

# Taking action to protect the forests and protect biodiversity



- 1. Strategy to tackle deforestation and conversion**
- 2. Palm oil**
- 3. Soy**
- 4. Wood/paper**
- 5. Brazilian beef**
- 6. Cocoa**



# 1. Strategy to tackle deforestation and conversion

## 1.1 Background and challenges

Our planet's forests form the basis of an environmental, economic and social value chain which benefits humankind, simply because of the natural way in which they function. Forests are home to 80% of terrestrial biodiversity and support the livelihoods of 1.6 billion people. Yet thirteen million hectares of forest disappear each year, especially in tropical areas. Several types of production have an impact on forests, including that of palm oil, wood and paper, beef and soy. These crops are gaining ground in existing ecosystems and contributing to illegal logging, which can also affect territories belonging to indigenous peoples and encourage the exploitation of workers.

We have arrived at a watershed moment in consumer behaviour. Consumers' expectations are constantly changing: they are rightly demanding more information, better quality products and greater transparency. Carrefour's goal is to offer customers food that is produced without damaging the planet's biodiversity or its forests. It seeks to do this by selling products that improve farming practices, forestry techniques and manufacturing processes. To preserve biodiversity, protect local populations and counter climate change, Carrefour is committed to tackling supply-chain-related deforestation.

## 1.2 The Carrefour Group's aim

In 2010, Carrefour made a commitment to zero deforestation as part of the Consumer Goods Forum (CGF). Carrefour is taking action within its own supply chains by putting in place safeguards to tackle deforestation (certification, geomonitoring, traceability to guarantee that raw materials are from areas not affected by deforestation). The Group focuses on the raw materials that are most present in its supplies, such as wood and paper, palm oil, Brazilian beef, soy and cocoa. In 2021, the Group set a target of integrating 100% of priority raw materials into a risk reduction plan by 2025. This target is coordinated through the CSR and Food Transition Index.

Carrefour's vision of sustainable forest management is based on the following principles:

1. Protecting high-conservation-value (HCV) forests, peat bogs, high-carbon-stock (HCS) areas and remarkable ecosystems.
2. Banning forest clearance by fire and implementing best practices to reduce greenhouse gas emissions in existing plantations.
3. Observing human rights and workers' rights.
4. Respecting local populations' rights, particularly through a policy of free and informed consent and by preventing land-use conflicts.
5. Supporting small-scale producers through inclusion in sustainable supply chains.
6. Banning GMOs where possible (especially for palm oil and wood) and the use of threatened and endangered species on the International Union for Conservation of Nature (IUCN) red list or listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
7. Reducing the quantity of pesticides, encouraging their responsible use and banning the most dangerous types.

To bolster the Group's ambition on forests and get systemic changes under way, involving all stakeholders in the market, in 2020 Alexandre Bompard, Chairman and CEO of the Carrefour Group, took over joint management of the CGF's Forest Coalition. This platform brings together 20 companies working to tackle deforestation in their supply chains through concrete actions such as the joint assessment of traders' policies and the extent to which they are implemented.

Carrefour is committed to working collectively to tackle deforestation. The CGF Forest Positive Coalition is committed to implementing the following criteria for all member retailers and to monitoring the progress of upstream stakeholders (suppliers and traders) against the same criteria:

- A public commitment to removing deforestation and conversion from the entire commodity business, including a public action plan with clear timelines and milestones for compliance;
- A process in place for regular engagement with direct suppliers and commodity traders;
- A mechanism for identifying and responding to complaints;
- Support for landscape initiatives delivering positive forest development;
- Regular reporting on the main key performance indicators.

## 1.3 Summary of targets

In 2021, the targets were strengthened to affirm the Group's ambition to tackle deforestation and ecosystem conversion, thus protecting terrestrial biodiversity. The table below shows the main targets set by Carrefour as part of its policy on tackling deforestation. These targets are included in Carrefour's CSR and Food Transition Index, which measures the performance of CSR action plans on a quarterly basis.

In 2019, the Group's performance in reaching these targets was incorporated into the criteria used to calculate executive pay: 25% of executive pay is based on these criteria within the framework of a long-term incentive plan, and they are used to calculate 20% of the CEO's pay. Since 2021, the CSR Index has been included as part of the variable remuneration paid to the managers of the integrated countries (COMEX countries) and all employees of the Group entity.

To supplement the work it is doing to tackle deforestation and convert its entire supply chain, Carrefour has become involved in a number of landscape projects specifically for raw materials in 2022. This is so as to implement local multi-stakeholder action that addresses the root causes of deforestation. Carrefour's investment strategy is in line with its commitment made by the CGF's Forest Positive coalition. This aims to bring about positive transformational change for forests in high-priority zones in the countries in which Carrefour operates, as well as in its main supply regions. Working alongside local stakeholders, companies, civil society organisations and governments to support these initiatives, Carrefour seeks to use its influence to create local impact and bring about the wider transformation of production landscapes throughout the world.

The Group is involved in other joint initiatives, particularly in Brazil, establishing synergies with all stakeholders (suppliers, competing distributors, commodity traders, regional and national governments, scientists, NGOs and data and service providers).

Finally, Carrefour was one of the first companies in the sector to report on its forest conservation performance through the Carbon Disclosure Project (CDP), which awarded a B rating in 2021 (B rating for all beef, soy, wood/paper and palm oil categories).

The target for sensitive raw materials has been increased: now the target is for 100% of raw materials to have a risk reduction plan by 2025.

In 2021, for the first time, the CSR and Food Transition Index was published on a multi-annual basis every six months (see section 1.6).



**Table 1: Deforestation targets in the Group's CSR and Food Transition Index:**

Category	Target	Scope	Deadline
Palm oil	100% of palm oil used as an ingredient in Carrefour own-brand products must be certified RSPO Segregated	Carrefour own-brand food products – FMCG and fresh produce (e.g. biscuits, pastries) – and non-food products (e.g. candles, soap) containing palm oil.	2022
Soy	100% of Carrefour Quality Line and key Carrefour own-brand products must use soybeans that are not derived from deforestation for animal feed	Carrefour Quality Line and key Carrefour own-brand products: frozen and fresh raw products: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat.	2025
Wood and paper	<b>Products:</b> 100% of sales of sustainable Carrefour own-brand products in the 10 priority categories must be from sustainable forests	10 priority categories representing more than 80% of the wood and paper used in Carrefour products (e.g. toilet paper, stationery, garden furniture, etc.).	2020
	<b>Packaging:</b> 100% of paper and cardboard packaging of controlled products must comply with the sustainable forests policy	Three areas of application: <b>1.</b> Controlled products. <b>2.</b> Sales/storeroom packaging (e.g. fruit and vegetable bags, catering trays). Non-retail purchasing. <b>3.</b> E-commerce sales and delivery packaging.	2025
	<b>Wood-based textile fibres:</b> 100% of wood-based fibres (viscose, lyocell, modal) must be produced without deforestation in our TEX products.	Carrefour TEX brand products.	2022
Brazilian beef	100% of Brazilian beef suppliers must be geomonitored and in compliance with the forest policy or committed to ambitious policies to tackle deforestation	Beef suppliers, including Tier 1 suppliers (slaughterhouses) and Tier 2 suppliers' farms for fresh, frozen and processed meat. Carrefour Brazil and Atacadão.	2025
Cocoa (G4):	100% of Carrefour own-brand bars comply with our Sustainable Cocoa Charter <sup>1</sup>	France, Belgium, Spain and Italy. Carrefour own-brand chocolate bars.	2023
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy <sup>2</sup>	Joint actions within the framework of the <i>Consumer Goods Forum</i> and the <i>Retailer Cocoa Collaboration</i> implemented by the Group. Food products.	2025

<sup>1</sup> in France, Belgium, Spain and Italy.

<sup>2</sup> palm oil, soya, wood and paper, Brazilian beef, cocoa.

## 1.4 Risks and opportunities

Retail activity is closely linked to the world's forests. Although this link is not immediately apparent, forest protection is a major challenge for the Carre-

four Group. Forest health has a direct impact on the Group's ability to make sustainable use of agricultural and forestry raw materials.

### Risk management:

#### 1. Identified in the Group Risk Analysis

The Carrefour Group uses an annual risk analysis methodology that involves all relevant directorates in each country. This analysis highlights the overall priority risks at the Group level and allows assessments to be as precise as possible in each operational area. The 'Responsible sourcing of raw materials' risk is a priority CSR risk, requiring special consideration and management.

In the context of the Non-Financial Performance Statement and due diligence, Carrefour has put in place several specific tools for analysing and managing the risks associated with raw materials. These mainly comprise accurate and clear maps, allowing the level of risk assessment to be refined on an ongoing basis.

#### 2. Through raw material analysis

Carrefour conducts a risk analysis of the sensitive raw materials used in its products. This analysis assesses the societal issues associated with each raw material on the basis of requests from stakeholders (investors, rating agencies, NGOs, the media, customers and public authorities) and literature reviews. The importance of these issues is then cross-referenced with Carrefour's sales volumes for each raw material. This information is updated on a regular basis. A list of priority raw materials is identified based on their impact on forests and their materiality in Carrefour's supplies. The following raw materials are the subject of

specific action plans: palm oil, soy, wood and paper, Brazilian beef, cocoa, coffee and viscose.

Through its procurement policies, certification, innovative traceability systems, or by setting up the necessary collaborations, Carrefour has codeveloped action plans targeting its priority raw materials with its stakeholders. It does this by testing such solutions as they are developed and sharing progress, as well as best practices to be applied across the board and/or obstacles that it has identified.

#### 3. Handled as part of due diligence (alert handling process)

The Carrefour Group governance bodies identify the policies to be put in place in accordance with the assessment of risks to human rights, health and safety, and the environment. Deforestation-related alerts are continuously monitored to identify, prevent and mitigate this risk. During 2021, the Carrefour Group strengthened its policies and prioritised the actions to be implemented based on the identified alerts.

Alerts are analysed by various bodies, depending on where they come from, and are handled by the relevant departments. Incident alerts and risks are prioritised and listed in order of importance, and investigations are conducted based on the level of risk identified.

Carrefour's partners and employees are all permanent conduits for raising the alert when necessary. Several channels through which alerts can be escalated have been identified:

- alerts or incidents identified internally through audits implemented by the group (e.g. social audits, quality audits), monitoring by employees and trade union dialogue;
- the ethics hotline, accessible to all employees and partners, and the COVID alert line;
- stakeholder dialogue (e.g. bilateral alerts, panels, working sessions), publications mentioning the Carrefour Group (e.g. thematic ranking, reports, press articles);
- sector alerts.

## 1.5 Summary of action plans

The raw materials listed below have been identified as high-risk raw materials and are the focus of specific action plans.

Raw material at risk of deforestation	Deployed solutions	Indicators	Progress against action plans in 2021
Palm oil	<ul style="list-style-type: none"> <li>Shared forest purchasing policy and rules at Group level</li> <li>Supplier engagement through webinars, letters, individual interviews</li> <li>Promotion of sustainable palm oil based on RSPO certification</li> <li>Replacing palm oil in certain products where this improves the nutritional profile or is customer-driven (Carrefour Bio)</li> <li>Investment in regional projects using the landscape approach to initiate sector-wide transformations at the regional level</li> <li>Collective mobilisation of traders through the CGF (Palm Oil Transparency Coalition (POTC) assessment and bilateral interviews), impact on purchasing decisions</li> <li>Mobilisation of employees and clients to tackle the challenges of palm oil deforestation through Carrefour's committed consumer and ambassador communities</li> </ul>	Share of palm oil used in certified sustainable and fully traced products (minimum of RSPO Segregated)	79.2%
		Share of palm oil used in RSPO certified or equivalent controlled products	99.4%
Soy	<ul style="list-style-type: none"> <li>Shared forest purchasing policy and rules at Group level</li> <li>Supplier engagement through webinars, letters, individual interviews</li> <li>Use of non-GMO soybean whose geographical origin can be traced and is not associated with deforestation/conversion</li> <li>Development of local animal feed lines that are guaranteed to cause zero deforestation in all countries</li> <li>Use of recognised certifications at segregated level (ProTerra, Round Table on Responsible Soy Association (RTRS), etc.)</li> <li>Development of vegetarian/vegan ranges offering an alternative to animal proteins</li> <li>Investment in regional projects using the landscape approach to initiate sector-wide transformations at the regional level</li> <li>Signature of the Soy Manifesto "to mobilise French stakeholders to tackle imported deforestation related to soy", integrating non-deforestation/conversion criteria into the specifications.</li> <li>Collective mobilisation of traders through the CGF (Soy Transparency Coalition (STC) assessment and bilateral interviews), impact on purchasing decisions</li> <li>Support for the Amazonian Soy Moratorium and SOS Cerrado Manifesto</li> <li>Participation in the French National Platform for Combating Imported Deforestation (SNDI) and the Forest Scientific and Technical Committee (CST) on Soy</li> <li>Mobilisation of employees and clients to tackle the challenges of soy deforestation through Carrefour's committed consumer and ambassador communities</li> </ul>	<p>Percentage of Carrefour Quality Lines and other key Carrefour own-brand products using zero deforestation soy for animal feed</p> <p><i>Indicator launched in 2021</i></p>	2.9%

Raw material at risk of deforestation	Deployed solutions	Indicators	Progress against action plans in 2021
Wood/Paper (priority categories)	<ul style="list-style-type: none"> <li>Shared forest purchasing policy and rules at Group level This policy applies to 10 priority categories representing more than 80% of wood and paper supplies</li> <li>Promotion of sustainable wood supplies, based on Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) and Recycled certifications or carrying out specific audits according to the level of risk.</li> <li>Collective mobilisation within the CGF Pulp, Paper and Packaging Working Group to align criteria on tackling wood-related deforestation and mobilise key stakeholders</li> <li>Mobilisation of employees and clients to tackle the challenges of wood/paper-related deforestation through Carrefour's committed consumer and ambassador communities</li> </ul>	Indicator: Sales of PEFC and FSC products (millions of euros)	€545 million
		Share of Carrefour own-brand products in ten priority categories sourced from sustainable forests (%)	79.5%
Wood/Paper cardboard packaging:	<ul style="list-style-type: none"> <li>Shared forest purchasing policy and rules at Group level</li> <li>Promotion of sustainable packaging supplies, based on FSC, PEFC and Recycled certifications or carrying out specific audits according to the level of risk.</li> <li>Collective mobilisation within the CGF Pulp, Paper and Packaging Working Group to align criteria on tackling wood-related deforestation and mobilise key stakeholders</li> <li>Mobilisation of employees and clients to tackle the challenges of wood/paper-related deforestation through Carrefour's committed consumer and ambassador communities</li> </ul>	Share of paper and cardboard packaging used with controlled products in compliance with our zero deforestation forest policy	Reporting methodology currently being developed
Wood/Paper: textile	<ul style="list-style-type: none"> <li>Shared forest purchasing policy and rules at Group level</li> <li>Promotion of wood-based textile fibre supplies (viscose, lyocell or modal) from sustainable sources, based on FSC certification</li> <li>Mobilisation of employees and clients to tackle the challenges of wood/paper-related deforestation through Carrefour's committed consumer and ambassador communities</li> </ul>	Percentage of wood-based textile fibres produced without deforestation in our TEX products  <i>Indicator launched in 2021</i>	40%

Raw material at risk of deforestation	Deployed solutions	Indicators	Progress against action plans in 2021
<b>Brazilian beef</b>	<ul style="list-style-type: none"> <li>● Shared forest purchasing policy and rules at Group level</li> <li>● Geomonitoring platform that maps the location of beef suppliers, including tier 1 suppliers (slaughterhouses) and tier 2 supplier farms. If there are instances of non-compliance, the Group makes business decisions accordingly.</li> <li>● Monitoring of indirect suppliers using the Visipecc tool in collaboration with National Wildlife Federation</li> <li>● Investment in regional projects using the landscape approach to ensure full traceability from calf production to the store</li> <li>● Collective mobilisation of slaughterhouses within the CGF to initiate collective actions on monitoring indirect suppliers, evaluate slaughterhouses and guide purchasing decisions.</li> <li>● Mobilisation and awareness-raising within the Brazilian distribution sector to encourage use of the Beef on Track (<a href="https://www.beefontrack.org/">https://www.beefontrack.org/</a>) harmonised protocol for monitoring beef supplies at the national level</li> <li>● Mobilisation of employees and clients to tackle the challenges of beef-related deforestation through Carrefour's committed consumer and ambassador communities</li> </ul>	<p>Percentage of Brazilian beef suppliers geomonitored and compliant with our forest policy or committed to an ambitious policy to tackle deforestation</p>	<p>86.9%</p>
<b>Cocoa</b>	<ul style="list-style-type: none"> <li>● Shared forest purchasing policy and rules in France, Spain, Belgium and Italy</li> <li>● Cocoa Commitment Charter, applicable to all suppliers of Carrefour own-brand chocolate bars (pillars: tackling deforestation and child labour, fairer remuneration, traceability and transparency)</li> <li>● Partner of the Transparence Cacao (Transparency Cocoa) programme, ensuring full traceability of cocoa beans from the planter to the consumer, helping to tackle deforestation and improve planters' living conditions</li> <li>● Collective mobilisation of traders through the Retailer Cocoa Collaboration (RCC) (trader assessment and bilateral interviews), impact on purchasing decisions</li> <li>● Involvement in the French Initiative on Sustainable Cocoa, which brings together governments, NGOs, chocolate unions, retailers, traders and scientists to work collectively towards a sustainable cocoa sector.</li> <li>● Mobilisation of employees and customers to tackle the challenges of cocoa-related deforestation through Carrefour's committed consumer and ambassador communities</li> </ul>	<p>Percentage of Carrefour own-brand chocolate bars that comply with our sustainable cocoa charter</p> <p><i>Indicator launched in 2021</i></p>	<p>30.8%</p>



## 1.6 Organisation and governance

- **The Group Executive Committee** defines the CSR strategy, policies and targets, and evaluates CSR performance. The executive committees of each country rolls the strategy out locally;
- **Carrefour's Board of Directors** approves the strategy drawn up by the Group Executive Committee and evaluates its implementation. Operating through the dedicated CSR Committee, in 2021 the Board formulated commitments on monitoring the performance of the CSR and Food Transition Index, on Group strategies relating to health and nutrition, on reducing greenhouse gas emissions, on cutting packaging, on developing the organic market, and on diversity and youth employment. The Committee reviews the Group's performance annually as part of the Non-Financial Performance Statement and the due diligence plan. In 2021, a special committee was set up to validate the targets in the new CSR and Food Transition Index for 2021–2025 (see section 1.5.5.).

At Group level, Alexandre Bompard leads a **Food Transition Committee**, which brings together the various stakeholders responsible for implementing the food transition and defines the strategic directions based on the results and consumption trends. The Engagement department, the Strategy and Transformation departments and country-based departments coordinate the roll-out of the food transition and CSR programmes in a consistent way across the entire Group:

- **The Secretary General** oversees implementation of the food transition throughout the Group and is responsible for the Food Transition Steering Committee (Section 2.1.1.4.1). The Group's General Secretariat coordinates the roll-out of the food transition, CSR policies and the due diligence plan in a consistent manner across all countries. The CSR Department, Audit and Risk Department, Legal Department and Organic Market Department all report to it;
- **The Engagement Department:** On 1 February 2022, the Group announced the creation and appointment of an Engagement Director. The Engagement Director is the executive director of the Carrefour Foundation and a member of the Group's Executive Committee. The Engagement Department translates the Group's social and environmental commitments into practice and makes a significant contribution to the Group's positive impact on the planet.
- **The Carrefour Group Strategy and Transformation Department** is in charge of defining and rolling out the Carrefour 2022 strategic plan targets. The strategic plan includes, inter alia, the food transition for all targets;
- **The Goods Department** sets the CSR and Food Transition targets for responsible purchasing and products. It is responsible for the Committee on Purchasing Rules for the Food Transition. The Goods and Quality departments then ensure that the targets are rolled out and the purchasing rules for the food transition are implemented in all countries where the Group operates.

<b>Governance bodies</b>	Executive Committee	<ul style="list-style-type: none"> <li>• Defines strategy, policies and targets, and evaluates performance.</li> <li>• Country executive committees roll out the food transition for all strategy locally.</li> </ul>
	Board of Directors and CSR Committee	<ul style="list-style-type: none"> <li>• Validate the strategy established by the Executive Committee and evaluate its implementation.</li> <li>• A CSR committee meets twice a year and reports to the Board.</li> </ul>
<b>Group departments</b>	General Secretariat	<ul style="list-style-type: none"> <li>• Coordinates the roll-out of the food transition across the entire Group.</li> <li>• The CSR Department, Organic Market Department, Audit and Risk Department and others all report to it.</li> <li>• The Secretary General consults the Food Transition Steering Committee.</li> </ul>
	Strategy Department	<ul style="list-style-type: none"> <li>• Responsible for defining and rolling out the Carrefour 2022 strategic plan targets.</li> <li>• Coordinates the roll-out of the food transition for all strategic targets (development of organic products, own-brand product, local product selection, etc.).</li> </ul>
	Country departments	<ul style="list-style-type: none"> <li>• In all countries, the CEO is responsible for implementing the food transition for all commitments.</li> <li>• Representatives responsible for the food transition strategy and corporate social responsibility teams set out each country's objectives in line with the Group and report on performance.</li> </ul>
<b>Operational departments</b>		<ul style="list-style-type: none"> <li>• The Format (Physical and E-Commerce) and Business Line (quality, goods, etc.) departments implement the food transition for all and the CSR action plans</li> </ul>

The **Committee on Purchasing Rules for the Food Transition** analyses the risks and alerts associated with Carrefour supply lines and defines the associated strategies and targets to be implemented. It ensures that the purchasing rules for the food transition across the Group are implemented by the relevant business lines. This committee meets fortnightly, is chaired by the Group's Executive Director for Goods and Formats, and includes representatives from the following key departments: Goods, Quality, CSR, Strategy, Audits and Risks, Legal, Own Brand, Communication and Global Sourcing.

- In 2020, the CSR and Food Transition Index targets were reviewed by the committee for the period 2021–2025. The sustainable forest policy performance indicators are incorporated into the CSR and Food Transition Index. This index is given a 25% weighting as a criterion in a long-term executive compensation plan and a 20% weighting in compensation for the Chairman and Chief Executive Officer.

The **purchasing rules for the food transition** have been updated and sent to all countries. The purchasing rules are defined in a cross-category manner by the Group and disseminated for application in all countries. The various departments represented on the risk and procurement committee are responsible for enforcing the rules in the countries where the Carrefour Group operates.

## 1.7 Coalitions, partnerships and stakeholder dialogue

Carrefour acts on supply chains identified as being at risk. The Group ensures compliance with CSR and food transition rules in all countries where it operates. Rolling out demanding purchasing policies and engaging suppliers are key steps in tackling deforestation in the Group's supply chains. However, this necessary step is not sufficient to bring about structural changes in the production areas. This is why Carrefour works via multi-stakeholder platforms at the local, international and state levels to enable joint efforts to preserve ecosystems.

In 2020, to bolster its ambition with regard to protecting forests and to get systemic changes under way involving all stakeholders in the market, the Group took over the co-leadership of the CGF Forest Coalition. The Coalition's aim is to accelerate efforts to eliminate deforestation in companies' individual supply chains by complementing them with joint solutions. The Coalition seeks to collectively define the strictest requirements, undertake transformational change in key regions and report on progress in a transparent manner. Within the CGF Forest Positive Coalition, Carrefour and the other partner companies jointly set the requirements for their operations to reduce the risk of deforestation.

Carrefour is working at different scales to deploy the various levers at its disposal through:

- Joint international initiatives to improve market standards (e.g. certification bodies, CGF, etc.);
- Local initiatives to enable a field approach (see detailed sections for each raw material below);
- Collaboration with governments (e.g. manifestos, SNDI);
- Ongoing bilateral dialogue (e.g. with NGOs, suppliers);
- Multi-stakeholder consultations to co-build action plans (panel)

Carrefour is working to identify the ecosystem of relevant stakeholders to co-build its action plans and work collectively to tackle deforestation. The Group has created mechanisms for dialogue and collaboration to address the challenges associated with each type of stakeholder along the entire value chain. The mapping below summarises the dialogue mechanisms which have been implemented.

## Stakeholder mapping and associated challenges

Stakeholder	Associated challenges	Relationships maintained and engagement levers	Example of initiative and main stakeholders
Indirect producers	Traceability for stakeholders in supply chains beyond tier 1	Establishment of lines with full traceability	Inclusion of criteria for zero-deforestation soy in the specifications for producers of key own-brand products
	Integration of sustainability criteria and roll-out of best practices within production chains	Implementation of regional approaches	Regional project in partnership with IDH for regional monitoring of calf production in Brazil (Mato Grosso)
Direct suppliers (manufacturers, slaughterhouses, etc.) and national brand suppliers	Supplier commitment to implementing ambitious policies on tackling deforestation	Integration of requirements through the business relationship for own-brand suppliers (product specifications)	Definition of supply criteria, CSR and food transition purchasing rules and ambitious targets for own-brand products
	Supply monitoring, compliance with Carrefour Group sustainability criteria and exclusion of products linked to deforestation	Evaluation and monitoring to exclude products linked to deforestation	Geomonitoring of beef suppliers in Brazil
	Engagement of national brands in efforts to tackle deforestation	Voluntary commitment within the Food Transition Pacts at Group and country level and through the CGF	Joint evaluation within the CGF involving national brands in defining joint requirements
Traders	Commitment by traders to implement ambitious policies to tackle deforestation	Evaluation of policies to tackle deforestation under the CGF and the RCC	100% of key traders assessed via STC, POTC, RCC and CGF Beef Coalition
	Supply monitoring, compliance with Carrefour Group sustainability criteria and exclusion of products linked to deforestation	Engagement of key traders identified through meetings, letters, webinars, etc.	
Regulators and certification authorities	Full traceability of certified products	Participation in standards review committees	RTRS, RSPO, FSC, Rainforest Alliance/UTZ, Proterra, Max Havelaar
	Reduction in the gap between premium certified products and conventional products linked to deforestation	Support for local initiatives (RTRS in Brazil)	Executive Director of Carrefour Spain appointed FSC National Ambassador for Forests
		Regular dialogue (bilateral or within platforms)	
Governments and ministries	Collaboration to define common requirements to improve market standards	Participation in joint initiatives such as SNDI, CST on Soy, IFCD (French Initiative on Sustainable Cocoa), GTPS (working group on sustainable cattle) on beef in Brazil etc.	Soy and cocoa manifestos launched with the French government.

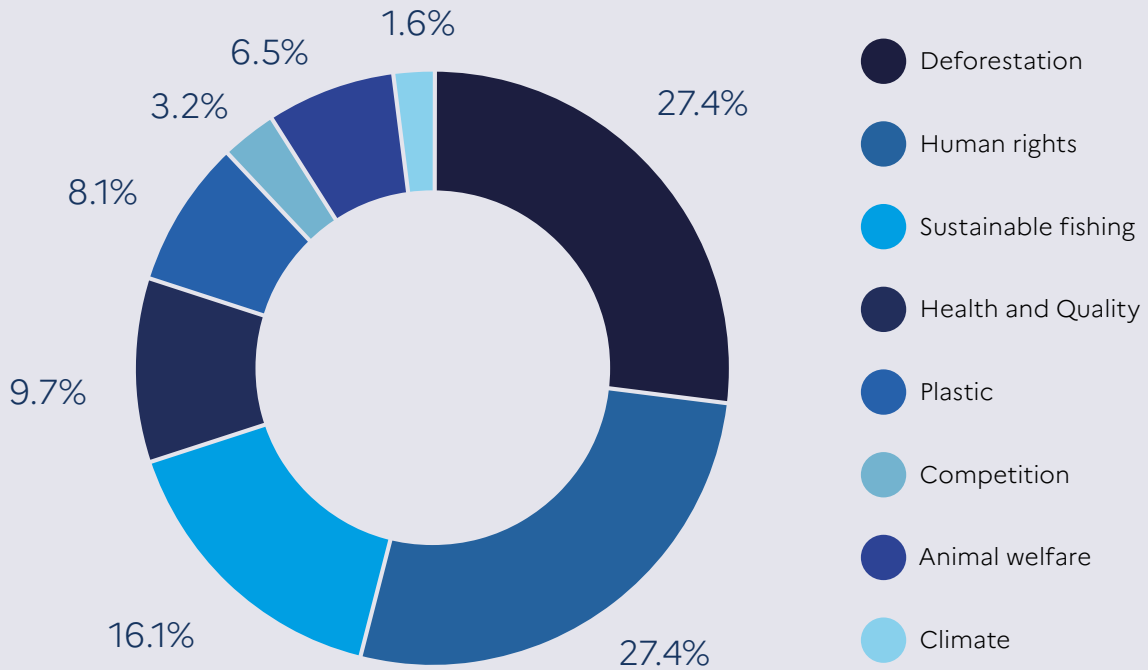
Stakeholder	Associated challenges	Relationships maintained and engagement levers	Example of initiative and main stakeholders
Retailers	Collaboration to define common requirements to improve market standards	Collaboration as part of joint initiatives	CGF, co-lead of the Forest Positive Coalition, joint evaluation of soy traders via the Soy Transparency Coalition and palm oil traders via the Palm Oil Transparency Coalition, development of a single beef evaluation system.
	Joint initiatives to facilitate large-scale implementation of the solutions identified		Joint evaluation of cocoa traders via the Retailer Cocoa Collaboration.
			Working group of French retailers on the Soy Manifesto.
Ratings agencies and investors	Carrefour transparency with regard to its action plans and targets, enabling performance to be assessed in a comparable manner	Regular bilateral dialogue	CDP Forest, Vigeo Eiris, ISS Oekom, Sustainalytics, etc.
	Carrefour involvement in the definition of and compliance with international standards and benchmarks to accelerate market transformation	Response to questionnaires	Individual investors (e.g. BNP-PAM)
		Reaction to controversies	
NGOs	Reconciliation of Carrefour's objectives with civil society expectations	Regular bilateral dialogue	WWF, Mighty Earth, Canopy, Global Canopy, Earthworm Foundation, NWF, Imaflo, Greenpeace, Proforest, Tropical Forest Alliance, Rainforest Foundation Norway, etc.
		Inclusion in multi-stakeholder panels	
Employees	Internal mobilisation on forest issues	Mobilisation of departments through the Committee on CSR and Food Transition Purchasing Rules	Club of committed ambassadors to encourage internal mobilisation on food transition issues
	Leadership of goods teams	Mobilisation of teams via webinars, country committees, and CSR and food transition rules	Roll-out of CSR and food transition policies integrated into the training process for teams
		Engagement of countries where Carrefour operates via the Forest Committee with one forest ambassador per country nominated	Forest targets included in the CSR and Food Transition Index, impacting variable remuneration for executives
Customers	Mobilisation of consumers on forest issues	Communications events on forest issues in stores and via online webinars with committed consumers	Club of committed consumers aims to raise customer awareness of food transition topics such as forest preservation
	Making efforts to tackle deforestation and the food transition a reality for customers	Roll-out of solutions to tackle deforestation without impacting the final price	Regional project in Brazil with an affordable, 100% traced calf
	Free deforestation products affordable for all		Pooling of tools between retailers to provide safe products for customers



## 1.8 Reporting on alerts and stakeholder dialogue

As part of the work of the Committee on Rules for the Food Transition, more than sixty alerts were dealt with in 2021 on various topics related to products sold and supply chains.

**Alerts dealt with through the Committee on Rules for Food Transition by theme**



In 2021, 27% of the alerts dealt with by the Committee on Purchasing Rules for the Food Transition were related to deforestation and conversion issues linked to beef and soy production. These were either directly (via civil society requests or reports mentioning Carrefour) or indirectly linked to Carrefour (via media outlets addressing industry practices at manufacturers or competitors). The main topics covered were: forest fires linked to beef production in the Pantanal and Amazon and soy in the Cerrado, traceability of beef supplies from the first tier, tools for assessing trader performance and the draft European law on tackling imported deforestation.

Interactions with stakeholders are prioritised to accurately identify the risk mitigation measures to be put in place. The Carrefour Group has therefore built up relationships with NGOs, associations, suppliers, customers, investors, trade unions, stakeholder coalitions, public authorities and a wide range of other relevant stakeholders. It engages in bilateral dialogue with them within the framework of working sessions. As part of its stakeholder inclusion process, the Carrefour Group also responded publicly and transparently to questionnaires sent by NGOs.

## Summary of stakeholder dialogue on due diligence in 2021

Type of risk involved	Dialogue related to risks identified in 2021
<b>Environmental risks</b>	<ul style="list-style-type: none"> <li>● <b>Bilateral dialogue:</b> Maintained priority dialogue on forest issues (mainly beef, soy, wood/paper, palm oil, cocoa), use of pesticides or GMOs, feeding of aquaculture fish, banana, red fruit or tomato production.               <ul style="list-style-type: none"> <li>■ <b>Ad-hoc dialogue</b> with: Greenpeace, National Wildlife Federation, Envol Vert, Earthworm Foundation, Rainforest Alliance Norway, European Forest Institute, SumOfUs, Riposte Verte Changing Markets Foundation, Max Havelaar, Banana Link</li> <li>■ <b>Regular dialogue:</b> <ul style="list-style-type: none"> <li>▣ Regular updates with WWF as part of the historic partnership with Carrefour. The topics covered in 2021 related to the sustainable fisheries policy, the policy on tackling deforestation (mainly soy and cocoa), natural capital (participation in the Natural Capital Lab) and the Science Based Targets for Nature commitment programme.</li> <li>▣ Bimonthly updates with the NGOs Mighty Earth and Canopy on soy and beef supply issues.</li> <li>▣ Regular updates with representatives of the National Strategy to Combat Imported Deforestation on forest-related issues (soy, cocoa, beef/leather)</li> <li>▣ Bimonthly updates with Eurocommerce, during which the Group shares its views on forest protection issues to do with proposed legislation involving the retail sector.</li> </ul> </li> </ul> </li> <li>● <b>Stakeholder coalition:</b> <ul style="list-style-type: none"> <li>■ Carrefour is a member of the Consumer Goods Forum. In this context, the Group is actively involved in the soy, wood and paper, palm oil, beef and plastic coalitions. Alexandre Bompard, for example, has become joint leader of the coalition to combat deforestation.</li> <li>■ Carrefour is part of the French national platform to tackle imported deforestation (SNDI) and participates in the Forest CST on Soy, as part of which the Soy Manifesto of French stakeholders taking action against deforestation was launched.</li> <li>■ Carrefour is involved in the French retailers' working group coordinated by the Earthworm Foundation to take joint action to implement this French manifesto.</li> <li>■ Carrefour is also part of a working group for retailers in France collectively involved in tackling the issue of feeding fish on fish farms. The primary focus is on salmon and animal welfare, and the overarching aim is to improve aquaculture practices.</li> </ul> </li> <li>● <b>Response to questionnaires</b> focused, for example, on:               <ul style="list-style-type: none"> <li>■ the bovine supply chain in Brazil (questionnaires from NGOs Envol Vert, Notre Affaires à Tous, Mighty Earth, Canopy, Commission Pastorale de la Terre),</li> <li>■ assessments of zero deforestation commitments made by companies (questionnaire from the <i>European Forest Institute</i>),</li> <li>■ environmental assessment of the paper policy (questionnaire from Riposte Verte),</li> <li>■ assessment of palm oil supply policies (questionnaire from WWF)</li> <li>■ the feeding of aquaculture fish (questionnaire from the Changing Markets Foundation)</li> <li>■ MSC-sustainable fishing certified seafood products (questionnaire from Bloom / Foodwatch)</li> </ul> </li> </ul>

## Example of an identified alert and corrective action plan

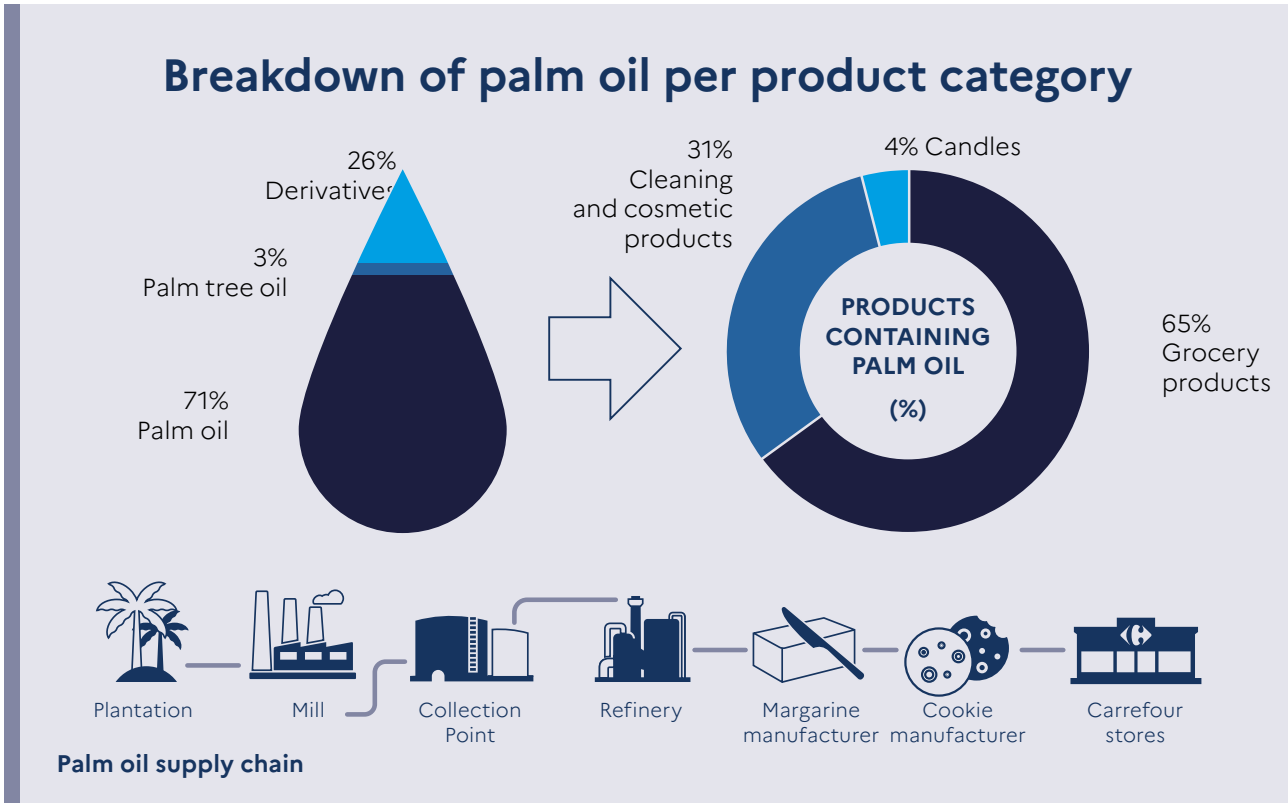
Risk manifested or alerts identified in 2021	Associated risk(s)	Additional measures in 2021 and strengthening of existing action plans
<p>Carrefour Belgium beef jerky linked to deforestation (December 2021)</p>	<p>Use of raw materials whose value chain has been called into question over its environmental, social and/or ethical impact</p>	<p>Alert raised by Repórter Brasil in partnership with the NGO Mighty Earth regarding the sale of Jack Links brand products linked to deforestation in the Amazon and sold at Carrefour Belgium stores. The Group carried out an immediate investigation and announced that the sale of beef jerky from this producer linked to a high risk of deforestation had been stopped. This business decision was made within the framework of the Carrefour Committee on Purchasing Rules for the Food Transition.</p> <p>Carrefour purchasing rules relating to CSR and the food transition specify strict monitoring of beef supplies via geomonitoring in Brazil. For beef sold in other countries where the Group operates, local supplies are favoured.</p> <p>Carrefour declares that it is taking the necessary steps to implement and comply with its purchasing rules. Should it be found that other products contain Brazilian beef with a proven risk of deforestation, the Group will then take the same decision to stop sales.</p>

## 2. Palm oil

### 2.1 Background and transparency

Palm oil and its derivatives are used as ingredients in Carrefour own-brand products, including foods such

as cereals and cakes, hygiene products such as soap and other products such as candles.



**Footprint** (Group-wide): 8,091 tonnes in 2021

**Origins:** Malaysia, Indonesia, Guinea, Colombia, Guatemala, Côte d'Ivoire, Honduras, Costa Rica, Brazil, Cameroon, Panama, Ecuador, Peru, Solomon Islands, Thailand, Cambodia, Venezuela, Papua New Guinea

### 2.2 Targets and performance

#### Targets:

Carrefour aims to reduce the amount of palm oil in its own-brand products when this has a nutritional benefit or is customer-driven. This is why the group has set a target of replacing the palm oil in its Carrefour Bio products in France, Spain, Italy and Belgium. Furthermore, for own-brand products containing palm while, the Group guarantees that the oil used will be produced sustainably by 2022 (segregated RSPO level as a minimum).

Category	Target	Deadline
Palm oil	Replace palm oil in Carrefour Bio products (France, Spain, Italy, Belgium)	-
Palm oil	100% of palm oil used as an ingredient in Carrefour own-brand products must be certified RSPO Segregated	2022

To go further, Carrefour is mobilising upstream stakeholders in its supply chains (palm oil traders) to share

its ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) assessed and working towards compliance with the forest policy <sup>3</sup>	2025

#### Performance:

Indicator – Palm oil (2)	2021 value	2020 value	Change	Target
Share of palm oil used in certified sustainable and fully traced products (RSPO Segregated)	79.2%	54.6%	+ 24.6 pts	100% by 2022
Share of palm oil used in RSPO certified or equivalent controlled products	99.4%	86.2%	+ 13.2 pts	-
Replace palm oil in Carrefour Bio products (France, Spain, Italy, Belgium)	100% (France and Belgium)	-		100% (G4)

Substantial efforts were made in 2021 to ensure RSPO Segregated or Mass Balance certification of almost all (99.4%) the palm oil contained in Carrefour own-brand products. In addition, the 2021 target for certified sustainable and fully traced palm oil has almost been met, so the Group is on course to meet its final target of 100% in 2022. The breakdown of different certification schemes in 2021 is as follows:

- 2.07% of palm oil certified RSPO Identity Preserved.
- 77% of palm oil certified RSPO Segregated.
- 20.22% of palm oil certified RSPO Mass Balance.
- 0.07 % of palm oil covered by RSPO credits.

As regards replacing palm oil in Carrefour Bio products, the target has been achieved in France and Belgium and is being finalised in Italy and Spain. Finally, 100% of key traders have been assessed and actions are under way to reflect these results in the Group's purchasing decisions.

<sup>3</sup> palm oil, soy, wood and paper, Brazilian beef, cocoa.



## 2.3 Action plans

Since 2010, Carrefour's policy has been to replace palm oil in its own-brand products when this improves the product's nutritional quality or is custom-

er-driven. For Carrefour own-brand products containing palm oil, the Group guarantees that the oil used will be produced sustainably by 2022.

### In supply chains:

Carrefour uses RSPO (*Roundtable on Sustainable Palm Oil*) certification as the minimum standard for palm oil in Carrefour own-brand products.

Carrefour also endeavours to ensure that it sources from suppliers capable of providing physically traceable and sustainable palm oil. The Group is working with its main suppliers to map the supply chain through to the relevant guarantee point. This approach to traceability also enables Carrefour to ensure that its suppliers share its procurement policy.

### Upstream stakeholder engagement:

To change upstream practices in its supply chain, Carrefour maintains a dialogue with the main palm oil importers at various levels, through its involvement in joint initiatives and through bilateral exchanges to share its ambition of zero deforestation throughout the supply chain. As part of the CGF Forest Coalition, Carrefour supports the introduction of more strin-

gent requirements for traders. A shared trader performance evaluation system, via the *Palm Oil Transparency Coalition*, was built to engage with traders and allow each company to focus its procurement on the most virtuous traders. In 2021, all of the key palm oil importers that we use for Carrefour supply chains were assessed and committed via the POTC.

### Support for regional projects:

To supplement the work it is doing to tackle deforestation and conversion across its whole value chain, Carrefour supports a number of regional projects, the aim being to develop multi-stakeholder local action and tackle the root causes of deforestation. Details of the palm oil project supported in 2021:

- Siak and Pelalawan Landscape Programme (SPLP):

As a member of the Forest Positive Coalition, in 2020 Carrefour participated in a joint investment in the Siak Pelalawan programme to strengthen the social and environmental well-being of Siak District (Riau province) and its communities, one of the largest palm oil producing districts in Indonesia. The purpose of this programme is to produce palm oil without deforestation, thus helping to improve sub-

sistence resources and upholding human rights. The aim has been reached thanks to a collaboration with existing organisations. An effective deforestation surveillance and response system has been put in place across the district, eliminating it both within the district and beyond, across palm oil concessions and company supply chains. To assess the impact of this approach, SPLS will develop a deforestation surveillance and response system, working alongside the district's government and partners. This will provide the district's government with basic data about small-scale palm oil farmers and environmental conditions. The result will be improvements to the governmental programme to provide long-term support. Project supported in partnership with Daemeter Consulting and Proforest.

## 2.4 Coalitions and partnerships

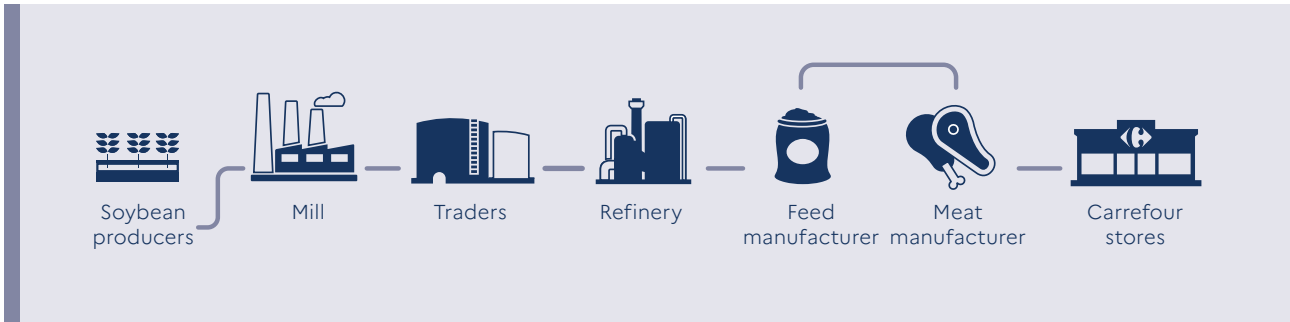
- Palm Oil Coalition of Action Consumer Goods Forum (CGF)
- Roundtable on Sustainable Palm Oil (RSPO)
- Palm Oil Transparency Coalition (POTC)

# 3. Soy

## 3.1 Background and transparency

Soy, in all its forms (sprouted soy seeds, beans, soy oil, etc.) is a common ingredient in many foods today. However, nearly three-quarters of the world's soy is used as a source of protein in animal feed. Soy is

therefore used indirectly to produce dairy products, as well as poultry, eggs, pork and beef and farmed fish.

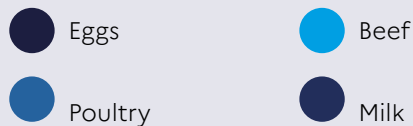
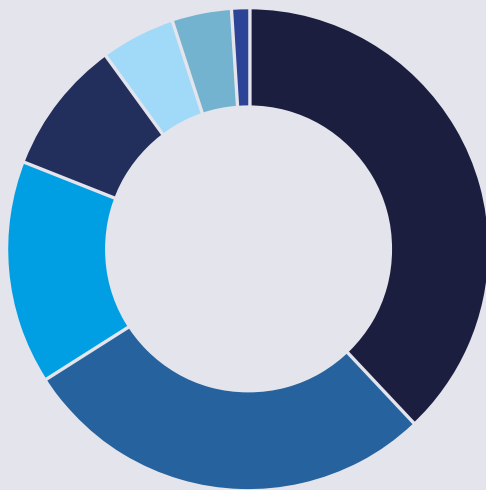


**Footprint** (Group-wide): 170,542 tonnes in 2020

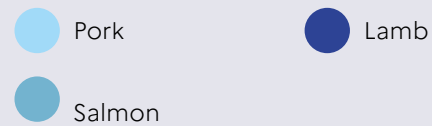
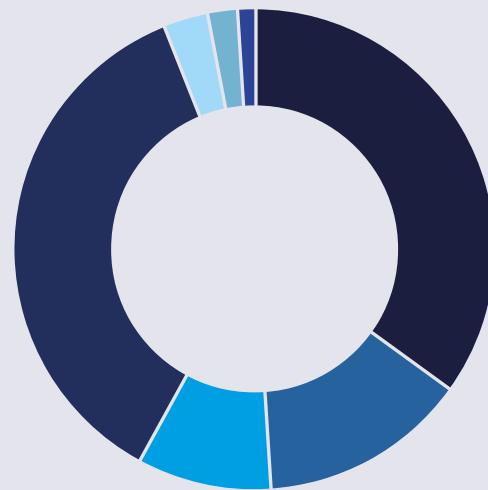
**Footprint** (France): 98,000 tonnes in 2020

### Footprint by product category:

Soy footprint (Group)



Soy footprint (France)

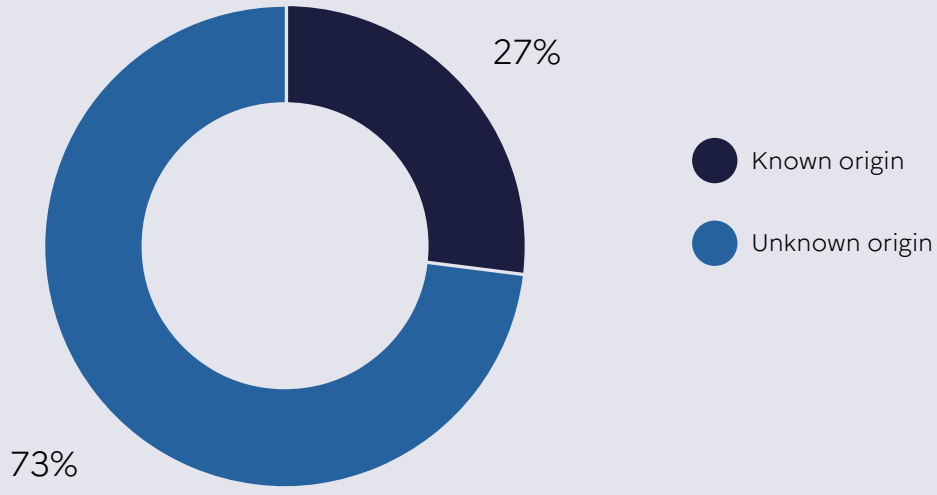


**Origins:** India, China, Canada, United States, Ethiopia, Brazil, Argentina, Bolivia, Paraguay, France, Spain, Thailand, Romania, Italy, Nigeria, Russia, Togo, Ukraine

To improve visibility of the origin of soy within its supply chain, Carrefour has conducted surveys of its di-

rect suppliers to obtain more accurate information on the sources of integrated soy and to establish the proportion of traceable soy not linked to deforestation. Currently, 73% of soy comes from unknown sources and 27% from known sources.

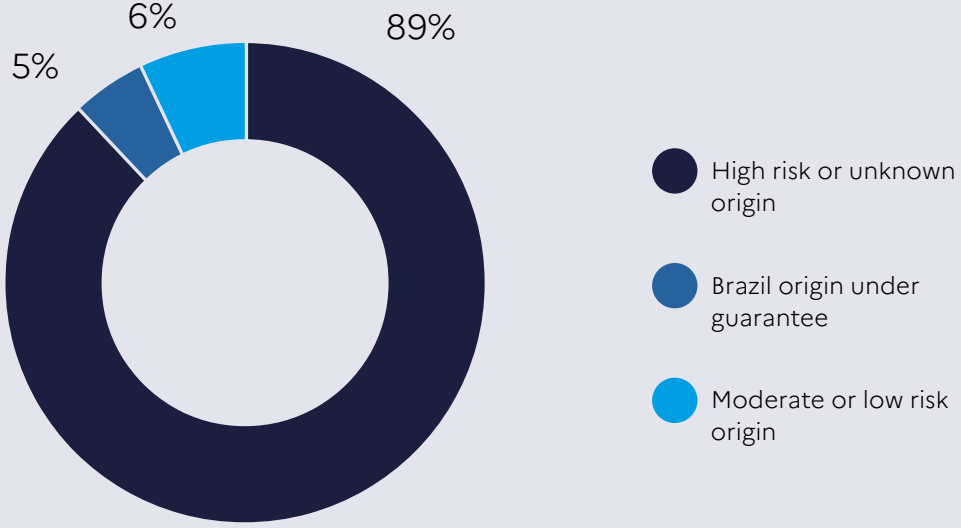
### % with known origin



Based on this information, Carrefour then developed internal soy mapping, identifying sources with a high or low risk of deforestation (based on public reports).

This allowed Carrefour to compile the soy footprint by origin classification (see figure below).

### Soy footprint per origin (Group)



Soy from high-risk or unidentified sources represents 88.1% of Carrefour's global soy footprint. The areas considered to be high risk for soy are: Brazil (without guarantee), Paraguay, Argentina and Bolivia.

Soy of moderate or low-risk origin accounts for 6.4% and includes soy from Europe, Canada, USA, India, etc.

Brazilian soy of guaranteed origin accounts for 5.5% of the overall footprint. This includes soy that is physically certified according to the Proterra or RTRS standard and soy from low-risk Brazilian municipalities (according to internal soy mapping).

## 3.2 Targets and performance

### Targets:

For Carrefour Quality Line products and Carrefour own-brand products using soy in animal feed, the Group guarantees that the soy will not be linked to deforestation or conversion by 2025.

Category	Target	Deadline
Soy	100% of Carrefour Quality Line and key Carrefour own-brand products must use soybeans that are not derived from deforestation for animal feed	2025

To go further, Carrefour is mobilising upstream stakeholders in its supply chains (soy traders) to share its

ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) assessed and working towards compliance with the forest policy <sup>4</sup>	2025

### Performance:

Indicator – Soy <sup>5</sup>	2021 value	2020 value	Change	Target
Percentage of Carrefour Quality Lines and other key Carrefour own-brand products using zero deforestation soy for animal feed	2.9%	New	-	100% by 2025

In 2021, Carrefour established criteria for zero-deforestation soy. For the first time, Carrefour France is publishing the share of its key products using soy that is not linked to deforestation or conversion. This

measure will be extended to all Group countries in 2022. Finally, 100% of key traders have been assessed and actions are under way to reflect these results in the Group's purchasing decisions.

<sup>4</sup> palm oil, soy, wood and paper, Brazilian beef, cocoa.

<sup>5</sup> Carrefour Quality Line products and key Carrefour own-brand products (excluding low-price and no-name products): frozen and fresh raw products (excluding cooked meats): chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat. Scope: France only. 54.1% of consolidated 2021 sales, incl. VAT.

### 3.3 Action plans

To reduce the impact of soy on forests and ecosystems, Carrefour works at several levels: on its own supply chain, in collaboration with supply chain businesses and key stakeholders to develop market standards.

#### In supply chains:

To address the deforestation and conversion challenges associated with soy production, the Group first worked on its Carrefour Quality Lines in each of its countries of operation, setting a target of developing at least one zero-deforestation animal product line by 2020. This target was achieved in each country. At the end of 2020, the Group had a total of 20 animal product lines fed on soy not linked to deforestation. This made it possible to set up local product lines in the countries and/or develop alternatives to soy in animal feed. Carrefour is also developing vegetarian and vegan ranges to offer an alternative to animal protein in all countries.

In 2021, the Group stepped up its ambition by adopting the following targets: 100% of key traders (upstream stakeholders trading agricultural raw materials) assessed and working towards compliance with Group policy; 100% of key products use soy not linked to deforestation for animal feed by 2025. The products covered by the undertaking are Carrefour Quality Line products and Carrefour own-brand products for the following fresh and frozen raw products: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat. To fulfil the undertaking, soy contained indirectly in animal feed products must meet one of the following criteria:

- Substitution of alternative proteins for soy
- Soy produced locally and not linked to deforestation
- Soy certified as not being linked to deforestation with full traceability
- From a region without risk of deforestation or conversion
- From a landscape approach project on the ground

#### Upstream stakeholder engagement:

To change upstream practices in its supply chain, Carrefour maintains a dialogue with the main soy importers at various levels, through its involvement in joint initiatives and through bilateral exchanges to share its ambition of zero deforestation throughout the supply chain. As part of the CGF Forest Coalition, Carrefour supports the introduction of more stringent re-

quirements for traders. A shared trader performance evaluation system, via the *Soy Transparency Coalition*, was built to engage with traders and allow each company to focus its procurement on the most virtuous traders. In 2021, all the key soya importers that we use for Carrefour supply chains were assessed and committed via the STC, webinars and bilateral discussions.



### Working with stakeholders to develop common rules:

In consumer markets, Carrefour wants to establish common practices with its entire ecosystem. The Group is thus part of the French national platform to tackle imported deforestation (SNDI) and has participated in the Forest CST on Soy.

At the end of 2020, Carrefour met with other French retailers to discuss a common commitment to stop deforestation and the conversion of ecosystems for soy production. This alignment was reflected in the signature of a manifesto "to mobilise French stakeholders to tackle imported deforestation related to soy". In this context, Carrefour has committed to:

- Put in place specifications for all its own-brand products, including criteria on eliminating deforestation and conversion across all its products (poultry, eggs, pork, beef, veal, fish, lamb, dairy products and minced meat (fresh and frozen))
- Get its own-brand suppliers to include a non-conversion/deforestation clause taking into account the 1 January 2020 reference deadline and support the implementation of these commitments by national brands.

### Support for regional projects:

To supplement the work it is doing to tackle deforestation and conversion across its whole value chain, Carrefour supports a number of regional projects, the aim being to develop multi-stakeholder local action and tackle the root causes of deforestation and conversion. Details of the project supported by Carrefour and 2021 for soya and beef: – Regenerative production of low-carbon emissions products in the Cerrado biome.

The purpose of this programme is to encourage integrated agricultural production systems in the State

One year after the launch of this manifesto, Carrefour mobilised 100% of its suppliers via webinars, bilateral interviews and official letters sent by the Group's Director of Merchandise. In addition, the first signatures of contracts incorporating the new clauses are in progress for the chicken and pork product lines. In addition, Carrefour participated in the construction and launch of the new national soy risk management tool in France in collaboration with SNDI and key stakeholders. This tool can be used to determine the level of risk for supplies in France by soy origin and importer.

In Brazil, the Group is involved in joint initiatives to build synergies with all stakeholders (suppliers, competing retailers, commodity traders, regional and national governments, scientists, NGOs and data and service providers), in particular the Working Group on Cerrado Soy (GTC) and the Amazon Soy Moratorium (ASM). In addition, following the increase in forest fires during the summer periods, the CEO of Carrefour Brazil has sent a letter to the CEOs of Cargill, Bunge and the main beef manufacturers to reaffirm the Group's commitment to tackling deforestation. Bilateral discussions are organised regularly, the action plans of each company are tracked by a dedicated committee reporting directly to the Carrefour Brazil Executive Committee.

of Tocantins, in Brazil's Matopiba region. The project sets out to develop sustainable farming regions by bolstering capacity on the basis of a low-carbon emissions regenerative production model, using rural extension services to promote the adoption of an integrated farming-livestock-forest production model. Furthermore, it provides financial incentives to support the low-carbon emissions regenerative production model. Project supported in partnership with International Conservation, Brazil. In 2021, Carrefour provided €75,000 of financial support.

## 3.4 Coalitions and partnerships

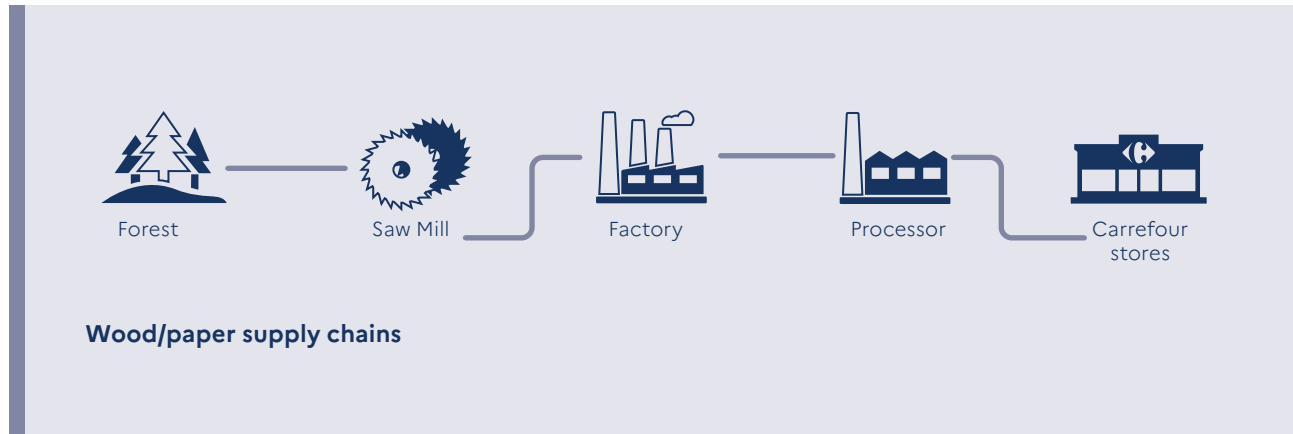
- Consumer Goods Forum (CGF) Soy Coalition
- National strategy to tackle imported deforestation (SNDI)
- Soy Manifesto by French stakeholders to tackle imported deforestation
- French Collaborative Charter for Sustainable Animal Nutrition (Duralim)
- Roundtable on Responsible Soy (RTRS)
- Support for Amazon Soy Moratorium since it was created in 2006
- Grupo de Trabalho da Soja (GTS) and Grupo de Trabalho do Cerrado (GTC):
- Cerrado Manifesto support group (SoS Cerrado Manifesto):
- Soy Transparency Coalition (STC)

## 4. Wood/paper

### 4.1 Background and transparency

- **Wood and paper**

Wood and paper are used in products sold by Carrefour, in commercial publications and for internal use.



Packaging also represents a significant share of our consumption of wood resources.

Carrefour also uses wood-based fibres in the production of TEX-branded clothing. These garments may be made from viscose, lyocell or modal.

**Footprint** (Group-wide): 197,000 tonnes in 2017

**Origins:** Belgium, Brazil, Canada, Chile, Estonia, Finland, France, Italy, Lithuania, Norway, Portugal, Russia, Spain, Sweden, United States, Uruguay

- **Packaging**

**Footprint** (Group-wide): Methodology under development

- **Cellulose fibres (viscose, lyocell, modal)**

**Footprint:** (France, Belgium, Spain, Italy): 1,230 tonnes in 2021

**Origins:** India, China, Bangladesh

## 4.2 Targets and performance

### Targets:

For Carrefour own-brand products in the 10 priority categories, Carrefour has set a target that says 100% of these products should come from sustainably managed forests by 2020.

Category	Target	Deadline
Wood and paper	100% of sales of sustainable Carrefour own-brand products in the 10 priority categories must be from sustainable forests	2020

To go further, Carrefour has set a new target for paper and cardboard packaging of its controlled products, to ensure that they will meet the same requirements

by 2025, as well as for its TEX-branded textile products made from cellulose fibres.

Category	Target	Deadline
Paper and cardboard packaging	100% of paper and cardboard packaging of controlled products are compliant with the sustainable forests policy	2025
Cellulose fibers	100% of wood-based fibres (viscose, lyocell, modal) in our TEX products produced without deforestation.	2023

### Performance:

Indicator – Wood and paper	2021 value	2020 value	2019 value	Change	Target
Share of Carrefour own-brand products in ten priority categories sourced from sustainable forests ( <i>in %</i> ) <sup>6</sup>	79.5%	70.2%	48.8%	+9.3 pts	100% by 2020
Share of paper and cardboard packaging used with controlled products in compliance with our zero deforestation forest policy	<i>Reporting methodology currently being developed</i>			-	100% by 2025
Percentage of wood-based fibres in our TEX products produced without deforestation	40%	New	-	-	100% by 2023

The Group continues to roll out its sustainable forest policy for its ten priority product categories containing wood and paper (e.g. toilet paper, wooden furniture, etc.) in all of the countries in which the

Group operates. In addition, Carrefour is developing a reporting methodology for compliant cardboard packaging and has achieved 40% of its target for TEX products from sustainably managed forests.

<sup>6</sup> Scope: 100% of consolidated 2021 revenue, incl. VAT Non-comparable BUs (RO incl. in 2021).

## 4.3 Action plans

### In supply chains:

The Group has developed risk analysis tools to assess wood provided by its suppliers against three criteria:

- volume: number of product categories consuming the highest wood equivalent tonnages;
- species: type of wood used, to guarantee the absence of species at high risk or forbidden by the Carrefour charter (such as those appearing on the IUCN Red List of Threatened Species);
- origin: level of risk associated with the country or region of origin of the wood.

### Details of the initiative:

- 100% of the wood charcoal sold in France is FSC®-certified or made from wood of French origin;
- 100% of tropical wood (acacia and eucalyptus) garden furniture from Carrefour's international purchasing centre is FSC®-certified;
- Since 2018, 100% of toilet paper for sale in France, Spain, Italy and Belgium has been FSC® "Mixed" certified;
- Carrefour has launched the EcoPlanet paper range: its products are made from 100% recycled paper;

### Support for regional projects:

To supplement the work it is doing to tackle deforestation and conversion across its whole value chain, Carrefour supports a number of regional projects, the aim being to develop multi-stakeholder local action and tackle the root causes of deforestation and conversion. Details of projects supported for wood and paper in 2021:

**Dvinsky landscape initiative** As a member of the Positive Forest Action Coalition, Carrefour participated in a collective investment initiative to preserve and protect the Dvinsky forest in Russia. This involves promoting sustainable forestry management practices. It is classified as an IFL – an intact forest landscape

On the basis of the findings, Carrefour guides its suppliers to help them set up audit and certification measures or opt to source their supplies from a different region. Carrefour uses a number of certifications to ensure that its supplies comply with its policy and promote sustainable forest management: FSC® "100%", "Mixed" or "Recycled" certification for the most at-risk areas, and PEFC® certification for those at lower risk. Carrefour also uses the European Eco-label to ensure best practices during product manufacture.

- 95% of the printing paper used at head offices in France is certified and 90% is FSC®- or Blue Angel-certified;
- Since 2014, more than 99% of the paper used by the Carrefour Group for commercial publications has been recycled or certified;
- All cardboard packaging used for TEX textile products is FSC®-certified.

–, and is one of the last intact forest ecosystems in Europe.

Project supported with Earthworm F., WWF Russia, FSC Russia. FSC landscape initiative in the north-west of Russia.

As a member of the Forest Positive Coalition, Carrefour has participated in a collective investment, thus helping to promote responsible forestry management in the federal district of the north-west of Russia.

Project supported in partnership with the FSC.

## 4.4 Coalitions and partnerships

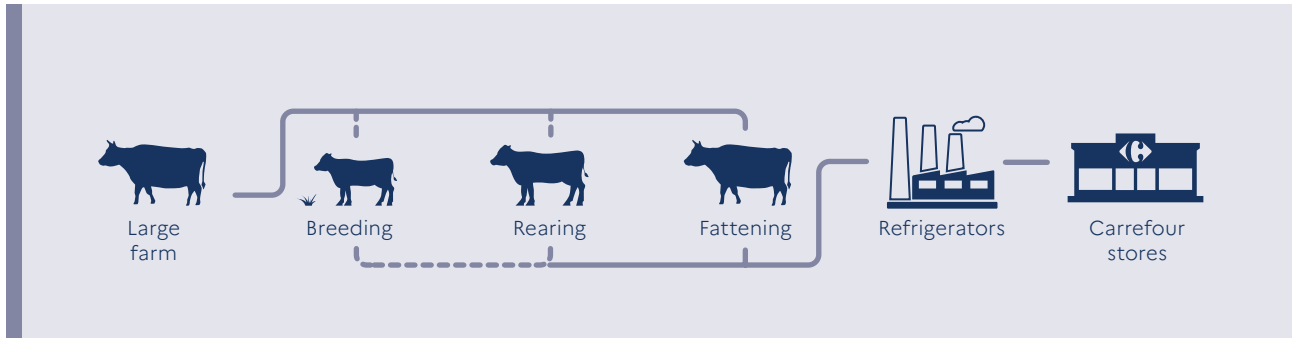
- Consumer Goods Forum (CGF) Wood, Paper and Packaging Coalition
- Forest Stewardship Council (FSC)

# 5. Brazilian beef

## 5.1 Background and transparency

Brazilian beef has been identified as a priority raw material in the Group's policy on tackling deforestation and conversion.

Brazilian beef is sold in our stores in Brazil; more than half is sold in unprocessed form, as fresh or frozen meat (steaks, minced meat, etc.).



**Footprint (Brazil):** 48,300 tonnes in 2021 (13,800 tonnes for Carrefour Brazil and 34,500 tonnes for Atacadao).  
**Origin:** Brazil

## 5.2 Targets and performance

### Targets:

Carrefour has set itself the goal of making all Brazilian beef (Carrefour own-brand and national brand) sold in its Carrefour stores in Brazil deforestation-free.

Category	Target	Deadline
Brazilian beef	100% of Brazilian beef suppliers must be geomonitored and in compliance with the forest policy or committed to ambitious policies to tackle deforestation <sup>7</sup>	2025

To go further, Carrefour is mobilising upstream stakeholders in its supply chains (meat traders) to share its

ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy <sup>8</sup>	2025

<sup>7</sup> Scope: suppliers of fresh, frozen, processed meat, retailers and warehouses.

<sup>8</sup> palm oil, soy, wood and paper, Brazilian beef, cocoa.

## Performance:

Indicator – Brazilian beef <sup>9</sup>	2021 value	2020 value	Change	Target
Percentage of Brazilian beef suppliers geomonitored and compliant with our forest policy or committed to an ambitious policy to tackle deforestation	86.9%	72%	+14.9%	100% by 2025

Carrefour Brazil achieved its target in 2020, with geomonitoring of 100% of suppliers of fresh and frozen meat. In 2021, Carrefour expanded the geomonitoring of its Brazilian beef supplies to include Atacadao in Brazil. Carrefour Brazil and Atacadao are thus managing more than 40,000 farms by georeferencing

them. The sustainable beef policy has been strengthened by incorporating action plans for indirect suppliers. Finally, 100% of key traders have been assessed and actions are under way to reflect these results in the Group's purchasing decisions.

## 5.3 Action plans

### In supply chains:

To address the deforestation issues associated with beef production, the Group has implemented a series of initiatives in Brazil. It has put in place five procurement criteria for fresh beef sold in its stores and deployed a satellite georeferencing platform to ensure compliance. Supplies must not originate from regions:

1. Affected by deforestation.
2. Under environmental embargo.
3. In conservation units.
4. That constitute land belonging to indigenous populations.
5. Where illegal labour is used.

Carrefour has implemented a geomonitoring system to track its beef supplies for Carrefour own-brand and national brand products. The Group's purchasing data is cross-referenced with official deforestation maps (in the Amazon and Cerrado), and maps showing protected areas and indigenous territories. The reference deadlines applied are: 05/10/2009 in the Amazon, and 2018 for the Cerrado. This way, Carrefour commits its suppliers to its policy for tackling deforestation while at the same time ensuring the compliance of the products it sells in its stores. Currently, all fresh and frozen meat farms supplying slaughterhouses (Carrefour's direct suppliers) are monitored by Carrefour tools in Brazil. Carrefour gets its suppliers to go one step further by signing a letter of commitment. This requires monitoring indirect suppliers and reporting on them in an action plan provided to the Group.

Carrefour has two tools at its disposal to ensure that the targets set out in its policy on tackling deforestation are met: the systematic geomonitoring of its supplies, and investigations in the event of an alert received by our stakeholders. In the event of a proven breach of its policy, Carrefour has defined a series of measures, allowing it to suspend supplies that do not offer the guarantees and transparency required by Carrefour. For example, in 2020, following the alerts reported in Rondônia (considered to be at high risk of deforestation), Carrefour decided to suspend the purchase of meat supplied by JBS from Rondônia farms. Furthermore, since 2021 a penalty has been applied to suppliers who are late in sending the data required for monthly monitoring of meat purchases.

In 2021, the beef commitment was revised to expand its scope, taking into account the monitoring of fresh and frozen meat. Carrefour aims to have 100% of Brazilian beef suppliers geomonitored and compliant with the forest policy or engaged in ambitious policies to tackle deforestation by 2025. The expanded scope includes suppliers of fresh, frozen and processed meat, retailers and warehouses for Carrefour Brazil and Atacadao. Following the acquisition of the BIG Group, Carrefour will extend its policy on tackling deforestation to BIG store operations with the same requirements.

<sup>9</sup> Scope: Carrefour Brazil and Atacadao.

### Upstream stakeholder engagement:

Carrefour Brazil has strengthened its policy by sharing a 'termo e compromisso' offering a shared commitment with all of its beef suppliers in Brazil. This document describes the rules to be followed by suppliers in their own direct and indirect supply chains, the verification put in place and the consequences of non-compliance. Each supplier is asked to sign this agreement individually. In addition to this individual approach, a collective approach has been taken with beef producers: Carrefour supported the creation of

a beef working group within the Consumer Goods Forum. One of the aims of this coalition is to take concrete joint action on monitoring indirect suppliers. In this context, Carrefour would like to be able to assess the capacity of slaughterhouses to roll out solutions with their indirect suppliers. Carrefour Brazil is also working with the *National Wildlife Federation* to initiate traceability work with two of its suppliers in the priority states of Mato Grosso and Pará. This is the only pilot to date on the traceability of indirect suppliers.

### Support for regional projects:

To supplement the work it is doing to tackle deforestation and conversion across its whole value chain, Carrefour supports a number of regional projects, the aim being to develop multi-stakeholder local action and tackle the root causes of deforestation and conversion. Details of projects supported for beef in 2021:

- Production of sustainable veal in the Mato Grosso region, Amazonia The Carrefour Foundation is working on a field project with the IDH Foundation to develop sustainable beef production by supporting 450 farmers supplying calves in Mato Grosso in the Amazon. This project aims to achieve full traceability for beef from the field to the fork, while ensuring compliance with the Group's purchasing policy. It is a way for Carrefour to involve indirect suppliers in changing practices. In 2021, Carrefour provided €75,000 of financial support. After two years of involvement in this field project, which covers the various links in the chain (producers, slaughterhouse, government, associations, etc.), the first slaughter of beef from the programme initiated in 2019 took place in July 2021. This programme is a major innovation in the sector in Brazil, producing the first meat that can be fully traced from birth to slaughter. The product is marketed under the Carrefour Quality Lines

brand at an affordable price and with full traceability via a QR code in the São Paulo region. This first step in Brazil is intended to demonstrate the feasibility of this type of product line in advance of a larger-scale roll-out.

- Regenerative production of low-carbon emissions products in the Cerrado biome (see section on soya)
- Traceability of "indirect suppliers" of meat packers in Brazil, using the Visipec system. The biggest source of deforestation in Brazil is from "indirect suppliers", who are not covered by current deforestation surveillance systems. The Visipec system was developed to improve deforestation traceability and monitoring, by focusing on indirect suppliers. Carrefour supports the expansion of this project to include indirect suppliers. The Visipec system can be used to map supply chains on a landscape by conducting assessments of municipalities / landscapes for deforestation, incidences of forced labour, overlaps between protected areas and the role of small farmers among direct suppliers, indirect suppliers and potential or probable suppliers. In 2021, Carrefour provided €75,000 of financial support.

### Plant-based food:

Plant-based food is also a key issue for Carrefour. This is consistent with a strong societal expectation which sits at the crossroads of major climate issues, the safeguarding of biodiversity, the sharing of resources at global level and major public health issues. As the first French retailer to launch its own vegetarian range in 2015, the Group now has more than 110 products – the widest vegetarian range available in supermarkets and smaller retail outlets.

Throughout 2021, Carrefour continued to speed up its growth on the imitation-meat segment by launching more than 10 innovations, thus meeting consumers' growing desire to "Eat better" and "Consume better". These products are available in all countries with Group operations, and in all formats.

In early 2022, Carrefour opened the first vegan "butcher's" shop in France and offers its customers a range of meat-free products including mince, chicken-style nuggets and vegan burgers.

### Learn more:

See the Fact Sheet on "Tackling and Preparing for Climate Change"

## 5.4 Coalitions and partnerships

- Consumer Goods Forum (CGF) Beef Coalition
- National strategy to tackle imported deforestation (SNDI)
- Collaboration for Forests and Agriculture (CFA): this initiative is a collaborative effort involving the World Wildlife Fund (WWF®), The Nature Conservancy (TNC) and the National Wildlife Federation (NWF), funded by the Gordon and Betty Moore Foundation. Via the CFA, Carrefour Brazil is involved in applying the CFA Operational Guidance, which helps companies implement deforestation- and conversion-free commitments (DCF) for beef and soy in the Amazon, Cerrado and Chaco biomes
- GTPS (working group on sustainable cattle) since its creation in 2007
- Indirect Suppliers Working Group (GTFI) since 2017



## 6. Cocoa

### 6.1 Background and transparency

Carrefour uses cocoa in many product categories, including grocery counters (chocolate bars, biscuits, etc.), pastries, ice cream, and fresh produce such as milk-based desserts. Cocoa has been identified as

a priority raw material in the Group's policy on tackling deforestation. Carrefour has focused its actions on chocolate bars, the products with the highest cocoa footprint.

#### Overview of cocoa supply chain



**Chocolate bar footprint** (France, Belgium, Spain, Italy): 3,047 tonnes in 2019  
**Origins (cocoa paste):** Côte d'Ivoire, Ghana, Dominican Republic, Peru, Brazil

### 6.2 Targets and performance

#### Targets:

Carrefour has set itself the goal of making all of its own-brand chocolate bars sustainable and traceable from the planter to the consumer, thereby tackling deforestation, eliminating child labour at cocoa plantations and providing better remuneration for planters.

Category	Target	Deadline
Cocoa	100% of Carrefour own-brand bars comply with our Sustainable Cocoa Charter <sup>10</sup>	2023

To go further, Carrefour is mobilising upstream stakeholders in its supply chains (cocoa traders) to share its ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy <sup>11</sup>	2025

#### Performance:

Indicator – Cocoa	2021 value	2020 value	Change	Target
Percentage of Carrefour own-brand chocolate bars that comply with our sustainable cocoa charter	30.8%	New	-	100% by 2023

<sup>10</sup> in France, Belgium, Spain and Italy.

<sup>11</sup> palm oil, soy, wood and paper, Brazilian beef, cocoa.

In 2021, Carrefour established a sustainable cocoa charter for its chocolate bars. For the first time, the Group is reporting the proportion of cocoa paste that is in compliance with the Carrefour Sustainable

Cocoa Charter for bars sold in Belgium, Spain, France and Italy. Finally, 100% of key traders have been assessed and actions are under way to reflect these results in the Group's purchasing decisions.

## 6.3 Action plans

### In supply chains:

Carrefour is supporting all of its suppliers to achieve its targets by establishing a Cocoa Commitment Charter. This describes requirements around:

- tackling deforestation (2018 reference deadline)
- tackling child labour
- fairer remuneration for planters
- traceability and transparency

To meet the expectations of its charter, the Group uses various levers such as: certifications (Fairtrade, Max Havelaar, UTZ/RFA, Organic Agriculture), robust voluntary programmes (Transparence Cacao, Cocoa Horizons etc.) as well as the results of trader evaluations conducted through the *Retailer Cocoa Collaboration*.

In addition, the Carrefour Group has been a partner of the CÉMOI Transparence Cacao programme since it was created. It has now been applied to 27 Carrefour own-brand bars, including 8 products sold under the Bio brand. This programme helps to tackle deforestation and improve the living and working conditions of planters involved in growing cocoa. The cocoa paste produced from cocoa beans can be fully traced from the planter to the consumer.

### Working with stakeholders to develop common rules:

In 2021, Carrefour joined the French Initiative on Sustainable Cocoa (IFCD), which covers chocolate produced, consumed or marketed in France. The French Initiative on Sustainable Cocoa covers cocoa from the main supply countries of the French cocoa and chocolate industry, first and foremost Côte d'Ivoire, Ghana, Nigeria and Cameroon, but also countries in

### Upstream stakeholder engagement:

Carrefour is also mobilising stakeholders further upstream in the supply chains through the *Retailer Cocoa Collaboration* (RCC). Since 2019, this retailers platform has aimed to initiate a dialogue between cocoa retailers and traders to promote transparency and progress towards sustainable cocoa production. Implementation of this annual evaluation programme will make it possible to:

- Measure the progress of cocoa traders with respect to the eight core principles of the Cocoa and Forests Initiative (CFI);
- Ensure that retailers all use the same evaluation method;
- Make more informed decisions in relation to cocoa sourcing.

Latin America and Asia. This partnership includes international stakeholders from both the private and public sectors, starting with states and government agencies, as well as cocoa growers' organisations, local traders and other partners in the sector in cocoa-producing countries, which have to collaborate effectively.

## 6.4 Coalitions and partnerships

- Retailer Cocoa Collaboration (RCC)
- French Initiative on Sustainable Cocoa (IFCD)

## Appendix 1.A - List of major suppliers

### List of major suppliers of Carrefour-brand animal products, including soya (France)

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
ELIVIA SAS
ARRIVE M COQ
SOCOPA VIANDES
LDC
GALLIANCE VOLAILLE
ORLAIT
COCORETTE DISTRIBUTION
CANDIA
LOEUF
L N U F ET MDD
BIGARD GROUPE
MATINES
COOPERL ARC ATLANTIQUE
DUC SOCIETE
GALLINE FRAIS SARL
COVIAL
MOWI BOULOGNE
DELABLI SAS
AQUALANDE
MOWI CUISERY
MONFORT VIANDES
ALSACE LAIT
TRADIVAL
FIPSO
PRIMEX INTERNATIONAL

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
SICAREV
DEVEILLE
SAS ODNV
SAPRESTI TRAITEUR
CHARAL
BLASON D OR
PUIGRENIER
LEROY SEAFOOD FRANCE
GALLIANCE ELABORES
LAITERIE DE VERNEUIL
MACQUET S A
CHIRON ACVF
MITI
UNIMA DISTRIBUTION
ROLMER SAS
ETS BODIN FILS
LACTEL SNC
TENDRIADE COLLET
SOBEVAL
PÊCHEURS DE SAVEURS
CAILLOR
NUEVA PESCANOVA FRAN
FRAIS EMBAL
SODIPORC ANGOULÊME

## Appendix 1.B: List of major soy wholesalers associated with our Carrefour-brand animal supply chains (France)

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
ADM
AMAGGI
BUNGE
CARAMURU
CARGILL
CJ SELECTA
COFCO
IMCOPA
LOUIS DREYFUS COMPANY
SOLTEAM

## Appendix 2.A: List of major suppliers of Carrefour-brand products containing palm oil (France)

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
BISCUITERIE WILLEMS
BOUVARD BISCUITS
CERELIA
LA BOULANGERIE & CO
LA FOURNEE DOREE
NATRA CHOCOLATE
POPPIES
POULT
ST MICHEL BISCUITS
VANDERMOORTELE
SOLTEAM

## Appendix 2.B: List of major palm oil wholesalers associated with our Carrefour-brand products (France)

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
AAK
ADM
BUNGE
CARGILL
FUJI OIL
LOUIS DREYFUS COMPANY
OLENEX

### Appendix 3.A: List of major suppliers of Carrefour-brand chocolate bars (France, Spain, Italy, Belgium).

LIST OF TOP OWN-BRAND SUPPLIERS (G4)
BARONIE
CANTALOU DIPA
IBERCACAO
ICAM
NATRA

### Appendix 3.B: List of major cocoa wholesalers associated with our Carrefour-brand chocolate tablets (G4)

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
AGROFORCE
BARRY CALLEBAUT
ECOM
NEDERLAND
SOPEX
SUCDEN
THEOBROMA
TOUTON



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