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/ or industry benchmark standards and/ or collective agreements, whichever is higher. Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.

6.4 Suppliers shall provide all workers with written and understandable information about their employment conditions, including wages, before they enter into employment; and about details of their wages for the pay period concerned each time that they are paid.

6.5 Suppliers shall not make any deductions from wages which are unauthorised or not provided for by national law. Suppliers shall not make any deduction from wages as a disciplinary measure.

6.6 The supplier shall provide all legally required benefits, including paid leave, to all workers.

6.7 Suppliers shall always compensate all workers for all overtime at a premium rate, as required by law and, where applicable, by contractual agreement.

7. Working Hours

7.1 Suppliers shall set working hours that comply with national laws or benchmark industry standards or relevant international standards, whichever affords greater protection to ensure the health, safety and welfare of workers.

7.2 Suppliers shall respect that the standard allowable working hours in a week are 48, excluding overtime. Workers shall not on a regular basis be required to work in excess of 48 hours per week.

7.3 Overtime shall be voluntary, shall not exceed twelve hours per week and shall not be requested on a regular basis.

7.4 Suppliers shall respect all workers right to breaks during work shifts and to at least one free day following six consecutive days worked as well as public and annual holidays.

8. Ethics

8.1 Supplier shall commit to carrying out its activities in strict accordance with the law.

8.1.1 Implementation and compliance with national and international regulations in place in all the countries where it operates.

8.1.2 Avoid any illegal activity, behaviour or agreement.

8.1.3 Respect regulations regarding intellectual property and prohibition of any type of counterfeit.

8.2 Prohibition of any obstacle to competition law

8.2.1 Prohibition of any price-fixing agreement or any unfair practice hindering the free exercise of competition

8.2.2 Avoidance of any situation where the supplier is economically dependent on CARREFOUR.

8.3 Preventing conflicts of interest

8.3.1 Avoidance of any situation in which the decision or assessment of any employee can be influenced or altered from their independence and integrity because of personal considerations.

8.4 Supplier must reject any act of corruption

8.4.1 Prohibition of any kind of payment, direct or indirect, to CARREFOUR's employees involved in the purchasing process or likely to influence the sales of products or services.

8.4.2 Prohibition of any payment to public officials in exchange of an undue advantage.

8.5 Suppliers shall guaranty confidentiality

8.5.1 Any information disclosed by CARREFOUR must be deemed as confidential in relation to other current or potential clients of the supplier, and its own suppliers, providers or subcontractors.

8.5.2 Information provided shall only be used in the framework of the agreed business relationship.

8.5.3 Suppliers must ensure the proper implementation of and strict compliance with the confidentiality agreements by its employees or any involved stakeholder.

9. Protection of the environment (Natural environment and resources)

9.1 The supplier shall comply with national and international regulation and possess the corresponding and up to date administrative documents on its sites.

9.2. The supplier must prevent any pollution through risk analysis and implementation of adequate prevention means including for water and chemical products management.

9.3. The supplier must minimize the impact of its activity on the environment through impact assessment and process optimization with the best available technologies notably regarding energy, waste and any other activity with environmental impact.

No provision of the Charter herein may be interpreted as exempting the supplier from his duty to comply with the obligations imposed on him by national or international law, wherever the national or international law imposes more severe requirements regarding the respect of the fundamental principles and rights on labour, environmental protection and ethical principles.

The provisions of this Charter constitute minimum levels of requirements and not maximum.

CONTROLS AND SUPPORT

The supplier commits to collaborate with the control methodology:

- Preliminary visit by CARREFOUR teams: before any collaboration begins and in order to observe production conditions first-hand, CARREFOUR may undertake a visit on the production lines with external observers if necessary. A report will be issued which will assess the supplier's compliance with the obligations contained in the Charter herein. During this visit, the Charter and the control methodology will be presented to and discussed with the supplier.
- Before any product is ordered and throughout the business relation, external audits on the respect of all or part of the Charter's commitments are carried out in the production facilities of the supplier by independent audit firms selected by CARREFOUR. Controls are unannounced.
- The costs of the initial and follow-up audits will be charged to the supplier.
- The supplier agrees to communicate the Charter's content in the most appropriate way to all its employees including any unions present in the company. When applicable, he accepts the amfori-BSCI code of conduct and its terms of implementation.
- Implementation of a corrective action plan within a defined and limited timeframe: monitoring visits are subject to a report, together with a corrective action plan that is discussed with the supplier and has to be implemented by the supplier. One or several re-audits may be organised to measure the implementation of the corrective action plan, depending of the severity of the actions required.
- Acceptance of unannounced visits by partners selected by CARREFOUR: The supplier authorises CARREFOUR, or any other person authorised by virtue of the internal and external audit mechanism defined by CARREFOUR, to carry out unannounced controls regarding the respect of the commitments undertaken through the signature of this Charter and the corrective action plan defined after the audits.
- The supplier accepts the organisation of capacity building sessions regarding human rights at work or environment for workers and management by local independent organisations selected by CARREFOUR or its partners.
- The supplier also commits to ensuring that the manufacturing stages considered as sensitive and performed outside the selected production site are controlled. He agrees to provide Carrefour with information (name, address,...) regarding all its own suppliers so as to ensure the transparency of the supply chain which was involved in the production of the product.
- The suppliers must identify and manage its main environmental impacts (energy, water, chemical products, waste...)

Failure by the Supplier to comply with any of its obligations under the present Charter shall result in the immediate termination of commercial relations with the production site where the breach was noticed or the immediate and automatic termination of the General Terms of Supply by CARREFOUR and shall, as applicable, be the subject of damages and interests which may be claimed from the Supplier.

CARREFOUR'S COMMITMENTS TO SUPPLIERS

Conscious that the respect of this Charter can only be possible through a collaborative relationship with its suppliers, CARREFOUR commits to avoid imposing conditions on its suppliers which would prevent them from implementing the present Charter. CARREFOUR further commits to aid its suppliers, to the extent possible, in the implementation of this Charter, especially during the implementation of corrective action plans.

Carrefour also commits to respecting in the commercial relations the ethical principles established for its employees.

IN CONCLUSION

In accordance with the regulations applicable in relation to the principles of this charter, each supplier must set up a prevention and monitoring system aimed at controlling its main social and environmental risks, taking into account the specificities of its sector of activity and its country of operation. The supplier must also set up an information and training system for employees potentially exposed to these risks.

To ensure trust among all players, Carrefour requires its suppliers to share these same principles with their own suppliers, service providers and subcontractors through an information and awareness-raising process.

In the event that a supplier, a service provider or any other person is aware of a situation or behavior that contravenes this charter, he or she has the possibility to report it confidentially via Carrefour's ethics line available 24 hours a day, 7 days a week in all of the Group's languages and via internet or phone.

Details about the ethics alert line are available at: <http://ethique.carrefour.com>

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