# [Extract]

# CSR & food transition purchasing rules

# 2021 version

# Carrefour Group

# INTRODUCTION

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##### Why this compilation of purchasing rules?

This compilation of purchasing rules lists Carrefour's commitments, the implementation of which is measured by the CSR and food transition index. Each commitment is associated with the rules to be deployed in the different countries in order to meet the ambition that the group has set itself in its food transition strategy for all. It is the responsibility of each country to ensure the management of these rules and the achievement of objectives. The statutory auditors regularly audit the monitoring of objectives via an annual or quarterly report.

##### Revision of the CSR and food transition index for the period 2021 - 2025

Carrefour set up a CSR Index test in 2017. This index has been revised and reworked into the CSR and food transition index to reflect the priorities of the transformation plan in 2018 in 4 areas (products, stores, employees, customers) and 17 indicators. From 2019, the Group’s performance to achieve these objectives has been integrated into the remuneration criteria. Since 2019, 25% of the CSR index has been used to calculate executive compensation under a long-term incentive plan and 20% of the compensation of the Chairman and Chief Executive Officer (corporate officer). In 2021, the CSR index is included at a level of 10% in the variable remuneration of all employees of the Group entity, as well as in the variable remuneration of executives of integrated countries with variable weighting depending on the departments concerned.

The mechanics and results of the index are assessed by a third party every year. The CSR and food transition index is now consolidated quarterly. The index distinguishes Carrefour within its sector and is an asset to investors and to ensure the group's compliance with the Non-Financial Performance Declaration. It is designed in a modular way so that it can be adapted according to the group’s priorities while maintaining its basic structure: an aggregate score that reflects the group’s progress with regard to its long-term objectives, combined within 4 areas and 17 indicators. To find out more: <https://www.carrefour.com/en/csr/performance>.

**Summary of goods targets for the 2021-2025 CSR index**

|  |  |  |
| --- | --- | --- |
| **Theme** | **Objective** | **Due date** |
| **Sustainable agriculture** | 15% of fresh food sales come from organic farming or agroecology by 2025 | 2025 |
| **Raw materials** | 100% of sensitive raw materials are covered by a risk reduction plan in 2025 | 2025 |
| 1. Responsible fishing: 50% of sales of fishery and aquaculture products, products with the Carrefour brand and national brands, come from a responsible approach by 2025 | 2025 |
| 2. Sustainable forest: 100% of priority raw materials are committed to a risk reduction plan by 2025 | 2025 |
| 3. Textile: 100% of natural textile raw materials comply with our responsible TEX policy by 2025 (cotton, wood fibres, wool, cashmere) | 2025 |
| **Packaging** | 100% reusable, recyclable or compostable packaging by 2025  20 000 tons of packaging saved by 2025 (cumulative since 2017) | 2025 |
| **Animal welfare** | 100% of the key objectives of our animal welfare policy implemented in all countries by 2025 | 2025 |
| **Suppliers** | 300 suppliers committed to the food transition pact by 2025 | 2025 |
| **Local anchoring** | 45,000 local partners in 2025 | 2025 |

The objectives of the CSR and food transition index are detailed in the table above and in Appendix A of this document.

##### What are the roles of each person to implement them?

* **Drafting the rules:** the group CSR department is responsible for drafting the rules under the responsibility of the group merchandise department.
* **Deployment**: the country merchandise teams are responsible for the proper implementation of these rules. In each country, they define a deployment plan adapted to the local context and monitor its implementation.
* **Expertise**: the quality department provides the expertise and coordination necessary for the deployment of objectives.
* **Control**: the country quality departments ensure the execution of purchasing rules on a daily basis through verification of product compliance with the Carrefour brands.
* **Overall audit**: internal audit checks the quality of the overall system put in place by Carrefour to achieve its objectives (existence of dedicated rules, good knowledge and management by merchandise, existence of control procedures by quality teams, reporting, etc.)
* **Reporting and consolidation**: the CSR departments of the countries are responsible for coordinating reporting in their countries with the contribution of the merchandise, quality and management control departments. The group CSR department is responsible for consolidation at group level.

##### Definitions and product scopes

Products concerned :

* **Controlled products:** Carrefour-branded products, branded low-cost products (e.g. Simpl) and imported No Name products.
  + **Carrefour brand products:** retail brands (e.g. Carrefour Bio, Carrefour Quality Line, Extra, Sensation, Essentiel, Le marché, etc.) and own brands (e.g. Reflets de France, Souvenirs du Terroir, De Nuestra Tierra, Les Belges, Terre d’Italia, Ecoplanet, etc.).
* **National brand products:** products purchased by Carrefour from a supplier and sold under the latter’s brand (including non-imported No Names).

For food products, i.e.:

* fresh products - FD (traditional fresh products: cooked meats, cheese, fish, fruit and vegetables, bakery and butchery)
* consumer goods - FMCG (grocery, petfood, liquid, drugstore, perfumery, parapharmacy, hygiene, fresh self-service and frozen products).

For non-food products.

* Bazaar
* EPCS – Household appliances, photo, Cinema, Sound
* Textile

For out-of-home catering products (FAFH):

* Cash & Carry formats (e.g.: Promocash, Maxi, Atacadao).

# SUMMARY OF CARREFOUR’S OBJECTIVES

|  |  |  |  |
| --- | --- | --- | --- |
| **THEME** | **GROUP COMMITMENTS** | **REPORTING** | **COUNTRY SPECIFIC COMMITMENTS** |
| **Social and environmental compliance** | 100% of suppliers of controlled products and non-market products in high-risk countries audited socially by a third party. | Annual |  |
| **Local** | Implementation of an action plan for small and medium-sized enterprises in all countries from 2020. |  |  |
| Development of range and sales of local products in all countries. | Annual |  |
| **45,000 local partners in 2025 (CSR Index 2021-2025)** | Quarterly |  |
| **Nutrition** | Guarantee an optimised nutritional profile for the Carrefour product offering. |  |  |
| Provide consumers with clear and transparent nutritional information. |  | **France, Spain, Belgium:** 7,000 references with the Nutri-Score by 2022. |
| Implement a programme of actions to meet customers’ expectations of “better food” in all countries from 2021. |  |  |
| **Controversial substances** | Exclude controversial additives and substances from Carrefour recipes. Be identified as a leader on the subject. |  | **Europe:** 100 additives removed by 2022. |
| **Food transition pact** | **300 suppliers committed to the pact for the food transition by 2025 (CSR Index 2021-2025)** |  |  |
| **Packaging** | | | |
| **Recyclability of packaging** | **100% reusable, recyclable or compostable packaging by 2025 for the Carrefour brands (CSR Index 2021-2025)** | Quarterly | **France:**   * Incorporate 50% recycled plastic into Carrefour brand soft drink, juice and mineral water bottles by 2022. * 80% of Carrefour Bio product packaging will be recyclable by 2020. |
| **Packaging savings** | **20,000 tonnes of packaging saved, including 15,000 tonnes of plastic packaging, by 2025 (CSR Index 2021-2025)** | Quarterly | **France:** 100% of organic fruit and vegetable aisles will be zero plastic. |
| **Recycled material** | **30% integration of recycled plastic in packaging (CSR Index 2021-2025)** | Quarterly |  |
| **Reusable solutions** | **1,000 reusable packaging solutions available in stores and 500 stores equipped with a collection system by 2025 (CSR Index 2021-2025)** | Quarterly |  |
| **Agriculture and biodiversity** | | | |
| **Sustainable Agriculture** | **15% of sales of fresh food products come from organic farming or agroecology by 2025 (CSR Index 2021-2025)** | | |
| **Sustainable Agriculture - Organic products** | **€4.8 billion in Group revenue from organic products in 2022 (2021-2025 CSR Index)** | Quarterly | **France:**  Support 3,000 farmers in development and conversion by 2022.  **Belgium:** Support 50 Belgian farms in their conversion to organic farming by 2022  **Taiwan:** Support 100 producers in their conversion by 2022. |
| 1,000 Carrefour Organic references in 2020.  Achieved. | Annual |
| **Sustainable Agriculture - Carrefour Quality Lines and Agro-Ecology sectors** | **100% of products from the Carrefour Quality Lines carry a differentiating message in terms of agroecology or are committed to an agroecological approach by 2025 (CSR Index 2021-2025)** | Quarterly |  |
| **Raw materials** | | | |
| **Raw materials** | **100% of sensitive raw materials are covered by a risk reduction plan in 2025 (CSR Index 2021-2025)** | | |
| **Sustainable fishing** | **50% of sales of fishery and aquaculture products, products of the Carrefour brand and national brands, come from a responsible approach by 2025 (CSR Index 2021-2025)** | Quarterly |  |
| **Deforestation** | **100% of priority raw materials are committed to a risk reduction plan by 2025** | | |
| Palm Oil | **100% of palm oil and palm kernel oil used in Carrefour brand products is certified as RSPO Segregated as a minimum, by 2022 (CSR Index 2021-2025)** | Quarterly | **G4:** Replacement of palm oil in organic Carrefour products in 2020.  **France:** 100% RSPO segregated from 2020. |
| For suppliers that consume the most palm/palm kernel oil, traceability from their supply chain to the trader. |  |
| **Deforestation - Wood and Paper** | Paper for products: 100% of sales of controlled products from the first 10 wood/paper/pulp families from responsible sources in 2020. | Quarterly |  |
| **Paper for packaging: 100% of the paper and cardboard packaging of controlled products complies with our sustainable forest policy by 2025 (CSR Index 2021-2025)** | Quarterly |  |
| Paper marketing publications:  100% of the paper used for marketing publications is certified, recycled or audited. | Annual |  |
| **Deforestation - Brazilian beef** |  | Quarterly | **Brazil: 100% of suppliers are geo-monitored and comply with our zero deforestation policy or are committed to an ambitious policy to combat deforestation by 2025 (CSR Index 2021-2025)** |
| **Deforestation - Soya** | **100% of Carrefour Quality Lines and key Carrefour branded products use non-deforestation soya for animal feed, by 2025 (CSR Index 2021-2025)** | Quarterly |  |
| **Deforestation - Cocoa** |  | Quarterly | **G4: 100% of Carrefour branded bars compliant with our sustainable cocoa charter by 2023 (CSR Index 2021-2025)** |
| **Deforestation - Traceability and evaluation of traders** | **100% of traders - upstream players trading agricultural commodities - assessed and in progress to comply with our policy by 2025 (CSR Index 2021-2025)** | Quarterly |  |
| **Textile** | 100% of our natural raw materials will be sustainable and traceable in our TEX products by 2030. |  |  |
| **100% of natural textile raw materials comply with our responsible TEX policy by 2025 (CSR Index 2021-2025)**   * Cotton: 50% of TEX cotton products will be organic by 2025; * Cashmere: By 2021, 100% of Cashmere in our TEX products guaranteeing the animal welfare of goats and coming from soils preventing desertification; * Wool: By 2025, 100% of wool in our TEX products guaranteeing the animal welfare of sheep and ensuring the protection of soils and ecosystems; * Wood fibres: By 2023, 100% of the wood fibres (viscose, lyocell, modal) in our TEX products produced without deforestation. | Quarterly |  |
| **Animal welfare** | | | |
| **Animal welfare** | Each Carrefour country implements a progress plan, the recommendations of which are set out below:   * plans to implement the 10 priority points of the purchasing rules drafted in 2020, * drafting of the additional progress plan before the end of 2022 (in particular changes in farming methods). |  |  |
| **100% of the key objectives of our animal welfare policy implemented in all countries by 2025 (CSR Index 2021-2025)** | Quarterly |
| **Animal welfare – Shell Eggs** | 100% of shell eggs for controlled products and national brand products are cage-free eggs by 2025 (or 2028 depending on the country):   * Metropolitan France: target reached for Carrefour brand products, by 2025 for the entire section (including national brands and low cost). * Europe: by the end of 2020 for products with Carrefour brands, by 2025 for the entire section (including national brands). * Brazil, Argentina and Taiwan: by 2025 for products with Carrefour brands, by 2028 for the entire section (including national brands). | Quarterly |  |
| **Animal welfare – Eggs ingredients** | 100% of eggs used as ingredients in Carrefour brand products are cage-free eggs by 2025 | Quarterly |  |
| **Animal welfare - Chicken** | 50% of Carrefour brand chicken provides animal welfare guarantees by 2026 | Quarterly | **France:**   * 100% of chickens labelled with Animal Well-Being labels at the end of 2020. |
| **Animal welfare - Pigs** | Organic & Carrefour Quality Line pork provide guarantees on animal welfare by 2025 | Quarterly |  |
| **Animal welfare - Cages** | End of animals reared in cages for Carrefour brand products in 2025 | Quarterly |  |
| **Animal welfare - Slaughterhouses** | 100% of slaughterhouses delivering raw products controlled by Carrefour are audited on animal welfare by 2025 | Quarterly |  |
| **Animal welfare - Horses** | 100% of horse meat supplies independently audited and of EU origin by 2025 | Quarterly |  |
| **Animal welfare - Transparency** | Each country is putting in place a system to inform consumers of the farming method, Carrefour brands by 2025. | Quarterly |  |

# LIST OF CARREFOUR’S PURCHASING RULES

* 1. **Social and environmental compliance rules for purchases of controlled products and non-market purchases**
  2. **Textile purchasing rules**
  3. **Purchasing rules for procurement from**

**local suppliers and SMEs - CSR self-diagnosis**

* 1. **Nutrition purchasing rules**
  2. **Controversial substances purchasing rules**
  3. **Packaging purchasing rules**
  4. **Purchasing rules for organic products**
  5. **Purchasing rules for products from agroecology & special case of CQL**
  6. **Purchasing rules for seafood, aquaculture and other products from wild species**
  7. **Purchasing rules for products whose production may impact forests**
  8. **Animal welfare purchasing rules**

# EXAMPLES OF CARREFOUR’S PURCHASING RULES

This section is an extract of the official document used internally in all integrated countries. All rules and annexes are not available publicly.

* + 1. **Social and environmental compliance rules for purchases of controlled products and non-market purchases** 

## VISION:

##### Carrefour is committed to improving working conditions and respecting human rights at its suppliers. Carrefour implements tools and procedures to control and support its suppliers.

**The duty of vigilance creates direct responsibility towards our tier-1 suppliers and indirect responsibility throughout the supply chain. As a leader in the food transition, and like the spirit that inspired the Carrefour Quality Lines products, it is necessary to initiate risk management procedures for all our supply channels, in social and environmental terms. The holistic approach must be combined with a more specific approach on merchandise channels for which a significant risk has been identified. The vision is to ultimately achieve sustainable and fair supply chains for all market and non-market purchases.**

**Aim:**

100% of suppliers of controlled products and non-market products in high-risk countries socially audited by a third party.

##### Purchasing rules:

1. All suppliers sign the **Carrefour** **Supplier commitment charter** included in the commercial contract before any production on behalf of a purchasing entity (Appendix 1). (controlled and uncontrolled products)

Specific features of controlled products:

1. The compliance rule applies to all **controlled products and non-market products**.

**Controlled products:** Controlled products are products purchased by Carrefour intended to be sold or not, which meet specifications defined by Carrefour and which are subject to specific quality control. That is, **own-label products** (brand names (e.g. Carrefour, Carrefour Discount, Carrefour Home, Filière Qualité Carrefour, etc.) and own brands (e.g. Reflets de France, Souvenirs du Terroir, Terra Nostra, Ecoplanet, etc.)) and **value products** controlled by Carrefour. N.B.: includes all food (including FPF) and non-food departments.

1. The compliance rule applies to all **production countries according to their level of risk**. The list of countries requiring special vigilance is kept up to date by the Group Quality Department. In particular, for any site located in a **high-risk country,** referencing and monitoring will be carried out by trained Carrefour teams present in the sourcing area (e.g. Global sourcing/Socomo/local BUs) using the appropriate reference frameworks (e.g. for Global sourcing: Carrefour Good Factory standard and audits). Extreme-risk countries are prohibited from sourcing.
2. Only production sites whose **social audit result** complies with the minimum requirements established for sites working with Carrefour can be referenced. Suppliers proposing production sites whose result is less than the minimum required or having been the subject of an alert (e.g.: ICS alert notification, Amfori-BSCI zero tolerance) cannot be referenced.
3. Social audits are carried out in an **unannounced or semi-announced** manner.
4. A site already referenced but not reaching the required compliance threshold during a **new audit** has a period of 6 months to reach the threshold required in a follow-up audit.
5. A **corrective action plan** is issued by the supplier following the observation of any non-conformity (audit, visit, or any other form of control), it is systematically monitored and documented by the purchasing entity. In the case of a production site referenced on the basis of an audit commissioned by another purchaser sharing the same standard, the obligation to monitor the action plan also applies.
6. For sites or activities presenting specific risks **related to the environment** (water, waste, gas emissions, chemical risk prevention, biodiversity, etc.), set up an environmental assessment or audit to support the supplier.
7. The social and environmental compliance rule is complied with by **all entities of the Carrefour Group.** Control of their implementation is integrated into the Group’s audit processes.
8. All Group purchasing entities name **a person who will be responsible for reporting social and environmental compliance**, implementation of corrective actions and communication with CSR Management and Group Quality.
9. Any incident observed during the implementation of this rule is communicated without delay to the Executive Director of the country as well as to the Merchandise function. Group Quality must also be systematically informed of these incidents.
10. **This rule applies to the supplier for all its sites producing controlled products.** The term supplier covers the manufacturing site(s) for products falling within the scope of compliance rules. It also applies to any transfer of production or a stage of production from one site to another (the transfer is declared and approved in advance).
11. Any supplier (importer, producer, industrial group) lists with Carrefour, exhaustively and before any production, its manufacturing, product processing or packaging sites for Carrefour products with their name and exact address. All the sites concerned have an audit result in accordance with this purchasing rule.
12. The **manufacturing stages considered to be sensitive** and carried out outside the manufacturing site referenced by Carrefour must be controlled by the suppliers. Carrefour will give preference to the manufacturing stages under control
13. For all materials that are not subject to a specific purchasing rule, Carrefour will give preference to sourcing from countries, zones or suppliers with a lower risk.
14. Social audits are conducted by **audit companies listed by Carrefour, ICS and BSCI** and use an audit framework validated by Carrefour (ICS, BSCI).
15. Listing, monitoring and control audits are **at the expense of the supplier.**
16. All Group purchasing entities are careful not to **impose conditions on their suppliers,** notably deadlines that would prevent them from complying with the content of the social and environmental commitment charter.
17. All **situations specific to a sourcing country** are the subject of dedicated communication and appropriate measures. Thus, manufacturing sites located in Bangladesh are subject to the obligation provided for by the **Fire and Building Safety Agreement (or future RMG Sustainability Council -RSC)** signed by Carrefour and implemented by Global Sourcing.

**Appendix 1**

**CSR commitment charter for Suppliers of controlled products Contractual appendix**

This charter concerns all suppliers of Carrefour controlled products. Supplier means any supplier of controlled products and their own suppliers and subcontractors. Controlled products are mainly products purchased by Carrefour intended to be sold or not, which meet specifications defined by Carrefour and which are subject to specific quality control for Carrefour.

##### Carrefour's Social Responsibility

With nearly 13 million daily customers and thousands of suppliers in the countries in which it operates or obtains supplies, the Carrefour group has, since its origins, been aware of the environmental, economic and social impact of its activities. All these issues are taken into account in its Corporate Social Responsibility (CSR) approach, which is at the heart of the company's strategy.

Ethical principles guide its actions, as well as respect for human rights and the environment throughout the supply chain. This commitment is the subject of this contractual charter.

##### An approach that respects major international principles

Carrefour's social commitment is part of the continuity of respect and promotion by Carrefour:

* of the Universal Declaration of Human Rights;
* of the eight fundamental ILO conventions;
* of the OECD Guidelines for Multinational Enterprises;
* of the ten Principles of the UN Global Compact;
* of the United Nations’ Guiding Principles on Business and Human Rights;
* of the international agreement signed with UNI Global Union

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

Carrefour also actively supports the harmonisation and convergence of voluntary actions by companies to improve compliance with international human rights standards, including labour rights.

##### Carrefour's Ethical Principles

A major international player in distribution, Carrefour aims to develop more sustainable and responsible trade, carried out with the utmost respect for ethics and legality. A document entitled “Our Ethical Principles” formalises the commitments regarding professional ethics.

These ethical principles establish the reference framework in which Carrefour and its employees conduct their daily business as retailers. In particular, it guarantees the development of fair and transparent business practices.

To ensure compliance with this code within the company, Carrefour has set up a Group Ethics Committee and Ethics Committees for each country.

With its suppliers, Carrefour reaffirms, in this document, the commitments it expects from them in terms of business ethics and wishes to share with them its vision and its principles of action. 8

##### Our ethical principles

Respect diversity

Contribute to a safe and healthy working environment Promote social dialogue

Reject all harassment and discrimination

Ensure the safety of people and property

Protect the company’s resources and assets

Guarantee confidentiality Protect the environment

Select and treat suppliers objectively and fairly

Develop transparent business relationships

Respect commitments to our partners

Refrain from any unfair understanding or practice

Be honest, individually and collectively

Provide reliable and accurate reporting

Avoid conflicts of interest Refuse any form of corruption

##### THE SUPPLIER'S COMMITMENTS

The supplier undertakes to comply with all of the following requirements.

It undertakes, furthermore, to ensure compliance with these requirements by all of its own suppliers and subcontractors.

##### Prohibition of all forced labour, labour in a situation of servitude, or of debt bondage, or as a means of punishment

* 1. All labour shall be carried out voluntarily by the worker, and not under threat of penalties or sanctions,
  2. The use of forced or compulsory labour in all its forms, including labour as a means of punishment that does not comply with the provisions of Convention 29, is prohibited.
  3. Suppliers shall not require financial guarantees or securities from workers, withhold identity documents (passports, identity cards, etc.), or withhold wages without a legal contractual agreement.
     + Labour in a situation of servitude is prohibited. Suppliers shall refrain from using any form of labour in a situation of servitude, and shall not allow or encourage workers to incur debt for recruitment costs, fines or by any other means.
  4. Labour in a situation of debt bondage is prohibited. Suppliers shall respect the right of workers to terminate their employment with reasonable prior notice. Suppliers shall respect the right of workers to leave the workplace once their working hours are over.

##### Prohibition of child labour

* 1. Suppliers shall comply with:

1. the national minimum employment age;
2. or the age at which compulsory education ends;
3. or any other specified exception;

and shall refrain from employing a person under the age of 15, applying the highest age limit set out above. In the event, however, that the local minimum employment age is 14, in accordance with the exceptions for developing countries provided for by Convention 138, this lower age limit may apply subject to the adoption of special protective measures.

* 1. Suppliers shall not allow children to work or exploit them in any way. If it is found that children are working directly or indirectly for the supplier, the latter shall endeavour to find a solution that is humane, effective and favours the child’s interests.
  2. Suppliers must not employ young workers under the age of 18 at night, or in

conditions endangering their health, safety or psychological integrity, and/or which would harm their physical, mental, spiritual or social development.

##### Respect for freedom of association and effective recognition of the right to collective bargaining

* 1. Workers have the right to join or create trade unions of their choice and to engage in collective bargaining without the prior agreement of the supplier's management. Suppliers shall refrain from any interference in and obstruction of these legitimate activities and shall not seek to prevent them.
  2. Where the right to freedom of association and collective bargaining is limited or prohibited by law, suppliers shall refrain from impeding other forms of independent and free representation and negotiation of workers, in accordance with the international labour standards.
  3. Suppliers shall in no way discriminate against workers’ representatives or trade unionists or penalise them in any way on account of their membership of or affiliation with a trade union or their legitimate trade union activity, in accordance with the international labour standards.
  4. Suppliers shall allow access to the workplace for workers’ representatives to perform their representative functions, in accordance with the international labour standards.

##### Prohibition of all discrimination, harassment and violence

* 1. Suppliers shall ensure equality of opportunities in terms of recruitment, remuneration, access to professional training, promotion, dismissal and retirement.
  2. Suppliers shall not exercise, support or tolerate any discrimination whatsoever in terms of employment, particularly with regard to recruitment, appointment, training, working conditions, deployment, remuneration, benefits, promotion, discipline, dismissal or retirement, on the basis of gender, age, religion, marital status, race, caste, social background, illness, disability, pregnancy, ethnicity, migrant status, membership of workers’ organisations, notably trade unions, political affiliation, sexual orientation, or any other personal characteristics.
  3. Suppliers shall treat all workers with respect and dignity.
  4. Suppliers shall base all employment terms on the ability of an individual to perform the labour, not on their personal characteristics or beliefs.
  5. Suppliers shall not engage in or tolerate persecution, harassment or violence of any kind.
  6. Suppliers shall establish written disciplinary procedures and shall explain them clearly and comprehensibly to workers. Any disciplinary action shall be recorded.

##### Health and safety

Health and safety provisions shall be defined in detail in order to take account of the specific conditions of the various industry sectors and related hazards, in accordance with the applicable health and safety guidelines.

* 1. Suppliers shall establish and maintain safe and sanitary working environments and accommodation, as well as define and implement clear procedures for occupational health and safety.
  2. Suppliers shall take appropriate measures to prevent accidents and harm to health resulting from, associated with or during work, by reducing to the extent that is reasonably possible the causes of inherent danger in the working environment. Appropriate and effective personal protective equipment shall be provided if necessary.
  3. Suppliers shall provide access to adequate medical assistance and health services.
  4. Suppliers shall provide for all workers access to clean toilets and drinking water and, where appropriate, adequate facilities for food preparation and storage.
  5. Suppliers shall ensure, where appropriate, that the accommodation facilities of workers are clean and safe.
  6. Suppliers shall assign responsibility for health and safety to senior management.
  7. Suppliers shall organise regular and duly documented health and safety training for workers and managers, which shall be repeated upon replacement or redeployment of workers and managers.
  8. Suppliers must provide adequate fire protection and must ensure

the strength, stability and safety of buildings and equipment, including accommodation facilities where applicable.

* 1. Suppliers shall provide adequate training for workers and managers in waste management, handling and disposal of chemicals and other hazardous products.

##### Fair wages, benefits and terms of labour

* 1. All labour shall have as its basis a recognised employer/employee relationship, established in accordance with national legislation and practices and the international labour standards, according to that which affords the greatest protection.
  2. The use of contracts relating solely to the workforce, subcontracting or homeworking agreements, apprenticeships without genuine intent of training or stable employment, as well as the excessive use of fixed-term contracts or any other comparable arrangement, in order to circumvent obligations towards workers arising from a regular employment relationship and which are provided for by legislation or labour or social security standards, are prohibited.
  3. Suppliers shall remunerate their workers by paying them salaries and for overtime, providing benefits and offering paid leave at standards equal to or above the legal minimum and/or reference industry standards and/or those of collective agreements, according to those most favourable to workers. Wages and other remuneration for regular working hours shall cover the essential needs of workers and their families and leave them with a discretionary share of their income.
  4. Suppliers shall provide all workers with clear written information about the terms of employment, including wages, before they begin their employment, and shall provide details of their wages for the period in question upon each payment.
  5. Any withholding of wages not authorised or provided for in national legislation is prohibited. The supplier shall in no way withhold wages as a disciplinary measure.
  6. The Supplier shall grant all workers the benefits provided for by law, including paid leave.
  7. Suppliers shall remunerate all workers for overtime hours worked at a higher rate, in accordance with the law and, if applicable, the contractual agreement.

##### Working hours

* 1. Suppliers shall set working hours in accordance with national legislation or the reference industry standard or relevant international standards, according to that which guarantees the greatest protection for the health, safety and welfare of workers.
  2. Suppliers shall comply with the acceptable weekly standard of 48 hours, excluding overtime. Workers shall not be requested to work more than 48 hours per week on a regular basis.
  3. Overtime shall be optional, shall not exceed twelve hours per week, and shall not be requested on a regular basis.
  4. Suppliers shall respect the right of all workers to take breaks during their working hours, to have at least one day of rest after six consecutive days of work, and to public holidays and annual leave.

##### Business ethics

* 1. The supplier undertakes to strictly obey the law in all its activities:
     1. Applying and complying with national or international regulations in force in all countries in which it is present,
     2. Prohibiting any illegal activity, conduct or agreement,
     3. Compliance with local and international regulations to ensure a healthy working environment for employees
     4. Complying with intellectual property regulations and prohibiting any infringement.
  2. It shall refrain from any infringement of competition law:
     1. Prohibition of any price fixing and any unfair practice intended to impede free competition,
     2. Avoiding any situation of economic dependence on CARREFOUR of the supplier.
  3. It shall avoid situations of conflicts of interest:
     1. Avoiding any situation in which the independence or integrity of the decision-making or judgement of an employee may be influenced or impaired by personal considerations.

8.3.2. Informing the CARREFOUR contact in the event of a potential or obvious conflict of interest.

* 1. The supplier shall refuse and refrain from any act of corruption:
     1. Prohibition of any direct or indirect compensation of CARREFOUR employees involved in the purchasing relationship directly or having the power to influence it.
     2. Prohibition of any compensation of a public official in exchange for an improper advantage.
  2. The supplier shall guarantee confidentiality
     1. Keeping confidential information provided by CARREFOUR with regard to other customers, service providers or subcontractors of the supplier
     2. Using information provided strictly within the framework of the contractual relationship
     3. Providing information to its employees by the supplier in respect of compliance with this confidentiality agreement.

##### Environmental protection (natural environment and resources)

* 1. The supplier shall comply with local regulations and international conventions, and shall have at its disposal on its sites the correct and up-to-date official documents.
  2. It shall prevent pollution by way of risk analysis and the implementation of adequate preventative measures, notably concerning water and chemical products.
  3. It minimises the impact of its activity on the environment by assessing the impact and optimising processes using the best available techniques, particularly with regard to energy, waste and other sources of environmental impact.

None of the provisions of this Charter shall be interpreted as exempting the supplier from its duty to comply with the obligations imposed on it by national legislation or under international law, in the event that national legislation or international law imposes stricter requirements in terms of fundamental labour, environmental protection or ethical laws and principles. The constituents of this Charter represent a minimum level of requirement and not a maximum.

##### INSPECTIONS AND OVERSIGHT

The supplier undertakes to help with the application of the inspection procedures:

* Preliminary visit by the CARREFOUR teams: Prior to any collaboration and in order to establish the conditions of production, CARREFOUR, or one of its partners, may visit the production site, accompanied by external observers where necessary. This visit shall be the subject of a report assessing the compliance by the supplier with the main obligations contained in the Charter. During the visit, the Charter and the inspection procedures therein shall be presented and explained to the supplier.
* Before any reference listing and over the course of the commercial relationship, external audits shall be carried out by independent third-party auditing companies, appointed by CARREFOUR, on the production sites of the supplier in order to verify compliance by the supplier with all or part of the undertakings within this Charter. These inspections shall not be announced or semi-announced.
* The costs of the preliminary external audits and of follow-up audits shall be borne by the supplier.
* The supplier undertakes to communicate the content of the Charter in the most appropriate manner to all its employees and to the employee representatives present in the company. It also accepts, where applicable, the amfori-BSCI code of conduct and the terms of implementation.
* Implementation of the corrective action plan within a defined time limit: the inspections shall be the subject of a report accompanied by a corrective action plan discussed with and to be implemented by the supplier. One or more follow-up audits may be arranged within a certain timeframe, depending on the actions to be taken and their importance in evaluating the implementation of the corrective action plan.
* Approval of unannounced inspections by CARREFOUR mandated partners: the supplier authorises CARREFOUR, or other persons authorised by virtue of the internal and external inspection procedure established by CARREFOUR, to perform unannounced audits with regard to compliance with the undertakings resulting from the signing of the Charter and the corrective action plan established on the basis of previous audits.
* The supplier undertakes to accept the organisation of training sessions or support relating to human rights in the workplace or the environment by independent local organisations selected by CARREFOUR or its partners for the attention of employees and management.
* The supplier undertakes, furthermore, to ensure that the production stages considered to be sensitive and performed outside the production site listed by CARREFOUR are also inspected. Accordingly, it agrees to provide CARREFOUR with information - names, addresses, etc. - relating to all its sub-contractors in order to ensure the transparency of the supply chain involved in the preparation of the product.
* The supplier identifies and implements monitoring of its main environmental impacts (energy, water, chemical products, waste, etc.)

Failure to comply with the undertakings of the Charter by the supplier shall result in the immediate termination of the commercial relationship with the production site on which the violation was observed, or the immediate and automatic termination of the General Terms and Conditions of Supply by CARREFOUR and, where applicable, shall be subject to damages that may be claimed from the Supplier.

##### CARREFOUR’S COMMITMENTS TO ITS SUPPLIERS

In awareness that compliance with this Charter is only possible as part of a collaborative relationship with its suppliers, CARREFOUR undertakes not to impose conditions on its suppliers that would prevent them from implementing this Charter. Furthermore, CARREFOUR undertakes to support its suppliers, insofar as possible, in the implementation of this Charter and, more specifically, in the deployment of corrective actions.

Carrefour also undertakes, in its commercial relations, to respect the ethical principles established by the Group for its employees.

##### IN CONCLUSION

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

To ensure a chain of trust between all players, Carrefour commits its suppliers to share these principles with their own suppliers, service providers and subcontractors, in an information and awareness-raising approach.

In the event that a supplier, service provider or any person concerned becomes aware of a situation or behaviour that conflicts with this charter, they may report it confidentially via the Carrefour ethics line available 24 hours a day, 7 days a week, in all Group languages via the internet or telephone.

Details of the ethics line can be found at the following address: [**http://ethique.carrefour.com**](http://ethique.carrefour.com/)

## 3. Purchasing rules for procurement from local suppliers and SMEs

## VISION: Carrefour contributes to the development of local economies, boosts the ecosystems and territories in which its activities are integrated. With its extensive network of stores, the Group offers a wide range of local products and strengthens its partnerships with local companies in all countries. Carrefour gives priority, in particular, to the development of small and medium-sized enterprises through the implementation of SME plans, and supports these suppliers in implementing responsible approaches through the CSR (Corporate Social Responsibility) self-diagnosis.

**CSR index objectives:**

Partnership with 45,000 local producers in 2025

**Objectives:**

* 100% of countries have a programme dedicated to local products and purchases from 2020, translated by:
* 100% of the Group’s countries have implemented the Carrefour SME Plan by 2020.
* Development of the assortment and sales of local products.

##### Purchasing rules:

1. Each Group country implements an SME plan. The SME plan development process is detailed below.

SME Plan development process in a country:

1. Specific SME awareness phase (definition of the SME concept at the national level), as the definition of an SME may vary (from one country to another), it is necessary to specify its definition at the level of each country, in France: "Small and medium-sized enterprises (SMEs) are those that, on the one hand, employ fewer than 250 people, and on the other hand, have annual turnover of no more than €50 million or total assets of no more than €43 million". See implementing decree (no. 2008-1354) of Article 51 of the Economic Modernisation Act.
2. Identification of the scope (food, non-food and non-market purchases) and establishment of a status review of existing supplier SMEs (turnover, number of employees, age of the relationship, importance of Carrefour in the turnover of the SME, etc.), an SME plan must, at least, cover the following 2 areas of action:

**1/ Set up privileged exchanges with SMEs**

* + **(\*) Appoint a single contact person**, special contact for SMEs
  + **Formalise an "SME clubs”** process (membership criteria, structured organisation, organised and structured exchanges) – Create a special and attractive identity of “SME suppliers of Carrefour”
  + **(\*) Ensure compliance with Carrefour's code of ethics** (example: display in the negotiation boxes of the code of professional conduct)
  + **(\*) Create a “Carrefour SME contract”**, with, for example:
    - A specific duration
    - Dual mediation
    - A measure to help the cash position of SMEs
    - A specific email address
    - Signature of the contract on 31 December
  + **(\*) Training of buyers** (legal training, pragmatic training, negotiation brief, etc.)

**2/ Develop trade with SMEs**

* + **(\*) Accelerate local listing**
  + **Encourage innovation** (example: Innovation Awards, SME InnBox, etc.)
  + **Support SME exports** (support for SMEs internationally)
  + **Develop SME marketing** (e.g. improving the exchange of information, implementing specific in-store communication so that SMEs gain visibility: improving the visibility of products on shelves, investing in promotion, etc.)
  + **Mobilise SMEs on CSR** (CSR self-diagnosis, presentation of “SME Awards”)

**A BU will have implemented its SME plan once the sections (\*) of the 2 action areas have been covered.**

1. Each Group country implements an action plan to develop the assortments and sales of local products. Local products are at least products from national suppliers: the product is manufactured in the country of sale, i.e. the manufacture and/or processing of the product is carried out on national territory. More restrictive origin criteria may be defined by the country(e.g. French definition of a local product: product processed less than 100 km from the place of sale). According to customer expectations, the local product is defined by 1. a short transport distance between the place of production and the place of sale, 2. the economic anchoring around the place of sale. A geolocation tool can be deployed in the country (example in France).

**6. Packaging purchasing rules**

**VISION:**

##### In collaboration with its partners, Carrefour has developed the following long-term vision for packaging. Eliminating problematic or unnecessary packaging through innovative designs and new distribution models is a priority. Reuse models are implemented, and industrialised once their viability is proven, in order to reduce the use of single-use packaging. All end-of-life packaging is 100% reusable, recyclable or compostable at home. Carrefour ensures that all packaging is recycled or composted in practice, by regularly having discussions with those involved in sorting and processing packaging. The use of new materials, particularly those from biomass, requires a case-by-case lifecycle analysis to ensure that the environmental footprint is consistent.

**Group objectives (\*CSR index):**

|  |  |  |
| --- | --- | --- |
| **Content of the commitment** | **Source** | **Deadline** |
| 20,000 tonnes of packaging saved (Carrefour controlled products), including 15,000 tonnes of plastic\* | Carrefour | 2017 - 2025 |
| 100% reusable, recyclable or compostable packaging for Carrefour brands\* | Carrefour | 2025 |
| 20% less virgin plastic put on the market for Carrefour brand products, half of which comes from an absolute reduction in plastic. | European Plastics Pact, Decree 3R | 2017 - 2025 |
| Incorporate on average 30% recycled plastic materials into packaging.\* | European Plastics Pact + national pact | 2017 - 2025 |

New objectives for 2021:

|  |  |
| --- | --- |
| **Content of the commitment** | **Deadline** |
| 500 stores offering reusable packaging as currently being tested in 10 stores with Loop | 2021-2025 |
| 1,000 reusable packages of different products\* | 2021-2025 |
| More than 50 new bulk tests (*20% of our products could be in bulk or in reusable packaging before 2030 - draft law in France)* | 2021-2025 |

**Objectives for France:**

|  |  |  |
| --- | --- | --- |
| **Content of the commitment** | **Source** | **Deadline** |
| 5% of packaging placed on the market can be reused, in sales units or equivalent | AGEC Act | 2023 |
| 10% of packaging placed on the market can be reused, in sales units or equivalent | AGEC Act | 2027 |
| Reach 60% of plastic packaging actually recycled | National pact | 2022 |
| Move towards 100% recycled plastic packaging | AGEC Act | 2025 |
| 100% of ORGANIC fruit and vegetable sections with zero plastic packaging | AGEC Act | 2020 |
| 80% of Carrefour ORGANIC product packaging will be recyclable, compostable or reusable | Carrefour | 2020 |
| 100% of fruit and vegetable sections have zero plastic packaging | Carrefour | 2021 |
| 50% recycled plastic in Carrefour brand soft drink, juice and mineral water bottles | Individual | 2022 |
| Stop using PVC in household, commercial and industrial packaging | National Pact | 2022 |

**Purchasing rules:**

1. These purchasing rules apply to all products controlled by Carrefour in the country. The packaging concerned is primary packaging, in other words all the packaging components (in direct and indirect contact with the contained product) designed to constitute, at the point of

sale, an item intended for sale for the end user or for the consumer.

The elimination of single-use plastic packaging on the “fruit and vegetable” and “organic fruit and vegetables” sections concerns all products sold, regardless of their brand.

1. The CSR Department issues directives on the group's packaging priorities: the materials to be preferred, those to be monitored and those to be avoided.
   * In addition to these guidelines, a list of product sub-groups is drawn up jointly by the Carrefour brand teams and CSR for priority action:
     + For example FPF, for the “Fruit and Vegetables” category, single-use plastics are removed and replaced when necessary by a cellulose-based material
     + For example FMCG, PVC blisters are removed for the “bulbs” and “batteries” categories
   * If cardboard packaging is developed or plastic packaging is replaced by cardboard packaging, the merchandise department ensures that the cardboard meets the group’s requirements regarding the risk of deforestation (see Forest sheet). Packaging changes can be monitored using the packaging reporting tool (to come).
2. These directives are relayed to all own-brand suppliers by the Merchandise and Quality departments.
3. Reusable packaging solutions are offered in stores:
   * all stores with traditional sections agree to serve customers using their own containers,
   * reusable bags for fruit and vegetables and organic groceries are sold in all stores.
4. In each country, a packaging action plan is implemented by the merchandise department. The actions implemented cover the following areas:
   * Transform the customer experience and offer reusable packaging solutions for customers: bring your container to the traditional sections, develop the bulk offer, sell reusable bags for fruit and vegetables and for organic groceries, sell zero-waste reusable containers and solutions (such as drinking bottles, reusable and transportable mugs, containers for home storage, etc.), offer reusable bags for drive-through and home deliveries.

* Reduce plastic packaging in stores by eliminating irritating packaging as a priority for the customer. This list is specific to each country, depending on customer feedback (round tables).
* Better use of end-of-life packaging thanks to eco-design.
* Incorporate more recycled material into our packaging.

1. In each country, the CSR department draws up a list of the single-use plastic products most frequently found in the oceans. They are put on a priority list to be studied and replaced as soon as reusable solutions are sold, economically viable and acceptable to consumers.
2. Reporting is carried out on the group's objectives (reporting by country carried out by the merchandise teams with the support of management control and consolidation by the group's CSR department).
3. For France: a list of priority products has been drawn up as part of the National Plastic Pact:
   * **Foam polystyrene trays** used for cut chicken and poultry, cheese, and beef
   * **Seafood platters and fish transport crates** in Styrofoam
   * The plastic **blisters** used for light bulbs, batteries, leads and chapsticks, toys, toothbrushes
   * **Promotional lots and multipack packaging**
   * **Sachets of on-the-go packaging** particularly for sauces, handkerchiefs, packets of biscuits
   * **The removal of carbon black** used for cake cases and butcher's trays (changing tray from black to transparent for example or removing the tray)
   * **Elimination of plastic bags** for rice and pasta to switch to a cardboard packet
   * Polypropylene **hangers** replaced with cardboard, consider alternative solutions such as reuse, or find a way to collect and recycle them
   * **Organically-sourced bags** in favour of kraft paper bags and reusable bags
   * **Plastic packaging for toilet paper** replaced by paper.
   * **Polystyrene yoghurt pots** replaced by a recyclable material.

This list may be modified depending on changes in the sorting and recycling channels.

The packaging pyramid presents the Group’s recommendations concerning the materials to be preferred and those to be prohibited.

Unpacking followed by re-packaging in warehouses is prohibited.

**9. Purchasing rules for aquatic animal products**

**VISION:**

**The purpose of these rules is to encourage responsible production and consumption of seafood products and to guarantee the group’s ability to offer seafood products to its customers over the long term. In concrete terms, they aim to ensure the sale of abundant species (above the Maximum Sustainable Yield), promote fishing techniques with less impact, guarantee the legality of fishing, promote species diversity and seasonality, develop the sustainable local offer and support responsible farming methods.**

**CSR index objectives:**

50% of sales of fishery and aquaculture products, controlled by Carrefour and national brands, come from responsible practices by 2025.

Have the widest range of sustainable fishing on the market by 2025.

**Scope of the Group objectives:**

Products controlled by Carrefour and products with national brands, raw or minimally processed (excluding FAFH).

FD (Fresh Department)

FMGC fish counter: frozen-canned-self-serve products counter

**Purchasing rules:**

1. The following products are considered responsible:
   * Filières Qualité Carrefour products.
   * MSC (Marine Stewardship Council) products
   * ASC (Aquaculture Stewardship Council) products
   * Products from organic aquaculture
   * Green species (List of species considered responsible)
   * Other products resulting from a sustainable fishing/responsible livestock farming approach, the credibility of which is confirmed by the stakeholders and validated by Group CSR
   * Products from fisheries that have implemented a Fisheries Improvement Project (FIP) assessed as credible (excludes tuna)
   * For canned tuna, the sustainability criteria are mentioned in Appendix 6 (MSC without DCP and cane fishing)
2. For any product containing aquatic products, controlled products and national brands :

* The merchandise departments ensure that Carrefour exclusively sells non-threatened aquatic species not classified in Appendices I and II of the CITES Convention \*
* The merchandise departments ensure that Carrefour does not sell seafood products from the following fishing methods: deep-sea fishing, dynamite fishing, electric fishing, shark fin cutting (finning) or from undeclared and unregulated illicit fishing; as well as longline and gill net fishing for tinned tuna
* Communication to customers requires that the procedures put in place to meet these rules be co-developed with the stakeholders.
* The merchandise departments also ensure compliance with responsible fishing practices when referencing suppliers in accordance with sustainability criteria.

1. Only for Carrefour controlled products

* For species produced on farms, quality departments ensure the implementation of best farming practices, animal welfare, respect for ecosystems and working conditions.
* For the best-selling wild species for the fish, frozen and grocery section, the quality departments implement traceability or control solutions enabling compliance up to the boat unless if ASC/MSC certified.
* The Quality department updates a list of wild species and fishing origins with particular vigilance. The CSR department proposes a process for compiling and updating this list. Management is building the partnerships needed to develop a common species list with our competitors. The purchase of supplies from this list is carried out after consultation with expert stakeholders and/or implementation of a process to improve capture practices (including bulk products on the fish counter) to be validated with Group CSR.
* Communication to customers on more responsible fishing can be achieved by using the Carrefour logo. This logo is used for the following conditions: a credible FIP, a green species, rod-caught tuna and tuna caught without FAD

# 10. Purchasing rules for products whose production may impact forests with wild species

## VISION:

##### Carrefour believes that the following principles are essential for sustainable forest management:

##### 1. Protection of forests with high environmental value

##### 2. Ban on burning forests and reduction of greenhouse gas emissions in existing plantations.

##### 3. Respect for human rights and workers’ rights.

##### 4. Respect for the rights of local populations.

1. **Supporting smallholder farmers to integrate them into sustainable supply chains.**
2. **Exclusion of GMOs and the use of endangered or threatened species.**
3. **Reduction and responsible use of pesticides and prohibition of the most dangerous pesticides.**

**CSR index objectives:**

100% of priority raw materials are committed to a risk reduction plan by 2025

100% of key traders assessed and in progress to comply with our policy by 2025

**Objectives:**

* Achieved - 100% of the palm oil and palm kernel oil contained in Carrefour brand products is RSPO “segregated” or “mass balance” certified (no more Palm Trace credits) in 2020.
* 100% of the palm oil and palm kernel oil used in Carrefour brand products is RSPO Segregated certified (at minimum), by 2022.
* Achieved - Have an CQL derived from animals fed with "zero deforestation" plant proteins in each country by 2020.
* 100% of key Carrefour Quality Lines and Carrefour own-brand products from animals fed on non-deforestation soy by 2025.
* 100% of Brazilian suppliers of beef (in nature fresh and frozen) geo-monitored by 2020.
* 100% of Brazilian beef suppliers (in nature fresh and frozen, processed or from distributors and warehouses) are geo-monitored and comply with our forest policy or are committed to ambitious policies to combat deforestation by 2025.
* 100% of controlled product sales of the 10 priority families of wood/paper/pulp comply with our forest policy.
* 100% of the paper and cardboard packaging of controlled products complies with our forest policy by 2025.
* 100% of Carrefour branded bars comply with our sustainable cocoa Charter by 2023 (G4).
* Textile Objectives: By 2023, 100% of the wood fibres (viscose, lyocell, modal) in our TEX products produced without deforestation.

##### G4 objectives (France, Italie, Belgium, Spain):

* Palm oil eliminated from all our Carrefour Organic products by the end.

##### Purchasing rules:

1. Palm oil:
   * These rules apply to all Carrefour branded products containing palm and palm kernel oil as ingredients including food products (FMCG and FPF) and non-food products (candles, soaps).

Derivatives are excluded from the rule but should be covered as much as possible by the Green Palm/RSPO Mass balance, in particular for environmental products (e.g. Ecoplanet).

* + For the suppliers that consume the most palm oil/palm kernel oil, the merchandise and quality departments implement the traceability of their supply chain up to the trader/first importer.
  + The CSR Department and the Quality Department evaluate traders with regard to Carrefour's requirements. The Group CSR department establishes a methodology for evaluating traders and sends the results of the evaluation to the Merchandise Department. The Merchandise Department ensures that those who comply with Carrefour's policy are preferred and vice-versa.
  + The CSR department establishes the criteria to be met, in particular the application of the policy, to all their supply chains and not only for Carrefour supply, and the merchandise department informs each supplier.
  + Substitution of palm oil by the end of 2022 when this improves the nutritional quality of the product or corresponds to a customer expectation (example: Carrefour Bio). The legal department approves all communications on Carrefour brand products relating to “palm oil-free” products.

1. Brazilian beef:
   * Brazilian suppliers of beef (in nature fresh and frozen, processed or from distributors and warehouses) are geo-monitored and comply with our forest policy or are committed to ambitious policies to combat deforestation. The scope of application concerns the controlled products and the national brands of Carrefour Brazil and Atacadão.
   * Suppliers of beef from Brazil communicate their GPS coordinates to Carrefour's geo-referencing platform. Thanks to satellite data, Carrefour ensures that no direct supplier is located in regions that are:
     + affected by deforestation;
     + under environmental embargo;
     + in protected areas;
     + on land belonging to indigenous populations;
     + or using illegal work.

* The Brazil CSR department, with the support of the merchandise department, ensures supplier compliance and reports publicly on the results of the geomonitoring system in coordination with the Group CSR department.
* The Brazilian CSR department, in conjunction with the merchandise teams, draws up action plans to apply these purchasing rules to indirect suppliers (pilot for indirect suppliers, mobilisation of suppliers by signing a charter, complete traceability project for CQLs, etc.).
* Carrefour Brazil is extending this policy to purchases made from suppliers of industrialised products or from distributors and warehouses for Carrefour and Atacadão.
* Products marketed by the other countries of the group comply with the same requirements if they contain beef of Brazilian origin or another at-risk origin. Local meat origins are preferred.

1. Soya:
   * The products covered by the Soya commitment are Carrefour branded products (including CQL, Organic, RDF). The scope of application concerns fresh and frozen raw products (excluding cooked meats) in the following key MDC: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat.
   * At the initiative of the countries, the implementation of this commitment can go beyond the Group scope for other product families (e.g. cooked meats, dairy products, soya oil, etc.)
   * To meet the commitment, Soya indirectly contained in key CQL and MDC products meets one of the following criteria:
     + **Certified non-deforested** soya with full traceability. Carrefour recognises the Proterra, RTRS, Danau soy and Europe Soy certifications at the minimum segregated level.
     + Soya from non-deforested **local production** (e.g. the sojalim channel in France,

local soya production in Europe, etc.)

* + - From a deforestation **risk-free region** (“green list”)
    - From an at-risk region where a progress plan has been contractualised with producers via a field project such as a Cerrado compensation mechanism validated by the stakeholders
    - Substitution of soya by alternative proteins (field beans, peas, etc.)
  + The country quality department determines the country's soya footprint for all MDC products and maps these supplies by the end of 2021.
  + The Group CSR department draws up and distributes to the countries the green list of validated

non-deforested soya origins in consultation with key stakeholders.

* + The main suppliers of products of animal origin undertake to provide traceability of their supplies as far as traders and undertake, with Carrefour, to ask traders for non-deforestation soya.
  + The CSR Department and the Quality Department evaluate traders with regard to Carrefour's requirements. The Group CSR department establishes a methodology for evaluating traders and sends the results of the evaluation to the Merchandise Department. The Merchandise Department ensures that those who comply with Carrefour's policy are preferred and vice-versa.
  + The CSR department establishes the criteria to be met, in particular the application of the policy, to all their supply chains and not only for Carrefour supplies of animal products containing soya and the merchandise department informs each supplier.
  + **France specific - Soya manifesto:**

In November 2018, France published the National Strategy to Combat Imported Deforestation (SNDI) on all high-risk raw materials (cocoa, soya, palm oil, wood/paper, etc.). In response to this strategy, Carrefour has committed alongside all French distributors, public players and NGOs to the “Manifesto for a mobilisation of French players to fight imported deforestation linked to soya”. This manifesto applies to all players in the soya supply chain. By signing the manifesto, Carrefour undertakes to implement the following clause within the specifications of its own-brand suppliers:

1. The soya in your channels must not come from deforestation areas\* as defined by the HCS and HCV approach, or from remarkable ecosystems that have been legally or illegally converted after the cut-off date of 1 January 2020.
2. As a supplier, you undertake to adhere to the risk management mechanism in accordance with the terms of Articles 3.2 – 3.3. proposed by the report of the "Forest” Scientific and Technical Council of the French Development Agency of the SNDI [see appendix described in the Manifesto].
3. Soya entering your channels must be traceable as far as the first European issuer. Information about your one level back Supplier must be available and provided upon request.
4. Wood - Paper:
   * All Carrefour commercial publications are produced using FSC paper, which is recycled, or which complies with the sustainability requirements defined according to the risk level of the fibres concerned.
   * 10 priority controlled product families are defined as those using the largest volumes of wood and paper for one year.
   * For these 10 families, the merchandise and quality departments ensure that the raw materials used by suppliers comply with the Group’s vision. In concrete terms, depending on the origin of the products, the risk of deforestation is assessed; depending on the level of risk, different certifications or level of guarantees are requested: recycled, FSC certification, PEFC certification or specific audit.
   * During new product developments, optimisation or products already marketed:

1) Remove plastic wherever possible

2) Replace with 'durable' cardboard wherever possible, and if both are incompatible at the same time, remove the plastic

* + When the packaging is made of paper or cardboard (scope of controlled products, e-commerce and stationery), the merchandise department ensures that the cardboard meets the group’s requirements regarding the risk of deforestation. Depending on the origin of the products, the risk of deforestation is assessed ; depending on the level of risk, different certifications or level of guarantees are requested: recycled, FSC certification, PEFC certification or specific audit. Packaging changes can be monitored using the packaging reporting tool (to come).
  + In addition, for these 10 families, all suppliers of products controlled by Carrefour using wood/paper fibres sign the Carrefour Supplier Wood Charter. This document allows Carrefour and its suppliers to share a common vision and the same specifications for forest products.
  + The 10 priority controlled product families identified for the G4 by the French teams are: Toilet paper/Kitchen roll/Printer paper/Nappies/Tissues/Workbooks and notebooks, paper sheets/Napkins and paper tablecloths/Charcoal/Incontinence pads & sanitary towels/Wooden furniture.

1. Cocoa:
   * Sustainability criteria are specified in the Sustainable Cocoa Charter which is sent to suppliers by the merchandise teams. As a minimum basis, suppliers sign the Charter Sustainable cocoa from Carrefour. The Quality and CSR teams validate each supplier’s programmes to meet this Charter and the associated communication.

The purchasing rules initially concern bars of chocolate of Carrefour brands sold within the G4.

* + The CSR department creates a methodology for evaluating traders. The Merchandise Department ensures that those who comply with Carrefour's policy are preferred and vice-versa.

1. Viscose, Lyocell, Modal:

For natural textile materials from wood fibre, the textile teams ensure that the material contained in TEX products meets the group’s requirements regarding the risk of deforestation, the FSC certification level is applied.