



CSR and food transition governance and method at Carrefour

FOOD TRANSITION FOR ALL AND CORPORATE SOCIAL RESPONSIBILITY AT CARREFOUR	2
GOVERNANCE OF THE FOOD TRANSITION AND CSR	3
1. CSR and food transition governance bodies	3
2. Role and tools of the CSR department	4
3. Organisational structure across countries, professions and stores	4
CARREFOUR'S CSR METHOD	5
1. Analysing risks	5
2. Analysing materiality	10
3. Dialogue with stakeholders	11
4. Innovating through disruptive projects with high transformative power	12
DEFINING POLICIES, ACTION PLANS AND OBJECTIVES	14
1. Summary of Group policies	14
2. The UN's Sustainable Development Goals	15
ASSESS EXTRA-FINANCIAL PERFORMANCE	16
1. Carrefour's CSR & food transition index	16
2. Annual extra-financial reporting	18
3. Extra-financial performance ratings	18
FOR FURTHER INFORMATION	18

Food transition for all and corporate social responsibility at Carrefour

In January 2018, Carrefour adopted a five-year transformation plan – “Carrefour 2022” – to deliver on the Group's aim of becoming the leader in the food transition for all this plan has been deployed in all the countries in which the Group operates, and is underpinned by four pillars; deploying a simplified, transparent organisational structure; achieving gains in productivity and competitiveness; developing a leading omnichannel ecosystem; overhauling our offering to maximise food quality. This transformation will enable Carrefour to effectively meet customers' expectations and support them during the food transition, while also helping producers to transition over to virtuous farming methods and helping to protect the world's natural resources.

The Group thus intends to play a major role in reshaping the retail sector. Carrefour was one of the first CAC 40 companies to include its raison d'être in the preamble to its articles of association, as provided for in the PACTE law, adopted at its General Meeting of June 14, 2019:

“Our mission is to provide our customers with quality services, products and food accessible to all across all distribution channels. Thanks to the competence of our employees, to a responsible and multicultural approach, to our broad territorial presence and to our ability to adapt to production and consumption modes, our ambition is to become the leader of food transition for all”.

The Group's raison d'être is underpinned by two closely related imperatives. Reinventing its mission on the one hand, by overhauling its offering to maximise food quality. Reinventing its model on the other hand, factoring in its customers' new expectations. In addition to this dual requirement, there is also the need to improve productivity and competitiveness in order to give the Carrefour Group the means to transform itself and operate in a competitive environment that is increasingly characterised by new agile players (e-commerce websites, retail chains specialised in high-quality food, etc.). These new players are creating difficulties for some of the more traditional ones.

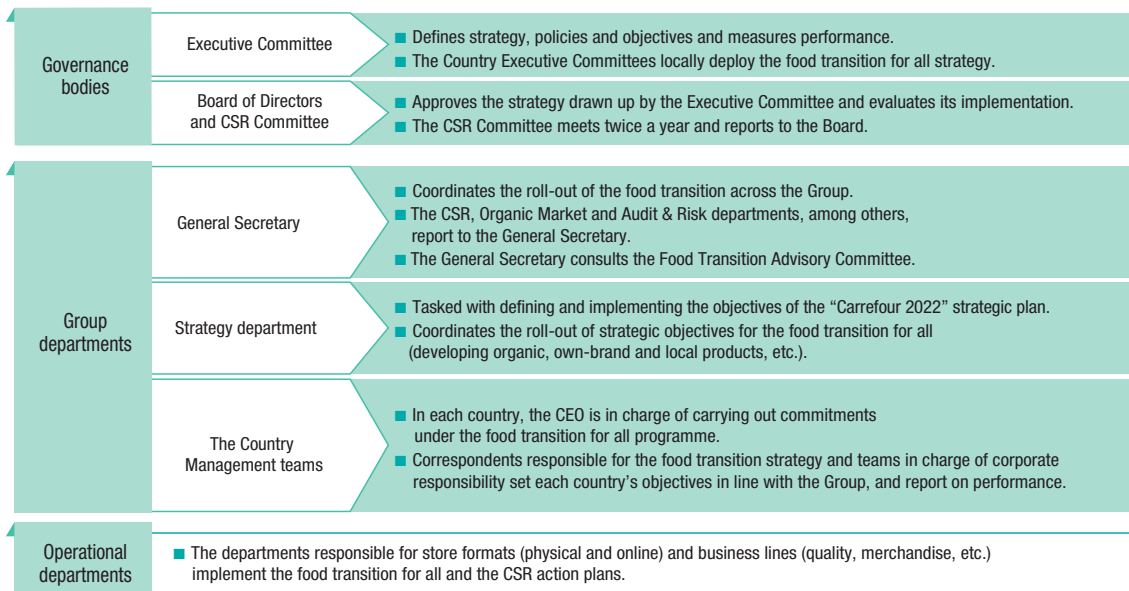
In this context, the food transition for all is a core aspect of Carrefour's corporate social responsibility.

Governance of the food transition and CSR

1. CSR AND FOOD TRANSITION GOVERNANCE BODIES

Governance of the food transition and CSR policies is exercised jointly by the Group Executive Committee, the Board of Directors and the CSR Committee. The Group Secretary General, the Strategy and Transformation department and country-based departments coordinate the roll-out of food transition and CSR programmes in a unified manner across the entire Group:

- the **Group Executive Committee** defines CSR strategy, policies and objectives, and measures CSR performance. The Executive Committee of each country rolls the strategy out at the local level;
- the **Board of Directors** approves the strategy drawn up by the Executive Committee and evaluates its implementation. In 2019, during meetings with the dedicated CSR Committee, the Board deliberated on financing for agricultural projects, reducing and ecodesigning packaging (Group packaging strategy, draft e-commerce strategy – Loop by Carrefour, innovation platform – (RE)SET), combating food waste (partnership with Too Good To Go), transparency (Blockchain) and the deployment of Nutri-Score;
- the Group **Secretary General** oversees implementation of the food transition throughout the Group. He is in charge of the Food Transition Advisory Committee. The Group Secretary General coordinates the roll-out of the food transition on a consistent basis across all countries;
- the Group **Strategy department** is tasked with defining and implementing the objectives of the "Carrefour 2022" strategic plan, which includes the objectives relating to the food transition for all.





2. ROLE AND TOOLS OF THE CSR DEPARTMENT

Created over ten years ago and reporting directly to the Group Secretary General, the Group CSR department oversees implementation of the CSR methodology to help Carrefour meet its objectives in all of the countries in which it operates. Through the use of various methods including dialogue with stakeholders, innovations and collective intelligence, the CSR department contributes to the Group's strategy on the food transition.

The CSR department identifies emerging trends and supports the various professions with the design and implementation of innovative, substantive projects. These projects are initially aimed at consumer communities that are forward-thinking with deeply held convictions. The goal of these projects is to create and experiment with innovative solutions that can then be proposed to all of our customers. And so, by way of its CSR policies, Carrefour is developing objectives, solutions and a vision to transform the Group's business and market standards.

The CSR department, responsible for implementing these missions, comprises nine employees, who work with all the Group professions and departments concerned, particularly the Merchandising, Quality, Store and Digital departments. The innovations and solutions are defined jointly before being tested and rolled out by Carrefour's operational teams. Every country where the Group operates has a CSR department.

Other divisions are also tasked with overseeing the implementation of the food transition throughout the Group, including the Organic Produce Market department, created in 2018 and reporting directly to the Group Secretary General. This eight-person, multi-disciplinary team has coordinators in each country. It is tasked with harmonising the deployment of organic product strategy in all regions and retail formats: franchising and consolidated stores, general and specialised stores, e-commerce, for Carrefour brand and national brands.

3. ORGANISATIONAL STRUCTURE ACROSS COUNTRIES, PROFESSIONS AND STORES

The Group's policies are implemented by the CSR departments throughout the different countries. Each country has its own CSR and strategic correspondents, in charge of coordinating and implementing CSR projects and for heading up the "food transition for all" programme, respectively. The Group's professions are structured into international speciality divisions (merchandise, supply chain, quality and CSR, technical, finance, etc.) which serve as the basis for sharing information across countries and professions. The CSR and Strategy department relies on all of these channels to work with the Group's teams.

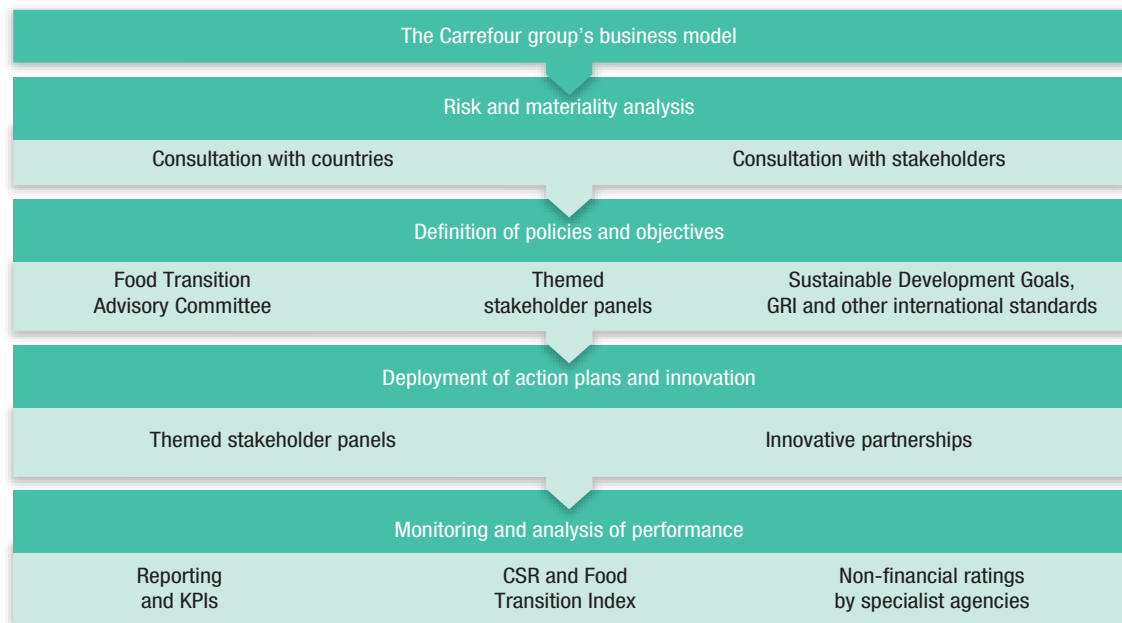
Lastly, the CSR process is also deployed in each individual store, where the initiatives planned and commitments made are assimilated and implemented. CSR strategy and the food transition are still most apparent at store level.

Carrefour's CSR method

By analysing extra-financial and materiality risks, through dialogue with stakeholders, through comparison with industry-wide databases (GRI, SDGs, etc.), by bolstering governance and by supporting business lines and innovation, CSR supports the food transition. Carrefour's CSR methodology has five guiding principles:

- 1 Analyse risks and materiality,
- 2 Establish dialogue with stakeholders,
- 3 Define policies and support business lines in their deployment through action plans and targets.
- 4 Innovate with disruptive projects to test solutions with high transformative power,
- 5 Assess extra-financial performance.

DESCRIPTION OF CARREFOUR'S CSR METHODOLOGY, TOOLS AND IN- AND OUT-OF-HOUSE STAKEHOLDER CONSULTATION BODIES

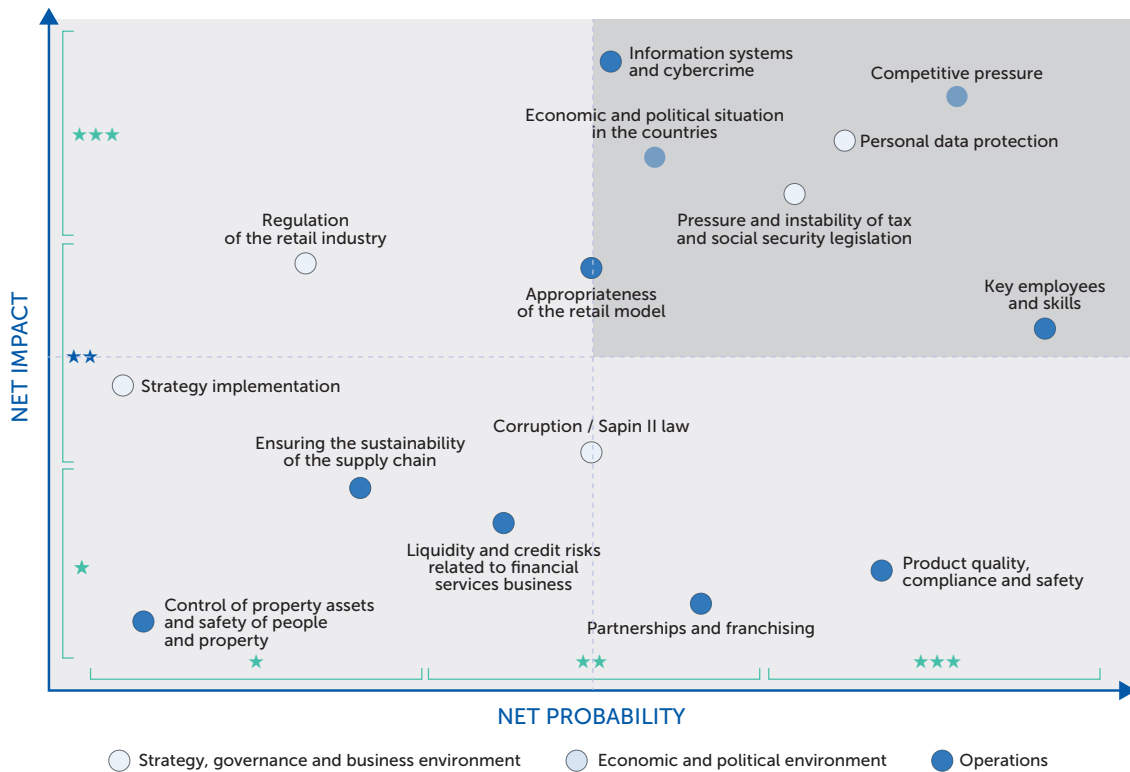


1. ANALYSING RISKS

Carrefour has conducted an analysis of financial and extra-financial risks based on its business model summarised in chapter 1.1.6 of the 2019 universal registration document. This analysis took into account the business environment, strategy and governance, the operations related to its activities and the financial aspects of the business model. The main risk factors, particularly those concerning Carrefour's Corporate Social Responsibility, have been identified and are presented in Chapter 4.1.1 of the 2019 Universal Registration Document. Mapping the Group's risks served as a benchmark for identifying the main extra-financial risks, for the specific purposes of producing the extra-financial performance statement presented in chapter 2 of the 2019 universal registration document.

1.1 Group Risk Mapping:

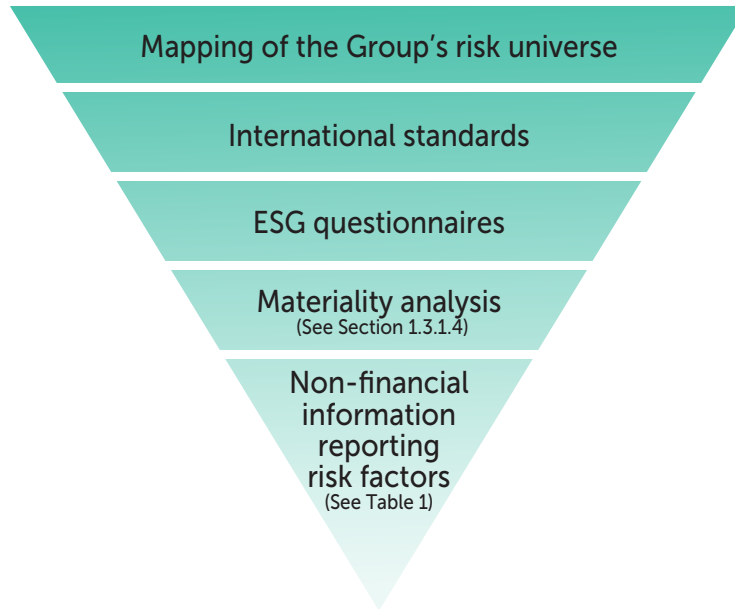
The Group Risk Management Department, in collaboration with the country departments, has identified and evaluated 54 risk factors (including the main CSR issues) associated with the Group's activities. This analysis is updated every year and submitted to the Audit Committee, the Group Executive Committee and the Board of Directors (see section 4.1.1 of the 2019 Universal Registration Document). From it emerge 15 main risks that could, as of when the Universal Registration Document was published, affect the Group's business, financial position, reputation, results or prospects. In accordance with the provisions of article 16 of (EU) Regulation 2017/1129 of the European Parliament and Council.



1.2 Identification of risks within the framework of the Extra-Financial Performance Statement:

The risk mapping process was used to identify the Group's main CSR risks for the purposes of the Extra-Financial Performance Statement. An additional analysis of international standards (GRI G4, ISO 26000) and feedback from ESG performance assessment questionnaires provided by CSR ratings agencies (Dow Jones Sustainability Index, Vigeo Eiris, Carbon Disclosure Project, Sustainalytics, etc.) was also conducted. This analysis was used to isolate the main societal risk factors within the Group's risk universe, ensure this universe was comprehensive and clarify certain risks.

**IDENTIFICATION OF SOCIETAL RISK FACTORS REPORTED
IN THE NON-FINANCIAL INFORMATION STATEMENT**



This is how the risk factors used for non-financial information reporting purposes are identified. The manner in which they are broken down and defined throughout the Group is detailed in the table below. These findings have been confirmed by the materiality analysis conducted with both internal and external stakeholders.

Thus, thirteen risk factors are specifically addressed within the scope of the Extra-Financial Performance Statement. The thirteen risk factors identified, together with the Group risk sub-factors and their definitions are detailed in the table below. The Group's policies, action plans and performance are presented in Chapter 2 of the 2019 Universal Registration Document, in section 2.2 on "Policies implemented to mitigate the risks arising from our business".

Non-financial information reporting risk factor	Group risk sub-factor	Description of the risk
Responsible raw material procurement	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact (CSR)	Carrefour could stand accused of using raw materials whose value chains are likely to be implicated in causing deforestation, depletion of scarce resources or human rights abuses (unpaid or poorly paid work, child labour, etc.).
Attracting and retaining talent	Inability or difficulties in attracting and retaining key employees	Inability or difficulties in attracting or retaining key employees. The Group could encounter difficulties in attracting or retaining scarce skills in certain key positions. This risk may arise in particular due to very scarce skills in certain domains such as digital expertise.
Developing and enhancing skills	Insufficient skills assessment, development and recognition	Poor deployment of skills assessment, development and recognition policy by managers and human resources is likely to demotivate employees and result in lower productivity.
Social dialogue	Riots, street demonstrations, strikes, protests and agricultural crises	Various types of social protests can impact the Group's businesses. Insufficient social dialogue can lead to demotivated employees. Agricultural crises may jeopardise the availability of the Group's supplies. These events are likely to result in loss of productivity and/or revenue.
Resource management and the circular economy⁽¹⁾	Non-optimized use of resources and not taking into account a circular economy	Carrefour is liable to attract public criticism, notably where food is wasted or waste is poorly managed. This risk could arise in the case of a real or perceived mismatch between initiatives pursued by Carrefour and customer and stakeholder expectations concerning CSR.
Combating corruption	Non-compliance with anti-corruption laws (Sapin II law)	The Sapin II law on transparency, corruption and modernised business practice requires French companies such as Carrefour and its subsidiaries to set up a compliance programme to both prevent and detect any corruption or use of undue influence both inside or outside France. Carrefour may fail to comply with all of the pillars and provisions of this legislation.
Tackling climate change	Failure to control energy and refrigerant consumption	Carrefour might exercise poor management of its energy and refrigerant consumption, particularly following the promulgation of EU F-gas and F-gas II regulations, which will gradually prohibit the use of the most polluting refrigerants (e.g., Freon gas) by 2030.
	Natural Disaster and Climate Change	Natural disasters (e.g., flooding, heavy snowfall, heatwaves, etc.) may interrupt business (plant closures, breakdowns, serious damage) and endanger the lives of Carrefour customers, employees or suppliers.

(1) This risk was added following the analysis of international norms and standards and expectations explained in the various rating agency questionnaires that the Group fills in annually. Its importance was confirmed by the materiality analysis conducted with external stakeholders.

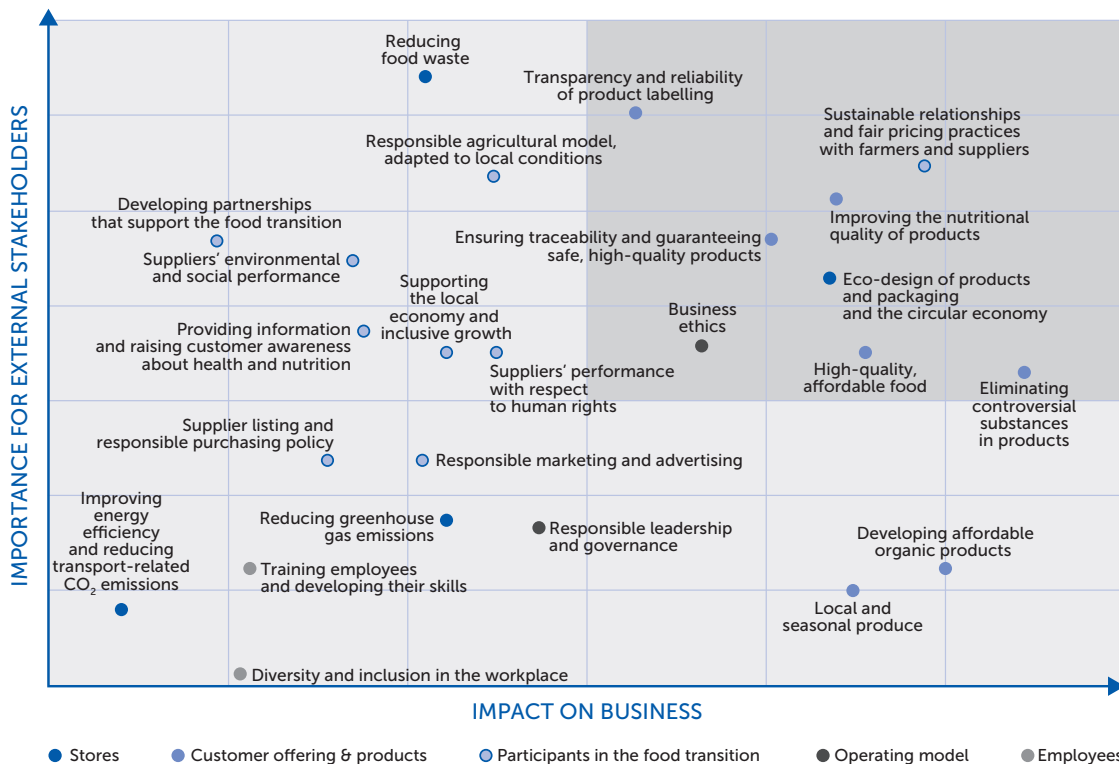
Non-financial information reporting risk factor	Group risk sub-factor	Description of the risk
Pollution and the impacts of our operations on biodiversity⁽²⁾	Pollution and negative impact on biodiversity related to activities (including petroleum products, construction, etc.)	Carrefour's business operations may have a negative impact on biodiversity, particularly in the event of pollution-related incidents. Ecosystems may be destroyed by construction work, pollution from fuel retail operations or poor waste management.
Encouraging diversity and tackling all forms of harassment and discrimination	Failure to respect the principles of diversity and equality and failure to combat discrimination and harassment	Carrefour may encounter difficulties in deploying its anti-discrimination policy, particularly with regard to gender diversity and equal pay or the employment of people with disabilities.
Product quality, compliance and safety	Significant lack of product control and traceability	Major deficiencies in product control and traceability could have serious consequences for the health of our customers and not meet consumer expectations regarding product origin. These shortcomings could also impact Carrefour's business development and results.
	Deficiencies in drafting and complying with specifications for Carrefour own-brand products	Deficiencies in drafting – or a failure on the part of suppliers to comply with – Carrefour-brand product specifications could have negative social and environmental impacts. They may fail to meet customer expectations and could also impact Carrefour's business development and results. These shortcomings could also impact Carrefour's business development and results.
Upholding human rights and decent pay across the entire value chain	Accusations that Carrefour or any of its suppliers fail to uphold rights in the workplace, human rights and/or decent pay	Carrefour strives to uphold human rights across the entire value chain. Any instances of forced labour or exploitation of children, or failure by a supplier to pay the minimum wage would have a strong negative impact on the Group's reputation.
Occupational health	Workplace accidents, psychosocial risks and occupational illnesses	As the largest private-sector employer in France and one of the top 50 employers in the world, Carrefour has a duty to safeguard its employees against workplace accidents, psychosocial risks and occupational illnesses.
Use of personal data	Non-compliance with laws on the protection of personal data (GDPR, GDPL, etc.)	Carrefour processes large volumes of personal data for customers, employees and suppliers. The regulations on personal data protection and privacy (e.g. the General Regulation on Personal Data Protection (RGPD) in force since 25 May 2018 in the European Union in addition to existing national legislation, and the "General Data Protection Law" (LGPD) scheduled to come into force in Brazil in August 2020) establish a new legal framework with increased protection for citizens' rights and new legal obligations for businesses. Carrefour must ensure that it complies with all of the requirements of such legislation.

(2) This risk was clarified following an analysis of international norms and standards and the expectations set out in the various rating agency questionnaires that the Group fills in annually.

2. ANALYSING MATERIALITY

2.1 resentation of the 2019 materiality matrix and key lessons learned

Carrefour grants special importance to dialogue with its stakeholders, which is at the core of the Group's reflections on its business and strategy. In 2019, the Group therefore engaged in a new consultation process with its stakeholders in order to update its materiality analysis, first published in 2014 and updated in 2016. Presented in the form of a matrix, this analysis enables Carrefour to map and prioritise the challenges associated with its raison d'être based on their importance for external stakeholders and their importance for the food transition for all strategy on the one hand and on Carrefour's performance on the other.



Carrefour's 2019 materiality matrix includes 24 issues, divided into 5 categories – customer offering and products, stores, employees, food transition stakeholders and operating model.

The results of the materiality matrix confirm the coherence between the expectations of external stakeholders and the priorities identified by Carrefour as part of its "Carrefour 2022" transformation plan and its corporate social responsibility approach. Expanded by a series of qualitative interviews with external stakeholders, this materiality exercise enabled Carrefour to better understand the aspirations of its stakeholders with regard to its raison d'être, identify emerging issues and conduct a more in-depth analysis of certain weak signals. Four key findings emerged from these qualitative interviews:

- the product offering, the first lever for implementing the food transition:
 - the evolution in Carrefour's offering towards products that are healthier, more appropriate for the current economy (price, fair trade, etc.), better suited for tackling new environmental challenges and produced more responsibly is something of which its stakeholders are already aware, but they expect this to continue, and even be more pronounced and widespread.
- a leadership role to be deployed in all areas:
 - Carrefour is already recognised by stakeholders as one of the leaders in the sector, due to its economic weight, size and position in the value and production chain,
 - its stakeholders also stressed the Group's ability to involve and bring together all the players in transforming the sector, to seek and propose solutions on a large scale;

- become a food “coach”: an expected evolution, with many responsibilities:
 - stakeholders consider that Carrefour has a coaching role to play in contributing to the food transition for all by guiding and enabling informed and reasoned consumption choices,
 - exemplarity therefore becomes a sign of credibility and trust, by controlling the impact that its own operations have, by getting its employees on board internally and through its own products (own brand). Adopting strong positions in relation to emerging issues is another lever for commitment, according to the stakeholders polled;
- the human factor, an essential link in the food transition:
 - for stakeholders, the human presence in stores and the role played by employees are key to turning them into “living spaces”. In particular this means holding events, inviting nutritional experts to the stores and organising meetings with producers and farmers, etc.,
 - digital technologies are also seen as a way to improve and strengthen the relationship and bolster customer service.

2.2 Methodology for producing the materiality matrix

Carrefour's materiality analysis was carried out in 3 stages, taking into account existing reference frameworks and guidelines for dialogue with stakeholders (AA 1000 standard, GRI G4 guidelines, ISO 26000 standard, IICR reference framework, UN sustainable development goals).

a) Identifying challenges

The first stage involved drawing up an exhaustive list of 82 challenges associated with Carrefour's activities and the interests of its stakeholders, based on a review of existing documentation (press analysis, internal and consumer surveys, Carrefour reporting, peer review, etc.). An initial internal analysis, with the help of an independent assessment firm, was used to rationalise this list.

b) Consulting stakeholders

The Group then conducted individual interviews with 30 targeted external stakeholders, enabling it to gather details of their expectations regarding major food transition issues and their perceptions of Carrefour's initiatives. This consultation process was supplemented by an online questionnaire targeting 35 external stakeholders and representatives of the Carrefour Group's various departments. The external stakeholders were asked to assess the importance of each of these challenges for themselves (y-axis) and internally, the impact [NV4] of these issues on their activities and the Group's performance (x-axis, entitled “Importance for Carrefour's strategy and performance”). The way in which these various challenges contributed to the food transition was also assessed.

c) Consolidating the matrix

30
qualitative interviews

50
internal and external
stakeholders contacted

More than
350
hours spent on the
consultation process and
on analysing all results

The results were consolidated into a matrix, the analysis of which was supplemented by the lessons learned from the qualitative interviews. Finally, the results of the analysis were shared and discussed internally by several Group departments.

3. DIALOGUE WITH STAKEHOLDERS

Dialogue with stakeholders through the advisory food committee, panels and consultation also feeds into Carrefour's strategy.

Advisory food committee: In 2018, Carrefour set up an Advisory food committee, bringing together seven external well-known figures from different backgrounds who are committed to and concerned about food issues: Lucie Basch, founder of the start-up Too Good To Go, Myriam Bouré, co-founder of Open Food, Emmanuel Faber, Chairman and CEO of Danone, Jean Imbert, a committed chef, François Mandin, a farmer in the Vendée region, Caroline Robert, head of department at the Gustave Roussy cancer research institute, an oncologist, Maxime de Rostolan, founder of Fermes d'Avenir and Blue Bees.



These committee members have agreed to support Carrefour in transforming its model. They are involved in concrete projects associated with the food transition, share examples of best practices, put forward new ideas and lead exploratory discussions about changing food habits. The committee will meet twice a year. In 2018, the first session focused on four food transition themes: food waste, the full cost of food, farming methods that help protect soil and new models of commerce and stores. Each of these themes is monitored by working groups involving Carrefour teams and committee members.

Consultation process and panels of stakeholders: Carrefour has also maintained an ongoing dialogue with its stakeholders for many years. This dialogue should enable the Group to maintain a relevant CSR strategy, to combine it with new commitments and to develop appropriate action programmes.

Several times a year, Carrefour arranges meetings in order to formulate functional recommendations on a specific CSR issue. These meetings are attended by around 40 people representing the Group, NGOs, government, customers, investors and suppliers, who come together to share their expertise or points of view on the subject in question. In 2018, five consultation processes were run tackling egg production using non-cage farming methods, the food transition and climate, urban agriculture, forest protection and agro-ecology in field crops. In addition, Carrefour has been engaged in long-term action programmes with a number of bodies, notably with the WWF® since 1998.

Ratings agencies and investors: Carrefour goes to every effort to complete a selection of questionnaires from NGOs, investors and rating agencies (details of the results of the CDP, Oekom, Sustainalytics and the DJSI index by RobecoSAM in the section "Assessing performance").

Carrefour also organises specific information events for investors and participates in socially responsible investment (SRI) conferences, in order to keep the financial markets informed on CSR issues.

Social dialogue: this is also achieved through powerful social dialogue. The Group promotes union rights and the right to collective bargaining in the countries in which it operates. Carrefour is thus the first retailer to have signed an agreement with Union Network International, the basis of social dialogue within the Group, which will be renewed in 2018 (details in section 2.5.3). Within the framework of the European Information and Consultation Committee, the CSR working group meets three times a year to involve employee representatives in drawing up action plans and to consult them on innovations.

4. INNOVATING THROUGH DISRUPTIVE PROJECTS WITH HIGH TRANSFORMATIVE POWER

Carrefour is engaged in specific work designed to innovate in the areas affected by the food transition. To determine priority solutions for the food transition, the Group is following the following steps:

1. Construction of objective findings on the basis of the following elements:

- priority societal challenges,
- dialogue between external stakeholders,
- analysis of market trends,
- consultation involving food transition managers and key employees;

2. Identification of priority solutions through:

- listing of priority action plans integrating vision, objectives and solutions,
- prioritising based on internal consultation and listening to our customers,
- a feasibility study;



3. Building a roadmap:

→ establishing timelines and KPIs to implement priority solutions.

The solutions and priority actions of the food transition are present in all the Group's CSR policies.

CASE STUDIES

Circular economy: launch of the "Loop by Carrefour" project in collaboration with Carrefour and national brand suppliers. With TerraCycle, Carrefour launched Loop, a home delivery service with returnable long-life containers, that helps to cut down on single-use packaging and included around 100 product references as of the end of 2019.

Animal welfare: marketing of Poulehouse eggs. For example, since September 2019, Carrefour France has been marketing eggs from Poulehouse, a pioneering company offering a production method without slaughtering laying hens, to test solutions for improving animal welfare on farms, including in ovo sexing (selection of laying hens before hatching to avoid eliminating male chicks) and stopping beak trimming.

Defining policies, action plans and objectives

1. SUMMARY OF GROUP POLICIES

Analysing risks and societal issues that are a priority for the Group, analysing materiality and maintaining a dialogue with external stakeholders are what enable Carrefour to build its policies. All issues that are a priority for the Group are therefore addressed by a dedicated CSR policy. The Group's policies are underpinned by an aim that is implemented at the highest level, together with medium- and long-term action plans, shared with all business lines and countries in which the Group operates. Quantified objectives are defined for each of these policies and performance is measured regularly through key performance indicators.

These policies are structured as follows:

- products: developing products and responsible purchasing;
- stores and operations: limiting the environmental impact of our activities;
- customers and partners: promoting quality relationships and getting our partners involved;
- employees: growing and moving forward together to transform our business;
- responsible business conduct: ensuring ethical and fair practices.

CSR policy areas	Topics covered
Products: developing products and responsible purchasing	<ul style="list-style-type: none"> → Guaranteeing product quality, compliance and safety → Promoting and developing sustainable agriculture → Sourcing high-risk raw materials → Protecting forests and biodiversity → Promoting sustainable fishing and aquaculture → Committing to ecodesign and a circular economy for packaging
Stores and operations: limiting the environmental impact of our activities	<ul style="list-style-type: none"> → Combating food waste → Limiting pollution at our sites and restoring biodiversity → Fighting and preparing for climate change → Promoting responsible water consumption
Customers and partners: promoting quality relationships and engaging our partners	<ul style="list-style-type: none"> → Satisfying, involving and engaging our customers → What about a healthier diet? → Fulfilling our local and regional responsibility → Managing our supply chain
Employees: growing and moving forward together to transform our business	<ul style="list-style-type: none"> → Act for people: Growing and moving forward together → Act for efficiency: Acting with simplicity → Act for innovation: Taking pride in transforming our professions
Responsible business conduct: ensuring ethical and fair practices	<ul style="list-style-type: none"> → Fair practices → Information system security and personal data protection → Duty of care plan

2. THE UN'S SUSTAINABLE DEVELOPMENT GOALS

Carrefour supports the 17 Sustainable Development Goals (SDGs) that were set by the United Nations at its conference in Rio de Janeiro in 2012 to meet the urgent environmental, political and economic challenges facing the world. Carrefour adheres in particular to seven priority SDGs to which it contributes by means of its various CSR policies and its food transition for all strategy. The Group's objectives, particularly those associated with its CSR and Food Transition Index, are aligned with these priority SDGs.



For more details, see Carrefour.com and the CSR report: "Summary of targets and extra-financial performance". Tables of their equivalents for the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) are given in the appendix of this same document.

Assess extra-financial performance

Performance is assessed by the CSR and Food Transition index calculated annually and by extra-financial reporting.

1. CARREFOUR'S CSR & FOOD TRANSITION INDEX

Carrefour introduced a CSR and Food Transition index in order to monitor the achievement of its targets, assess its CSR performance and motivate its in-house teams. In 2019, the Group's performance in reaching these targets was incorporated into the criteria used to calculate managers' pay: 25% of managers' pay is based on these criteria within the framework of a long-term incentive plan, while 20% of the CEO's pay is based on them.

The index consists of four themes. Each has a number of quantitative objectives with a cut-off date. Designed to measure the performance of the Group's CSR policies over several years, the index sets annual targets for each of 17 indicators. The index's overall score is simply the average of the scores for these 17 indicators. The composite score for the achievement of targets is expressed as a percentage. Some targets were met or exceeded in 2019, others for which the percentage of achievement is less than 100% need to be better understood by countries. For each target missed, a plan of action is put in place.

In 2019, Carrefour exceeded its extra-financial targets as measured by its "CSR and food transition index", achieving a score of 114%. In particular, this performance is an expression of the lead that the Group has regarding its commitment to cutting its greenhouse gas emissions, reducing food wastage, developing organic farming and agroecology, deploying its packaging plan and promoting diversity among its teams.



114%
CARREFOUR'S 2019
CSR & FOOD TRANSITION
INDEX

I. Products		Objectives 2019	Income 2019	120%
1	4.8 billion euros in sales of organic products by 2022	2.3	2.3	100%
2	10% Carrefour Quality Lines products within Fresh Products by 2022	5.7%	6.6%	116%
3	50% of Carrefour fish sold from sustainable fishing by 2020	40%	47%	120%
4	Roll-out of a Sustainable Forests action plan deforestation-linked products by 2020	68%	68%	100%
5	Save 10,000 tonnes of packaging by 2025	2,446	4,095	167%
II. Stores		Objectives 2019	Income 2019	134%
6	Reduce food waste by 50% by 2025 (vs. 2016)	-7,1%	-9,7%	136%
7	Recover 100% of waste by 2025	70,8%	66,5%	94%
8	Reduce CO ₂ emissions by 40% by 2025 (vs. 2010)	-27,2%	-35,8%	131%
9	2,000 employees identified as "food transition superheroes" in stores by 2020	500	870	174%
III. Customers		Objectives 2019	Income 2019	93%
10	80% of customers identify the food transition in stores by 2022	56%	66%	118%
11	100% of countries roll out a program focused on local products and purchasing by 2020	60%	44%	74%
12	100% of countries implement an annual Act for Food communication program	100%	100%	100%
13	100% of countries rolling out a Healthier Diet action plan by 2022	70%	56%	79%
IV. employees		Objectif 2019	Résultat 2019	108 %
14	40% women among those appointed to key positions by 2025 & 100% of countries roll out GEEIS certification by 20200	27% 83%	32% 78%	117% 93%
15	Disabled employees to account for 4% of total Group employees by 2025	3.5%	3.8%	109%
16	13 training hours per Group employee by 2025	11.5	11,6	101%
17	100% of countries implement an action plan on health/safety/quality of life in the workplace by 2020	75%	89%	119%

2. ANNUAL EXTRA-FINANCIAL REPORTING

CSR reporting is both the monitoring process and the sharing of information about the Group's extra-financial performance. The Carrefour Group annually consolidates its performance using 25 CSR indicator categories. These indicators have been measured since 2006 and are used to track changes in the Group's performance. The report is externally audited and this results in Carrefour being awarded extra-financial scores by rating agencies.

3. EXTRA-FINANCIAL PERFORMANCE RATINGS

Carrefour fills in questionnaires from rating agencies in order to assess its economic, social and governance performance. The Group's performance is recognised by various third-party organisations. Since 2017, Carrefour has been one of the top-performing companies in the Dow Jones Sustainability World Index (DJSI). This distinction places the group among the top five global retailers in terms of CSR. The Climate Change CDP (Carbon Disclosure Project) has awarded Carrefour a maximum grade of A, making the Group the top French retailer and more globally among the leading 2% companies worldwide in terms of efforts to combat climate change.

Rating agency	2016	2017	2018	2019
CDP - CARBON DISCLOSURE PROJECT	B ⁽¹⁾	A-	A-	A
DJSI - ROBECOSAM	74	74 68 ⁽²⁾	69	73
VIGEO Eiris	55	67	-	A1+ ⁽³⁾ 68/100
CDP Forest				
Palm oil	B	A-	B-	B
Soy	B	B	B-	B
Meat	C	B	C	B-
Wood and paper	B	A-	B-	B-
Oekom	C+ Bonus	C+ Bonus	C+ Bonus	- ⁽⁴⁾

(1) Change in the assessment system in 2016.

(2) Change in the assessment system in 2018 - Equivalent score with the new rating system.

(3) Rating solicited by the Carrefour group in addition to the standard rating.

(4) No rating in 2019.



FOR FURTHER INFORMATION

GRI-G4 cross-reference table

SAS-B cross-reference table