

## 2.2 Carrefour's duty of care plan

### 2.2.1 CSR AND DUTY OF CARE PLAN GOVERNANCE AND METHODOLOGY

#### 2.2.1.1 CSR governance

Governance of the food transition and CSR policies is exercised jointly by the Group Executive Committee, Board of Directors and CSR Committee. This governance mainly applies to exercising the Carrefour group's duty of care. The governance bodies are the following:

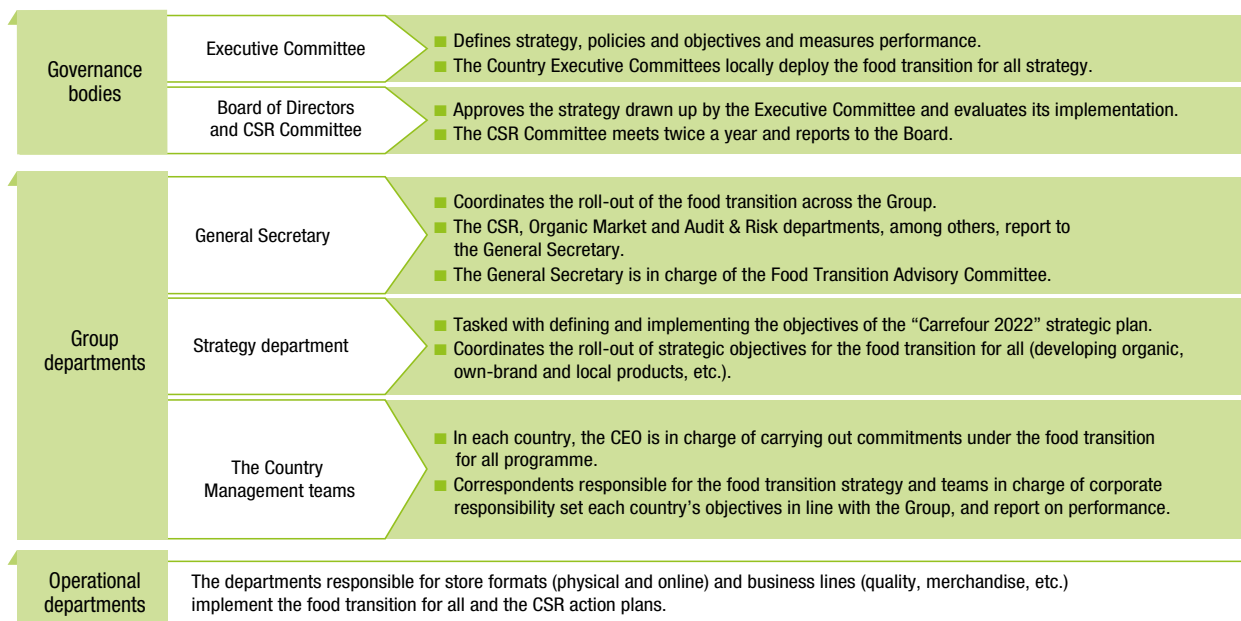
- the **Group Executive Committee** defines CSR strategy, policies and objectives, and measures CSR performance. The Executive Committee of each country rolls the strategy out at the local level;
- the **Board of Directors** approves the strategy drawn up by the Executive Committee and evaluates its implementation. In 2021, during meetings with the dedicated **CSR Committee** (see Section 3.2.3.4), the Board expressed its opinion about the monitoring of the CSR and Food Transition Index, the Group's strategies with regard to health and nutrition, the reduction of greenhouse gas emissions, the reduction of packaging, the development of the organic market, diversity and youth employment. The committee annually reviews the Group's performance with respect to the Non-Financial Statement and the duty of care plan. In 2021, an extraordinary committee was established to approve the objectives of the new CSR and Food Transition Index for the period 2021-2025 (see Section 1.5.5).

At Group level, the **Food Transition Committee** chaired by Alexandre Bompard includes various actors responsible for implementing the food transition. Together, they define strategy

based on results and consumer trends. In 2021, the themes of health and nutrition were addressed and a panel discussion on these two themes was held with various stakeholders. The Group Secretary General, the Strategy and Transformation, Merchandise, Quality and country-based departments coordinate the consistent roll-out of food transition and CSR programmes throughout the entire Group:

- the **Group Secretary General** oversees implementation of the food transition throughout the Group. He is in charge of the Food Transition Advisory Committee (see Section 2.1.1.4.1). The **Group Secretary General** coordinates implementation of the food transition, CSR policies and the duty of care plan consistently across all countries. The CSR, Audit and Risk, Legal and Organic Produce Market departments report to the Group Secretary General;
- 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;
- the **Merchandise department** defines CSR and food transition targets for products and responsible purchasing. It is in charge of the **Committee on Purchasing Rules for the Food Transition**. The **Merchandise and Quality departments** then roll out objectives and implement purchasing rules for the food transition in all countries where the Group operates.

FIGURE 3: CARREFOUR'S GOVERNANCE OF CSR AND THE FOOD TRANSITION FOR ALL



### 2.2.1.2 Duty of care governance

The Group's governing bodies, in particular those presented below, are involved in the development and monitoring of the duty of care plan:

- the **Committee on Purchasing Rules for the Food Transition** (formerly the Risk and Sourcing Committee) analyses risks and threats involving Carrefour's sourcing practices, and defines sourcing strategy and objectives to implement. This committee ensures that the business lines concerned implement purchasing rules for the food transition within the Group. It holds bimonthly meetings chaired by the Group Executive Director, Merchandise and Formats, which are attended by the following departments: Merchandise, Quality, CSR, Strategy, Audit and Risk, Legal, Carrefour Brand, International Partnerships, Communication and Global Sourcing (Carrefour's non-food sourcing entity since 1994, whose head office is in Shanghai). In 2021, the committee reviewed the targets for the CSR and Food Transition Index for the period 2021-2025. Purchasing rules for the food transition were updated and disseminated in all countries where the Group operates. The committee also processed more than 60 alerts during the year (see Section 2.2.4.2). The Secretary General of Carrefour Brazil has been made a permanent member of the committee in order to improve the way that alerts are managed in Brazil, especially those related to deforestation and human rights abuses;
- **duty of care working group:** a special working group was set up in 2021. The working group is responsible for coordinating the implementation of Carrefour's duty of care plan. It comprises the Risk, Legal, CSR, Merchandise, Quality and Human Resources departments. More specifically, the committee validates the methodology used for analysing risks, assesses the alignment of the action plans with the risk analysis and ensures the proper functioning of the whistleblowing

system. It reports to the Committee on Purchasing Rules for the Food Transition and the General Secretary.

The duty of care plan is established, monitored and prepared by the CSR department in association with the Risk department and the other relevant departments (Merchandise, Human Resources, etc.).

### 2.2.1.3 General framework

Carrefour has adopted a general framework to exercise its duty of care across its operations and promote CSR among its suppliers. The framework also defines Group guidelines for preventing serious harm to the environment, health and safety, and human rights.

Carrefour has put in place a set of purchasing rules, tools and procedures for monitoring its suppliers and helping them achieve compliance. To promote CSR within its supply chains, Carrefour has also devised solutions that make it easier to collaborate with its suppliers.

#### Principles of Ethics: Code of Professional Conduct

All employees are given a copy of the Principles of Ethics, which new employees are asked to sign. The purpose is to establish the ethical framework governing the day-to-day activities of all employees.

These principles – which every employee must know and comply with – are based on commitments contained in the Universal Declaration of Human Rights, the eight fundamental conventions of the International Labour Organization (ILO), the guiding principles of the OECD, the United Nations Global Compact and the renewed international agreement with the UNI Global Union.

The Principles of Ethics are as follows:

**Respect diversity**

**Contribute to a safe and healthy working environment**

**Promote social dialogue**

**Ban all forms of harassment or discrimination**

**Select and treat suppliers with objectivity and loyalty**

**Cultivate transparent business relationships**

**Honour commitments to our partners**

**Refrain from all unfair agreements and practices**

**Ensure the safety of people and property**

**Safeguard the company's resources and assets**

**Guarantee confidentiality**

**Protect the environment**

**Act with integrity, both individually and collectively**

**Provide reliable and accurate reporting**

**Avoid conflicts of interests**

**Refuse all forms of corruption**

Source: <https://secure.ethicspoint.eu/domain/media/en/gui/102586/code.pdf>

1

2

3

4

5

6

7

8

9

## Commitment Charters

The Supplier and Service Provider Commitment Charter, updated in 2018, forms an integral part of all purchase contracts in all countries for certified products and non-commercial purchases. It also forms the basis for charters aimed at other partners such as suppliers of own-brand and national brand products and franchisees.

The Supplier Commitment Charter has been drawn up with Carrefour's partners in compliance with international fundamental principles (see Principles of Ethics above). It consists of nine chapters focusing on human rights, ethics and the environment: prohibition of forced or compulsory labour, prohibition of child labour, freedom of association and effective recognition of the right to collective bargaining, prohibition of all forms of discrimination, harassment and violence, workers' health and safety, decent wages, benefits and conditions of employment, working hours, Principles of Ethics, and respect for the environment.

The charter prohibits clandestine or undeclared subcontracting, and has a cascade effect by requiring suppliers to demand the same social compliance standards of their own suppliers. In a spirit of reciprocal commitment, the charter does not allow Carrefour to impose any conditions on suppliers that would prevent them from complying with the charter.

## Purchasing Rules

**The purchasing rules for the social and environmental compliance of certified products** concern all products purchased by Carrefour, whether or not for retail sale, food or non-food, must meet specifications defined by Carrefour and undergo specific quality checks. Updated in 2020, the rules apply to all Group entities and all production countries. Procurement potential and purchasing rules depend on the risk rating assigned to each country in the country risk map.

Pursuant to the rules, all suppliers must sign a Commitment Charter and all of the Group's purchasing entities must appoint a person in charge of social and environmental compliance. The rules also describe the process and compliance rules for social audits and outline an action plan to bring sensitive production phases and raw materials into compliance with specific purchasing rules.

**The purchasing rules for the food transition** set out Carrefour's commitments. The CSR and Food Transition Index measures progress in implementing them (see Section 1.5.5). Each commitment is associated with rules that must be applied in each country to meet the Group target set for the "food transition for all" strategy. Application is coordinated at the local level and updated as necessary in line with any adjustments or results from regular audits.

The rules include specific criteria for purchasing textiles, seafood, aquaculture products and products whose production can impact forests, as well as rules for the social and environmental compliance of certified products (detailed above). Other criteria cover packaging used for products, nutritional content of food, and elimination of additives and controversial substances. The rules were updated in 2021, a simplified booklet was distributed to all of the purchasing functions and training was provided in each host country.

## 2.2.1.4 Organisational structure of countries, professions and stores

### Role and methods of departments reporting to the Secretary General

Reporting directly to the Group Secretary General, the Group CSR department oversees implementation of the CSR methodology to help meet the objectives that Carrefour has set for itself. It is responsible for building a vision for Carrefour's contribution to the UN Sustainable Development Goals (SDGs) and reports on Group performance to its stakeholders based on international standards. In addition to its contribution to Group strategy and with the help of Carrefour experts, the CSR department identifies emerging trends and supports the various professions with the design and implementation of innovative, substantive projects. It works together with the Legal, Risk, Merchandise and Human Resources departments to develop the Group's duty of care plan.

The CSR department, responsible for implementing these missions, comprises about ten employees, who work with all the Group professions and departments concerned, particularly the Merchandising, Quality, Marketing, Communication, Store and E-commerce departments. Every country where the Group operates has a CSR department.

The Risk and Audit department is tasked with identifying the Group's priority risks, which include societal risks. It assesses the integration of societal risks in the different professions and conducts audits. It evaluates the effectiveness of the organisational approach and procedures for implementing the Group's CSR policies and duty of care plan.

The Legal department helps to ensure the compliance of the duty of care plan with requirements. It ensures the operation of the alert line (see also Section 2.2.1.6 Alert mechanisms and Section 2.2.4.2 Summary of alerts and corrective actions taken).

The Group Secretary General also oversees the Organic Produce Market department, created in 2018. This multi-disciplinary team made up of about ten members has correspondents 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, and private-label and national brands.

### Organisational structure of professions and countries

All Carrefour departments and employees play a role in implementing the food transition for all within their scope of responsibility. Business lines are in charge of implementing CSR targets, which are defined collectively with the teams involved, along with the drive and support of the CSR department. The responsibility of implementing the duty of care plan is shared between the different departments involved in the process, from defining risks to implementing action plans and measuring their effectiveness and performance. Committees covering several departments are tasked with monitoring progress towards Group and country targets on CSR issues and the duty of care.

The Group's professions are arranged into international speciality divisions (merchandise, supply chain, quality and CSR, technical, finance, etc.) which serve as the basis for exchanging information between countries and professions. The CSR and Strategy departments rely on all of these channels to work with the Group's teams.

In each country, the Group's policies are implemented by the local CSR departments. 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.

Lastly, the CSR policy is also deployed in each individual store, where the actions planned and commitments made are assimilated and implemented. Stores are also where the CSR strategy and the food transition are most visible.

## 2.2.1.5 Organising stakeholder dialogue and collective initiatives

### 2.2.1.5.1 General dialogue processes with stakeholders

Dialogue with stakeholders informs the Group's actions, from devising strategic focuses and objectives and analysing risks related to its business, to ensuring the operational implementation of projects. Carrefour has therefore established two-way communication channels with internal and external stakeholders, especially with executive management in each country, trade unions, employees at headquarters and in-store, customers, suppliers, producers, contractors, institutions, NGOs and non-profits, experts, investors and shareholders. The key channels for communication are presented below.

#### ■ Social dialogue.

The Group promotes union rights and the right to collective bargaining in the countries in which it operates. Carrefour was the first retailer to sign an agreement with Union Network International, which serves as the basis for employee relations within the Group and was last renewed in 2018. Social dialogue is an instrument for implementing the duty of care locally and globally. The duty of care plan and risk mapping process relating to human rights and employee health and safety are devised in conjunction with, and submitted on a regular basis to, the European Information and Consultation Committee (EICIC).

**International agreement with UNI Global Union.** The global framework agreement between Carrefour and the UNI Global Union promotes social dialogue and diversity and guarantees the protection of fundamental principles and rights in the workplace. On October 14, 2020, Carrefour presented its non-financial information at a meeting held by videoconference and attended by 50 representatives worldwide.

#### ■ Stakeholder consultation.

**Food Transition Advisory Committee.** In 2018, Carrefour formed a Food Transition Advisory Committee, bringing together seven well-known external figures from different backgrounds who are committed and concerned about food issues.

The committee members agreed to support Carrefour's transformation of its production model. They participate in projects working towards the food transition for all, share best practices, propose new ideas and lead exploratory discussions about changing food habits.

**Stakeholder panels.** Several times a year, Carrefour arranges meetings in order to formulate functional recommendations on a specific CSR issue and/or the duty of care plan. 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 point of view on the subject in question. In 2021, three stakeholder consultation meetings were held on the themes of responsible e-commerce, the fight against deforestation and reduction in plastic packaging.

**Bilateral dialogue and long-term partnerships.** Group teams are in daily contact with expert stakeholders on issues relating to human rights, the environment, and health and safety. For all risks defined as a priority under the duty of care, Carrefour identifies the relevant actors with which special dialogue should be maintained.

Carrefour organises regular bilateral consultation processes to define and implement action plans. A consultation process was initiated in 2020 with about ten expert stakeholders to look at human rights, with a particular focus on the issue of a living wage. In 2021, a special consultation was held with several experts to improve the Group's duty of care plan.

Carrefour also leads several long-term action plans in conjunction with various non-profits, such as the WWF® since 1998 and the International Federation for Human Rights (FIDH) since 2008.

■ Consultation and on-boarding of customers. Feedback channels have been set up to leverage customer input:

**Consumer panels.** More than 3,200 customer focus groups were organised in 2021 to test recipes, and customer requests are processed throughout the year by the Customer Service department. Carrefour also organises themed panel discussions with small customer groups to raise awareness about specific issues and build its action plans.

**Civic consultation and on-boarding of customers.** To secure customer buy-in to the Group strategy, Carrefour launched ten CSR projects following the *mission-zero-plastique.carrefour.com* civic platform organised in 2019. Testing is currently in progress throughout France. In 2019, Carrefour also created "activist consumer groups" in Spain and France, which now include nearly 900 consumers on social media, or 300 more than in 2020. These consumers are regularly invited to stores to discuss various topics, participate in some of Carrefour's decision-making processes – especially on projects resulting from the civic consultation process – and participate in meetings with nutrition and environmental experts. During the year, 29 events were held with the activist consumers. Representatives were identified from among these consumers to keep the groups active and build a strategy.

■ Engagement tools shared with suppliers. In addition to strong restrictive frameworks like the purchasing rules, Carrefour has set up voluntary initiatives and partnerships with its own-brand and national brand suppliers. Some examples are included below.

**Meetings with national brand supplier partners.** Every year, the international purchasing team meets with international supplier partners to involve them in rolling out actions related to the food transition, especially the reduction of greenhouse gas emissions (GHG). National brand supplier partners comprise the Group's 50 largest suppliers.

**The "food transition for all" pact: getting the national brands on board.** After making commitments in relation to its own-brand products, Carrefour is now rallying all of its suppliers around a pact for the food transition for all. The aim is to encourage Carrefour suppliers to provide products and in-store tests that comply with the Group's food transition commitments in terms of packaging, biodiversity, climate, traceability and responsible products. Once validated by Carrefour, the candidates join the group of partners who have signed up to the pact. In return for reporting on their programme using performance indicators, they get access to an exclusive testing programme in all our European stores and to an annual Food Transition Week.

## Carrefour's duty of care plan

- Transparency and performance reporting.

**NGO questionnaires, ratings agencies and investors.** Carrefour believes in the importance of replying to questionnaires sent by NGOs, investors and ratings agencies. That is how the Group engages in building transparent dialogue with its stakeholders to assess the relevance of its policies and action plans and compare its performance with that of its peers and best practices available on the market. Carrefour frequently organises informational meetings for investors and takes part in socially responsible investment (SRI) conferences to keep the financial markets informed about the Group's CSR policy. Results from the CDP (climate and forest), Oekom, DJSI-SAM, MCSI, Sustainalytics and Vigeo Eiris questionnaires are detailed in Section 1.5.5.

### 2.1.1.5.2 Consultation and deployment of the duty of care plan with stakeholders

Carrefour works closely with trade unions, non-profits, public authorities, suppliers and industry coalitions both globally (e.g., Consumer Goods Forum, Initiative for Compliance and Sustainability, Business Social Compliance Initiative) and locally (e.g., *Cerrado Manifesto*, Bangladesh Accord, etc.) to implement its duty of care. The dialogue processes contribute to continuously improving the Group's duty of care plan. They aim to:

- **identify and prioritise risks and threats:** the Group analyses the information provided directly by stakeholders and the threats that affect the business sectors that it operates in. Reported threats, especially from non-profits and NGOs, help keep Carrefour's identified risks up to date, provide more detailed insight into local issues and specify the level of risk;
- **co-build adapted actions for mitigating risks or preventing serious threats:** Carrefour consults with its stakeholders to develop its action plans and identify shared solutions with those concerned. Non-profits and NGOs are frequently asked to consult on the objectives defined for Group policies, confirm the relevance of solutions (e.g., certification) and integrate external organisations to implement action plans;
- **monitor actions taken and measure their effectiveness:** through this dialogue, Carrefour transparently reports on the implementation of risk mitigation measures and difficulties encountered via qualitative and quantitative indicators. Sharing feedback helps better adapt the actions deployed and round out solutions identified if necessary.

The monitoring of stakeholder dialogue in 2021 is presented in the report on the 2021 duty of care plan (see Section 2.2.4).

### 2.2.1.6 Whistleblowing facilities

The Group governance bodies described above identify policies to be put in place in line with the assessment of risks of violations of human rights, health and safety, and the environment. In 2021, the Group strengthened its policies and prioritised actions to be taken based on reported alerts. Carrefour's partners and employees are all permanent conduits for raising the alert when necessary. Reported alerts are divided into the following categories:

- alerts or incidents identified internally via audits established by the Group (e.g., social audits, quality audits), monitoring by employees or dialogue with the trade unions;

- the ethics hotline, accessible to all employees and partners, and the Covid alert system;
- stakeholder dialogue (e.g., bilateral alerts, panels, working sessions), publications mentioning Carrefour (e.g., thematic rankings, reports, press articles);
- industry-related alerts.

Alerts are analysed by various Group bodies depending on their origin and processed by the relevant departments. Several internally defined criteria are applied to prioritise alerts and incident risks. Investigations are then conducted based on the level of risk.

**Alerts or incidents identified via the trade union dialogue.** A dispute management procedure is incorporated in the UNI Global Union agreement. The procedure should be followed if a dispute between a Carrefour entity and UNI Global Union relating to the interpretation or application of the agreement cannot be settled through dialogue. There are two types of claims:

- claims filed by UNI Global Union-affiliated trade unions:
  - the claim must initially be submitted to the relevant entity's management,
  - if the claim is not resolved with the relevant entity's management, the recognised local trade union or the local UNI Global Union representative may refer the matter to the relevant country management. If no trade union exists, the local UNI Global Union representative can act alone,
  - if the claim is still not resolved, UNI Global Union may refer the matter to the Carrefour group's Labour Relations department. In this case, Carrefour will conduct an open and transparent investigation,
  - if breaches are confirmed, Carrefour will ensure that the situation is remedied and that appropriate action is taken as required by the situation;
- claims filed by the management of a Carrefour entity:
  - the claim must initially be submitted to the local trade union,
  - if the claim is not resolved with the local trade union, the entity's management may refer the matter to the trade union's national office or federation,
  - if the claim is still not resolved, the local entity's management may refer the matter to the Carrefour group's Labour Relations department, which will contact UNI Global Union. In this case, UNI Global Union will conduct an open and transparent investigation,
  - if breaches are confirmed, UNI Global Union and its affiliated trade unions will ensure that the situation is promptly remedied and that appropriate action is taken as required by the situation.

**The whistleblowing system, accessible to all employees and partners.** Carrefour has set up its own whistleblowing system that can be used by Group employees or stakeholders to report any situations or behaviour that do not comply with the Group's Principles of Ethics. The system covers all the subject matters addressed in the Principles of Ethics, and in particular human rights and fundamental freedoms, health and safety, and the environment.

Confidentiality is assured at all stages of the process and Carrefour has pledged not to take any disciplinary action against an employee who reports an ethics issue in good faith. The system helps Carrefour to prevent serious breaches of its Principles of Ethics and to take the necessary measures when a breach does take place.

All alerts identified by the Compliance departments are processed and investigated, provided that a sufficient amount of information is available. The country Ethics and Compliance managers are responsible for relaying alerts to the appropriate departments, depending on their nature. For example, alerts

related to fraud or theft are handled by the Security departments, those related to corruption are processed by the Compliance departments and alerts related to employee health and safety or discrimination are handled by Human Resources. For serious alerts, the alert is handled by the country Ethics Committees.

The whistleblowing system is one of the tools promoted under the agreement between Carrefour and UNI Global Union.

<http://ethics.carrefour.com/>

Country	Phone Step 1	Phone Step 2
Argentina	0 800 444 4744	
Belgium	0 800 100 10	855 409 0182
Brazil	0 800 892 0708	
China	400 601 365 2	
France	0 800 90 85 62	
Italy	800 78 32 10	
Poland	00 800 151 0163	
Romania	800 400 836	
Spain	900 814 793	
Taiwan	00 801 102 880	855 409 0182
Cambodia	1 800 209 354	
Hong Kong	800 96 1764	
India	000 117	855 409 0182
Turkey	0 811 288 0001	855 409 0182
Vietnam	1 228 0288 ou 1 201 0288	855 409 0182

**The Covid alert system.** Due to the Covid-19 pandemic, the Carrefour group ramped up the mobilisation of teams in charge of health and safety policy to provide optimal working conditions for employees and protect customers in stores.

A Covid alert system was set up in all Group host countries to provide a procedure for reporting cases of virus contamination and information about the disease. In France, Carrefour employees had access to counselling and social services, available 24/7.

**Stakeholder dialogue, publications mentioning Carrefour and industry-related alerts.**

The measures and resources implemented by the different governance bodies to develop the duty of care plan were reaffirmed, by strengthening dialogue between key people directly involved in the compliance process. A task force was also created to identify and handle alerts relating to the business

operations of the Carrefour group. Alerts may involve any of Carrefour's societal challenges (issues relating to governance, compliance, and labour, ethical or environmental problems). The task force is in charge of investigating reported alerts and making sure that the most appropriate corrective action plans are implemented if a breach is confirmed.

Alerts are identified by the task force via stakeholder dialogue (bilateral alerts, panels, working sessions), publications mentioning Carrefour (thematic rankings, reports, press articles) and industry-related alerts. Task force members keep a permanent watch on the alerts and monitor any changes. Following the identification of an alert, the relevant functions are tasked with conducting an investigation, defining an appropriate response and specifying any action plans or processes to be put in place to mitigate the risk. The duty of care plan is regularly monitored by the various governance bodies (see Section 2.2.1.2).

## 2.2.2 RISK MAP

### 2.2.2.1 Identifying and defining risks associated with the environment, human rights, and health and safety

To improve the identification of risks of violations of human rights, health and safety, and the environment resulting from its business operations, the Carrefour group applies a risk analysis methodology broken down into steps, which draws on existing mechanisms within the Group. By combining different internal procedures, Carrefour identifies and assesses risks adapted to the Group's activity and size.

For the first step, the Group carries out an overall identification of general risk factors that include criteria relating to the Company's corporate social responsibility.

The framework for identifying risks includes:

- international standards and guidelines (GRI G4, ISO 26000, SAS-B);
- expectations expressed in ESG questionnaires to which the Group responds every year;
- the materiality analysis conducted with both internal and external stakeholders, which is used to confirm the main societal risk factors included in the analysis.

The general risk factors identified by the Group are then analysed by all the departments concerned in each country, which helps better refine the assessment of the risks detected in each region. This process is detailed in Section 4.1 of this Universal Registration Document.

This first generic analysis highlights the main risk factors that could affect the Group's operations, financial position, reputation and results. The analysis is updated annually, and results are submitted to the Audit Committee, the Group Executive Committee and the Board of Directors.

Carrefour identifies which Group risk factors could lead specifically to violations of human rights, health and safety, and the environment. This selection of societal risk sub-factors primarily measures the impact on stakeholders (including customers, suppliers, NGOs and civil society). Chapter 2 details the analysis methods, action plans and assessment processes applied specifically for these risks, and therefore contains information relating to the duty of care.

**TABLE 1: DEFINITION OF RISKS USED FOR DUTY OF CARE REPORTING PURPOSES**

Risk factor	Risk sub-factor	Description of the risk
<b>Risks to the health and safety of people<sup>(1)</sup></b>		
Occupational health and safety risks	Workplace accidents, psychosocial risks and occupational illnesses	Failure to develop and disseminate health and safety standards, as well as the operation of substandard facilities, can result in injury to our employees and the development of occupational illnesses.
Violent behaviour and abuse <sup>(2)</sup>	Violent, racist or discriminatory behaviour towards third parties (customers, service providers, suppliers) <sup>(1)</sup>	A lack of awareness about this risk could result in our customers (or other stakeholders) becoming victims of discrimination or physical/verbal abuse by employees or service providers working on behalf of Carrefour.
Lack of product quality, compliance and product safety failure	Significant lack of product control and traceability	Major deficiencies in product control and traceability could have serious consequences for the health of our customers or their property.
	Failure to develop or comply with the specifications for Carrefour own-brand products	Failure to develop or comply with specifications for own-brand products could endanger our customers and employees and put them at risk of developing health problems.
	A serious breach of quality and hygiene standards in stores or warehouses	A serious breach of quality and hygiene standards in stores or warehouses could endanger our customers and employees and put them at risk of developing health problems.
	Failings in the withdrawal and recall procedure	Malfunctions in the withdrawal and recall procedure could have health consequences for our customers.
Pandemic	Rapid, massive spread of a deadly virus that disrupts Carrefour's operations	Poor management of a pandemic could cause the pandemic to spread and contaminate Carrefour employees and customers.

Risk factor	Risk sub-factor	Description of the risk
<b>Risk of human rights violations<sup>(1)</sup></b>		
<b>Sensitive raw material procurement</b>	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Carrefour could stand accused of using raw materials whose value chains are implicated in the use of child labour, the exploitation of the local population, the overuse of resources or the conversion of ecosystems.
<b>Lack of supply chain resilience</b>	Riots, street demonstrations, strikes, protests and agricultural crises	The development of environmentally damaging agricultural practices or the deterioration of supplier relationships could lead to agricultural, environmental or social crises.
<b>Failure to respect the principles of diversity and to battle discrimination and harassment</b>	Failure to respect the principles of diversity and equality and failure to combat discrimination and harassment	Customers, employees or suppliers could be the victim of discrimination or harassment by Group employees.
<b>Failure to respect freedom of association and the right to social dialogue</b>	Poor management or deterioration of the social climate within Carrefour	Failure to respect freedom of association and the right to social dialogue poses a twofold risk. First, restricting freedom of association is an infringement of Carrefour employees' human rights. Second, a breakdown of the social dialogue could lead to the poor handling of alerts identified by union representatives and employees.
<b>Failure to uphold human rights and fair pay across the entire value chain</b>	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair remuneration	Failure by Carrefour to uphold human rights or fair pay across its entire value chain could lead to child or forced labour, unsafe working conditions, abnormal working hours that are harmful to health or the payment of a non-living wage.
<b>Risks of environmental damage<sup>(1)</sup></b>		
<b>Sensitive raw material procurement</b>	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Carrefour could stand accused of using raw materials whose value chains are implicated in deforestation or other environmental degradation.
<b>Contribution and vulnerability to climate change</b>	Failure to control energy and refrigerant consumption, and contribution to climate change	Carrefour could lack sufficient control over its energy and refrigerant consumption, leading to an increase in its greenhouse gas emissions.
	Natural disasters and climate change	Natural disasters (e.g., flooding, heavy snowfall, heatwaves, etc.) may interrupt business (site closures, breakdowns, serious damage) and endanger the lives of Carrefour customers, employees or suppliers.
<b>Unsustainable product offering and retail model</b>	Business model not aligned with customers' social and environmental expectations (waste management, packaging reduction, food waste, etc.)	A business model that is not aligned with customers' environmental expectations could lead to the overproduction of consumer waste (plastic or food).
<b>Pollution and the impacts of our operations on biodiversity</b>	Damage to biodiversity (pollution from oil-based products, waste, construction work, etc.) caused by business operations	Poor control over the impact of our operations could have environmental consequences. For example, poor retail waste management could cause local pollution.

(1) The identified risks are categorised according to the materiality of their impact on health and safety, human rights, and the environment, but they may have other impacts or may impact several categories.

(2) This risk is not derived from the Group's risk analysis. It was added after a major alert was identified in 2020.

1

2

3

4

5

6

7

8

9

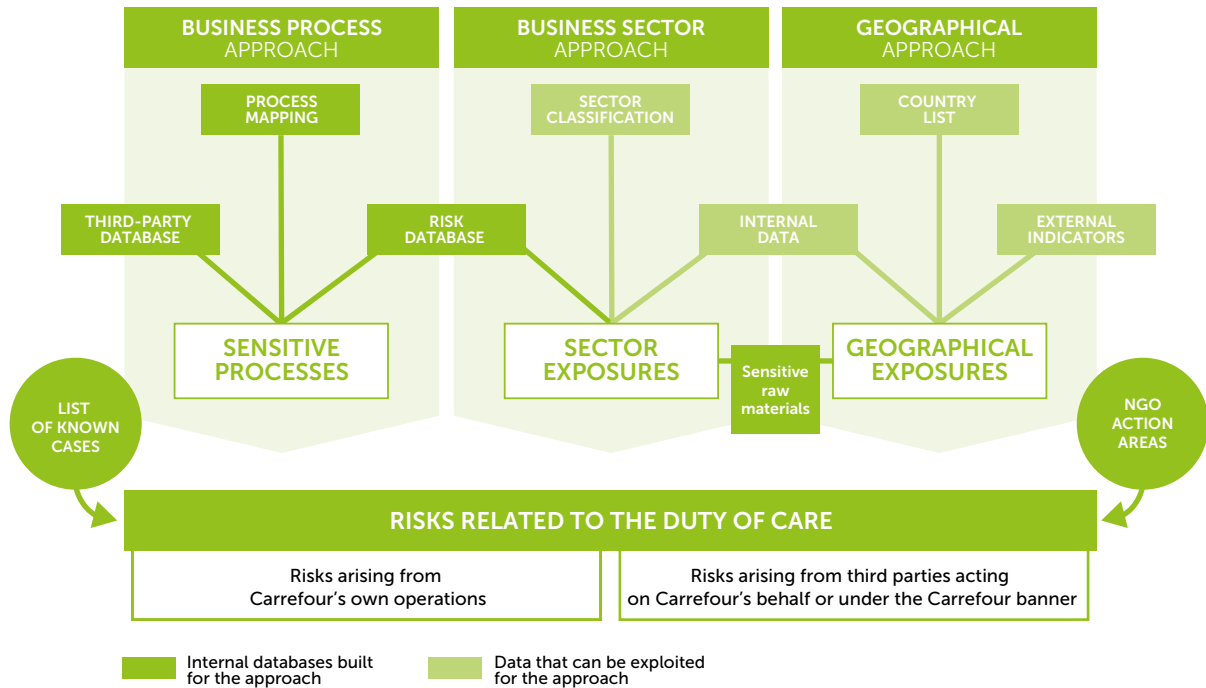


## 2.2.2.2 Maps and tools for the detailed analysis of risks associated with the duty of care

### 2.2.2.2.1 Methodology for the detailed analysis of risks associated with the duty of care

After putting together a list of risks relating to health and safety, human rights, and the environment, the Group deepens the detail and granularity of its analyses by combining several approaches summarised in the diagram below:

- risks related to Carrefour's various professions;
- risks related to business sectors with which Carrefour interacts regularly;
- risks related to countries in which Carrefour operates or to materials that Carrefour uses.



The Group applies both proprietary and shared standards and frameworks, for example:

- ILO conventions, the amfori-BSCI Country Risk Classification and the ITUC Global Rights Index;
- recommendations developed by the Task Force on Climate-related Financial Disclosures;
- Accountability Framework initiative (AFi) principles for eliminating deforestation and ecosystem conversion;
- stakeholder and Group process maps.

### 2.2.2.2.2 Specific risks relating to supply chain management

Identified supply chain risks are considered specific risks and must be managed differently. That is why the Carrefour group has implemented specific tools to analyse and manage risks associated with the duty of care. These tools chiefly include specific and separate maps, which can be used for an increasingly refined assessment of the level of risk. These tools cover several approaches, as mentioned above.

TABLE 2: EXAMPLE OF DETAILED MAPS IMPLEMENTED TO ANALYSE SUPPLY CHAIN MANAGEMENT RISKS.

Group risk sub-factor	Examples of detailed maps used for case-by-case analysis
Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair pay	Map of high-risk regions. Map of high-risk sectors and production phases.
Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Map of high-risk raw materials (based on the following factors: respect for the environment, impact on biodiversity, resilience to climate change, respect for human rights, workers' health and safety).
Damage to biodiversity caused by business operations	Map of high-risk sectors and production phases.

On this basis, the Carrefour group has identified the following priority risk factors relating to supply chain management:

- workers' health and safety violations and pollution at textile factories;
- human rights violations at factories located in high-risk countries;
- inadequate worker compensation by our suppliers;
- deforestation for conversion of land for agriculture (priority raw materials are Brazilian beef, palm oil, wood/paper and soy);
- human rights and environmental violations related to natural textile materials;
- damage to biodiversity and non-compliance with human rights in the use of sea resources and aquaculture;
- environmental damage caused by fruit and vegetable production and the use of GMOs;
- non-compliance with the welfare of livestock;
- pollution caused by transport for the procurement of goods;
- supply chain shortages caused by an exceptional event (health crisis, natural disasters and climate change).

1

2

3

4

5

6

7

8

9

## 2.2.3 RISK ASSESSMENT, PREVENTION AND MITIGATION MEASURES

### 2.2.3.1 Assessment measures

The risks identified by the Group must be assessed regularly to ensure that they are being managed effectively. Carrefour carries out audits, reports and other measures to assess how well our subsidiaries, suppliers and subcontractors are managing their risks.

#### Measures for assessing risks to the health and safety of people

External audit of suppliers	100% of suppliers are audited in line with international standards such as the International Food Standards or British Retail Consortium (90% in 2019), or they are audited by the Group (10% in 2019).
Occupational health and safety audits	Audits relating to the health and safety of employees in stores and warehouses are carried out by the internal control team. The purpose of these audits is to monitor the implementation of procedures concerning health and safety at work and the use of best practices, as well as compliance with regulatory requirements.

#### Measures for assessing risks of human rights violations

Social audits of suppliers of certified products	<p>External social audits of direct suppliers of certified products are performed on the basis of the supplier's identified risk level. Audits may also be required for indirect suppliers depending on the circumstances. Identifying a supplier's level of risk involves several levels of analysis, the first one being the map of high-risk regions:</p> <ul style="list-style-type: none"> <li>• in countries where a risk has been identified, Carrefour's ultimate aim is to perform social audits on all production facilities that manufacture Carrefour-brand products;</li> <li>• for suppliers located in low-risk countries, the inspection system is adapted to the business, local problems and on-site practices, as external audits are not performed systematically.             <ul style="list-style-type: none"> <li>• a. For subsidiaries identified as high risk following a raw material and production process analysis, additional guarantees are required. If the supplier is identified as being at risk, a social audit is performed.</li> <li>• b. If the sector is not at risk, the supplier must at the very least sign the Supplier Commitment Charter (see Section 2.1.5.3). Social audits may be requested by Carrefour teams on a case-by-case basis.</li> </ul> </li> </ul> <p>These audits are performed by third parties in line with ICS or BSCI standards. The process comprises several steps:</p> <ul style="list-style-type: none"> <li>• 1. a preliminary review by Carrefour of the facility's compliance with social, environmental and basic quality requirements;</li> <li>• 2. an initial audit, preferably unannounced, performed by an independent firm selected by Carrefour, based on a standard shared with other brands, to determine whether the facility can be listed;</li> <li>• 3. unannounced follow-up audits performed periodically by an independent firm to validate actions taken;</li> <li>• 4. specific audits performed by an external company or by partners to review specific or one-off incidents involving the facility or the audit firms' practices and procedures.</li> </ul> <p>The main occurrences of non-compliance identified in the Carrefour supplier network related to working hours, compensation levels and workers' health and safety.</p> <ul style="list-style-type: none"> <li>• Independent audits and inspections of supplier premises give rise to action plans designed to remedy any breaches observed, regardless of their severity. The supplier is required to implement the action plan before a specified deadline. Implementation is monitored through follow-up audits.</li> <li>• If a supplier audit report contains a critical non-compliance issue, Carrefour will be informed within 48 hours. These issues mainly concern child labour, forced labour, disciplinary measures, attempted corruption, document falsification and safety conditions threatening the lives of workers. Immediate action is then taken by Carrefour and/or the supplier.</li> </ul> <p>Training or specific support may be provided by Carrefour's teams to suppliers where warranted by non-compliance issues. Health and safety issues and water treatment are covered by Carrefour's social compliance audit process.</p>
--	--

1

**HR reporting and social certifications**

- An annual HR reporting process is deployed. Audits are performed annually by an independent third party to verify the true and fair nature of the consolidated Group data.
- All of the countries in which the Group operates obtained Gender Equality European and International Standard (GEEIS) certification in 2020. In 2021, all entities concerned by the mid-term audit conducted every two years maintained their certification, and Brazil and Romania improved their overall performance.

2

**Measures for assessing risks of environmental damage****CSR ratings of suppliers in the clothing sector**

In 2019, clothing supplier assessments began incorporating a CSR rating in addition to the usual commercial, quality, and delivery (supply chain) ratings. This CSR rating includes the results of social audits, environmental assessments and alerts, management of suppliers' suppliers, component traceability, supplier certifications and good CSR practices (aside from mandatory compliance). Carrefour's local teams meet with the evaluated suppliers to share best practices and areas for improvement and they take this rating into account when selecting suppliers.

3

**Environmental reporting and certifications**

- A quarterly reporting system for Carrefour sites has been set up to ensure a proper assessment of the Group's response to its environmental challenges (waste management, energy consumption, greenhouse gas emissions linked to refrigerant gases, etc.). Audits are performed semi-annually by an independent third party to verify the true and fair nature of the consolidated Group data.
- Quarterly product reporting is also carried out to evaluate the implementation of the purchasing rules for the food transition in all countries. Audits are performed semi-annually by an independent third party to verify the true and fair nature of the consolidated Group data. Environmental audits are performed at the premises of suppliers that manufacture labelled or certified Carrefour-brand products, and where certain production facilities or key processes may present environmental risks.
- A climate accounting system on supply chains to determine the highest-emission items and sources was introduced in 2019. The Group is working with suppliers to fine-tune the system as part of the Food Transition Pact (see Section 2.1.3.3).

4

5

6

7

8

9

### 2.2.3.2 Measures for preventing and mitigating risks

Measures for preventing and mitigating risks are presented in three sections covering the scopes of application delineated by the duty of care: risks of serious environmental damage, risks of serious violations of human rights and risks of serious violations of health and safety.

Risk factor	Measures for mitigating and preventing risks	Scope
<b>Risks to the health and safety of people</b>		
Pandemic	<p>1/ Ratification of the joint declaration on preventive measures to protect workers and consumers in the food retail industry during the Covid-19 pandemic.</p> <p>2/ In September 2020, the Carrefour group launched labelling programmes, for example for AFNOR certification in France and DNV GL in Brazil. These programmes consist in checking and monitoring the Covid-19 health measures implemented at its stores, warehouses and across its supply chain. The verification process mainly involves reminders of protective measures, mask requirements, availability of hand sanitiser, installation of plexiglass barriers, social distancing floor markers, and more frequent cleaning and disinfection of equipment surfaces (basket handles, cart handles, scanners, cash registers, etc.) and store space.</p>	Carrefour
Violent behaviour and abuse	<p>1/ Guarantee respect for diversity and the religious and cultural specificities of all individuals, including customers. This commitment is apparent both within the Group, through awareness-raising and training initiatives (Diversity Day, workshops to discuss unconscious prejudice, diversity and inclusiveness guidelines for suppliers) and with society at large (signing of the Coalition of Businesses for Racial and Gender Equality, institutional partnerships and sponsorship of pro-diversity forums).</p> <p>2/ Intensified action plans are being deployed in Brazil, where the recent death of a customer in Porto Alegre highlighted this risk:</p> <ul style="list-style-type: none"> <li>• Carrefour Brazil immediately conducted an audit. Policies on training for employees and subcontractors in terms of safety, respect for diversity and values of tolerance were reinforced;</li> <li>• an action plan has been prepared with an external committee for freedom of expression in diversity and inclusiveness, appointed to advise Carrefour Brazil in an independent manner on the measures to be taken to combat racism in its stores. This plan will reinforce the measures already taken several years ago by Carrefour Brazil to combat racism.</li> </ul>	Customers
	Creation of a diversity and inclusion guide for suppliers.	Suppliers
	<p>1/ Organisation of awareness-raising activities such as the Diversity Day or unconscious bias workshops.</p> <p>2/ Organisation of country-led initiatives (e.g., Trans Visibility Day in Brazil).</p>	Carrefour
Occupational health and safety risks	<p>1/ Preventing workplace accidents and occupational illnesses: compliance with existing regulations, anticipating changes in regulatory requirements, implementation of strict procedures, preventive training on subjects such as in-store safety and posture and movements, employee awareness campaigns, etc. In France, a dedicated body for workplace health and safety has existed since 2012 and a Health and Quality of Life in the Workplace agreement has been signed. A Workplace Health and Safety management training programme has been set up for site managers and the <i>Es@nté</i> tool promotes the occupational risk prevention approach and facilitates administrative management of workplace accidents and occupational illnesses.</p> <p>2/ Prevention of musculoskeletal disorders: massive investment in handling assistance equipment (automatic pallet wrapping machines, stocking carts, etc.), in-depth studies on workstation ergonomics (200 by the end of 2018), alterations to furniture, and gym sessions to prepare employees before they start work.</p> <p>3/ Stress and psychosocial risk prevention: stress management, training, a free remote listening and psychological support system, etc. In France, employees have had access to a support service with a toll-free number since 2015.</p>	Carrefour

Risk factor	Measures for mitigating and preventing risks	Scope
Product quality, compliance and safety	<p>1/ Rolling out blockchain technology, particularly for new food products in the Carrefour Quality Lines, to ensure full traceability and guarantee total transparency for consumers about where the products have come from.</p> <p>2/ Eliminating substances with controversial health and environmental effects: Carrefour conducts ongoing oversight to identify and eliminate the presence of controversial substances in its products, reduce the use of pesticides and remove GMOs.</p> <p>3/ Guarantee the quality and safety of Carrefour-brand products. The policy has five key focuses:</p> <ul style="list-style-type: none"> <li>• <u>inclusion on Carrefour's suppliers list</u> requires a full assessment of compliance with quality, health and safety standards (IFS, BRC), and Carrefour requirements. In high-risk countries, a special social audit is performed. After inclusion, regular audits are performed on the suppliers' premises. If any non-compliance is detected, corrective measures are implemented, failing which the supplier may be delisted (depending on the type of non-compliance and its seriousness);</li> <li>• <u>product specifications</u>: Carrefour-brand products are made according to specifications drawn up by its Quality department. Product specifications are shared with suppliers and provide details such as the origin of the raw material and the recipe. The substances contained in products are constantly monitored. Based on scientific evidence, a detailed risk map is drawn up by category and level of criticality. Information regarding stakeholders' concerns and expectations is gathered (informal contacts with independent scientific experts by topic, monitoring of the food industry, interviews with government departments in high-risk countries, monitoring of laboratory publications, contacts with health authorities, etc.);</li> <li>• quality control plans and customer opinion surveys, including: <ul style="list-style-type: none"> <li>• manufacturing site audits,</li> <li>• warehouse and in-shop checks,</li> <li>• product analyses,</li> <li>• recall processes.</li> </ul> </li> </ul> <p>In order to involve customers and leverage their input, channels for sharing information, listening to their concerns and feedback and raising their awareness have been established:</p> <ul style="list-style-type: none"> <li>• external focus groups,</li> <li>• customer service: every year, an independent organisation runs a survey of customers to make sure their requests are being processed and identify the corrective actions needed;</li> <li>• in-house competence: <ul style="list-style-type: none"> <li>• quality approach overseen and managed by Carrefour experts,</li> <li>• training in food safety and Carrefour quality procedures,</li> <li>• in-house inspections to check that the quality policy is implemented and understood in each country;</li> </ul> </li> <li>• close tracking of product data: <ul style="list-style-type: none"> <li>• all data is recorded, processed and monitored using professional apps (TraceOne, the TBQ quality dashboard, etc.),</li> <li>• deployment of traceability solutions (blockchain technology).</li> </ul> </li> </ul> <p>4/ Developing the quality culture in the Group through employee training and awareness-raising, regular monitoring of performance indicators, on-site audits and laboratory analysis of products.</p>	Carrefour Customers Suppliers
	<p>Carrefour-brand products are made to specifications drawn up by its Quality department. Detailed specifications are shared with the suppliers.</p>	
Product quality, compliance and safety	<p>1/ Quality control plans include audits of manufacturing sites (international standards or Carrefour audits), warehouse and in-store checks of product freshness, origin and category, product analyses, and recall processes for non-compliant products.</p> <p>2/ Channels for two-way communication and listening to customers and raising their awareness have been set up: external focus groups, Customer Service department and the provision of qualitative and nutritional information.</p>	
	<p>1/ Redefining product withdrawal and recall procedures and tools using systems such as Alertnet, which warns store managers of non-compliant products and blocks them at checkout.</p> <p>2/ Improving communication flows about product withdrawal and recall procedures, particularly through messaging apps.</p> <p>3/ Blocking withdrawn or recalled products at checkout.</p>	Carrefour

Risk factor	Measures for mitigating and preventing risks	Scope
<b>Risk of human rights violations</b>		
<b>Encouraging diversity and battling all forms of discrimination and harassment</b>	1/ Signature of the Diversity Charter in 2004. 2/ Group-level and national collective bargaining agreements negotiated with trade unions. 3/ Programmes developed under the auspices of international bodies. 4/ Cooperation on the ground with non-profits in Brazil, France and Romania. 5/ Gender parity in the workplace: equal pay policy, access to training for all, arrangements to facilitate work-life balance, Women Leaders programme, signature in 2013 of WEPs (Women's Empowerment Principles) in certain countries, and GEEIS (Gender Equality European and International Standard) certification. 6/ Battling all forms of discrimination, particularly more effective integration of people with disabilities in the workplace: signature of an agreement on the employment of people with disabilities in French hypermarkets. Participating in events such as European Disability Employment Week, which has been organised for the past 22 years by ADAPT, and the Free Handi'se Trophy intercompany challenge. 7/ Support for people who have difficulty accessing the job market.	Carrefour
<b>Freedom of association and social dialogue</b>	Negotiations and collective bargaining agreements: <ul style="list-style-type: none"> <li>• at the international level: agreement with UNI Global Union guaranteeing basic rights and principles in the workplace;</li> <li>• at the European level: agreement to create the European Works Council, the European Consultation and Information Committee (ECIC) signed with the FIET (part of UNI Global Union since 2011). A meeting at which Carrefour presented its non-financial information was held by videoconference with 50 representatives worldwide on October 14, 2020;</li> <li>• at the national level: local collective bargaining agreements that frame social dialogue;</li> <li>• discussions and consultations with employee and trade union representatives that go beyond legislative requirements and standards;</li> <li>• presence of staff representatives in the Group's business activities.</li> </ul>	Carrefour
<b>Supply chain resilience</b>	1/ Listing of very small businesses through ultra-local contracts. 2/ Promotion of environmentally-friendly practices and gender equality in the fair trade, organic banana sector via support for 11 cooperatives in Peru and the Dominican Republic.  Signature of 14 "0 kilometre" agreements with small local producers and creation of local pacts in five Group host countries.	Carrefour
<b>Upholding human rights and fair pay across the entire value chain</b>	1/ Fair pay. Carrefour is very attentive to ensuring that decent wages are paid across the value chain and is testing new solutions for that purpose: <ul style="list-style-type: none"> <li>• Carrefour adheres to an approach based on increasing in-kind benefits. With the support of the Carrefour Foundation, the Group worked for three years to set up a health insurance system in Bangladesh. In the last year of the project in 2019, the system covered eight factories, including five Carrefour suppliers, and the support of Carrefour Foundation helped fund the health insurance plan for approximately 14,500 workers. The Group learned a great deal from the project and is now looking for the best way to leverage its experience in its living-wage project;</li> <li>• Carrefour has set up its own supply chain for Indian organic cotton. Carrefour has forged a partnership with Cotton Connect to ensure that farmers receive a higher rate than conventional cotton producers. The first "sustainable cotton" collection appeared in spring-summer 2019.</li> </ul> 2/ Stakeholder consultations and panels. Consultation with experts on living wages: non-profits, coalitions and companies involved: FIDH, Achact, Global Living Wage Coalition, Ethical Trading Initiative, Fair Wage Network, Fairtrade International, Mighty Earth, Etam, Bureau Veritas and Tesco.	Suppliers

Risk factor	Measures for mitigating and preventing risks	Scope
Risks of environmental damage		
Responsible raw material procurement	<p>Maps of high-risk raw materials are created and regularly updated (see Section 2.1.2.2.2). The Group has implemented specific raw material purchasing rules in conjunction with stakeholders (i.e., experts, NGOs, customers, suppliers, public authorities, etc.). These purchasing rules for the food transition were updated in 2020. Carrefour takes action across its entire supply chain by setting requirements for its direct suppliers and being involved at different levels in stakeholder coalitions (e.g., Consumer Goods Forum, SoS <i>Cerrado Manifesto</i>, French Soya Manifesto).</p> <p>The Group has made it a priority to address the following risks:</p> <p><b>Deforestation for conversion of land for agriculture.</b> Carrefour has taken on the co-leadership of the Consumer Goods Forum Forest Positive Coalition for Action and is a member of the working groups on palm oil, wood, paper, beef and soy. This platform aims to collectively mobilise suppliers to drive systemic change across supply chains.</p> <p><b>Palm oil:</b> Carrefour has implemented a gradual action plan with its direct suppliers, based on RSPO certification, to protect this supply chain in all of the Group's integrated countries. The first step involved requiring its suppliers to provide certified mass balance raw materials in 2020. Standards are now being tightened to the stricter segregated certification, which ensures full traceability from plantation to consumer by 2022. In addition, Carrefour substitutes palm oil in its own-brand products when doing so improves the nutritional value of a product or to meet consumer expectations.</p> <p><b>Wood and paper:</b> Carrefour has implemented a supply inspection system based on a risk analysis of production countries. Ten product categories that use the largest volumes of wood and paper are defined as priority. In these ten categories, different certification or guarantees are required depending on product origin (recycled, FSC certification, PEFC certification or specific audit).</p> <p><b>Beef in Brazil:</b> Carrefour has implemented a supply inspection system for beef from ranch-raised cattle for its Carrefour-brand and national brand products via a geo-monitoring system (in Amazonia and Cerrado). The Group's purchasing data are cross-analysed against official deforestation maps, protected areas and indigenous lands. This is how Carrefour involves its suppliers in its anti-deforestation policy, while ensuring the compliance of products sold in stores. Carrefour works with its suppliers on identifying any non-compliant cattle farmers and takes action as necessary. Suppliers are urged to go a step further by signing a letter of commitment, which requires them to monitor indirect suppliers and report findings in an action plan communicated to the Group. In addition, a traceability tool used to monitor indirect suppliers is being progressively rolled out at supplier sites. Carrefour also encourages other retailers on the market to implement the unified protocol (<a href="https://www.boinalinha.org/">https://www.boinalinha.org/</a>) and regularly speaks at conferences to share its best practices.</p> <p><b>Soy:</b> soy is used in animal feed for Carrefour-brand products and therefore concerns chicken as well as eggs. Carrefour has pledged that the soy fed to animals used to manufacture key products under its own brand will have no deforestation impact by 2025. Carrefour has several solutions for making sure this raw material does not come from farming practices that contribute to damaging forests and ecosystems: by developing local soy farming, promoting CQL organic animal feed made with GMO-free soy, using segregated certified soy and alternative proteins, supporting projects in the field and favouring the most virtuous upstream players for its supply. In addition, the Group launched the Soy Manifesto with the aim of mobilising French players (government, NGOs, distributors and upstream players) to fight against imported deforestation linked to Brazilian soy. In this context, additional criteria for the non-deforestation and non-conversion of ecosystems are integrated into the specifications for Carrefour-brand products in France. Direct suppliers are educated to apply Group standards throughout the production chain. French retailers, civil society and the French Ministry have all signed the Manifesto and are united in a joint effort around the National Strategy against Imported Deforestation to produce a viable nationwide whistleblowing system and engage the entire value chain.</p>	Suppliers

1

2

3

4

5

6

7

8

9



Risk factor	Measures for mitigating and preventing risks	Scope
Responsible raw material procurement	<p><b>Biodiversity damage and human rights violations caused by the use of sea resources and aquaculture.</b> Carrefour has implemented sourcing rules for seafood products through a range of programmes. For example, Carrefour Quality Lines were created to encourage the adherence of aquaculture products to strict specifications. Certification, such as AB, MSC and ASC, provides strict control of each step in the supply chain. And lastly, low-impact fishing techniques are promoted (no fish aggregating devices, angling, etc.), and certain protected species including turtles and sharks are prohibited from sale at Carrefour.</p> <p><b>Environmental and human rights violations caused by cotton production.</b> Cotton from Uzbekistan and Turkmenistan is banned by Group procedures. Carrefour created an organic cotton production line in Madhya Pradesh, India, combining quality organic cotton, decent pay for producers and traceability starting from the seed. The Group aims to increase the share of organic cotton in its total supply, while raising the standards of conventional cotton. Carrefour also applies blockchain technology to certain TEX BIO textile products. Using a QR code, consumers can access information that tracks the product pathway from organic cotton production to distribution.</p> <p><b>Environmental and human rights violations caused by fruit and vegetable production.</b></p> <p><b>Bananas:</b> bananas are the most popular fruit sold in stores, but they are subject to threats concerning climate change issues and human rights abuses on plantations. As the leader in organic, fair trade bananas in France, Carrefour works with its suppliers to develop this type of banana production in response to these challenges. The Group also launched two new French banana lines, one organic and one agroecological, featuring blockchain technology. These lines create direct and indirect jobs in the French Antilles and provide consumers with transparent information about the production process.</p> <p>Local projects in high-risk regions (own-brand suppliers) include:</p> <ol style="list-style-type: none"> <li>1/ incorporating environmental requirements into the Good Factory Standard;</li> <li>2/ project with the Institute of Public and Environmental Affairs (IPE) to assess the environmental performance of production plants in China;</li> <li>3/ Clean Water Project in Asia to prevent or counteract industrial pollution risks.</li> </ol>	
Sustainable product offering and retail model	<p><u>Reducing the impact of packaging and decreasing and recycling waste:</u></p> <ol style="list-style-type: none"> <li>1/ transforming the customer experience by developing reusable packaging solutions (organic cotton bags, Loop initiative, etc.);</li> <li>2/ reducing packaging at source and finding alternatives to plastics which are difficult to recycle (non-packaging solutions, replacement of polystyrene and plastic packaging, etc.);</li> <li>3/ improving the recyclability of packaging in alignment with national recycling infrastructure (developing sorting processes);</li> <li>4/ working with customers to improve collection and sorting of recyclable packaging (experimenting with money-back solutions).</li> </ol> <p><u>Combating food waste:</u></p> <ol style="list-style-type: none"> <li>1/ adopting a more professional in-store approach to waste: improving stock and order management, partnership with the Too Good To Go app, development of donations, discounts for products close to their use-by and best-before dates, and recycling as biowaste and biomethane;</li> <li>2/ devising solutions with suppliers to extend use-by dates and best-before dates;</li> <li>3/ bringing food waste to customers' attention.</li> </ol> <p>Implementation of the Food Transition Pact to gain adherence from national brand suppliers. The Food Transition Pact provides a platform for exchanging information and best practices, developing opportunities for collaboration with Carrefour and sharing progress with consumers. Its key objectives are:</p> <ul style="list-style-type: none"> <li>• packaging: limit the environmental impact of packaging by eliminating unnecessary packaging, reducing packaging volumes and providing clear information to consumers on how to recycle the packaging;</li> <li>• biodiversity: encourage environmentally-friendly farming practices;</li> <li>• climate: guarantee a food system that is not harmful for the climate and reduces the environmental impact.</li> </ul>	Customers
		Suppliers

Risk factor	Measures for mitigating and preventing risks	Scope
The fight against climate change	<p>1/ Teams in Group host countries have been issued with a list of five priority in-store action and technology recommendations: phasing out high-impact HFC refrigerants for cooling systems, installing doors for cooling systems to limit refrigerant leaks, and using electronic speed controllers, low-power LED lighting and sub-metering systems. The Group is committed to reducing refrigerant-related CO<sub>2</sub> emissions by 2025 (<i>versus</i> 2010) by phasing out hydrofluorocarbon (HFC) refrigerants and limiting refrigerant leakage.</p> <p>2/ Increasing the Group's on-site production of renewable energies. 10% of the energy consumption (21 GWh) of stores equipped with photovoltaic systems will be covered by the initiative.</p> <p>Integrated stores in France, Italy and Belgium have been certified ISO 50001.</p>	Carrefour
	<p>Optimising logistics arrangements, distribution activities and non-retail activities to limit their environmental impact.</p> <p>In France, Carrefour is modernising its fleet. At end-2021, it had 600 PIEK-certified trucks, which run on biomethane and generate less pollution and noise (under 60dB).</p>	Carrefour
Pollution and the impact of our operations on biodiversity	<p>1/ In-store water consumption is monitored and optimised in order to limit the impact of activities on water resources.</p> <p>2/ With regard to the real estate business of Carrefour Property and Carmila in France, Italy and Spain, the Group has introduced a sustainable construction policy aligned with BREEAM Construction certification standards, to ensure that buildings are designed and built with a commitment to safeguarding the environment, protecting occupant health and safety, and preserving biodiversity.</p>	Carrefour
	<p>Winning a commitment from own-brand and national brand suppliers to reduce their GHG emissions. Carrefour has set a target to reduce emissions from goods and services purchased by 30% between 2019 and 2030. This target translates into savings of 20 megatonnes of CO<sub>2</sub>, in collaboration with its suppliers. Carrefour is also targeting a reduction of 27.5% in its emissions from product use by 2030 (especially for fuel and consumer electronics). To meet these targets, Carrefour will focus on:</p> <ul style="list-style-type: none"> <li>• encouraging the 100 biggest Carrefour suppliers to outline quantified commitments to reduce CO<sub>2</sub> in their direct scope and upstream. Carrefour's main aim is for its ten biggest suppliers to adopt an approach consistent with the Science Based Targets initiative, and the 30 biggest suppliers to take up a climate commitment by 2025;</li> <li>• reviewing the assortment of products available at Carrefour to reduce the climate impact of the average basket;</li> <li>• reducing the climate impact of Carrefour-brand products, by scaling back packaging, combating deforestation and developing low-carbon farming practices.</li> </ul>	Suppliers

1

2

3

4

5

6

7

8

9

## 2.2.4 REPORT ON ACTIONS IMPLEMENTED IN 2021

In 2021, the Carrefour group stepped up the implementation of its compliance programme, by monitoring quantitative and qualitative indicators for the risk mitigation measures taken.

### 2.2.4.1 Summary of actions and stakeholder dialogue

#### Summary of improvements in 2021

Types of risks	New in 2021
Governance and method	<ul style="list-style-type: none"> <li>• In 2020, the governance system in place to ensure the compliance of supply chain processes was enhanced. Purchasing rules for the food transition were updated and disseminated in all countries where the Group operates. The Committee on Purchasing Rules for the Food Transition ensures that business lines in each country apply these purchasing rules to support the food transition. In 2021, the committee met five times.</li> <li>• Following the renewal of the CSR index targets, the purchasing rules were updated. The targets were renewed in conjunction with an audit aimed at ensuring comprehension of the purchasing rules. Following the audit, each country received a brochure summarising the purchasing rules. All countries have received purchasing rule training.</li> <li>• Supplier education.               <ul style="list-style-type: none"> <li>• An initiative to raise supplier awareness on soy-related deforestation and conversion has been launched in Brazil, France and Italy through bilateral meetings, local NGO training and official letters.</li> <li>• The merchandising teams regularly inform suppliers about food transition issues, with a special focus in 2021 on packaging and deforestation. These discussions took place as part of Group meetings (Growth Together, Socomo), local trade fairs and thematic webinars.</li> </ul> </li> <li>• A committee dedicated to coordinating the implementation of Carrefour's duty of care was created at the end of 2021. It validates the methodology used for analysing risks, assesses the alignment of the action plans with the risk analysis and ensures the proper functioning of the whistleblowing system. The committee will meet for the first time in January 2022.</li> </ul>
Risks to the health and safety of people	<ul style="list-style-type: none"> <li>• Carrefour Brazil created a fund to support the inclusion of minorities within the Company. It conducted training programmes for employees and local partners to promote the Group's commitment to equality and the absence of discrimination. A committee was specially created to advise Carrefour Brazil in an independent manner on the measures to be taken to combat racism in its stores. An audit was conducted, followed by an action plan prepared with this external committee, which advocates for freedom of expression on diversity and inclusiveness.</li> <li>• On September 1, Carrefour once again signed the International Accord for Health and Safety in the Textile and Garment Industry. Through the agreement, Carrefour undertakes until 2023 to comply with its legal responsibilities – including the complete cessation of operations with sites that endanger employees – in the event of failure to observe the rules of the agreement.</li> </ul>
Risk of human rights violations	<ul style="list-style-type: none"> <li>• Carrefour has contributed 300,000 euros to a one-million-euro project launched by the Fairtrade/Max Havelaar movement. Funded by the French Development Agency (AFD), the project promotes environmentally-friendly practices and gender equality in the fair trade, organic banana sector by supporting 11 cooperatives in Peru and the Dominican Republic.</li> <li>• In the first annual report published on the Forest Positive coalition by the Consumer Goods Forum, Carrefour's commitment to the recognition of the rights of indigenous peoples and local communities was recognised.</li> </ul>

## Types of risks

New in 2021

## Risks of environmental damage

- Following the publication of the first progress report of France's national pact on plastic packaging, Carrefour reaffirmed its commitment to achieving the 2025 targets for single-use packaging and the recyclability of Carrefour-brand packaging.
- As part of its strategy to reduce packaging and eliminate plastics, Carrefour is rolling out Loop, a circular-economy initiative that features a returnable and reusable packaging system. Following the launch of the concept in Carrefour City and Market stores in Paris at the end of 2020 and in order to further protect the environment, Carrefour introduced the returnable and reusable packaging solution in hypermarkets and ten new convenience stores during the year.
- To coincide with the COP 26 summit that took place from November 1 to 13, 2021, Carrefour once again reiterated its commitment to climate action and announced a goal of achieving carbon neutrality by 2040. To attain its objective, the Group aims to reduce the emissions produced by its operations at source as much as possible, particularly through the use of 100% renewable electricity by 2030, the replacement of fluorinated refrigerants with natural coolants and an even greater reduction in energy consumption.
- In 2020, Carrefour took the lead of the Consumer Goods Forum (CGF) Forest Positive Coalition of Action, an international coalition of 18 manufacturers and retailers that aims to take action by involving all supply chain participants. In September 2021, the coalition publishes its first annual report. For the first time, member companies (including Carrefour) were required to align themselves with a set of Key Performance Indicators and share their individual and collective progress by publishing reports on these indicators.
- As part of France's 2018 national strategy to combat imported deforestation (SNDI) by the end of 2030, Carrefour has secured the commitment of its suppliers to the Soy Manifesto. The purpose of the manifesto is to involve French stakeholders in the fight against soy-related imported deforestation. Thanks to this collective effort, Carrefour is now able to define its footprint, map its soy sources and engage suppliers and soy traders via an assessment of their anti-deforestation policies. Consequently,
  - Carrefour has developed a method for assessing soy trader performance and transparency in protecting forests and natural ecosystems;
  - the Group has ranked the soy traders according to their level of compliance with its objectives;
  - the Merchandise department has established a process of engagement with suppliers and soy traders based on the requirements of the CGF coalition and the Soy Manifesto.
- The Food Transition Pact, launched in 2019, is carrying on with its initiatives. Supporting the food transition for all, this network of Carrefour suppliers launched the "20 Megatonnes" project as part of the climate pillar. This project encourages suppliers to make commitments, measure CO<sub>2</sub>, engage consumers and develop low-carbon consumer habits. In 2021, Carrefour implemented the project via local pacts in five countries: France, Spain, Belgium, Poland and Romania. The system will be deployed in Italy in 2022.

1

2

3

4

5

6

7

8

9

## Report on dialogue and alerts identified in 2021

Interaction with stakeholders is crucial for identifying precisely what measures to take in order to mitigate risk. The Group is in continuous contact with NGOs, non-profits, suppliers, customers, investors, trade unions, stakeholder coalitions, public

authorities and other key players through bilateral dialogue and stakeholder panels. As part of its stakeholder inclusion policy, the Carrefour group also answers questionnaires from NGOs transparently and publicly.

Summary of the dialogue with Group stakeholders as part of the 2021 duty of care plan

### Types of risks

### Dialogue on risks identified in 2021

Risks to the health and safety of people	<ul style="list-style-type: none"> <li>• <b>Dialogue with trade unions:</b> in 2021, the Group held ten European Consultation and Information Committee (ECIC) meetings. The committee was able to resume a more normal work routine after being mainly absorbed by the health crisis in 2020. As a result of our health crisis response, some supermarkets and hypermarkets have obtained AFNOR certification for their Covid-19 control and prevention measures.</li> <li>• <b>Bilateral dialogue:</b> close dialogue maintained with trade unions. Monthly meetings between the Executive Director France and the representative trade unions since September.</li> </ul>
Risk of human rights violations	<ul style="list-style-type: none"> <li>• <b>Bilateral dialogue:</b> Special dialogue maintained on the following subjects: the impact of Covid-19 on our procurement practices, human rights compliance in supply chains (e.g., Tamil Nadu in India, Xinjiang in China and Myanmar), factory worker health and safety (Bangladesh), the enhancement of whistleblowing and monitoring systems, and the living wage.               <ul style="list-style-type: none"> <li>• <b>Occasional dialogue,</b> in particular with: Arisa, SOMO, Transparentem, Fashion Revolution, IndustriAll Global Union, Clear Fashion and American Apparel &amp; Footwear Association (AAFA).</li> <li>• <b>Regular dialogue:</b> <ul style="list-style-type: none"> <li>• an extensive dialogue was engaged with Transparentem and a collective of clothing brands on the issue of forced labour in factories in Tamil Nadu in India, with around 40 meetings held between 2020 and 2021;</li> <li>• bimonthly updates with International Federation for Human Rights (FIDH) on human rights issues in our supply chains and review of ongoing action plans.</li> </ul> </li> </ul> </li> <li>• <b>Coalitions:</b> Carrefour has again signed the Bangladesh Accord. As part of its social auditing of suppliers in this high-risk country, the Group also works with the BSCI business social compliance initiative and the ICS compliance and sustainability initiative.</li> <li>• <b>Response to questionnaires on:</b> <ul style="list-style-type: none"> <li>• supply chain transparency and compliance with human rights in the textile sector (Fashion Revolution questionnaire);</li> <li>• respect for working conditions in Tamil Nadu, India (Transparentem questionnaire);</li> <li>• the social and environmental impact of the textile sector (Clear Fashion questionnaire).</li> </ul> </li> </ul> <p>Carrefour is engaged in dialogue with the Platform Living Wage Financials (PLWF), an alliance of 18 financial institutions dedicated to living wage issues. The PLWF annual report has rated Carrefour as "Maturing", the highest score for retailers included in the assessment.</p>

## Types of risks

## Dialogue on risks identified in 2021

Types of risks	Dialogue on risks identified in 2021	1
Risks of environmental damage	<ul style="list-style-type: none"> <li>• <b>Bilateral dialogue:</b> Special dialogue maintained on forestry issues (mainly beef, soy, wood and paper, palm oil and cocoa), pesticide and GMO use, aquaculture fish feed, and banana, berry and tomato production.</li> <li>• <b>Occasional dialogue,</b> in particular with: Greenpeace, National Wildlife Federation, Envol Vert, Earthworm Foundation, Rainforest Alliance Norway, European Forest Institute, SumOfUs, <i>Riposte Verte</i> Changing Markets Foundation, Max Havelaar and Banana Link.</li> <li>• <b>Regular dialogue:</b> <ul style="list-style-type: none"> <li>• regular updates with the WWF as part of the historic WWF-Carrefour partnership. The subjects covered in 2021 included the Group's sustainable fishing and anti-deforestation (mainly soy and cocoa) policies, natural capital (participation in the Natural Capital Lab) and the Science Based Targets for Nature engagement programme;</li> <li>• bimonthly updates with NGOs Mighty Earth and <i>Canopée</i> on soy and beef procurement issues;</li> <li>• regular updates on forest-related issues (soy, cocoa and beef/leather) with representatives of France's National Strategy to Combat Imported Deforestation (SNDI);</li> <li>• bimonthly updates with Eurocommerce to share Carrefour's position on forest-protection issues related to proposed legislation involving the retail sector.</li> </ul> </li> <li>• <b>Coalitions:</b> <ul style="list-style-type: none"> <li>• Carrefour is part of the Consumer Goods Forum. As a member, the Group actively participates in coalitions on soy, wood and paper, palm oil, beef and plastic. Alexandre Bompard now co-leads the coalition to combat deforestation;</li> <li>• Carrefour is part of France's National Strategy to Combat Imported Deforestation (SNDI) and participates in the Scientific and Technical Committee for Forests (CST) dedicated to soy, under which the Soy Manifesto committing French stakeholders to combat deforestation was launched;</li> <li>• Carrefour has joined the working group of French retailers coordinated by the Earthworm Foundation in an effort to collectively implement the French manifesto's aims;</li> <li>• it contributes to another French retailers working group that seeks to collectively address challenges related to aquaculture fish feed (particularly salmon) and animal welfare, in an effort to improve aquaculture practices.</li> </ul> </li> <li>• <b>Response to questionnaires on:</b> <ul style="list-style-type: none"> <li>• the beef supply chain in Brazil (questionnaires from NGOs <i>Envol Vert</i>, <i>Notre Affaire à Tous</i>, Mighty Earth, <i>Canopée</i> and <i>Commission Pastorale de la Terre</i>);</li> <li>• corporate commitments to zero deforestation (European Forest Institute questionnaire);</li> <li>• the environmental impact of paper use policies (<i>Riposte Verte</i> questionnaire);</li> <li>• palm oil sourcing policies (WWF questionnaire);</li> <li>• aquafeed (Changing Markets Foundation questionnaire);</li> <li>• MSC-certified, sustainable seafood (Bloom/Foodwatch questionnaire).</li> </ul> </li> </ul>	2
		3
		4
		5
		6
		7
		8
		9

### 2.2.4.2 Summary of alerts and corrective actions taken

Based on alert identification and monitoring processes, Carrefour implements corrective action plans and measures the effectiveness of actions taken. The Group is now prioritising the next measures to implement and identifying areas for improvement. These points also help strengthen the methodology applied to design the corresponding risk map.

#### 2.2.4.2.1 Report on alerts identified during the year

**Alerts reported through the hotline.** In 2021, 5,024 alerts were received, of which 75 resulted in disciplinary sanctions. 96% of alerts were reported through the ethics hotline, which is available in all Group host countries, while the remaining 4% were reported via hierarchical channels, e-mail or post.

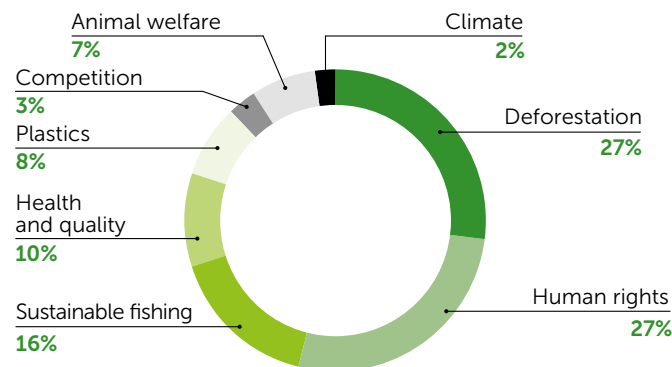
Alerts by category	Percentage of alerts received
Human resources	56% <sup>(1)</sup>
Health and safety	22%
Other	12% <sup>(2)</sup>
Discrimination or harassment	6%
Theft, fraud and misappropriation of funds	2%
Corruption and conflict of interest	1%
Environment	0%
Human rights	0%
Accounting	0%
Antitrust and unfair trade practices	0%
<b>TOTAL</b>	<b>100%</b>

(1) Do not represent breaches of the Group's Principles of Ethics.

(2) Do not concern the consolidated scope or referred to customer services.

**Stakeholder and industry-related alerts.** The competent authorities – social dialogue bodies, the Committee on Purchasing Rules for the Food Transition, and other bodies at the Group or country level, depending on the case – are called upon to deal with the reported alerts. In 2021, more than 60 alerts on various matters related to products sold or supply chains were handled by the Committee on Purchasing Rules for the Food Transition.

#### BREAKDOWN BY CATEGORY OF ALERTS HANDLED BY THE COMMITTEE ON PURCHASING RULES FOR THE FOOD TRANSITION



The table below presents concrete examples of how Carrefour's duty of care plan was applied in 2021 and the corrective actions implemented or developed after the associated risks were ranked by priority:

Manifestation of risk or alerts identified in 2021	Associated risk(s)	Additional measures in 2021 and development of existing action plans
<b>Carrefour Belgium beef jerky sourced from deforested land</b> <i>(December 2021)</i>	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Alert raised by Repórter Brasil in partnership with NGO Mighty Earth concerning the sale of Jack Links products associated with deforestation in the Amazon and sold by Carrefour Belgium. The Group conducted an immediate investigation and announced that it was suspending sales of beef jerky supplied by this producer and sourced from areas at high risk of deforestation. This business decision was made by the Committee on Purchasing Rules for the Food Transition. Carrefour's purchasing rules for the food transition call for strict control of beef sourcing through geo-monitoring in Brazil. For beef sold in the Group's other host countries, preference is given to local production. Carrefour is taking the necessary steps to implement and comply with its purchasing rules. If other products are found to contain Brazilian beef with a proven risk of deforestation, the Group will make the same decision to halt sales.
<b>Responsibility for purchasing from suppliers who are accused of violating human rights in the fruit and vegetable sector</b> <i>(March 2021)</i>	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair pay	Alert on the use of migrant workers in the organic fruit and vegetable sectors in Spain and Italy. In response, Carrefour immediately commissioned audits of the supply chains. 11 strawberry suppliers and 17 vegetable suppliers were audited, with none identified as critical or only for issues that could be easily corrected. Carrefour subsequently stepped up its vigilance and supplemented its country risk analysis with a specific sector risk analysis to manage the targeted alerts. In addition, the suppliers are supported at every stage of the process, via the Commitment Charter and a social audit of the packing plant, in order to go further up the supply chains and guarantee better control of risks.
<b>Publication of reports on textile factories in Tamil Nadu</b> <i>(April, May 2021)</i>	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair pay	Publication by NGO Transparentem alerting 31 retailers, including Carrefour, about human rights violations amounting to forced labour in spinning mills located in Tamil Nadu in India. Dialogue was initiated with Transparentem and all of the other brands in order to work together on an action plan for the supplier in question. Following a second alert received from NGOs SOMO and Arisa, further work was undertaken and local solutions were sought (dialogue with the brands and 42 meetings between 2020 and 2021). Carrefour has implemented a more systematic action plan for this sourcing area, in particular by: <ul style="list-style-type: none"> <li>• classifying the Tamil Nadu region as "high risk" by local Global Sourcing teams in terms of social compliance and factory/importer management;</li> <li>• mapping 30 spinning mills in the "Sustainability Map" platform of the Initiative for Compliance and Sustainability (ICS) and evaluating their performance via an audit and a specific questionnaire, with priority given to key suppliers;</li> <li>• setting up a "worker voice" ethics hotline in early 2022 to ensure a whistleblowing system at the local level.</li> </ul>
<b>Feed for farmed fish</b>	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Publication of a report by NGO Changing Markets Foundation analysing the policies of 33 European food retailers, including Carrefour, with regard to the phase-out of wild-caught fish in aquafeed, the monitoring of mortality at aquaculture farms, and transparency in aquaculture supply chains and product labelling. According to the study, the retailers have failed to establish sufficiently robust action plans for phasing out wild-caught fish in aquaculture feed. Carrefour responded to the NGO's questionnaire by reporting transparently on the efforts of its French and Spanish operations to reduce the share of aquafeed sourced from industrial fishing and replace it with fishmonger products. Tests are being conducted with partner suppliers of CQL salmon to reduce the share of the marine diet sourced from industrial fishing and replace some of the fish oils with seaweed oils or insects. A test on the CQL trout sector in France is also underway to reduce the use of industrial fishing and remove palm oil and imported soybean meal from aquafeed. In order to take its efforts even further, Carrefour has joined the working group of French retailers coordinated by the Earthworm Foundation. The aim of the initiative is to work collectively towards more responsible aquaculture chains, starting with joint work in the salmon sector.

1

2

3

4

5

6

7

8

9



Manifestation of risk or alerts identified in 2021	Associated risk(s)	Additional measures in 2021 and development of existing action plans
<b>Request for our international franchisees to make a cage-free egg commitment</b> (July, November 2021)	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Following Carrefour's pledge to stop selling eggs from caged farms in its host countries, NGOs from the Open Wing Alliance asked the Group to extend this approach to stores operated by international franchisees. In response, Carrefour organised experience-sharing sessions with its different partners and set up local dialogue between the franchisees and the NGOs. The objective is to evaluate existing cage-free sourcing, the potential for switching from battery-cage to cage-free, current regulations and consumer expectations in these countries.
<b>Food sourcing/sesame seeds/ethylene oxide</b> (July 2021)	Product quality, compliance and safety.	Withdrawal and recall of all affected batches of carob flour additive and processed products from distributors. The health measures imposed by the European Commission are rigorously applied and are rounded out, for Carrefour products, by the implementation of pre-delivery controls at our suppliers in order to secure the supply of Carrefour products.  In December and January, further batches of ice cream had to be withdrawn and recalled. This follows the identification by the French authorities of old batches of ice cream manufactured between 2019 and 2021 including these non-compliant additive batches.

### 2.2.4.2.2 Specific action plans related to recurring alerts in 2021

#### 2.2.4.2.2.1 Deforestation in Brazil linked to beef and soy

##### 1/ CONTEXT AND RECURRING ALERTS

As a member of the Consumer Goods Forum (CGF), in 2010 Carrefour made a commitment to achieve zero deforestation by 2020. To step up the Group's commitment to forests and help drive systemic changes with all market stakeholders, since 2020 the Group has co-led the Consumer Goods Forum's Forest Positive Coalition of Action, bringing together 20 companies who are eliminating deforestation in their supply chains through concrete measures such as jointly assessing traders' policies and the degree to which they are implemented.

Carrefour is focusing in particular on raw materials with the highest level of risk based on a Group analysis, engagement with key stakeholders and the materiality of the products in its supplies. Brazilian beef and soy for animal feed have been designated as priority raw materials as part of the Group's policy to combat deforestation and conversion:

- Brazilian beef is primarily sold in our stores in Brazil. More than half is sold in unprocessed form, as fresh or frozen meat (steaks, minced meat, etc.). Carrefour Brazil sells approximately 53,000 tonnes of unprocessed beef each year. In the Group's other integrated countries, preference is given to local production. If any meat comes from Brazil, the same control rules apply;
- soy, in all its forms (sprouted soybeans, beans, soybean oil, etc.), is a common ingredient in many foods. However, almost three-quarters of worldwide soybean production is used as a source of protein in animal feed. Soy is thus used indirectly in the production of dairy products, as well as in poultry, eggs, pork, beef and farmed fish. In 2020, the Group sourced 170,542 tonnes of soy for Carrefour-brand meat products, of which 98,000 tonnes attributable to France. At the Group level, 70% of soybeans come from conventional sources, while the share of organic, non-GMO or local French soybeans amounts to 30%. In France, the breakdown is 53% for conventional soybeans and 47% for non-GMO soybeans.

In 2021, 27% of the alerts handled by the Committee on Purchasing Rules for the Food Transition concerned deforestation and conversion issues related to beef and soy production. They were either directly (via requests from the general public or reports mentioning Carrefour) or indirectly linked to Carrefour (via media articles questioning the practices of industry manufacturers or competitors). The main issues concerned forest fires associated with beef production in the Pantanal and the Amazon and soybeans in the Cerrado, the traceability of beef supplies from the first stage of production, tools for assessing trader performance and the European bill to fight imported deforestation.

##### 2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

#### 2.1. The Carrefour group's commitments on Brazilian beef

The Group has deployed a series of initiatives to tackle the issue of deforestation linked to beef production in Brazil. It has introduced five supply criteria applicable to the fresh beef sold in its stores and set up a satellite geo-referencing platform to ensure compliance. Supplies must not originate in regions:

1. affected by deforestation;
2. under environmental embargo;
3. located in conservation units;
4. corresponding to land belonging to indigenous populations;
5. or where illegal work is practised.

Carrefour has implemented a supply inspection system for beef from ranch-raised cattle for its Carrefour-brand and national brand products via a geo-monitoring system. The Group's purchasing data are cross-checked against official deforestation maps (in Amazonia and Cerrado), protected areas and indigenous lands. This is how Carrefour involves its suppliers in its anti-deforestation policy, while ensuring the compliance of products sold in stores. Carrefour works with its suppliers on identifying any non-compliant cattle farmers and takes action as necessary. Suppliers are urged to go a step further by signing a letter of commitment, which requires them to monitor indirect suppliers and report findings in an action plan provided by the Group.

In 2021, the beef commitment was revised to widen its scope, till then limited to the monitoring of fresh and frozen beef from ranch-raised cattle. Carrefour's objective is for all Brazilian beef suppliers to be geo-monitored and compliant with the forest policy or committed to ambitious deforestation policies by 2025. The extended scope includes suppliers of fresh, frozen and processed meat, distributors, and Carrefour Brazil and Atacadão warehouses.

## 2.2. The Carrefour group's commitments on soy

Carrefour has a wide variety of levers to act on soy, including developing local soy farming, promoting CQL organic animal feed made with GMO-free soy, using segregated certified soy and alternative proteins, supporting projects in the field and favouring the most virtuous upstream intermediaries for its supplies. The Group's first step in addressing the challenges of soy-related deforestation and conversion was to focus on the Carrefour Quality Lines in each host country, with the goal of developing at least one zero-deforestation livestock chain per country by the end of 2020. The objective was achieved in each country, and at the end of 2020, the Group had a total of 20 soy-based, deforestation-free supply lines. This made it possible to introduce local supply lines and/or develop alternatives to soy in animal feed. To offer an alternative to animal proteins, Carrefour is also developing vegetarian and vegan ranges in every country.

In 2021, the Group stepped up its ambition by announcing the following objectives: 100% of key traders (intermediaries trading in agricultural commodities near the beginning of the supply chain) must be assessed and be making progress towards complying with Group policy and 100% of key products must use deforestation-free soy for livestock feed by 2025. The products concerned by the commitment are Carrefour Quality Lines products and Carrefour-brand products for the following unprocessed fresh and frozen products: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat. To comply with the commitment, the soy indirectly contained in animal feed products must meet one of the following criteria:

- soy replaced by alternative proteins;
- soy sourced from a local, deforestation-free farm;
- soy certified deforestation-free with full traceability;
- sourced from a region with no deforestation or conversion risk;
- sourced from a field project with a landscape approach.

Lastly, as part of the Consumer Goods Forum, Carrefour is committed to working collectively to fight soy-related deforestation. The Consumer Goods Forum's (CGF) Forest Positive Coalition of Action calls for member retailers to implement the following requirements and assess the progress of upstream players (suppliers and traders) towards compliance with them:

- a public deforestation- and conversion-free commitment across the entire soy commodity business, including a public time-bound action plan with clear milestones;
- a set process for continued action from and dialogue with direct suppliers and traders;
- a mechanism for identifying and responding to grievances;
- support for initiatives delivering forest positive development;
- regular reporting on the main Key Performance Indicators.

## 3/ ACTION PLANS

### 3.1. Carrefour's action plans for Brazilian beef

#### Geo-monitoring of Carrefour Brazil and Atacadão suppliers

Cattle ranches supplying fresh and frozen meat to slaughterhouses (direct Carrefour suppliers) are all currently inspected by Carrefour's local monitoring system in Brazil. The Group plans to extend its geo-monitoring system to other activities by 2025 (see description of the objective in Section 2.2 above).

To ensure compliance with the goals of its policy to tackle deforestation, Carrefour relies on two actions: systematic geo-monitoring of supplies and implementation of an investigation in the event an alert is received by stakeholders. In the event of a proven violation of its policy, Carrefour has outlined a series of measures that allow it to suspend supplies that do not offer the guarantees and transparency it requires. In 2020, for example, following alerts from the state of Rondônia (considered to be at high risk of deforestation), Carrefour decided to suspend purchases of meat from farms in this state from its supplier, JBS. In addition, since 2021, suppliers who are late in sending data for the monthly meat purchasing report are subject to a penalty.

#### Engagement of upstream intermediaries

To underpin its policy, Carrefour Brazil has distributed a *termo de compromisso* (engagement letter) among its Brazilian beef suppliers inviting them to undertake a common commitment. This document describes the rules that suppliers should observe in their direct and indirect supply chain, the verification process and the consequences of non-compliance. Suppliers are asked individually to sign the agreement.

In addition to this individual approach, Carrefour is taking collective action *vis-à-vis* beef producers: It supported the establishment of a Beef Working Group within the Consumer Goods Forum. One of the objectives of this coalition is to leverage concrete, collective action to monitor indirect suppliers. Carrefour's aim is to assess the capacity of slaughterhouses to implement solutions for controlling indirect suppliers.

Carrefour Brazil is also working with the National Wildlife Federation to initiate traceability with two of its suppliers in the priority states of Mato Grosso and Pará. This is the only existing pilot project concerning indirect supplier traceability.

Lastly, the Carrefour Foundation and the IDH Foundation are partners in a field project to develop sustainable beef production. The initiative supports 450 calf-supplier farms in the state of Mato Grosso in Amazonia. The goal is to achieve total farm-to-fork beef traceability in compliance with the Group's purchasing policy. It is a way for Carrefour to encourage indirect suppliers to implement more responsible practices. Since 2019, the Carrefour Foundation has earmarked over 1.3 million euros for this project. After two years of effort across various links of the supply chain (producer, slaughterhouse, government authorities, non-profits, etc.), the project, which was launched in 2019, produced its first batch of deforestation-free beef in July 2021. The programme is a breakthrough for the Brazilian beef industry: the meat is the first to be 100% traceable, from birth to butcher. The product is sold under the Carrefour Quality Lines brand at an affordable price in the São Paulo region with a QR code that provides full traceability. This first phase of the project in Brazil is designed to demonstrate the feasibility of this type of supply chain, prior to larger scale implementation.

**Carrefour's duty of care plan****Local collective initiatives to galvanise the market**

The Group is involved in numerous collective platforms at the national level in France and Brazil, as well as at the international level, as part of a joint effort to fight local or imported deforestation. In Brazil, Carrefour is involved in the following initiatives:

- implementation of the Collaboration for Forests and Agriculture (CFA) Operational Guidance – an initiative that is the product of a collaboration between the World Wildlife Fund (WWF), The Nature Conservancy (TNC) and the National Wildlife Federation (NWF), funded by the Gordon & Betty Moore Foundation. This program helps businesses implement deforestation- and conversion-free (DCF) commitments for beef and soy in the Amazonia, Cerrado and Chaco biomes;
- member of the working group on sustainable cattle (GTPS) since its creation in 2007;
- the Amazonian Soy Moratorium, since the initial report was published in 2006. This agreement has yielded positive results for the protection of the Amazonian region, and Carrefour encourages expanding it to other biomes;
- Carrefour works with different states through various field projects, such as the sustainable calf production programme in Mato Grosso or the implementation of a state-wide traceability programme in Pará.

**3.2. Carrefour's action plan for soy**

In order to reduce the impact of soy on forests and ecosystems, Carrefour acts on several fronts to heighten market standards, i.e., by focusing on its own supplies or working together with supply chain intermediaries and key stakeholders.

**In procuring supplies**, the Group applies the following guidelines:

- use of traceable non-GMO soy not linked to deforestation;
- development of local non-GMO soy chains;
- use of ProTerra-type certification with full traceability;
- development of vegetarian/vegan ranges through Carrefour Veggie products offering an alternative to animal proteins.

**Collaboration with stakeholders to establish common rules**

At the international level, and in line with the Consumer Goods Forum (CGF), Carrefour has committed to the goal of reaching zero deforestation by 2020. To step up this commitment and help drive systemic changes with all market stakeholders, the Group took the co-lead of the Consumer Goods Forum's Forest Positive Coalition of Action in 2020. The coalition's objective is to speed up efforts to eliminate deforestation from individual company supply chains and to implement collective solutions. Through collective action, the coalition aims to set higher standards, drive transformational change in key host communities and report on progress transparently. Carrefour and the other coalition member companies establish joint requirements for reducing the risks of deforestation from their soy business activities. The requirements not only include criteria for soy at the production stage, but also requirements for members to inform suppliers and assess their progress. Lastly, the coalition has set out expectations for soy traders and adopted a method for assessing their progress towards meeting them. A dialogue process has also been set up to encourage traders to change their practices.

**In consumer markets**, Carrefour's goal is to develop common practices with its entire ecosystem. The Group is part of the National Strategy to Combat Imported Deforestation (SNDI) and has participated in the Scientific and Technical Committee for Forests (CST) dedicated to soy. At the end of 2020, Carrefour joined with other French retailers in a joint commitment to eliminate deforestation and ecosystem conversion from their soy supply chains. This alignment of views led to the signing of a manifesto "committing French supermarkets to fight against imported soy-driven deforestation". Under the manifesto, Carrefour made a commitment to:

- implement specifications for its own-brand products, including deforestation- and conversion-free criteria across all products (poultry, eggs, pork, beef, veal, fish, lamb, dairy products and minced meat (fresh and frozen));
- request own-brand suppliers to include a conversion/deforestation-free clause taking into account the January 1, 2020 deadline and urging national-brand products to deploy these commitments.

One year after the launch of the manifesto, Carrefour has engaged with all of its suppliers through webinars, bilateral meetings and official letters from the Group Merchandise Director. In addition, the first contracts incorporating the new clauses are being signed in the chicken and pork sectors. In collaboration with key stakeholders and the SNDI, Carrefour helped to develop and launch a tool for assessing the risks of deforestation linked to soy imports in France. Thanks to this tool, it is possible to assess the sourcing risk in France based on the origin of the soy and the importer.

**In Brazilian production areas**, the Group participates in collective initiatives to develop synergies with all stakeholders (suppliers, competing distributors, raw material traders, regional and national governments, scientists, NGOs, data and service providers), in particular the Cerrado Working group (GTC) and the Amazonian Soy Moratorium.

**Engaging traders to drive market change:** In order to change practices upstream to its supply chain, Carrefour engages in a dialogue with the main soy importers at various levels via involvement in collective initiatives as well as local bilateral exchanges.

As part of the Consumer Goods Forum forest coalition, Carrefour supports the implementation of higher standards for traders. A shared assessment system has been developed to monitor and engage with traders and to allow companies to source their supplies from the most responsible traders.

Following the resurgence of forest fires during the summer, the CEO of Carrefour Brazil wrote to the CEOs of Cargill, Bunge and the main beef manufacturers to reaffirm the Group's commitment to reducing deforestation. Bilateral meetings are held on a regular basis, and the monitoring of each Company's action plans is carried out by a specific committee that reports directly to the Executive Committee of Carrefour Brazil.

#### 2.2.4.2.2 Upholding human rights in the textile industry (Xinjiang, Tamil Nadu)

##### 1/ CONTEXT AND RECURRING ALERTS

Teams dedicated to monitoring (quality, CSR) production units are present in various Carrefour Sourcing offices. Over 18,000 non-food items are sourced by Sourcing teams in 32 sourcing countries and 900 factories.

Carrefour is committed to constantly improving working conditions and protecting human rights among its suppliers. For this purpose, Carrefour has put in place a set of purchasing rules, tools and procedures for monitoring its suppliers and helping them achieve compliance.

##### 2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

In accordance with Carrefour's purchasing rules, all supply plants located in risk countries must undergo a compliance audit. The audits are conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Programme (BSCI) standards. The audit is not an end in itself, but rather a tool that paves the way for dialogue and the implementation of a compliance plan to bring the supplier's working conditions in line with requirements. To identify those countries where risk of non-compliance with the charter is the highest, Carrefour has established a country-by-country risk map, which was revised in 2018. The list of countries at risk from a social perspective is based on the country-by-country risk classification defined by amfori-BSCI and on the ITUC Global Rights Index. The country classification also takes into account recommendations from the International Federation for Human Rights and from Carrefour's local teams. Procurement potential and purchasing rules depend on the risk rating assigned to each country.

In 2021, the sustainable product textile targets were incorporated into the purchasing rules. Certain areas requiring increased vigilance (i.e., regions where forced labour is practised) are also included in the purchasing rules. The Group aims to ensure that all raw materials used in its TEX products are sustainable and traceable by 2030.

In 2021, 27.4% of alerts dealt with by the Committee on Purchasing Rules for the Food Transition concerned human rights. These were either directly (via requests from NGOs, reports mentioning Carrefour) or indirectly linked to Carrefour (via media reports questioning the practices of the textile sector). The main issues concerned cotton production in the Xinjiang region and human rights abuses in production units in Tamil Nadu.

##### 3/ THE GROUP'S ACTION PLANS

###### 3.1. The Group's action plans for textile supply chains

Since 2001, Carrefour has introduced actions to protect its supplier network by conducting social audits at its finished goods production facilities. All facilities have now been audited, with the support of independent auditing firms. The social performance of suppliers is regularly monitored and checked through social audits. Corrective action plans are systematically implemented and progress monitored over time. Each year, more than 80% of cases of non-compliance identified in factories in risk countries fall into one of three categories: "Compensation, benefits and conditions", "health and safety" or "working hours".

To respond to these issues, factory capacity and production schedules for Carrefour's orders from its largest textile suppliers (in terms of volume) are analysed and adjusted at a very early

stage, to limit problems with "working hours". Carrefour is very attentive to ensuring that at least the legal minimum wage is paid across the value chain. Carrefour's Commitment Charter includes a legal minimum wage commitment. It states that "wages and other compensation for regular working hours should cover the basic needs of workers and their families and leave them with some discretionary income".

Carrefour provides training, implements regional projects and supports fair trade to engage its suppliers and promote CSR within its supply chains. Carrefour trains its suppliers in partnership with consultants or local NGOs. Carrefour's Sourcing teams roll out specific training programmes every year. The Group has also drawn up the Good Factory Standard, a practical training document featuring a breakdown by sector and/or by type of product (bazaar, clothing, wood, leather, etc.).

Carrefour is working to improve the traceability of its supply chains. For example, it has developed a fully traceable, organic Indian cotton supply chain. Blockchain technology introduced for textiles in 2020 now makes it possible to include a QR code on the label that will enable customers to track the cotton from the field to the store shelf.

In 2021, the Group published a list of textile suppliers that is available on its website (<https://www.carrefour.com/sites/default/files/2021-04/Liste%20des%20usines%20textiles%20Carrefour%20Avril%202021%20-%20vf.pdf>).

###### 3.2. Action plans for the prevention of forced labour across the supply chain

Carrefour has been working on a set of measures to better identify and prevent any human rights violations in its supply chain, and in particular to prevent any practices that are similar to forced labour by:

- reminding all its suppliers to meet their contractual commitments, in particular the obligation to have their own suppliers and subcontractors respect human rights;
- mapping supply chains for at-risk raw materials, with a focus on key suppliers;
- sending our suppliers a list of units identified as being at risk which should be banned in their supply chain (early 2022);
- developing alert systems through active monitoring of social and environmental violations, to be implemented in early 2022 (see example of Tamil Nadu below).

###### 3.3. Action plans for alerts in the Tamil Nadu region

Publication by the NGO Transparentem alerting 31 retailers, including Carrefour, about human rights violations amounting to forced labour in spinning mills located in Tamil Nadu, India. Dialogue was initiated with Transparentem and all of the other brands in order to work together on an action plan for the relevant supplier. Following a second alert from NGOs SOMO and Arisa, further work was undertaken and local solutions were sought (dialogue with the brands and 42 meetings between 2020 and 2021).

As a result of this alert and collaborative efforts engaged in 2021, Carrefour has set up a more systematic action plan for this sourcing area, in particular by:

- classifying the Tamil Nadu region as "high-risk" by local Global Sourcing teams in terms of social compliance and factory/importer management;

1

2

3

4

5

6

7

8

9

## Carrefour's duty of care plan

- mapping the spinning mills of the area in the "Sustainability Map" platform of the Initiative for Compliance and Sustainability (ICS) and evaluating their performance via an audit and a specific questionnaire, with priority given to key suppliers;
- setting up a "worker voice" ethical hotline in early 2022 to ensure a whistleblowing system at the local level, with priority given to key suppliers.

For all production facilities in the Tamil Nadu region, issues related to social and environmental responsibility should be managed by local Carrefour Global Sourcing teams. It should be noted that spinning mills are particularly concerned by the problem and that an Indian supplier whose garment factory is located outside Tamil Nadu but who sources its yarn or material in Tamil Nadu must also be monitored by Carrefour's local Global Sourcing teams.

### 2.2.4.2.2.3 MSC sustainable fishing

#### 1/ CONTEXT AND RECURRING ALERTS

Carrefour is committed to supporting its partners in this area. The Group's action plan here benefits from regular input from international NGOs, scientific committees and fishery organisations on questions of biodiversity and seafood products. 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. The approach is therefore being phased in consistent with country-by-country initiatives.

In 2021, 16.1% of the alerts dealt with by the Committee on Purchasing Rules for the Food Transition concerned fishing and aquaculture practices. These were either directly (via questionnaires, articles questioning our practices) or indirectly linked to Carrefour (via reports on issues facing the fishing and/or aquaculture sector). The main issues concerned modern slavery in the tuna industry and the use of wild-caught fish to feed farmed fish; half of the alerts questioned the credibility of the MSC certification's sustainability claim.

#### 2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

Responsible Fishing Week, which was held from February 17-23, 2021, was an opportunity for Carrefour to reiterate that marine resources are fragile and that protecting them is a shared aim involving retailers, consumers, fishermen, seafood companies and others. That is why the Group's sustainable fishing policy is being built gradually over time, alongside all of its stakeholders (NGOs, scientific experts, suppliers, etc.), around several core principles:

- favour more abundant species and fishing techniques that have the least impact on ecosystems, such as line fishing;
- halt the sale of vulnerable species, such as wild sturgeon, eel and red seabream;
- develop sustainable aquaculture without antibiotics and GMOs;
- combat illegal fishing by publishing, together with WWF France, SeaWeb Europe and EJF, the first best practices guide for fishing professionals;
- support local sustainable fishing through local partnerships;
- promote sustainable fishery products and seafood diversity in stores;
- respect social conditions in countries presenting a sourcing risk.

In 2021, Carrefour extended its objective for half of the fish sold in its stores to be sourced sustainably so as to include national brands in its sustainable seafood sourcing policy. The Group's goal is for 50% of sales of fishery and aquaculture products

(Carrefour-brand and national brand products) to be produced using sustainable practices by 2025.

#### 3/ THE GROUP'S ACTION PLANS

To guarantee a responsible seafood/aquaculture offering, Carrefour is committed to developing:

- its Carrefour Quality Lines, which provide traceability back to the boat or farm;
- an organic aquaculture offering that showcases products from environmentally friendly farms;
- the Marine Stewardship Council (MSC) label for sustainable fishing, which guarantees the commitment of fishing personnel, abstaining from overfishing and respect for the marine environment;
- the Aquaculture Stewardship Council (ASC) label for responsible aquaculture, which guarantees respect for the environment, ensures animal well-being and monitors working conditions;
- fishing techniques that respect biodiversity and limit the by-catch of other species (dolphins, turtles, etc.), such as line fishing and fish aggregating devices (FADs);
- products from farms that have implemented a robust Fishery Improvement Project (FIP) (except tuna, for which FIPs are not considered sufficient to obtain a sustainability logo).

#### 3.1. Supporting local fishing and Carrefour's tuna policy

In addition to selling products under the MSC label, Carrefour is developing specific policies for certain species. It has established its own tuna policy, for example, which goes beyond the label's requirements by banning fishing methods associated with dolphin by-catch or the use of longlines and demanding compliance with minimum-size requirements.

In 2021, Carrefour stepped up its support for the Spanish fishing sector by signing the eighth in a series of 12 agreements that the chain has committed to developing with Spanish fish markets. The purpose of these agreements is to bolster its support for the sector, help maintain fleet sustainability, remove the uncertainty of auction prices and offer a stable and competitive price to consumers. In France during the month of October, Carrefour launched a campaign called *Les bons plans oubliés de la pêche française* (the forgotten top tips of French fishing) to support French fishermen and promote French production.

#### 3.2. Monitoring practices across our supply chain

Carrefour conducts compliance audits of its direct suppliers and expects them to require the same level of compliance from their own suppliers. These audits are performed according to strict standards (ICS, BSCI, SA 8000) and focus on key themes like human rights. The Group screens against various social criteria – no forced labour, no child labour, no harassment or discrimination, decent working hours – and conducts recurring audits and follow-up with suppliers. Auditing is a tool that creates an opportunity to engage in dialogue and implement a compliance plan to bring supplier working practices in line with requirements.

To combat illegal practices, Carrefour prohibits the use of fishing vessels from countries that have received a yellow or red card from the European Union. The EU regulation to prevent illegal, unreported and unregulated fishing (IUU) requires that "third countries" (those outside the EU) exporting their fish to the EU or lending their flag to fishing vessels that import products into the EU comply with strict fisheries management rules. If they fail to meet these standards, countries risk being carded, which means their fish could be banned from the EU market.

### 3.3. More responsible aquaculture practices

To develop more responsible forms of aquaculture, Carrefour works closely with producers and other players in the sector by selecting farms that promote best practices.

In this regard, it:

- bans illegal, unreported and unregulated fishing ingredients from all Carrefour brand products;
- bans GMOs from Carrefour Quality Lines products;
- reduces, or even eliminates, the use of antibiotic treatments in Carrefour Quality Lines products;
- works actively to improve aquafeed.

Measures are in place to reduce the proportion of aquafeed sourced from industrial fishing, which accounts for nearly 20% of global wild fish capture, and replace it with fishmonger by-products. Steps are currently being taken to transform aquafeed, with trials under way with partner suppliers of CQL salmon to reduce the proportion of feed sourced from industrial fishing and replace some of the fish oils with algae oils or insects. A trial in the CQL trout sector in France is also under way to reduce the use of industrial fishing and remove palm oil and imported soybean meal from aquafeed.

In addition, Carrefour joined the working group of French retailers coordinated by the Earthworm Foundation in 2021. The aim of this initiative is to work collectively towards more responsible aquaculture chains, starting with joint work in the salmon sector.

#### Transparency and traceability

Blockchain technology guarantees consumers full product traceability. Consumers can scan a QR code on the label with their smartphone and access an interface containing a wealth of information on the product's journey from farm to shelf. This technology also allows consumers to identify the different players involved in the production process and learn about their business, both in terms of farming practices and quality control at every step of the production chain. Rolled out in January 2020 across the entire Norwegian Carrefour Quality Lines fresh salmon chain, this technology is now being applied to skinless salmon steaks, salmon fillets and centre-cut salmon.

#### 2.2.4.2.2.4 Inclusion and diversity in Brazil

##### 1/ CONTEXT AND RECURRING ALERTS

As an early advocate for diversity, Carrefour signed the Diversity Charter in 2004 to give all people, in all countries, the same recruitment and advancement opportunities. In all countries where it operates, the Group embraces equal opportunity, promotes diversity and banishes all forms of discrimination – a policy that sets it apart from its peers. The Group is involved in practical initiatives, including Group and nationwide agreements entered into with unions, programmes developed under the aegis of international organisations, and cooperation in the field with NGOs in most Group countries. Every year, Carrefour organises an international diversity day where each country can reaffirm its commitment to combating all forms of discrimination.

Following a tragic event in November 2020 that claimed the life of one of the Group's customers, Carrefour Brazil promptly launched an internal investigation and cooperated fully with the local authorities.

In response to the incident, Carrefour Brazil immediately extended store opening hours by two hours in order to conduct internal training and raise awareness about the issue among employees. In addition, all income earned on sales on November 20 was donated to organisations dedicated to promoting rights among Black people.

##### 2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

Respect for all people is one of the guiding principles of the Carrefour Brazil community. By respecting diversity and fostering peaceful coexistence, the Group endeavours to establish quality relationships with all stakeholders (employees, customers, service providers, suppliers, representatives or third parties), regardless of their differences. These principles are set out in the Code of Ethics ([https://conexaoteticacarrefour.com.br/files/manual\\_de\\_etica\\_carrefour.pdf](https://conexaoteticacarrefour.com.br/files/manual_de_etica_carrefour.pdf)) and explained in the Diversity and Inclusion Manifesto (<https://naovamosesquecer.com.br/downloads/manifesto.pdf>).

To reinforce and ensure compliance with these principles, the Group has created a diversity and inclusion platform. As part of the platform, a Strategic Diversity Committee and a Steering Committee on diversity and affinity groups have been set up. These employee-led committees foster debate on policies and actions for greater inclusion and visibility of minority groups within the Company. Four main topics are discussed during monthly meetings: race, gender, sexual orientation and disability.

The Group also promotes its annual "D-Day" event. Designed to recruit professionals from minority groups, the topical events bolster the Group's commitment to promote and increase diversity and inclusion within the Carrefour Brazil ecosystem.

In addition to the United Nations 2030 Agenda and its Sustainable Development Goals (SDGs), which include the fight against social inequality, the Group has signed Brazil's Business Initiative, which sponsors the Brazilian Diversity Forum and Diversity Day, the country's two largest forums on racial diversity.

##### 3/ CARREFOUR'S ACTION PLANS

The Group's inclusion and diversity measures were strengthened in 2020 with the creation of a special committee and the addition of new measures:

- **adoption of a zero tolerance policy on racism and discrimination** on the basis of race and ethnicity, community of origin, social class, gender, sexual orientation, age, disability or religion, throughout the Carrefour Brazil group and its supply chain. An anti-racism clause will be included in all supplier contracts and proven failure to comply will result in termination of the contract;
- **radical transformation of Carrefour Brazil's security model** by creating internal teams at the three Porto Alegre stores with the help of security specialist ICTS Brasil and by establishing strict recruitment and training rules to overhaul the security team. The teams will be accompanied and supported by partnerships with recognised Black rights organisations to help combat all forms of discrimination and human rights abuses, and structural racism in general. Carrefour will provide regular human rights training for all its employees and require all its suppliers, especially those in the security sector, to do the same, in partnership with recognised Black rights organisations. The use of regular surveys will make it possible to monitor human rights training results, identify opportunities and make adjustments where necessary. Carrefour will make sure that training, selection and recruitment practices rooted in the values of respect and human rights are applied and monitored across the supply chain;

1

2

3

4

5

6

7

8

9

## Carrefour's duty of care plan

- clear, visible and permanent **implementation of a zero tolerance policy** against all forms of discrimination, with training for all employees in all Carrefour units;
- **a differentiated skills training program every year for 100 Black men and women** to accelerate their careers within Carrefour and speed their access to management positions. Annual training and career development targets will be set for Black employees within the different Carrefour units, including specific targets for management positions. Specific measures will also be put in place for hiring Black health and psychology professionals to support the development of Black trainees, apprentices and people in leadership positions;
- **support for educational institutions** throughout the country for the vocational training of young Black men and women. Carrefour Brazil has invested in three impact areas – education, jobs and entrepreneurship – for the Black population, especially women and young people;
- **recruitment of approximately 20,000 new employees per year** on a gross basis, respecting the racial representation of the population of each state in the country, but with a minimum percentage of 50% Black people among new hires. Carrefour will also support racial literacy to ensure that the Brazilian population census is correctly implemented;
- **introduction of a digital platform for reporting, with guaranteed anonymity, domestic violence or racist acts against women** on the website and Carrefour apps for subsequent referral to the competent entities;
- **creation of an entrepreneurship accelerator** within the community around the Porto Alegre stores.

To best achieve all these objectives, Carrefour Brazil has established strong partnerships and made trusted contacts. In particular, Carrefour Brazil has taken part in job fairs conducted by the *Zumbi dos Palmares* University, which aim to attract Black professionals, both women and men, to the job market. The Group also has partnerships with institutions that help Black applicants find jobs, such as *Empregue Afro*. Internally, the recruitment teams frequently organise internship programme workshops focused on removing barriers that prevent the hiring of certain categories of people.

## 2.2.4.3 Summary of duty of care indicators

Risk factor	Indicator	2021	2020	Change	Target
<b>RISKS TO THE HEALTH AND SAFETY OF PEOPLE</b>					
Occupational health and safety	Workplace accident frequency rate ( <i>number of accidents/millions of hours worked</i> )	25.3	27.9	-10%	
	Workplace accident severity rate ( <i>number of days absent due to workplace accident/1,000 work hours</i> )	0.90	0.85	+5%	
Product quality, compliance and safety	% of sites certified to IFS or BRC standards <sup>(1)</sup>	89%	89%	+0 pt	
	% of sites audited by Carrefour <sup>(1)</sup> , o/w:	11%	11%	+0 pt	
	% of audit ratings ranging between A and B	95%	93%	+2 pts	
	% of audit ratings ranging between C and D	4.3%	6.3%	-2 pts	
	Number of suppliers – sites <sup>(1)</sup>	3,040	2,670	+13.9%	
	Number of inspections performed – Analyses <sup>(1)</sup>	49,002	44,727	+9.6%	
	Number of inspections performed – External panels <sup>(1)</sup>	4,084	3,265	+25.1%	
	Number of products withdrawn <sup>(2)</sup>	533	546	-2.4%	
	% of Carrefour-brand products withdrawn	53%	58%	-5 pts	
	Number of products recalled <sup>(2)</sup>	452	334 <sup>(1)</sup>	+35.3%	
	% of Carrefour-brand products recalled	18%	24%	-6 pts	
Number of products equipped with blockchain and a visible QR code <sup>(3)</sup>	478				
Number of quality lines equipped with blockchain	55	34	+62%		
<b>RISK OF HUMAN RIGHTS VIOLATIONS</b>					
Failure to respect the principles of diversity and to fight discrimination and harassment	% of women among Executive Directors (top 200)	24.7%	22.4%		35% by 2025
	% of women on the Board of Directors	46%	43%	+3 pts	-
	% of women on the Group Executive Committee	21%	15%	+6 pts	-
	% of management positions held by women	42.5%	41.5%	+1 pt	-
	% of women among employees	57.1%	57.1%	-	-
	% of employees recognised as having a disability	3.4%	3.6%		4% by 2025
Failure to respect freedom of association and the right to social dialogue	Number of agreements signed	453	87	+435%	
	% of employees covered by a collective bargaining agreement <sup>(4)</sup>	91%	-		100%
Sourcing sensitive raw materials	Gross sales of fair trade products (own-brand and national brand) ( <i>in millions of euros</i> )	127.8	111.2	+15%	
	% of natural raw materials for textiles that comply with our TEX sustainability policy	41.6%	New	-	100% by 2025
	% of TEX products made with organic cotton	18%	New	-	50% by 2025
	% of Carrefour-brand chocolate bars that comply with our Sustainable Cocoa Charter	30.8%	New	-	100% by 2023
Lack of supply chain resilience	% of sales of fresh food products sourced from organic or agroecological farmers <sup>(1)</sup>	4.7%	New		15% by 2025
	Market penetration rate of Carrefour Quality Lines in fresh produce ( <i>in %</i> )	7.2%	7.4%	-0.2 pt	10% by 2022
	Number of Carrefour Quality Lines (CQL) products	651	753		
	Total sales (incl. VAT) of Carrefour Quality Lines products ( <i>in billions of euros</i> )	1.14	1.17	-2.6%	
	Gross sales of organic food products under banners ( <i>in billions of euros</i> )	2.73	2.72	+0.03%	€4.8 billion by 2022



Risk factor	Indicator	2021	2020	Change	Target
	Number of own-brand organic products (in units) <sup>(2)</sup>	1,200	1,100	+8%	
	<b>Total number of partners (suppliers and food producers)</b>	38,580	36,277	-	45,000 by 2025
	Number of Carrefour organic partners	3,538	New		
	Number of Carrefour Quality Lines partners	25,173	25,843	-3%	
	Number of regional partners	7,029	New		
	Number of local partners	2,840	New		
Human rights and decent pay violations across the entire value chain	Number of social audits	1,418	918	-35.3%	
	% of audits with alerts	14%	17%	-3 pts	
<b>RISKS OF ENVIRONMENTAL DAMAGE</b>					
Sourcing sensitive raw materials	<b>Sustainable forests: % of priority raw materials covered by a risk reduction plan by 2025</b>	50%	New		100% by end-2025
	% of palm oil used in certified products that is certified sustainable and fully traced (RSPO segregated)	79.2%	54.6%	+24.6 pts	100% by end-2022
	% of palm oil used in certified products that is certified to RSPO or equivalent standards	99.4%	86.2%	+13.2 pts	100%
	% of Carrefour own-brand products in ten priority categories sourced from sustainable forests	79.5%	70.2%	+9.3 pts	100%
	% of paper and cardboard packaging for all certified products that comply with our zero-deforestation forest policy	<i>Reporting methodology currently under development</i>		-	100% by end-2025
	% of certified/recycled paper in catalogues	99.93%	99.85%	+0.08 pt	100%
	Sales of Carrefour PEFC and FSC products (in millions of euros)	545	534	+2%	-
	% of Brazilian beef suppliers that are geo-monitored and comply with our forest policy or are committed to an ambitious policy to combat deforestation	86.9%	72%	+14.9%	100% by 2025
	% of Carrefour Quality Lines and key Carrefour-brand products that use zero-deforestation soy as animal feed	2.9%	New	-	100% by 2025
	% of wood-derived fibres in our TEX products that are deforestation-free	40%	New		100% by 2023
	% of wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems	<i>Reporting methodology currently under development</i>			100% by 2025
	% of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification	100%	New		100% by 2021
	<b>% of sales of fishery and aquaculture products, Carrefour-brand products, and national brands produced using sustainable practices</b>	34.7%	33.3%	+1.4 pt	50% by 2025
	% of sales of own-brand products sourced from sustainable fishing practices	52.9%	47.9%	+5 pts	
	% of sales of national brand products sourced from sustainable fishing practices	20.1%	-	-	
	Sales of organic, MSC, ASC, CQL and other responsibly produced seafood and aquaculture products (in millions of euros)	773	658	+17%	

Risk factor	Indicator	2021	2020	Change	Target
Unsustainable product offering and retail model	% of Carrefour-brand packaging that is reusable, recyclable or compostable	46%	44%	-	100% in 2025
	% of Carrefour-brand packaging that uses recycled plastic	Reporting methodology currently under development		-	30% by 2025
	Total amount of packaging waste avoided (cumulative since 2017)	11,068	6,212	+78%	20,000 by 2025
	Reduction in food waste since 2016 (in kg/sq.m.)	-30.7%	-28.7%	-2 pts	-50% in 2025
	% of food waste recovered	53.2%	57.4%	-4.2 pts	
	Number of meal equivalents donated to food aid associations (in millions)	44,134	77,071	-42.7%	
	Foundation budget (in millions of euros)	6.75	6.75		
	Number of projects supported	60	47	277	
Contribution and vulnerability to climate change	% change in Scope 1 and Scope 2 CO <sub>2</sub> emissions since 2019 <sup>(2)</sup>	-20.1%	-13.9%	-6.2 pts	-50% by 2030, and -70% by 2040 (vs. 2019)
	Total GHG emissions by source (in thousands of tonnes of CO <sub>2</sub> equivalent) <sup>(2)</sup>	1,794	1,937	-7.4%	
	• Scope 1 (refrigerants, gas and heating oil (in thousands of tonnes of CO <sub>2</sub> equivalent) <sup>(2)</sup> )	614	697	-12%	
	• Scope 2 (electricity) (in thousands of tonnes of CO <sub>2</sub> equivalent) <sup>(2)</sup>	869	903	-3.8%	
	• Scope 3 (outbound transport) (in thousands of tonnes of CO <sub>2</sub> equivalent) <sup>(2)</sup>	311	337	-7.8%	-20% by 2030 (vs. 2019)
	GHG emissions linked to energy consumption (in thousands of tonnes of CO <sub>2</sub> equivalent) <sup>(2)</sup>	997	1,035	-4%	
	In-store energy consumption (in kWh per sq.m. of sales area) <sup>(2)</sup>	468	480	-2.5%	-27.5% by 2030 (vs. 2019)
	In-store renewable electricity consumption (in kWh per sq.m. of sales area) <sup>(2)</sup>	1.5	0.8	+91%	
	GHG emissions linked to refrigerants (in thousands of tonnes of CO <sub>2</sub> equivalent) <sup>(2)</sup>	486	564	-14%	
	Number of stores equipped with a hybrid or 100% natural refrigerant system	465	426	+9.2%	
	100% natural refrigerants (HFC- or HCFC-free)	242	180	+34%	
	Hybrid (a mix of HFC and natural refrigerants)	223	246	-9%	
	GHG emissions per pallet shipped (in kg of CO <sub>2</sub> /pallet) <sup>(2)</sup>	5.9	6.3	-6%	
	Pollution and the impact of our operations on biodiversity	% of waste recovered (including food donations)	68.2%	66.2%	+2 pts
Total waste (in thousands of tonnes)		672	729	-7.8%	-
Amount of water consumed per sq.m. of sales area (cu.m./sq.m.)		1.39	1.38	+0.1%	
Amount of water consumed (in millions of cu.m.)		13.9	12.9	+7.8%	
% of projects certified to BREEAM New Construction standards <sup>(1)</sup>		100%	100%		100%
% of sites certified to BREEAM In-Use standards <sup>(1)</sup>		90.6%	86%	+4.6 pts	75% by end-2021
• of which Very Good (in %)		57%	75%	-18 pts	
• of which Good (in %)		30%	25%	+5 pts	

(1) Scope: Suppliers of Carrefour-brand products purchased by the European purchasing centre.

(2) Scope: products sold in France. 145 product recalls were attributable to the sesame seed incident in 2020.

(3) Scope: Carrefour-brand products (Carrefour Quality Lines, Carrefour Bio) and national-brand products.

(4) New indicator. % of sales of fresh food products sourced from organic farmers only; reporting methodology currently under development for sales of agroecological products. Scope: France only.