

## 2.2 Carrefour's duty of care plan

### 2.2.1 GOVERNANCE OF THE DUTY OF CARE PLAN

#### 2.2.1.1 Governance organisation and structure

Governance of the duty of care plan is shared between the different departments involved in the process, from risk definition to implementing action plans to measuring their effectiveness and performance. Within the Carrefour group, shared governance is in place for the duty of care plan, CSR and the food transition. This means that the same bodies, departments and entities are all involved in the various stages of implementing CSR and duty of care. Duty of care and CSR objectives are integral to the operations of the various departments, business lines and stores, at all levels.

**Governing bodies.** Governance of duty of care and CSR is exercised jointly by the Group Executive Committee, the Board of Directors and the Shareholders' Meeting (see Figure 1). In 2022, the Board of Directors' **CSR Committee** (Section 3.2.3.4) issued opinions on the creation of the Engagement department, the food transition and cost-of-living concerns, the monitoring of supply chain-related alerts, the action plan to combat deforestation, the responsible e-commerce strategy and the Carrefour 2026 strategic plan. The committee annually reviews the Group's performance with respect to the Non-Financial Statement and the duty of care plan.

**Defining the duty of care plan and the CSR strategy.** The Engagement department oversees the Group's CSR strategy and translates social and environmental commitments into practical initiatives. It coordinates the preparation of the CSR and duty of care strategies in close collaboration with the various Group departments (see Figure 1), especially the Strategy, Finance, General Secretariat and Human Resources departments.

The governance bodies described below play a key role in defining the duty of care plan:

- **the Committee on Purchasing Rules for the Food Transition** analyses risks and threats involving Carrefour's sourcing practices, and defines sourcing strategy and objectives to implement. This committee ensures that the business lines concerned implement purchasing rules for the food transition within the Group. It holds bimonthly meetings chaired by the Group Executive Director, Merchandise and Formats, which are attended by the following departments: Merchandise, Engagement, Quality, CSR, Strategy, Audit and Risk, Legal,

Carrefour Brand, International Partnerships, Communication and Global Sourcing (Carrefour's non-food sourcing entity since 1994, whose head office is in Shanghai);

- **the alert management task force.** A task force has been set up to identify and address the various alerts related to the Carrefour group's operations. It comprises representatives from the Commitment, CSR, Purchasing, Quality, Risk, Safety, Human Resources, Communication and Compliance departments. The task force is in charge of investigating reported alerts and ensuring that appropriate corrective action plans are implemented when necessary;

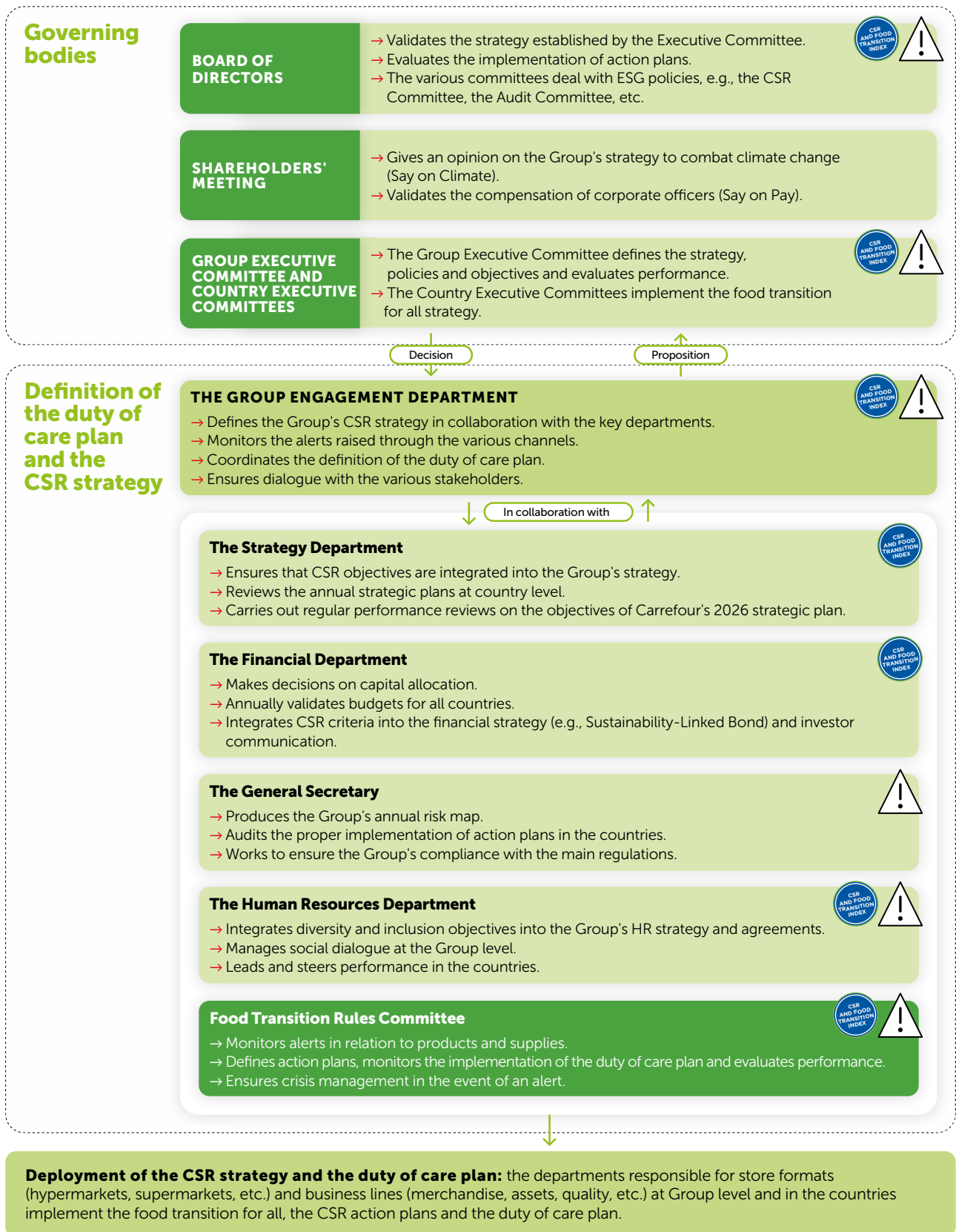
- **the International European Consultation Committee.** The duty of care plan and risk mapping process relating to human rights and employee health and safety are devised in conjunction with, and submitted on a regular basis to, the European Information and Consultation Committee (EICIC). In 2022, the duty of care was addressed in five specific agenda items. All alerts identified by the Group in relation to health and safety, the environment and human rights are systematically presented.

**Roll-out of the duty of care plan and the CSR strategy.** All Carrefour departments and employees play a role in implementing the food transition for all within their scope of responsibility. The business lines are in charge of implementing CSR targets and the duty of care plan, which are defined collectively with the teams involved, along with the drive and support of the Engagement department. Committees covering several departments are tasked with monitoring progress towards Group and country targets on CSR issues and the duty of care.

In each country, the Group's policies are implemented by the local CSR departments. Each country has its own correspondents responsible for coordinating and implementing CSR projects and contacts within the various professions (human resources, quality, goods, assets, etc.).

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

FIGURE 1: GOVERNANCE OF THE DUTY OF CARE PLAN AND CSR



Guarantors of the implementation of the CSR index and food transition (Chapter 1, Section 1.5.3.), including the objectives of the climate plan.



Guarantors of the implementation of the duty of care and alerts follow-up.



Committees and bodies



Divisions and departments

## Deployment of the duty of care plan and the CSR strategy

### THE ENGAGEMENT DEPARTMENT

- Supports the business lines in the implementation of policies and action plans.
- Innovates in CSR to transform the business lines.
- Monitors and evaluates non-financial performance.
- Assesses risks and monitors alerts.

#### Organisation:

- A team of approximately 20 people at Group level.
- Correspondents in all integrated and franchised countries.



In collaboration with

### BUSINESS LINES AND STORES

#### Product merchandise and quality

- Implements the rules for the food transition and monitors them.
- Tracks alerts in supply chains, implements corrective action plans and risk mitigation.
- Collaborates with suppliers.



#### Assets and real estate

- Implements the transition plan towards stores' carbon neutrality.



#### Human resources

- Implements diversity and inclusion policies.
- Ensures the development of skills, health and well-being at work, payment of a living wage in all countries.
- Guarantees quality social dialogue.
- Promotes employee engagement through the Act For Change programme.



#### Marketing and communication

- Increases visibility of our food transition actions through the Act For Food programme in stores.
- Measures customer satisfaction on CSR actions.
- Disseminates the objectives and good practices internally.



#### Formats and stores

- Deploy concrete actions in stores.
- Highlight and communicate actions to customers.



#### Management control and internal control

- Supports the reporting of non-financial data.
- Promotes the reconciliation of financial and non-financial processes.



In collaboration with

### COUNTRIES

#### The Country Executive Committees

- Define the food transition for all strategy
- Define the action plans and budgets for the implementation of the CSR and food transition.
- Guarantee the monitoring of the non-financial performance.



#### CSR

- Coordinates the CSR approach and supports the business lines in implementing the action plans.
- Ensures alert follow-up and the implementation of corrective action plans.
- Ensures the monitoring of non-financial performance.



#### Business lines and stores

- Deploy the CSR strategy and ensure performance monitoring.

### EMPLOYEES

#### NETWORKS OF COMMITTED AMBASSADORS ON THE GROUND

##### Roles and responsibilities:

- Carrying the values of food transition into the field.
- Implementing concrete actions in stores.

##### Organisation and bodies:

- "Clubs" of ambassadors in all countries.
- Annual international meetings.



#### EMPLOYEE REPRESENTATIVES

##### Roles and responsibilities:

- Ensure continuous social dialogue.
- Identify alerts on the ground.

##### Organisation and bodies:

- Regular local social dialogue.
- Meeting of the European Information and Consultation Committee every two months.



### 2.2.1.2 Co-construction of the duty of care plan with stakeholders

Carrefour works closely with its stakeholders to co-construct all stages of its duty of care plan, from risk mapping to assessing the effectiveness of measures (see Figure 2). The dialogue processes contribute to the continuous improvement of the Group's duty of care plan.

Carrefour has established a range of dialogue mechanisms to enable this co-construction of its duty of care plan. They include:

- **bilateral dialogue and long-term partnerships.** Group teams are in daily contact with expert stakeholders on issues relating to human rights, the environment, and health and safety. For all risks defined as a priority under the duty of care, Carrefour identifies the relevant actors with which special dialogue should be maintained. Carrefour organises regular bilateral consultation processes to define and implement action plans;
- **meetings with national brand supplier partners.** Every year, the international purchasing team meets with international supplier partners to involve them in rolling out actions related to the food transition, especially the reduction of greenhouse gas emissions (GHG). National brand supplier partners comprise the Group's 50 largest suppliers;
- **the "food transition for all" pact: getting the national brands on board.** After making commitments in relation to its own-brand products, Carrefour is now rallying its suppliers around a pact for the food transition for all. The aim is to encourage Carrefour suppliers to provide products and in-store tests that comply with the Group's food transition commitments in terms of packaging, biodiversity, climate, traceability and responsible products;
- stakeholder panels and themed committees. Several times a year, Carrefour arranges meetings in order to formulate functional recommendations on a specific CSR issue and/or the duty of care plan. These meetings are attended by around 40 people representing the Group, NGOs, government, customers, investors and suppliers, who come together to share their expertise or point of view on the subject in question. The Group also forms committees of experts dedicated to topics when this is necessary. One such topic is the fight against deforestation: Carrefour has created a group of experts dedicated to assisting it with constructing its action plans.

FIGURE 2: STAKEHOLDER MAPPING OF THE CARREFOUR GROUP'S DUTY OF CARE PLAN

Type of stakeholders	Role	Example of stakeholders
<b>RISK MAPPING</b>		
→ Scientific organisations and reference standards	Definition of methodologies and frameworks for risk analysis	Science Based Targets, Task Force For Climate Disclosure
→ Social dialogue	Prioritisation and risk assessment	UNI Global Union
→ Service providers and experts	Prioritisation and risk assessment	Expert Committee on Deforestation in Brazil
<b>REGULAR EVALUATION PROCEDURES</b>		
→ Social audit standards	Audit of suppliers at risk	Initiative for Compliance and Sustainability, Business Social Compliance Program (BSCI)
→ Quality audit standards	Audit of stores and warehouses, audit of specifications	International Featured Standard, British Retail Consortium
→ Certifiers	Evaluation of the implementation of action plans and progress plans	GEEIS Diversity
→ Stakeholder coalitions	Shared assessments (e.g., traders)	Consumer Goods Forum
<b>ACTIONS TO PREVENT RISKS AND MITIGATE SERIOUS HARM</b>		
→ NGOs and associations	Definition of action plans, implementation of concrete projects	WWF
→ Stakeholder coalitions	Collective work to align with market expectations	Consumer Goods Forum, Lab Capital Naturel, Act For Nature International, Race To Zero
→ Stakeholders and local partners	Implementation of local projects, consultation with players on the ground	The Sustainable Trade Initiative in Brazil
→ Suppliers and value chain	Construction of value chains, transformation of production methods	Partner producers
→ Governments	Stakeholder meeting around common objectives	Soy Manifesto (France), SNDI (France), Cacao Manifesto (France)
→ Regulators and certifiers	Definition of common requirements, verification, traceability and transparency	RTRS, RSPO, PEFC, FSC, MSC, Max Havelaar
→ Stakeholders panel	Co-construction of policies and action plans	Multi-stakeholder meetings (customers, suppliers, governments, investors, experts, etc.)
→ Trade unions	Information, consultation and dialogue	Social and Economic Committee (SCE), European Consultation and Information Committee (ECIC)
<b>ALERT AND REPORTING MECHANISM</b>		
→ NGOs	Identification of alerts and public appeals	Mighty Earth, Canopée
→ Rating agencies	Identification of controversies	Moody's ESG, Sustainalytics, ISS
→ Suppliers and local partners	Daily dialogue and alerts from Carrefour's teams	Worker Voice, Elevate
→ Employees and trade unions	Process for managing alerts from employees via social dialogue, the ethics alert line or through the hierarchy	UNI Global Union, employee representatives
<b>PLAN FOR MONITORING MEASURES AND EVALUATING THEIR EFFECTIVENESS</b>		
→ NGOs	Answering questionnaires and regular dialogue on progress	Réseau Action Climat, Greenpeace
→ Rating agencies	Performance measuring and identification of best practices	Carbon Disclosure Project
→ Individual investors and coalitions	Performance evaluation and dialogue around measure monitoring	Forum for Responsible Investment (FRI), FAIRR, Platform Living Wage Financials
→ Regulators and auditors	Publishing and verification of performance indicators	French financial markets authority (AMF), Independent Third-Party Verification Body
→ Social dialogue	Information and concertation	UNI Global Union, employee representatives
→ Certifiers	Progress evaluation	GEEIS Diversity

## 2.2.2 RISK MAP

### 2.2.2.1 Risk mapping methodology

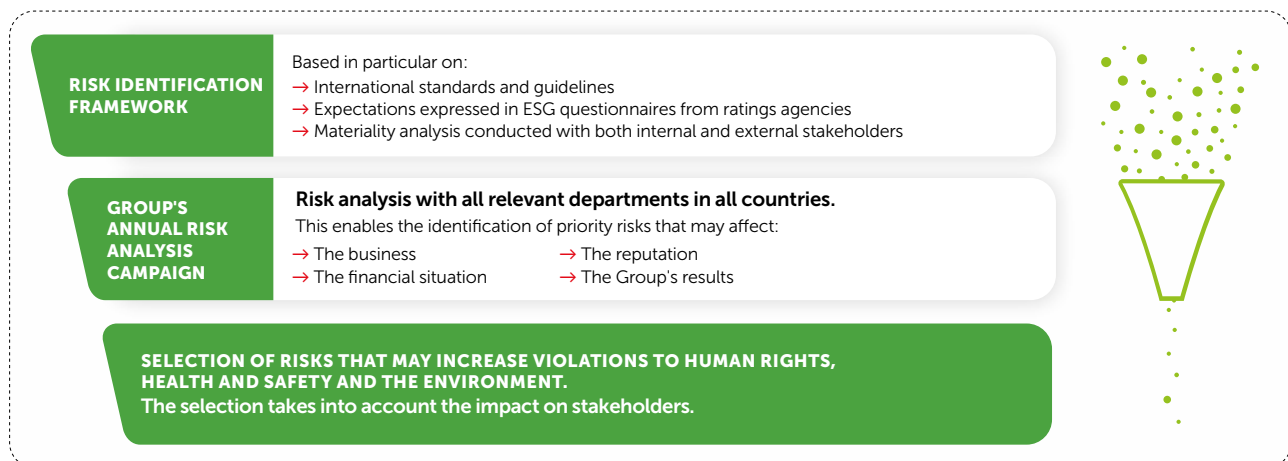
#### 2.2.2.1.1 Identification of the main risk factors associated with the environment, human rights, and health and safety

Carrefour applies a step-by-step risk analysis methodology drawing on mechanisms already in place within the Group. By combining different internal procedures, Carrefour identifies and assesses risks adapted to the Group's activity and size. The following three steps shown in Figure 3 are implemented:

- 1. definition of the Group's risk universe:** for the first step, the Group carries out an overall identification of general risk factors that include criteria relating to the Company's corporate social responsibility. The Group's risk universe is updated annually to take into account any changes in international ESG norms and standards;
- 2. Group risk analysis campaign (see Section 4.1):** these general risk factors are then analysed by all the departments concerned in each country, which helps better refine the assessment of the risks detected in each region. This process is detailed in Section 4.1 of this Universal Registration Document. This first
- 3. selection of risks analysed as part of the duty of care:** Carrefour identifies which Group risk factors could lead specifically to violations of human rights, health and safety, and the environment. This selection of societal risk sub-factors primarily measures the impact on stakeholders (including customers, suppliers, NGOs and civil society). Chapter 2 details the analysis methods, action plans and assessment processes applied specifically for these risks, and therefore contains information relating to the duty of care.

**FIGURE 3: PROCESS FOR IDENTIFYING THE MAIN RISK FACTORS ASSOCIATED WITH THE ENVIRONMENT, HUMAN RIGHTS, AND HEALTH AND SAFETY**

#### Risk identification methodology

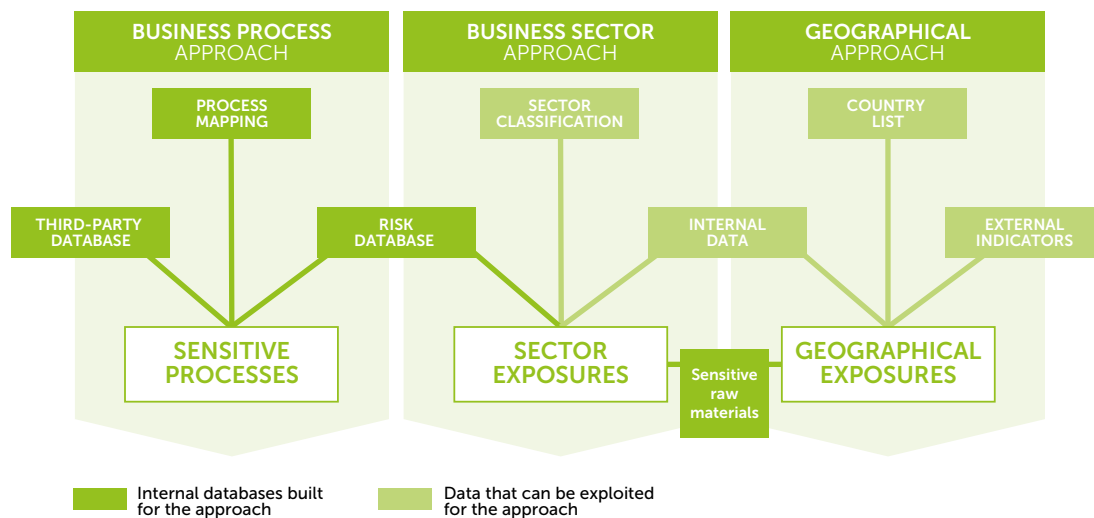


### 2.2.2.1.2 Detailed analysis of risks associated with the environment, human rights, and health and safety

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

- breakdown of risks for the different professions at Carrefour;
- breakdown of risks for the different business segments at Carrefour and the third parties with which a business relationship is in place;

- breakdown of risks for the geographical areas where Carrefour operates and where third parties with which a business relationship is in place operate;
- risk analysis specific to the materials used by Carrefour or contained in the products sold by Carrefour.



In order to analyse the risks related to the duty of care plan by business line, segment and geography, the Group uses its own or shared standards and benchmarks, for example:

- ILO conventions, the amfori-BSCI Country Risk Classification and the ITUC Global Rights Index;
- internationally recognised standards defining human rights, including the Universal Declaration of Human Rights, the guiding principles of the OECD, the United Nations Global Compact and the global framework agreement with UNI Global Union;
- recommendations developed by the Task Force on Climate-related Financial Disclosures;

- Accountability Framework initiative (AFI) principles for eliminating deforestation and ecosystem conversion;
- stakeholder and Group process maps.

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

As part of a continuous improvement process aligned with its ongoing stakeholder dialogue, the Group has begun to rework its risk map to prioritise the identified risk sub-factors.

TABLE 1: EXAMPLE OF DETAILED MAPS IMPLEMENTED TO ANALYSE SUPPLY CHAIN MANAGEMENT RISKS

Group risk sub-factor	Examples of detailed maps used for case-by-case analysis
Failure to uphold labour laws, human rights and/or fair pay standards	Mapping of geographical areas at risk in relation to human rights issues. Example of an identified risk: forced labour in Xinjiang Mapping of high-risk sectors and production phases. Example of an identified risk: failure to pay fair wages in textile spinning mills
Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Map of high-risk raw materials (based on the following factors: respect for the environment, impact on biodiversity, resilience to climate change, respect for human rights, workers' health and safety) Example of an identified risk: contribution of Brazilian beef farming to deforestation
Damage to biodiversity caused by business operations	Mapping of sectors and production stages at risk. Example of an identified risk: chemical pollution from dyeing factories Development of the Science Based Targets for Nature methodology in order to identify the Group's impact and dependency on biodiversity. An example of the footprint measurement tools used: The Corporate Biodiversity Footprint, ENCORE

### 2.2.2.2 Risk mapping results

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

Risk factors	Risk sub-factor <sup>(1)</sup>
<b>Risks to the health and safety of people</b>	
Occupational health and safety risks	<ul style="list-style-type: none"> <li>■ Workplace accidents and occupational illnesses</li> <li>■ Musculoskeletal disorders</li> <li>■ Psychosocial risks</li> </ul>
Physical and mental harm	<ul style="list-style-type: none"> <li>■ Violent, racist or discriminatory behaviour towards third parties (customers, service providers, suppliers)</li> </ul>
Quality, compliance and product safety failure	<ul style="list-style-type: none"> <li>■ Significant lack of product control and traceability</li> <li>■ Failure to develop or comply with the specifications for Carrefour own-brand products</li> <li>■ Public health impact of products sold by Carrefour (e.g., forms of pollution, such as pesticides, that have health consequences)</li> <li>■ Serious breach of hygiene standards in stores or warehouses</li> <li>■ Failure to remove or recall</li> </ul>
Pandemic	<ul style="list-style-type: none"> <li>■ Rapid and massive spread of a deadly virus threatening the health of Carrefour customers and employees</li> </ul>
<b>Risk of human rights violations</b>	
Sourcing sensitive raw materials	<ul style="list-style-type: none"> <li>■ Use of raw materials whose value chain is questioned for its social and/or ethical impact</li> </ul>
Lack of supply chain resilience	<ul style="list-style-type: none"> <li>■ Riots, street demonstrations, strikes, social movements and agricultural crises</li> </ul>
Failure to respect the principles of diversity and to battle discrimination and harassment	<ul style="list-style-type: none"> <li>■ Breach of the Group's diversity and equality principles</li> <li>■ Breach of anti-discrimination and anti-harassment principles</li> </ul>
Failure to respect freedom of association and the right to social dialogue	<ul style="list-style-type: none"> <li>■ Poor management or degradation of the social climate within Carrefour</li> </ul>
Failure to uphold human rights and fair pay across the entire value chain	<ul style="list-style-type: none"> <li>■ Failure by the Group and its suppliers to comply with the regulations and principles defined by Carrefour in terms of human rights and/or fair compensation</li> </ul>
<b>Risks of environmental damage</b>	
Sourcing sensitive raw materials	<ul style="list-style-type: none"> <li>■ Use of raw materials whose value chain is questioned for its environmental impact (e.g., deforestation)</li> </ul>

Risk factors	Risk sub-factor <sup>(1)</sup>
<b>Contribution and vulnerability to climate change</b>	<ul style="list-style-type: none"> <li>■ Failure to control energy and refrigerant consumption and contribution to climate change</li> <li>■ Inefficient use of resources, especially food waste</li> <li>■ Natural disasters and climate change</li> </ul>
<b>Pollution and the impact of our operations on biodiversity</b>	<ul style="list-style-type: none"> <li>■ Soil contamination by petroleum products from our service stations</li> <li>■ Non-efficient management of store waste</li> <li>■ Production of solid waste, especially from packaging and plastics</li> <li>■ Plastic pollution<sup>(2)</sup></li> </ul>

(1) The list of sub-factors is not exhaustive. Major risk sub-factors are mentioned. For the purposes of clarity, the risk sub-factors are broken down into three categories: health and safety risks, human rights risks and environmental risks. It should be noted that some sub-factors fall into several categories.

(2) For details on the risk of plastic pollution, see Section 2.2.7.3.2.

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## 2.2.3 ASSESSMENT MEASURES

After identifying the risks to health and safety, human rights and the environment, Carrefour regularly assesses the management of such risks in its subsidiaries and at subcontractors and suppliers with which it has established business relationships.

### 2.2.3.1 Assessment measures in place for our own operations

Risk assessment measures	Actions taken	Frequency
<b>Measures for assessing risks to the health and safety of people</b>		
<b>Human health and safety audits</b>	Audits relating to the health and safety of employees in stores and warehouses are carried out by the internal control team. The purpose of these audits is to monitor the implementation of procedures concerning health and safety at work and the use of best practices, as well as compliance with regulatory requirements.	Store audits: two per year
	Health and safety risks are assessed in each work unit, in particular through the analyses conducted with prevention teams in recent years, which have identified safety hazards and related preventive measures. They have also shown that workplace accidents at Carrefour are most likely to occur in the stores and warehouses.	Annual
<b>Measures for assessing risks of human rights violations</b>		
<b>Social certifications</b>	All of the countries in which the Group operates obtained Gender Equality European and International Standard (GEEIS) certification in 2020. In 2021, all entities concerned by the mid-term audit conducted every two years maintained their certification; Brazil and Romania improved their overall performance. Campaigns to audit entities continued during 2022, with maturity levels maintained in all countries and an extension of the certification scope in Carrefour Italy to GEEIS Diversity.	Every two years
<b>Measures for assessing risks of environmental damage</b>		
<b>HR reporting</b>	Quarterly reporting is carried out to assess the impact of the Group's sites on climate (emissions linked to refrigerants, energy consumption) and waste (monitoring of markdowns that may generate food waste, the waste recovery rate, etc.). Audits are performed annually by an independent third party to verify the true and fair nature of the consolidated Group data.	Quarterly
<b>Regular impact and dependency assessments</b>	In 2022, the Group launched the SBTN Corporate Engagement Programme, which enabled it to perform initial mapping of its biodiversity impacts and dependencies, based on its activities. This mapping helped us hone in on certain commodities that have a greater impact on biodiversity than others. It should eventually serve as a basis for drafting an action plan based on science-based targets. Going forward, biodiversity impacts and dependencies will be assessed on a regular basis.	-
<b>Certifications</b>	In Europe, Carrefour Belgium, Carrefour France and Carrefour Italy hold ISO 50001 certification for their integrated stores (hypermarkets and supermarkets) as well as for their head offices and warehouses. This represents 35% of the sales area of the Group's integrated hypermarkets and supermarkets.	Renewed every three years with an audit
	All new Carrefour group shopping centre constructions and expansions are certified to BREEAM standards and BREEAM In-Use certification will be earned by every French site by 2025.	Renewed every three years with an audit

### 2.2.3.2 Assessment measures in place among our suppliers

Risk assessment measures	Actions taken	Frequency
<b>Measures for assessing risks to the health and safety of people</b>		
<b>Quality and safety audits of non-food suppliers</b>	<p>For suppliers of non-food products in at-risk countries, Global Sourcing's quality teams visit sites according to an inspection schedule set out by Carrefour in order to check product quality compliance and provide on-site surveillance during production.</p> <p>All textile plants are systematically inspected to ensure that quality procedures and the factory standard comply with Carrefour's proprietary Good Factory Standard, which lays out a set of basic requirements a facility must meet to be in compliance. Adapted to different industries and products, the Standard illustrates good and bad practices simply, with illustrations, to facilitate understanding and support more effective supplier training.</p> <p>See also the detailed action plan on the Group's textile sourcing, with a regional focus on Tamil Nadu and Xinjiang, in Section 2.2.7.3.3 Prevention of forced labour in the textile supply chain.</p>	At least once a year
<b>Quality and safety audits of food production sites</b>	<p>Every factory producing Carrefour own-brand food products is audited in line with either International Featured Standards (IFS) or British Retail Consortium Global Standards (78% in 2022) or is audited by Bureau Veritas (11% in 2022) or by Carrefour (8% in 2022). After suppliers are listed, regular audits are performed on their premises. If any non-compliance is detected, corrective action plans are implemented, failing which the supplier may be delisted (depending on the type of non-compliance and its seriousness).</p>	Annual

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

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Risk assessment measures	Actions taken	Frequency
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### Measures for assessing risks of environmental damage

<b>Textile supplier audits</b>	<p>The <b>Clean Water Project</b> is a programme primarily aimed at water-consuming textile industries that use water and chemicals in their production processes. Designed by Carrefour Global Sourcing's sustainable development teams, it seeks to raise awareness, train and audit suppliers in the management and efficiency of water and chemical consuming processes.</p> <p>The Project includes a training and audit programme in chemical management, an environmental programme in China in collaboration with the Institute of Public &amp; Environmental Affairs (IPE) and a tannery certification programme. It has already been carried out in India and Bangladesh, with support from chemical audits, and in China with support from the IPE.</p>	Annual
	<p>In Bangladesh and India, Carrefour Global Sourcing has issued the <b>Carrefour Chemical Guidebook</b>, which sets out guidelines for purchasing, storing, using and disposing of chemicals in factories. Compliance is encouraged with training and annual unannounced inspections of treatment plant water quality, chemicals management and the proper application of the Business for Social Responsibility (BSR) standard. Suppliers are monitored on the basis of a third-party chemical audit covering chemicals management, chemicals handling, wastewater treatment, sediment management and efficient water use management. The monitored suppliers are the integrated suppliers involved in dyeing and washing operations.</p>	Annual
<b>CSR ratings of suppliers in the clothing sector</b>	<p>Since 2019, clothing supplier assessments have incorporated a CSR rating in addition to the usual commercial, quality, and delivery (supply chain) ratings. This CSR rating includes the results of social audits, environmental assessments and alerts, management of suppliers' suppliers, component traceability, supplier certifications and good CSR practices (aside from mandatory compliance). Carrefour's local teams meet with the evaluated suppliers to share best practices and areas for improvement and they take this rating into account when selecting suppliers.</p>	Frequency
<b>Environmental audits and certifications</b>	<p>Regular on-site environmental audits are commissioned at suppliers manufacturing labelled or certified Carrefour-brand products and where certain key facilities or processes may present environmental risks (raw material certifications such as RSPO, FSC, MSC, PEFC, ASC and organic labels; audits of the specifications of Carrefour Quality Lines products).</p>	Annual
	<p>A climate accounting system on supply chains to determine the highest-emission items and sources was introduced in 2019. The Group is working with suppliers to fine-tune the system as part of the Food Transition Pact (see Section 2.1.3.3).</p>	Annual
	<p>The annual Retailer Cocoa Collaboration assessment programme:</p> <ul style="list-style-type: none"> <li>■ measures the progress of cocoa traders with respect to the eight core principles of the Cocoa and Forests Initiative (CFI);</li> <li>■ ensures that retailers all use the same assessment method;</li> <li>■ enables retailers to make more informed decisions about cocoa sourcing.</li> </ul>	Annual
	<p>The Group sells an increasing number of sustainable products that require environmental and social certification. Examples include (i) organic cotton, whose supply chain must be certified by the Global Organic Textile Standard (GOTS), which is renewable only after an audit report, or by the OEKO TEX Standard 100 label; and (ii) tanneries, which must be certified by the Leather Working group (LWG).</p>	GOTS certification: Annual OEKO TEX label: Annual

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## 2.2.4 PRESENTATION OF PREVENTION AND MITIGATION MEASURES FOR IDENTIFIED RISKS

### 2.2.4.1 General framework

The Carrefour group, works with thousands of suppliers around the world, measures the risks inherent to its supply chains, assesses the social and environmental compliance of its suppliers, and promotes CSR best practices throughout its value chain. For this purpose, the Group has put in place a set of purchasing rules, tools and procedures for monitoring its suppliers and helping them achieve compliance.

### Carrefour's Principles of Ethics: Code of Professional Conduct

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

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

The Principles of Ethics are as follows:

**Respect diversity**

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

**Promote social dialogue**

**Ban all forms of harassment or discrimination**

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

**Cultivate transparent business relationships**

**Honour commitments to our partners**

**Refrain from all unfair agreements and practices**

**Ensure the safety of people and property**

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

**Guarantee confidentiality**

**Protect the environment**

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

**Provide reliable and accurate reporting**

**Avoid conflicts of interests**

**Refuse all forms of corruption**

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

### Purchasing Rules

To better reflect its CSR policy and its *raison d'être* in its purchasing, Carrefour has drafted and rolled out purchasing rules for the food transition in all countries where it operates. These rules form a set of preventive measures on certain raw materials to limit social and environmental risks through certifications or support for its value chain.

The purchasing rules provide a framework for the social and environmental compliance of purchases of controlled products. A total of 11 CSR and food transition purchasing rules applied at Group level incorporate social, environmental and ethical criteria as well as CSR objectives. They supplement the various initiatives already in place in each country and specifically include:

- the signature by suppliers of a Commitment Charter (see next section);

- the process and compliance rules for social audits;
- that the Group's purchasing entities must appoint a person in charge of social and environmental compliance;
- an action plan to bring production phases into compliance with specific purchasing rules; and
- sensitive raw materials.

In 2021, the purchasing rules for the food transition were updated. The purchasing rules are subject to internal controls. The Internal Audit department verifies the quality of the overall system implemented by Carrefour to achieve its objectives, notably through the existence of dedicated rules, good knowledge and management by the merchandise teams, or the existence of control procedures for the quality teams. In 2022, training on this issue was given in various countries.

## The Supplier and Service Provider Commitment Charter

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

The Supplier Commitment Charter has been drawn up with Carrefour's partners in compliance with international fundamental principles (see *Principles of Ethics* above). It consists of nine chapters focusing on human rights, ethics and the

environment: prohibition of forced or compulsory labour, prohibition of child labour, freedom of association and effective recognition of the right to collective bargaining, prohibition of all forms of discrimination, harassment and violence, workers' health and safety, decent wages, benefits and conditions of employment, working hours, Principles of Ethics, and respect for the environment.

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

### 2.2.4.2 Prevention and mitigation measures implemented in our own operations

Risk	Prevention and mitigation measures implemented by the Group	Results
<b>Risks to the health and safety of people</b>		
<b>Occupational health and safety risks</b>	<b>Prevention of workplace accidents and occupational illnesses:</b> compliance with existing regulations, anticipation of changes in regulatory requirements, implementation of strict procedures, roll-out of preventive training in subjects such as in-store safety and in movements and posture, awareness campaigns, etc. In France, a dedicated body for occupational health and safety has existed since 2012 and a Health and Quality of Life in the Workplace agreement has been signed. A Workplace Health and Safety management training programme has been set up for site managers and the Es@nté tool promotes the occupational risk prevention approach and facilitates administrative management of workplace accidents and occupational illnesses.	Workplace accident frequency rate (number of accidents/millions of hours worked) <sup>(1)</sup> : <b>2022: 25.69</b> <b>2021: 25.33</b> <b>Change: +0.36 pts</b>
	<b>Prevention of musculoskeletal disorders:</b> massive investment in handling assistance equipment (automatic pallet wrapping machines, stocking carts, etc.), in-depth studies on workstation ergonomics, alterations to furniture, and gym sessions to prepare employees before they start work.	Workplace accident severity rate (number of days absent due to workplace accident/1,000 work hours) <sup>(2)</sup> : <b>2022: 0.71%</b> <b>2021: 0.90%</b> <b>Change: -21 pts</b>
	<b>Prevention of stress and psychosocial risks:</b> stress management training and free hotlines and remote psychological support, etc. In France, employees have had toll-free access to a support line since 2015.	
<b>Physical and mental harm</b>	<b>Violent, racist and/or discriminatory behaviour towards others:</b> Organisation of awareness-raising activities such as the Diversity Day or unconscious bias workshops. Organisation of country-led initiatives (e.g., Trans Visibility Day in Brazil).	
	Intensified action plans are being deployed in Brazil, where the death of a customer in Porto Alegre highlighted this risk: <ul style="list-style-type: none"> <li>■ Carrefour Brazil immediately conducted an audit. Policies on training for employees and subcontractors in terms of safety, respect for diversity and values of tolerance were reinforced;</li> <li>■ an action plan has been prepared with an external committee for freedom of expression in diversity and inclusiveness, appointed to advise Carrefour Brazil in an independent manner on the measures to be taken to combat racism in its stores. This plan will reinforce the measures already taken several years ago by Carrefour Brazil to combat racism.</li> </ul>	

(1) Scope: Excluding BRAT + BR.

(2) Scope: Excluding BRAT + BR.

Risk	Prevention and mitigation measures implemented by the Group	Results
Quality, compliance and product safety failure	<p><b>Significant lack of product control and traceability:</b> Rolling out blockchain technology, particularly for new food products in the Carrefour Quality Lines, to ensure full traceability and guarantee total transparency for consumers about where the products have come from. All data is recorded, processed and tracked using business apps (TraceOne, the TBQ quality dashboard, sales tracking, supply chain tracking, etc.).</p>	<p>Number of quality lines equipped with blockchain: <b>2022: 69</b> <b>2021: 55</b> <b>Change: +25.4%</b></p>
	<p><b>Failure to develop or comply with the specifications for Carrefour own-brand products:</b> the substances contained in the products are constantly monitored. Based on scientific evidence, a detailed risk map is drawn up by category and level of criticality. Information regarding stakeholders' concerns and expectations is gathered (informal contacts with independent scientific experts by topic, monitoring of the food industry, interviews with government departments in high-risk countries, monitoring of laboratory publications, contacts with health authorities, etc.).</p>	
	<p><b>Public health:</b> eliminating substances with controversial health and environmental effects: Carrefour conducts ongoing oversight to identify and eliminate the presence of controversial substances in its products, reduce the use of pesticides and remove GMOs.</p>	
	<p>Improving communication flows about product withdrawal and recall procedures, particularly through messaging apps.</p>	
	<p>Implementing a blocking system for withdrawn or recalled products at checkout.</p>	
	<p>Developing the quality culture in the Group through employee training and awareness-raising, regular monitoring of performance indicators, on-site audits and laboratory analysis of products.</p>	
	<p>Roll-out in 2022 of the DEAVA project to detect short-dated products and optimise their end-of-life.</p>	
	<p><b>Hygiene standards in stores and/or warehouses:</b> training is offered in food safety and Carrefour quality procedures. A Hygiene and Quality Charter, distributed in the stores, presents guidelines for food quality (cold chain management, training in hygiene and quality best practices, etc.) and food safety (implementation of remedial actions following standards compliance inspections).</p>	
	<p><b>Withdrawals and recalls:</b> Redefining product withdrawal and recall procedures and tools using systems such as Alertnet, which warns store managers of non-compliant products and blocks them at checkout. Improving communication flows about product withdrawal and recall procedures, particularly through messaging apps. Implementing a blocking system for withdrawn or recalled products at checkout.</p>	<p>Number of products withdrawn<sup>(1)</sup>: <b>2022: 564</b> <b>2021: 533</b> <b>Change: +5.8%</b></p> <p>% of Carrefour-brand products withdrawn: <b>2022: 50.2%</b> <b>2021: 53%</b> <b>Change: -5.3 pts</b></p> <p>Number products recalled: <b>2022: 330</b> <b>2021: 452</b> <b>Change: -27%</b></p> <p>% of Carrefour-brand products recalled: <b>2022: 18.5%</b> <b>2021: 18%</b> <b>Change: +2.8 pts</b></p>

Risk	Prevention and mitigation measures implemented by the Group	Results
<b>Pandemic</b>	<p>Ratification of the joint declaration on preventive measures to protect workers and consumers in the food retail industry during the Covid-19 pandemic.</p> <p>In September 2020, the Carrefour group launched labelling programmes, for example for AFNOR certification in France and DNV GL in Brazil. These programmes consist in checking and monitoring the Covid-19 health measures implemented at its stores, warehouses and across its supply chain. The verification process mainly involves reminders of protective measures, mask requirements, availability of hand sanitiser, installation of plexiglass barriers, social distancing floor markers, and more frequent cleaning and disinfection of equipment surfaces (basket handles, cart handles, scanners, cash registers, etc.) and store space.</p>	-
<b>Risk of human rights violations</b>		
<b>Failure to respect the principles of diversity and to battle discrimination and harassment</b>	<p>Signature in 2020 by Carrefour management and the trade unions of a new gender equality in the workplace agreement covering operations in France, in a commitment to facilitating the career development of women.</p> <p>Undertaking by Carrefour to foster diversity and inclusion by upholding the charter of <i>L'Autre Cercle</i>, a non-profit that advocates for the inclusion of LGBT+ people in the workplace.</p> <p>Deployment of the dedicated Empowering Women Leaders programme aimed at increasing the percentage of women among Executive Directors, which was renewed in 2023 with eight women executives.</p> <p>Creation of an Engagement department in February 2022 to execute the Group's social responsibility vision, including a Diversity and Inclusion section.</p> <p>Preparation of a Diversity Policy in 2022, for deployment in all the Group's integrated countries in 2023.</p>	<p>Percentage of women among Executive Directors (top 200): <b>2022: 25%</b> <b>2021: 24.7%</b> <b>Change: +1 pt</b></p> <p>% of management positions held by women: <b>2022: 42.3%</b> <b>2021: 42.5%</b> <b>Change: -0.2 pts</b></p> <p>Percentage of employees recognised as having a disability: <b>2022: 3.7%</b> <b>2021: 3.4%</b> <b>Change: +0.3 pts</b></p>
<b>Failure to respect freedom of association and the right to social dialogue</b>	<p>Negotiations and collective bargaining agreements:</p> <ul style="list-style-type: none"> <li>■ at the international level: agreement with international union federation UNI Global Union guaranteeing basic rights in the workplace renewed for three years in 2022;</li> <li>■ at the European level: agreement to create the European Works Council, the European Consultation and Information Committee (ECIC) signed with the FIET (part of UNI Global Union since 2011). On October 14, 2020, Carrefour presented its non-financial information at a meeting held by videoconference and attended by 50 representatives worldwide;</li> <li>■ at the national level: local collective bargaining agreements that frame social dialogue;</li> <li>■ discussions and consultations with employee and trade union representatives that go beyond legislative requirements and standards;</li> <li>■ presence of staff representatives in the Group's business activities.</li> </ul> <p>In 2022, the ECIC met six times.</p>	<p>Number of agreements signed: <b>2022: 369</b> <b>2021: 453</b> <b>Change: -18.5%</b></p> <p>% of employees covered by a collective bargaining agreement: <b>2022: 99%</b> <b>2021: 91%</b> <b>Change: +8 pts</b></p>
<b>Failure to uphold human rights and fair pay</b>	<p>Carrefour has formally defined its commitments with regard to responsible compensation policies, taking into account each host country's specific issues and conditions. The Group has defined the following compensation goals applicable to all its host countries, which aim to guarantee decent wages for all its employees and temporary workers, as well as for all employees and temporary workers of its franchisees:</p> <p>Launch in 2022 of:</p> <ol style="list-style-type: none"> <li>1. human rights mapping;</li> <li>2. a study on the living wages of employees across the Group's nine integrated countries.</li> </ol>	-

Risk	Prevention and mitigation measures implemented by the Group	Results
<b>Risks of environmental damage</b>		
<b>Contribution and vulnerability to climate change</b>	<b>Combating food waste:</b> Implementation of a variety of solutions to: <ul style="list-style-type: none"> <li>improve stock and order management, with a top-40 ranking of products by value or breakage rate. Use forecast sales and production schedules adjustable for weather and other external events;</li> <li>promote short-dated products, with 30% to 60% markdowns, and sell products up to one month beyond the best-before date. Internal tools are put in place to enable us to go further: weekly alerts on items at risk of being wasted are sent to all store directors and managers in order to prevent the risk and trigger initiatives to move such products in stores;</li> <li>donate or sell at a discount unsold products to food banks, partnership with Too Good To Go, etc.;</li> <li>recover products that cannot be sold or donated and reuse them as biowaste.</li> </ul>	<p>Percentage reduction in food waste (vs. 2016): <b>2022: -39.9%</b> <b>2021: -28%</b> <b>Change: +11.9 pts</b></p> <p>Percentage of food waste recovered: <b>2022: 57.8%</b> <b>2021: 53.2%</b> <b>Change: +4.6 pts</b></p> <p>Number of meal equivalents of unsold products donated to food aid associations (<i>in millions of meals</i>): <b>2022: 45.6</b> <b>2021: 44.1</b> <b>Change: +3.4%</b></p> <p>Number of baskets sold with TGTG: <b>2022: 3,437.8</b> <b>2021: 3,449.5</b> <b>Change: -0.3%</b></p>
	<b>Helping stores become carbon neutral:</b>	<p>Change in Scope 1 and Scope 2 CO<sub>2</sub> emissions since 2019: <b>2022: -29%</b> <b>2021: -25.4%</b> <b>Change: +3.6 pts</b></p> <p>Total GHG emissions by source (<i>in thousands of tonnes of CO<sub>2</sub> equivalent</i>): <b>2022: 1,507</b> <b>2021: 1,583</b> <b>Change: +4.1%</b></p>
	<p><b>1. energy efficiency:</b> teams in Group host countries were issued a list of five priority actions and technology recommendations for their stores: doors for refrigeration units operating at 0°C to 8°C; electronic speed controllers; low-consumption LED lighting; submetering systems; and phase-out of high warming potential HFC refrigerants for cooling systems.</p> <p>In France, Carrefour has joined the signatories of the EcoWatt Charter, which offers actionable ways to lower electricity use during peak demand;</p>	<p>Scope 1 (refrigerants, gas and heating oil) (<i>in thousands of tonnes of CO<sub>2</sub> equivalent</i>): <b>2022: 582</b> <b>2021: 575</b> <b>Change: +1%</b></p>
	<p><b>2. reducing refrigerant emissions:</b> Teams in Group host countries have been issued with a list of five priority in-store action and technology recommendations: phasing out high-impact HFC refrigerants for cooling systems, installing doors for cooling systems to limit refrigerant leaks, and using electronic speed controllers, low-power LED lighting and sub-metering systems. The Group is committed to reducing refrigerant-related CO<sub>2</sub> emissions by 2025 (versus 2010) by phasing out hydrofluorocarbon (HFC) refrigerants and limiting refrigerant leakage;</p> <p><b>3. using electricity from renewable sources:</b> increasing the Group's on-site production of renewable energies. 10% of the energy consumption (21 GWh) of stores equipped with photovoltaic systems will be covered by the initiative.</p> <p>Integrated stores in France, Italy and Belgium have been certified ISO 50001.</p>	<p>Scope 2 (electricity) (<i>in thousands of tonnes of CO<sub>2</sub> equivalent</i>): <b>2022: 631</b> <b>2021: 701</b> <b>Change: -10%</b></p> <p>In-store renewable electricity consumption (<i>kWh per sq.m. of sales area</i>): <b>2022: 1.9</b> <b>2021: 1.5</b> <b>Change: +22%</b></p>
<b>Goods transport:</b>	<p>Optimising logistics arrangements, distribution activities and non-retail activities to limit their environmental impact.</p> <p>In France, Carrefour is modernising its fleet and developing PIEK-certified trucks running on biomethane that generate less pollution and noise (under 60 dB).</p>	<p>Number of trucks running on biomethane: <b>2022: 710</b> <b>2021: 600</b> <b>Change: +18.3%</b></p>

Risk	Prevention and mitigation measures implemented by the Group	Results
Pollution and the impact of our operations on biodiversity	<p><b>Water consumption:</b> In-store water consumption is monitored and optimised in order to limit the impact of activities on water resources.</p> <p>With regard to the real estate business of Carrefour Property and Carmila in France, Italy and Spain, the Group has introduced a sustainable construction policy aligned with BREEAM Construction certification standards, to ensure that buildings are designed and built in a commitment to safeguarding the environment, occupant health and safety, and preserving biodiversity.</p>	<p>Amount of water consumed (in millions of cu.m.): <b>2022: 12.2</b> <b>2021: 11.5</b> <b>Change: +6%<sup>(2)</sup></b></p>
	<p><b>Managing store waste:</b> Carrefour is targeting minimum waste production and the recovery of 100% of store waste by 2025. To reach this goal, in-depth work is being carried out with the store teams to identify and instil best practices, and to analyse and resolve shortcomings. Carrefour is also working with waste management service providers to develop and improve recovery and reuse processes for each type of material.</p> <p>For more information on the Group's plastics action plan, see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.</p>	<p>Proportion of hypermarket and supermarket waste recovered: <b>2022: 74.5%</b> <b>2021: 68.4%</b> <b>Change: +6 pts</b></p>
	<p><b>Reducing the impact of packaging:</b> To reduce the impact of packaging, Carrefour is implementing an action plan with the following areas of focus:</p> <ul style="list-style-type: none"> <li>■ eliminating and reducing the use of packaging at source;</li> <li>■ developing reuse and transforming the customer experience, with bulk sales and packaging deposits;</li> <li>■ improving packaging recyclability in accordance with national recycling capabilities (e.g., the availability of sorting processes) and developing substitutes for hard-to-recycle plastics.</li> </ul> <p>To find out more about our plastics risk action plan, see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.</p>	<p>Cumulative reduction of packaging since 2017 (in tonnes): <b>2022: 16,390</b> <b>2021: 10,906</b> <b>Change: +50%</b></p>
		<p>Number of stores offering the Loop service: <b>2022: 23</b> <b>2021: -</b></p>
		<p>Number of Loop-compatible SKUs: <b>2022: 47</b> <b>2021: 43</b> <b>Change: +9.30%</b></p>
		<p>Percentage of Carrefour-brand packaging that is reusable, recyclable or compostable<sup>(3)</sup>: <b>2022: 57%</b> <b>2021: 46%</b> <b>Change: +11 pts</b></p>
		<p><b>Biodiversity strategy.</b> In 2022, the Group launched the SBTN Corporate Engagement Programme, which enabled it to perform initial mapping of its biodiversity impacts and dependencies, based on its activities. This mapping helped us hone in on certain commodities that have a greater impact on biodiversity than others. It should eventually serve as a basis for drafting an action plan based on science-based targets.</p>
	<p>In the case of Carrefour Property's real estate business, the Group has introduced a sustainable construction and operation policy in France, Italy and Spain that provides a framework for applying environmental best practices at each stage in a building's lifecycle. The policy is aligned with BREEAM Construction certification standards, to ensure that buildings are designed and built to safeguard the environment and protect occupant health and safety.</p>	<p>% of sites certified to BREEAM In-Use standards: <b>2022: 94.2%</b> <b>2021: 90.6%</b> <b>Change: +3.6 pts</b></p>

(1) Sales in the food, household and personal care sections.

(2) Increase stemming from the Group's expansion in Brazil (particularly at Atacadão).

(3) Scope: 71% of 2022 consolidated gross sales. Non-comparable BUs (FR only in 2021; ES, IT, PL and AR excl. in 2022).

(4) Scope: sites managed by Carmila in France, Italy and Spain.

### 2.2.4.3 Prevention and mitigation measures in place among our suppliers

Risk	Prevention and mitigation measures implemented by the Group	Results
<b>Risks to the health and safety of people</b>		
<b>Occupational health and safety risks</b>	Social audit for plants located in high-risk or at-risk countries. This audit is compliant with ICS or BSCI standards. The audit must be performed by an external service provider in accordance with one of the above-mentioned standards, with a required rating of A or B grade (C, D and E ratings do not qualify). See Section 2.2.3 Assessment measures.	Percentage of audits with alerts (potential production plants): <b>2022: 17%</b> <b>2021: 14%</b> <b>Change: +3 pts</b>
	Special requirements for Bangladesh: suppliers must be part of the Accord group to be listed. The Accord group brings together brands and organises the additional safety inspections that are mandatory for any supplier seeking to be listed.	Of which alerts related to health and safety <b>2022: 30%</b> <b>2021: 38%</b> <b>Change: -8 pts</b>
		Number of social audits (active and potential production plants): <b>2022: 1,418</b> <b>2021: 918</b> <b>Change: +54.5%</b>
<b>Quality, compliance and product safety failure</b>	Guarantee the quality and safety of Carrefour-brand products:	% of plants certified to IFS or BRC standards <sup>(1)</sup> : <b>2022: 78%</b> <b>2021: 89%</b> <b>Change: -11 pts</b>
	■ inclusion on Carrefour's suppliers list requires a full assessment of compliance with quality, health and safety standards (IFS, BRC), and Carrefour requirements. After inclusion, regular audits are performed on the suppliers' premises. If any non-compliance is detected, corrective measures are implemented, failing which the supplier may be delisted (depending on the type of non-compliance and its seriousness);	% of plants audited by Carrefour: <b>2022: 8%</b> <b>2021: 11%</b> <b>Change: -3 pts</b>
	■ Carrefour-brand products are made to specifications drawn up by its Quality department. Product specifications are shared with the suppliers and provide details such as the origin of the raw material, the recipe, etc. The substances contained in the products are constantly monitored. Based on scientific evidence, a detailed risk map is drawn up by category and level of criticality. Information regarding stakeholders' concerns and expectations is gathered (informal contacts with independent scientific experts by topic, monitoring of the food industry, interviews with government departments in high-risk countries, monitoring of laboratory publications, contacts with health authorities, etc.);	% of plants audited by Carrefour and graded A or B: <b>2022: 96%</b> <b>2021: 95%</b> <b>Change: +1 pt</b>
	■ for non-food products, Global Sourcing's quality teams visit sites according to an inspection schedule set out by Carrefour in order to check product quality compliance and provide on-site surveillance during production.	% of plants audited by Carrefour and graded C or D: <b>2022: 4%</b> <b>2021: 4.3%</b> <b>Change: -0.3 pts</b>

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

Risk	Prevention and mitigation measures implemented by the Group	Results
<b>Risk of human rights violations</b>		
<b>Sourcing sensitive raw materials</b>	<p>See in this table actions relating to:</p> <ul style="list-style-type: none"> <li>■ risk of failure to uphold human rights and fair pay across the entire value chain;</li> <li>■ sourcing of sensitive raw materials in the environmental risks section.</li> </ul>	
<b>Lack of supply chain resilience</b>	<p>Long-term (three to five years) contracts that support capital improvements by setting prices midway between conventional and organic prices to offset the impact of lower productivity on producer income. These contracts are offered in France, Romania and Taiwan.</p> <p>Through its Carrefour Quality Lines, the Group established a new three-year partnership to guarantee greater visibility and more opportunities for suppliers. Under these deals, Carrefour commits to guarantees on volume over several years and fairer compensation through a jointly agreed purchase price that takes into account three key factors: production costs, the fluctuating market prices of agricultural products, and the technical aspects involved in meeting the higher quality standards set out in the specifications of Carrefour Quality Line products.</p> <p>Carrefour is also developing business with SMEs with a simplified, highly localised agreement, which in particular guarantees fair pricing. Partner producers enjoy a close relationship with Carrefour, governed by a special multi-year contract with commitments on prices and volumes, a simplified 48-hour listing process and accelerated payments within seven days.</p> <p>Signature of "0 kilometre" agreements with small local producers and creation of local food transition pacts in five Group host countries.</p>	<p>Number of local partner producers:  <b>2022: 3,716</b>  <b>2021: 2,840</b>  <b>Change: +30.8%</b></p> <p>Number of partner organic producers:  <b>2022: 3,637</b>  <b>2021: 3,538</b></p> <p>Number of Carrefour Quality Lines partner producers:  <b>2022: 22,176</b>  <b>2021: 24,980</b>  <b>Change: -11.2%</b></p> <p>Penetration rate of lines featuring an Agroecology label within the Carrefour Quality Lines (in fresh produce):  <b>2022: 6.5%</b>  <b>2021: New</b></p> <p>Number of contracts signed with local or regional SMEs and VSEs:  <b>2022: 4,038</b>  <b>2021: 3,400</b>  <b>Change: +18.8%</b></p>
<b>Failure to respect the principles of diversity and to battle discrimination and harassment</b>	<p>Social audit for plants located in high-risk or at-risk countries. This audit is compliant with ICS or BSCI standards. See Section 2.2.3 Assessment measures.</p>	<p>Percentage of audits with alerts (potential production plants):  <b>2022: 17%</b>  <b>2021: 14%</b>  <b>Change: +3 pts</b></p> <p>Of which alerts related to working hours:  <b>2022: 28%</b>  <b>2021: 27%</b>  <b>Change: +1 pt</b></p>
<b>Failure to respect freedom of association and the right to social dialogue</b>	<p>Social audit for plants located in high-risk or at-risk countries. This audit is compliant with ICS or BSCI standards. See Section 2.2.3 Assessment measures.</p>	<p>Of which alerts related to compensation, working conditions and benefits:  <b>2022: 24%</b>  <b>2021: 22%</b>  <b>Change: +2 pts</b></p> <p>Number of social audits (active and potential production plants):  <b>2022: 1,418</b>  <b>2021: 918</b>  <b>Change: +54.5%</b></p>

Risk	Prevention and mitigation measures implemented by the Group	Results
<b>Failure to uphold human rights and fair pay across the entire value chain</b>	Human Rights Charter appended to Franchise agreements. Stakeholder consultations and panels. Consultation with experts on living wages: non-profits, coalitions and companies involved: FIDH, Achact, Global Living Wage Coalition, Ethical Trading Initiative, Fair Wage Network, Fairtrade International, Etam, Bureau Veritas and Tesco.	Percentage of audits with alerts (potential production plants): <b>2022: 17%</b> <b>2021: 14%</b> <b>Change: +3 pts</b>
	<b>Environmental and human rights violations caused by cotton production:</b> cotton from Uzbekistan and Turkmenistan is banned by Group procedures. Carrefour created an organic cotton production line in the Madhya Pradesh region combining quality organic cotton, decent pay for producers and traceability starting from the seed. The Group aims to increase the share of organic cotton in its total supply, while raising the standards of conventional cotton. Carrefour also applies blockchain technology to certain TEX BIO textile products. Using a QR code, consumers can access information that tracks the product pathway from organic cotton production to distribution. See also Section 2.2.7.3.3 Prevention of forced labour in the textile supply chain (Xinjiang, Tamil Nadu)	Of which alerts related to working hours: <b>2022: 28%</b> <b>2021: 27%</b> <b>Change: +1 pt</b>  Of which alerts related to compensation, working conditions and benefits: <b>2022: 24%</b> <b>2021: 22%</b> <b>Change: +2 pts</b>
	<b>Human rights violations caused by fruit and vegetable production:</b> Bananas: bananas are the most popular fruit sold in stores, but they are subject to threats concerning climate change issues and human rights abuses on plantations. As the leader in organic, fair-trade bananas in France, Carrefour works with its suppliers to develop this type of banana production in response to these challenges. The Group also launched two new French banana lines, one organic and one agroecological, featuring blockchain technology. These lines create direct and indirect jobs in the French Antilles and provide consumers with transparent information about the production process.	Number of social audits (active and potential production plants): <b>2022: 1,418</b> <b>2021: 918</b> <b>Change: +54.5%</b>
	<b>Human rights violations caused by textile production:</b> Local projects in high-risk regions (own-brand suppliers) include: <ol style="list-style-type: none"> <li>1. incorporating environmental requirements into the Good Factory Standard;</li> <li>2. project with the Institute of Public and Environmental Affairs (IPE) to assess the environmental performance of production plants in China;</li> <li>3. Clean Water Project in Asia to prevent or counteract industrial pollution risks.</li> </ol> <p>In 2022, the Group tested the Worker Voice system (an ethics, or whistleblowing hotline, dedicated to the problem of forced labour) directly with workers at Carrefour's main spinners in the Tamil Nadu region of India.</p>	

Risk	Prevention and mitigation measures implemented by the Group	Results
<b>Risks of environmental damage</b>		
<b>Sourcing sensitive raw materials</b>	<p>Maps of high-risk raw materials are created and regularly updated (see Section 2.1.2.2.2). The Group has implemented specific raw material purchasing rules in concertation with the stakeholders (i.e., experts, NGOs, customers, suppliers, public authorities, etc.). Known as "CSR and Food Transition Procurement Rules", they are regularly updated. Carrefour takes action in its supply chains by setting requirements for its direct suppliers and being involved at different levels in stakeholder coalitions (e.g., Consumer Goods Forum, SoS Cerrado Manifesto, French Soya Manifesto).</p> <p>The Group has made it a priority to address the following risks:</p> <p><b>Deforestation for conversion of land for agriculture:</b> Carrefour has taken on the co-leadership of the Consumer Goods Forum Forest Positive Coalition for Action and is a member of the working groups on palm oil, wood, paper, beef and soy. This platform aims to collectively mobilise suppliers to drive systemic change across supply chains. See also Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil.</p> <p><b>Palm oil:</b> Carrefour has implemented a gradual action plan with its direct suppliers, based on RSPO certification, to protect this supply chain in all of the Group's integrated countries. The first step involved requiring its suppliers to provide certified mass balance raw materials in 2020. Standards are now being tightened to the stricter segregated certification, which ensures full traceability from plantation to consumer by 2022. In addition, Carrefour substitutes palm oil in its own-brand products when doing so improves the nutritional value of a product or to meet consumer expectations.</p> <p><b>Wood and paper:</b> Carrefour has implemented a supply inspection system based on a risk analysis of production countries. Ten product categories that use the largest volumes of wood and paper are defined as priority. In these ten categories, different certification or guarantees are required depending on product origin (recycled, FSC certification, PEFC certification or specific audit).</p> <p><b>Beef in Brazil:</b> see the detailed action plans in Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil.</p> <p><b>Soy:</b> See detailed action plans in Section 2.2.7.3.1.</p> <p>A process initiated in Brazil, France, Italy and Romania in 2021 to raise supplier awareness on soy-related deforestation and conversion challenges was continued in 2022. Training seminars and webinars with local NGOs have been carried out in these countries, with the commodities and suppliers concerned, by type of product (milk, egg, pork, etc.)</p>	<p>Sensitive raw materials: Percent progress made in rolling out action plans on sensitive raw materials: <b>2022: 61%</b> <b>2021: 55%</b> <b>Change: +6 pts</b></p> <p>Sustainable forests: Percentage of priority raw materials committed to a risk reduction plan: <b>2022: 55%</b> <b>2021: 50%</b> <b>Change: +5 pts</b></p> <p>Palm oil: Percentage of palm oil used in Carrefour-brand products that is fully traced (RSPO Segregated certified): <b>2022: 83.4%</b> <b>2021: 82.1%</b> <b>Change: +1.3 pts</b></p> <p>Percentage of palm oil used in Carrefour-brand products certified RSPO or equivalent: <b>2022: 99.9%</b> <b>2021: 99.9%</b> <b>Change: 0 pts</b></p> <p>Wood and paper: Percentage of Carrefour-brand products in ten priority categories sourced from sustainable forests: <b>2022: 90.7%</b> <b>2021: 80.2%</b> <b>Change: +10.5 pts</b></p> <p>Brazilian beef: Percentage of Brazilian beef suppliers that are geo-monitored (system used to monitor farms that supply slaughterhouses directly) and comply with the Group's forest policy or are committed to an ambitious anti-deforestation policy: <b>2022: 89.7%</b> <b>2021: 86.9%</b> <b>Change: +2.8 pts</b></p> <p>Soy: Percentage of Carrefour Quality Lines and other key Carrefour-brand products that use zero-deforestation soy as animal feed: <b>2022: 19.7%</b> <b>2021: 2.9%</b> <b>Change: +16.8 pts</b></p>

Risk	Prevention and mitigation measures implemented by the Group	Results
	<p><b>Cocoa:</b> Carrefour supports all its suppliers in meeting its objectives with a Cocoa Commitment Charter describing its standards, in particular with regards to deforestation prevention, traceability and transparency. The Group is also a founding partner of the CEMOI Transparence Cacao programme, which is helping to fight against deforestation while improving the living and working conditions of cocoa farmers.</p>	<p>Cocoa: Percentage of Carrefour-brand chocolate bars that comply with our Sustainable Cocoa Charter: <b>2022: 31.4%</b> <b>2021: 30.8%</b> <b>Change: +0.6 pts</b></p>
	<p><b>Biodiversity damage caused by the use of ocean resources and aquaculture:</b> Carrefour has implemented sourcing rules for seafood products through a range of programmes. For example, Carrefour Quality Lines were created to encourage the adherence of aquaculture products to strict specifications. Certification, such as AB, MSC and ASC, provides strict control of each step in the supply chain. And lastly, low-impact fishing techniques are promoted (no fish aggregating devices, angling, etc.), and certain protected species including turtles and sharks are prohibited from sale at Carrefour.</p>	<p>Traceability and assessment of traders: Percentage of key traders assessed and making progress towards complying with our policy: <b>2022: 50%</b> <b>2021: 50%</b> <b>Change: 0 pts</b></p>
	<p><b>Textiles:</b> the Group has set several targets to ensure that the textile fabrics and fibres used in its own-brand products (e.g., lyocell, viscose) do not contribute to deforestation and harm animal welfare. In addition, in 2019, the Group joined the Fashion Pact, whose objectives, based on scientific criteria, focus on three areas of action: halting global warming, restoring ecosystems and protecting key species, and protecting the oceans.</p>	<p>Sustainable fishing: Percentage of controlled and national-brand products sourced from sustainable fishing practices: <b>2022: 34.5%</b> <b>2021: 35.1%</b> <b>Change: -0.6 pts</b></p>
		<p>Textiles: Percentage of natural raw materials for textiles that comply with our TEX sustainability policy: <b>2022: 46.4%</b> <b>2021: 41.6%</b> <b>Change: +4.8 pts</b></p>
		<p>Percentage of TEX products made with organic cotton: <b>2022: 21%</b> <b>2021: 18%</b> <b>Change: +3 pts</b></p>
		<p>Percentage of wood-based fibres in our TEX products that are deforestation-free: <b>2022: 70.9%</b> <b>2021: 40%</b> <b>Change: +30.9 pts</b></p>
		<p>Percentage of wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems: <b>2022: 25.1%</b> <b>2021: New</b></p>
		<p>Percentage of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification: <b>2022: 100%</b> <b>2021: 100%</b> <b>Change: -</b></p>

Risk	Prevention and mitigation measures implemented by the Group	Results
Contribution and vulnerability to climate change	<p><b>Winning a commitment from own-brand and national brand suppliers to reduce their GHG emissions.</b> Carrefour has set a target to reduce emissions from goods and services purchased by 30% between 2019 and 2030. This target translates into savings of 20 megatonnes of CO<sub>2</sub>, in collaboration with its suppliers. Carrefour is also targeting a reduction of 27.5% in its emissions from product use by 2030 (especially for fuel and consumer electronics). To meet these targets, Carrefour will focus on:</p> <ul style="list-style-type: none"> <li>■ encouraging the 100 biggest Carrefour suppliers to outline quantified commitments to reduce CO<sub>2</sub> in their direct scope and upstream. Carrefour's aim is for its 100 biggest suppliers to adopt a 1.5°C trajectory consistent with the Science Based Targets initiative by 2026. Carrefour has committed to delisting suppliers that fail to comply with this condition;</li> <li>■ reviewing the assortment of products available at Carrefour to reduce the climate impact of the average basket;</li> <li>■ reducing the climate impact of Carrefour-brand products, by scaling back packaging, combating deforestation and developing low-carbon farming practices.</li> </ul> <p>Extension of the 20 Megatonnes project to European countries in 2022. This project encourages suppliers to make commitments, measure CO<sub>2</sub>, engage consumers and develop low-carbon consumer habits.</p> <p><b>Tackling deforestation:</b> See the section on the supply of sensitive raw materials in this table and Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil.</p>	<p>Number of suppliers involved in the 20 Megatonnes project: <b>2022: 51</b> <b>2021: -</b></p> <p>Number of suppliers committed to the Food Transition Pact: <b>2022: 204</b> <b>2021: 114</b> <b>Change: +79%</b></p>
Pollution and biodiversity impacts of operations with suppliers	<p>Implementation of the Food Transition Pact to gain adherence from national brand suppliers. The Food Transition Pact provides a platform for exchanging information and best practices, developing opportunities for collaboration with Carrefour and sharing progress with consumers. Its key objectives are:</p> <ul style="list-style-type: none"> <li>■ packaging: limit the environmental impact of packaging by eliminating unnecessary packaging, reducing packaging volumes and providing clear information to consumers on how to recycle the packaging;</li> <li>■ biodiversity: encourage environmentally friendly farming practices;</li> <li>■ climate: guarantee a food system that is not harmful for the climate and reduces the environmental impact.</li> </ul> <p>See also Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.</p>	<p>Number of suppliers committed to the Food Transition Pact: <b>2022: 204</b> <b>2021: 114</b> <b>Change: +79%</b></p>

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## 2.2.5 WHISTLEBLOWING FACILITIES

### 2.2.5.1 Description of whistleblowing facilities

In 2022, the Group strengthened its policies and prioritised actions to be taken based on reported alerts. Carrefour's partners and employees are all permanent conduits for raising the alert when necessary. Reported alerts are divided into the following categories:

- trade union dialogue;
- the ethics hotline, accessible to all employees and partners;
- stakeholder dialogue and publications mentioning Carrefour;
- alerts raised within the Food Transition Committee.

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

**Alerts or incidents identified via the trade union dialogue.** A dispute management procedure is incorporated in the UNI Global Union agreement. The procedure should be followed if a dispute between a Carrefour entity and UNI Global Union relating to the interpretation or application of the agreement cannot be settled through dialogue. If breaches are confirmed, UNI Global Union and its affiliated trade unions will ensure that the situation is promptly remedied and that appropriate action is taken as required by the situation.

**The ethics hotline, accessible to all employees and partners.** In line with France's Duty of Care law, Carrefour has deployed whistleblowing and warning systems for reporting ethics risks or suspected violations, designed in cooperation with its representative trade unions. In this way, any Group employee, supplier or service provider can confidentially report situations or behaviour that contravene Carrefour's ethical principles. The whistleblowing system is therefore one of the tools promoted under the agreement between Carrefour and UNI Global Union.

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

All alerts identified by the Compliance departments are processed and investigated, provided that a sufficient amount of information is available. The country Ethics and Compliance managers are responsible for relaying alerts to the appropriate departments, depending on their nature. For example, alerts related to fraud or theft are handled by the Security departments, those related to corruption are processed by the Compliance departments and alerts related to employee health and safety or discrimination are handled by Human Resources. For serious alerts, the alert is handled by the country Ethics Committees.

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

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

**Stakeholder dialogue, publications mentioning the Carrefour group and alerts handled by the Food Transition Committee.**

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

The alerts are identified by the task force through stakeholder dialogue, publications mentioning the Carrefour group (thematic rankings, reports, press articles) and industry-related alerts. Task force members keep a permanent watch on the alerts and monitor any changes. Following the identification of an alert, the relevant functions are tasked with conducting an investigation, defining an appropriate response and specifying any action plans or processes to be put in place to mitigate the risk. The duty of care plan is regularly monitored by the various governance bodies (see Section 2.2.1 Governance of the duty of care plan).

**2.2.5.2 Types of alerts**

**Alerts reported through the ethics hotline.** In 2022, 5,909 alerts were received, most of which were reported through the local alert channels (82.3%). The remaining alerts were reported via hierarchical channels, e-mail or post.

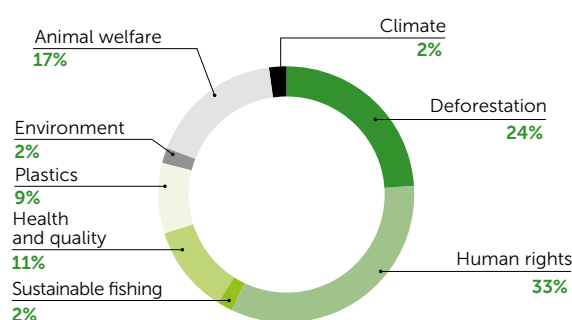
Alerts by category in 2022	Percentage of alerts received
Human resources (other than discrimination and harassment)	62.9% <sup>(1)</sup>
Other	13.6% <sup>(2)</sup>
Theft, fraud and misappropriation of funds	13.1%
Discrimination or harassment	7.9%
Corruption and conflict of interest	1.2%
Health and safety	1.1%
Antitrust and unfair trade practices	0.1%
Environmental issues	0.1%
<b>TOTAL</b>	<b>100%</b>

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

(2) Alerts not within the scope of the categories in the table above, and which do not concern human rights or accountability, for which the percentage of alerts received is 0%. Do not concern the consolidated scope or referred to customer services.

**Alerts raised through stakeholder dialogue, publications mentioning the Carrefour group and alerts handled by the Food Transition Committee.** The competent authorities – social dialogue bodies, the committee on Purchasing Rules for the Food Transition, and other bodies at the Group or country level, depending on the case – are called upon to deal with the reported alerts. In 2022, some 50 alerts on various matters related to products sold or supply chains were handled by the committee on Purchasing Rules for the Food Transition.

**FIGURE 5: BREAKDOWN BY CATEGORY OF ALERTS HANDLED BY THE COMMITTEE ON PURCHASING RULES FOR THE FOOD TRANSITION**



In 2022, as in 2021, the alert categories most often handled by the committee on Purchasing Rules for the Food Transition concerned deforestation and human rights. Our action plans addressing these issues are presented in detail in Section 2.2.7.3 Specific action plans related to recurring alerts in 2022.

For the other issues shown in the above chart for 2022, the alerts that were handled are described in Section 2.2.7.2 Review of alerts received in 2022.

## 2.2.6 MONITORING SYSTEM FOR MEASURES IMPLEMENTED

The Duty of Care law requires companies to set up a system to track the measures undertaken and assess their effectiveness. Carrefour has indicators in place to gauge the appropriateness and effectiveness of measures designed to prevent and mitigate risks of harm to human health and safety, human rights and the environment. These indicators are described in Section 2.2.4 Presentation of prevention and mitigation measures for identified risks.

## 2.2.7 REPORT ON THE 2022 DUTY OF CARE PLAN

### 2.2.7.1 Main measures implemented in 2022

Types of risks	Measures implemented in 2022
<b>Risks to the health and safety of people</b>	
Quality, compliance and product safety failure	<ul style="list-style-type: none"> <li>■ Roll-out of the DEAVA project to detect short-dated products and optimise their end-of-life</li> </ul>
<b>Risk of human rights violations</b>	
Failure to respect the principles of diversity and to battle discrimination and harassment	<ul style="list-style-type: none"> <li>■ Publication of a Group Diversity Policy</li> <li>■ Creation of an Engagement department for the Group</li> </ul>
Failure to respect freedom of association and the right to social dialogue	<ul style="list-style-type: none"> <li>■ Renewal of the agreement between Carrefour and UNI Global Union</li> </ul>
Failure to uphold human rights and fair pay across the entire value chain	<ul style="list-style-type: none"> <li>■ Launch of human rights mapping</li> <li>■ Launch of the Group's Living Wage Assessment</li> <li>■ Implementation of the Worker Voice ethics whistleblowing system in spinning mills in India's Tamil Nadu region.</li> </ul>
<b>Risks of environmental damage</b>	
Sourcing sensitive raw materials	<ul style="list-style-type: none"> <li>■ New policy to combat deforestation in Brazil.</li> <li>■ In 2022, Carrefour Brazil, IDH (Sustainable Trade Initiative) and CNA (Brazilian Confederation of Agriculture and Livestock) have developed a project, deployed in one store to date, ensuring complete traceability of Brazilian livestock production, from the birth of the calf to the end consumer, taking account of inclusion, transparency and data protection. Based on this pilot, a protocol was devised to enable other stakeholders to implement the same practices.</li> </ul>
Contribution and vulnerability to climate change	<ul style="list-style-type: none"> <li>■ Commitment of the Group's largest suppliers to a 1.5°C trajectory by 2026 under penalty of delisting</li> <li>■ Extension of the 20 Megatonnes project to Europe</li> </ul>
Pollution and the impact of our operations on biodiversity	<ul style="list-style-type: none"> <li>■ Launch of the Science Based Targets for Nature programme</li> <li>■ Mapping of risks specific to plastic processing in the Group (see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains).</li> </ul>

### 2.2.7.2 Review of alerts received in 2022

Risks covered	Manifestation of risk or alerts identified in 2022	Additional measures in 2022 and development of existing action plans
Human rights	Working condition requirements for tomato production in Italy (January 2022)	<p>Alert issued by the Coop Nordics Group, which comprises four Northern European distribution cooperatives, concerning the working conditions observed in Italian tomato production.</p> <p>A report by the CBL Dutch Food Retail Association revealed serious human rights abuses in the Italian supply chain (the world's third-largest producer of tomatoes for processing).</p> <p>All contracts between Carrefour and its suppliers include an Ethics Charter that, among other things, addresses working conditions for staff. The Group is committed to helping its suppliers with the implementation of the charter and the associated corrective action plans. However, if one of the Group's suppliers is found to be in breach of the law and the principles of the charter, the business relationship may be terminated.</p>
Human rights	Condemnation of the working conditions of workers in the Tamil Nadu region of India (March 2022)	<p>Alert issued by the Business &amp; Human Rights Resource Centre (BHRRC) following the publication of a research report drawn up on the basis of the testimonies of female clothing-industry workers employed in 31 Indian factories. These factories reportedly supply international brands including Carrefour.</p> <p>In 2021 and 2022, the Carrefour group strengthened its measures in sensitive supply regions through more extensive mapping. These measures cover the entire value chain and are reinforced locally in the highest-risk areas, such as the Tamil Nadu region.</p> <p>The Group has rolled out ambitious targets in these regions, for example, to ensure that all tier 1 suppliers receive frequent visits from Carrefour's local teams and are subject to unannounced audits by interdependent bodies of their compliance with labour standards. Also, all sourcing plants located in high-risk or at-risk countries must undergo a social audit compliant with ICS or BSCI standards.</p> <p>In 2022, a new whistleblowing channel was developed to help workers report their alerts anonymously through the Worker Voice system in the Tamil Nadu region. This practice goes further than the auditing of labour standards and allows alerts made directly by workers in the mills to be identified. In addition, anonymous surveys are now conducted with a view to improving our understanding of concerns about forced labour, working hours and pay.</p> <p>For more information on Carrefour's action plans addressing issues in its textile supply chains, see Section 2.2.7.3.3 Prevention of forced labour in the textile supply chain.</p>
Health and safety	Withdrawal of Buitoni, Ferrero and Kinder brand products from Carrefour's shelves (April 2022)	<p>In early 2022, the presence of E-Coli bacteria was detected in frozen pizza dough from Buitoni's Fraich'Up range. Buitoni subsequently recalled all pizzas in its Fraich'Up range. A few months later, Kinder brand products manufactured by Ferrero were withdrawn after cases of salmonella were detected in Europe.</p> <p>Whenever there is a product recall, Carrefour's prime concern is to withdraw the products in question from the market so that they can no longer be purchased by consumers in its stores or online.</p> <p>Notices are displayed in stores and information on all recalls is made available on the <i>Carrefour.fr</i> website. In the event of major crises that could put consumer health or safety at serious risk, text messages and/or emails are sent to Carrefour loyalty card holders. This approach was taken for the Buitoni and Ferrero/Kinder crises in April 2022.</p> <p>To verify the proper application of withdrawal/recall procedures, including the display of notices at the customer service desk and in the relevant departments, independent bodies audit the Group's stores at least twice each year. If discrepancies are identified, the stores in question must implement action plans to be monitored by the Quality department and line management. The staff also receive regular training on the withdrawal/recall process. The Quality department regularly conducts awareness-raising in stores. E-commerce customers are automatically notified by e-mail in the event of a product withdrawal/recall.</p> <p>Lastly, if there is a major crisis, an alert banner is activated on the <i>Carrefour.fr</i> website.</p> <p>In addition to these measures, Carrefour ensures the quality and safety of its own-brand products throughout the production and distribution chain by means of a comprehensive action plan: checking Carrefour-brand product specifications, auditing all Carrefour-brand product manufacturing sites (IFS, BRC or audited certification carried out by Carrefour), implementing in-store quality processes and alert and withdrawal systems.</p>

Risks covered	Manifestation of risk or alerts identified in 2022	Additional measures in 2022 and development of existing action plans
Environment	Publication of two reports by NGO Mighty Earth linking Carrefour to deforestation in Brazil (September and November 2022)	<p>Publication of "Carrefour is smoking us out", a report by NGO Mighty Earth concerning the links between Carrefour and supplier JBS, frequently targeted for cases of illegal deforestation in its supply chain.</p> <p>Following release of the first report, the Group activated an internal whistleblowing procedure. After the second report appeared, an investigation was launched to assess the compliance of the accused suppliers. In addition, merchandise flows are being examined to assess the functioning of the Group's blocking procedures.</p> <p>Carrefour Brazil has adopted a new Forest Plan including the establishment of measures for areas at risk of deforestation, defined with stakeholders and experts on deforestation in Brazil.</p> <p>For more information on Carrefour's action plans addressing cattle-related deforestation in Brazil, see Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil.</p>
Environment	Formal notice issued to the Group on plastic pollution (September 2022)	<p>The Group has been issued with formal notice by the NGOs ClientEarth, Surfrider Foundation Europe and Zero Waste France and France Nature Environnement, which are calling for more ambitious action plans to identify risks and prevent plastic-related damage.</p> <p>Carrefour has been committed to reducing plastic packaging for several years. It has already eliminated more than 16,000 tonnes of plastic since 2017 and aims to increase that volume to a total of 20,000 tonnes by 2025. By signing the National Pact on Plastic Packaging, Carrefour has pledged to implement measures to reduce plastic and promote a more circular economy. In 2022, as part of the Group's new strategic plan, Carrefour announced its goal of switching to reusable, recyclable or compostable packaging for its entire own-brand product range by 2025.</p> <p>To achieve its goals the Group can leverage several measures including reuse, reduction of plastic packaging, facilitation of collection and recycling, and incorporation of more recycled material.</p> <p>To find out more about the Group's plastics action plans, see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.</p>
Health and safety	Labelling of products associated with the crisis in Ukraine (March 2022)	<p>The crisis in Ukraine has highlighted the difficulty of sourcing certain products used to manufacture foodstuffs. With that in mind, France's Directorate-General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) has introduced a scheme to promote transparency in product labelling to ensure the best possible information is available to consumers. Shortages of certain commodities (oil, lecithin, etc.) have made recipe changes necessary, but it was not possible to print new packaging in time.</p> <p>As a result, the DGCCRF has allowed several temporary exemptions for a maximum period of six months. By the end of 2022, more than 250 exemptions had been granted for Carrefour-brand products (i.e., 5% of the total exemptions granted). The granting of these temporary exemptions has now been extended for the avian influenza crisis in France, where a measure of flexibility is now allowed in order to meet labelling requirements.</p>

### 2.2.7.3 Specific action plans related to recurring alerts in 2022

#### 2.2.7.3.1 Beef and soy-related deforestation in Brazil

##### 1 Background

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

- Brazilian beef is primarily sold in our stores in Brazil. More than half is sold in unprocessed form, as fresh or frozen meat (steaks, minced meat, etc.). Carrefour Brazil sells approximately 53,000 tonnes of unprocessed beef each year;
- soy, in all its forms (sprouted soybeans, beans, soybean oil, etc.), is a common ingredient in many foods. However, almost three-quarters of worldwide soybean production is used as a source of protein in animal feed. Soy is thus used indirectly in the production of dairy products, as well as in poultry, eggs, pork, beef and farmed fish.

##### 2 Group objectives

###### 2.1 THE CARREFOUR GROUP'S COMMITMENTS AND OBJECTIVES ON BRAZILIAN BEEF

The Group's objectives are as follows:

- all direct beef suppliers in Brazil are to be geo-monitored by 2025. The scope of this objective covers suppliers of fresh, frozen and processed meat, distributors, and Carrefour Brazil and Atacadão warehouses. This system is designed to ensure that all the ranches that directly supply Carrefour supplier slaughterhouses are geo-monitored;
- all key traders are to be assessed and on track to be compliant with the forest policy or committed to other ambitious anti-deforestation policies by 2025;
- in Brazil, Carrefour-branded beef will be zero deforestation by 2026, by moving out of at-risk areas and delisting any farms located in these areas. This commitment will apply in the same way to other brands sold in Carrefour stores by 2030.

Through these objectives, Carrefour is committed to reducing the risk of deforestation linked to "direct" ranches (i.e., that directly supply the Group's supplier slaughterhouses) and, in the longer run, the risk of deforestation linked to "indirect" ranches, in particular by phasing out the most at-risk volumes.

###### 2.2 THE CARREFOUR GROUP'S COMMITMENTS ON SOY

The Group's first step in addressing the challenges of soy-related deforestation and conversion was to focus on the Carrefour Quality Lines in each host country, with the goal of developing at least one zero-deforestation livestock chain per country by the end of 2020. The objective was achieved in each country, and at the end of 2020, the Group had a total of 20 soy-based, deforestation-free supply lines. This made it possible to introduce local supply lines and/or develop alternatives to soy in animal feed. In 2021, the Group stepped up its ambition by setting the following objectives:

- all key traders (intermediaries trading in agricultural commodities near the beginning of the supply chain) must be assessed and be making progress towards complying with Group policy;
- all key products must use deforestation-free soy for livestock feed by 2025. The products concerned by the commitment are Carrefour Quality Lines products and Carrefour-brand products for the following unprocessed fresh and frozen products: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat. To comply with the commitment, the soy indirectly contained in animal feed products must meet one of the following criteria:
  - soy replaced by alternative proteins,
  - soy sourced from a local, deforestation-free farm,
  - soy certified deforestation-free with full traceability,
  - sourced from a region with no deforestation or conversion risk,
  - sourced from a field project with a landscape approach;
- to offer an alternative to animal proteins, Carrefour is also developing vegetarian and vegan ranges in every country. It hopes to increase sales of plant-based products in Europe to 500 million euros by 2026, (65% more than in 2022).

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

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

##### 3/ Action plans

###### 3.1 CARREFOUR'S ACTION PLAN FOR BRAZILIAN BEEF

###### The Forest Committee and investing to combat deforestation

To support deployment of its anti-deforestation policy, in 2022, Carrefour Brazil set up a Forest Committee and pledged to invest 10 million euros to combat deforestation. The Forest Committee brings together a variety of experts in the field of combatting deforestation in Brazil, whose role is to support Carrefour in defining its anti-deforestation strategy, by identifying priorities for action and assessing the Group's progress in meeting its objectives. The committee is also helping to define funding priorities for the investment in fighting against deforestation.

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

To assess the compliance of ranches directly supplying its supplier slaughterhouses in Brazil, Carrefour is deploying its geo-monitoring system to ensure that five priority procurement criteria are met. Supplies must not originate in regions:

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

In practical terms, the Group's purchasing data are cross-checked in the tool against official deforestation maps (in Amazonia and Cerrado), protected areas and indigenous lands. This is how Carrefour involves its suppliers in its anti-deforestation policy and ensures the compliance of products sold in stores. Carrefour works with its suppliers to identify any cases of cattle rancher non-compliance and can take appropriate business decisions as needed.

In addition to geo-monitoring, Carrefour conducts investigations when alerts are received by stakeholders. In the event of non-compliance by a supplier, Carrefour has defined a series of measures that include suspending supplies that do not offer the requisite guarantees and transparency.

As part of a continuous improvement process, merchandise flows are being examined to assess the functioning of the Group's banning procedures.

### Securing the engagement of large meat producers and reducing risks from indirect ranches

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

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

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

Lastly, in 2022 the Carrefour Foundation initiated a field project with the IDH Foundation – Sustainable Trade Initiative and the Brazilian Agriculture and Livestock Confederation (CNA) to support 450 calf-supplier ranches in the state of Mato Grosso in Amazonia. The project is aimed at changing practices in the early stages of cattle production (i.e., the indirect ranches) by improving the productivity of a group of ranchers to combat deforestation. Since 2019, the Carrefour Foundation has earmarked over 1.3 million euros for this project. After two years of effort across various links of the supply chain (producer, slaughterhouse, government authorities, non-profits, etc.), the project, which was launched in 2019, produced its first batch of deforestation-free beef in July 2021. Today, a portion of the calves produced by these ranches is completely traceable right to a given Carrefour store. The pilot programme is a breakthrough for the Brazilian beef industry: the meat is the first

to be 100% traceable, from birth to butcher. The product is sold under the Carrefour Quality Lines brand at an affordable price in the São Paulo region with a QR code that provides full traceability. This first phase in Brazil was designed to demonstrate the feasibility of this type of supply chain. Based on the pilot, a protocol was devised to enable other stakeholders to implement the same practices.

### Local collective initiatives to galvanise the market

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

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

### 3.2 CARREFOUR'S ACTION PLAN FOR SOY

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

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

### Collaboration with stakeholders to establish common rules

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

**In consumer markets,** Carrefour's goal is to develop common practices with its entire ecosystem. The Group is part of the National Strategy to Combat Imported Deforestation (SNDI) and has participated in the Scientific and Technical Committee for Forests (CST) dedicated to soy.

At the end of 2020, Carrefour joined with other French retailers in a joint commitment to eliminate deforestation and ecosystem conversion from their soy supply chains. This alignment of views led to the signing of a manifesto "committing French supermarkets to fight against imported soy-driven deforestation". Under the manifesto, Carrefour made a commitment to:

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

One year after the launch of the manifesto, Carrefour has engaged with all of its suppliers through webinars, bilateral meetings and official letters from the Group Merchandise Director. Thanks to this engagement, 22% of the own-brand products covered by our action plan in France now come with a guarantee of non-deforestation. These volumes include Carrefour Quality Lines and key Carrefour-brands of unprocessed frozen and fresh chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat (excluding deli meats) from animals fed with local soy, certified soy or soy with full traceability guaranteeing deforestation-free origin. In collaboration with key stakeholders and the SNDI, Carrefour helped to develop and launch a tool for assessing the risks of deforestation linked to soy imports in France. Thanks to this tool, it is possible to assess the sourcing risk in France based on the origin of the soy and the importer.

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

**Engaging traders to drive market change:** In order to change practices upstream to its supply chain, Carrefour engages in a dialogue with the main soy importers at various levels via involvement in collective initiatives as well as local bilateral exchanges. As part of the Consumer Goods Forum forest coalition, Carrefour supports the implementation of higher standards for traders. A shared assessment system has been developed to monitor and engage with traders and to allow companies to source their supplies from the most responsible

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

### 2.2.7.3.2 Plastic pollution

#### 1/ Context and recurring alerts

Plastics are at the crossroads of environmental and health issues. Plastic pollution impacts both aquatic and terrestrial ecosystems. In addition, some plastics can have an impact on human health, particularly due to their additives content. The health impact of plastic pollution, particularly microplastics, is being researched.

Plastics are used in many aspects of the business operations of both the Group and its suppliers, for example, in products, packaging (cups, trays, films), shipping packaging and sales displays. To mitigate plastic pollution, Carrefour has prioritised the actions to reduce, recover and reuse store waste and to reduce, reuse and recycle plastic and other own-brand product packaging.

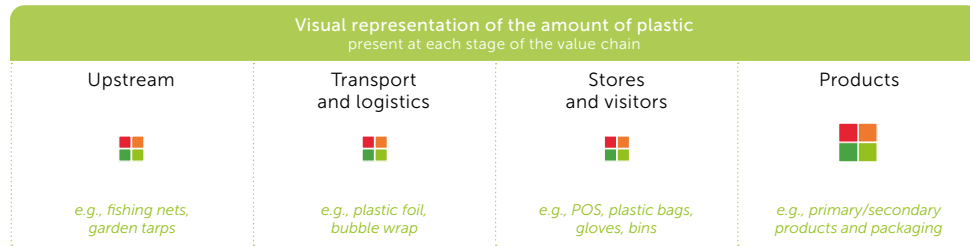
In 2019, the Carrefour group was a signatory of France's National Pact on Plastic Packaging. Then, in March 2020, it joined the European Plastics Pact, which brings together governments and companies that are pioneers in reusing and recycling single-use plastic products and packaging. With this in mind, in July 2021, the Group reaffirmed the targets set in 2017 for the year 2025: to avoid 20,000 tonnes of packaging, to incorporate 30% recycled plastic into its packaging, and to ensure that all packaging is reusable, recyclable or compostable. Carrefour's policy therefore seeks to reduce the quantity of packaging it places on the market as well to improve the use and ultimate disposal of the packaging that remains necessary, by guaranteeing, for example, its re-use or recycling.

In 2022, 6% of alerts handled by the committee on CSR Purchasing Rules for the Food Transition concerned plastic packaging. In September, four NGOs issued the Group with formal notice under its duty of care plan on the risk linked to the use of plastic. These NGOs argue that the Group's size and market influence give Carrefour the capacity to positively influence the food retail sector.

In 2022, Carrefour conducted a macro-analysis of the impacts of plastic directly related to Carrefour's operations in key stages of the supply chain, taking into account the treatment capacity in countries where the Group operates. The results of the analysis are presented in the figure below.

## Plastic risk mapping

### Carrefour's value chain



### IDENTIFIED PLASTIC RISKS



#### Plastic manufacturing

Products sold make up for an estimated 90% of the plastic manufactured and used as part of the Group's activities, and 80% of this plastic comes from packaging.

The main impacts linked to the manufacture of plastics include soil and water pollution during oil extraction and energy consumption and GHG emissions during its transformation into plastic as well as polluting emissions in the air.



#### End-of-life plastics

When it comes to end-of-life plastics, processing and recycling capacities in the countries in which the Group operates and the quantity of plastic involved in each country determine the risks. An estimated 20% of the plastic manufactured and used throughout the value chain is recycled, 38% is incinerated, 56% is sent to landfills, and 6% is uncollected. Indeed, the recycling rate of plastic, especially plastic not derived from household waste, varies from country to country, from 1% in Brazil to 26% in France and 47% in Spain. These three priority countries for the Group together represent more than 3/4 of the volume of plastics produced.

The main impacts related to end-of-life plastics include air pollution and GHG emissions when the end-of-life plastic is incinerated at the end of its life or soil and water pollution in case of burial or discharge into nature.



#### Released microplastics

Microplastics can be released at different stages of the value chain. They can be released into the air, by the use of vehicles for the transport of goods or the movement of visitors. They can also be released into the water, for example through the washing of clothes.

The main impacts linked to the release of microplastics include air, soil, and water pollution.



#### Migration of toxic substances

Prolonged interaction of plastics with liquid or moist food products may result in the migration of sensitive substances into the food, particularly in connection with the presence of additives. Rare non-food products may present the same risk of transfer.

The main impacts related to migration of toxic substances include adverse effects on human health through the migration of toxic substances from plastic packaging into food.

## 2/ The Group's commitments and objectives

In 2021, when the first progress report of France's National Pact on Plastic Packaging was published, the Group reaffirmed its commitment to achieve the targets set:

- 100% of Carrefour-brand packaging that is reusable, recyclable or compostable by 2025;
- 20,000 tonnes of packaging avoided, including 15,000 tonnes of plastic packaging by 2025;
- 30% of packaging using recycled plastic by 2025;
- 150 million euros in bulk and returnable sales in 2026 (five-fold increase vs. 2022);
- 1,000 reusable packaging solutions available in-store by 2025;
- 500 stores equipped with a reusable packaging system by 2025;

- 50 new "bulk" experiences by 2025.

## 3/ Action plans

To achieve the abovementioned targets, Carrefour is implementing its commitments in each country through action plans with the following focuses:

- reducing plastic packaging in every store aisle. In addition, the Group has analysed irritants encountered during the shopper experience in France and Spain. Based on the findings, priorities have been set to eliminate the use of plastics, such as organic product packaging, plastic fruit and vegetable wrapping, bakery and pastry packaging, and individual packaging;
- encouraging reuse: the Group has been a pioneer in deploying reusable packaging solutions, with several dozen stores already equipped in every format;

- facilitating collection and recycling: ecodesign initiatives are being rolled out in all countries to make packaging more easily recyclable;
- incorporating more recycled materials: Carrefour aims to use recycled plastic for 30% of its packaging by 2025;
- improving the collection of packaging data in collaboration with suppliers: in 2022, the system developed and implemented in France for reporting data on the recyclability of own-brand packaging was extended to Belgium, Romania and Brazil. In addition, a diagnosis was performed on a sample portion of the packaging used for Carrefour-branded products marketed in France, which represented 45% of own-brand sales in 2021. It estimated that by weight, plastic accounted for 40% of the sampled packaging, with glass, cellulose and metal making up the rest. The resins used included mainly PET, PE/PEBD/HDPE and PP, PS, laminates and PVC.

To meet these targets, Carrefour has also entered into several collaborations and partnerships. In December 2018, Carrefour signed the Global Declaration on Plastics, an initiative led by the Ellen MacArthur Foundation, alongside international competitors, major brands and NGOs, in order to make its goal a market standard. This process has provided a forum for knowledge-sharing on the use of plastics. In 2019, Carrefour became a signatory of the National Pact on Plastic Packaging for 2025. The practical actions undertaken as part of this initiative will lead to more than 140 tonnes of plastic being avoided each year. Carrefour is also a member of the "RE(SET)" innovation accelerator in partnership with retailers and suppliers which works to find substitutes for problematic packaging standards (non-recyclable plastics, nomad packaging, etc.).

Carrefour is stepping up the roll-out of its action plans to combat plastic pollution. The Group is progressively extending its reporting in all integrated countries, notably as regards the proportion of reusable, recyclable or compostable packaging used for Carrefour-brand products. The Group is pursuing its initiatives aimed at massively reducing single-use plastics, in particular by working with suppliers to reduce shipping packaging. Discussions are now also under way on the importance of better addressing the risk of plastic pollution in the Group's supply chain.

### 2.2.7.3.3 Prevention of forced labour in the textile supply chain (Xinjiang, Tamil Nadu)

#### 1/ Context and recurring alerts

Since 1995, Carrefour has been committed to promoting, respecting, enforcing and protecting human rights in its business sector and within its sphere of influence. Carrefour's policies draw on universally recognised international human rights instruments, the main international standards and benchmarks in the field of human rights, such as the Universal Declaration of Human Rights, the United Nations Global Compact, the OECD guidelines and the ILO conventions.

In 2022, 33% of alerts dealt with by the committee on CSR Purchasing Rules for the Food Transition concerned the human rights protection in our value chain. The main issues concerned cotton production in the Xinjiang region and human rights abuses in production units in Tamil Nadu.

#### 2/ The Group's commitments and objectives

Carrefour pledges to promote, respect, enforce and protect human rights in its sector of activity and within its sphere of influence. The Group has also made the following commitments:

- compliance audits performed on all supplier factories located in high-risk or risk countries;
- only sustainable and traceable natural raw materials used in the Group's TEX products by 2030.

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

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

In 2021, the sustainable product textile targets were incorporated into the purchasing rules. Certain areas requiring increased vigilance (i.e., regions where forced labour is practised) are also included in the purchasing rules.

#### 3/ The Group's action plans

##### 3.1 THE GROUP'S ACTION PLANS FOR TEXTILE SUPPLY CHAINS

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

To respond to these issues, factory capacity and production schedules for Carrefour's orders from its largest textile suppliers (in terms of volume) are analysed and adjusted at a very early stage, to limit problems with "working hours". Carrefour is very attentive to ensuring that at least the legal minimum wage is paid across the value chain. Carrefour's Commitment Charter includes a legal minimum wage commitment. It states that "wages and other compensation for regular working hours should cover the basic needs of workers and their families and leave them with some discretionary income".

**Carrefour's duty of care plan**

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

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

Lastly, since 2021 the Group has published a list of textile suppliers that is available on its website (see the "CSR Library" on the carrefour.com website).

**3.2 ACTION PLANS FOR THE PREVENTION OF FORCED LABOUR ACROSS THE SUPPLY CHAIN**

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

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

**3.3 ACTION PLANS FOR ALERTS IN THE XINJIANG REGION**

The Carrefour group does not source any products directly in the Xinjiang region. Carrefour nevertheless monitors its sourcing to ensure compliant working conditions for all materials that may be produced in this region.

In view of the risk of forced labour in the cotton supply chain, Carrefour requires all of its suppliers to be transparent about their supply chain and to be able to trace cotton back to its origin. Any dubious reports are investigated by asking the supplier for:

- supporting documents for the transaction;
- contracts;

- certificates of origin to prove that the origin of the cotton is not prohibited.

Mapping of the Group's supply chain and alerts received from various channels have enabled the identification of eight additional sources with suspicious links to Xinjiang Province. Alternatives have been found to replace them.

In November 2021, the Laundering Cotton report issued by Sheffield Hallam University cited four suppliers with which the Group had relationships. In 2022, a third party was hired to carry out "on-site" checks of these suppliers' warehouses and spinning mills. These checks continued until the end of December 2022 to confirm the suppliers' declarations and ensure follow-up. Carrefour has also launched spinning mill inspections with its local teams, starting with key integrated suppliers (18 have been completed with no alerts, 9 are still to be completed).

**3.4 ACTION PLANS FOR ALERTS IN THE TAMIL NADU REGION**

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

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

- classifying the Tamil Nadu region as "high-risk" by local Global Sourcing teams in terms of social compliance and factory/importer management;
- mapping the spinning mills of the area in the "Sustainability Map" platform of the Initiative for Compliance and Sustainability (ICS) and evaluating their performance via an audit and a specific questionnaire, with priority given to key suppliers;
- implementation of a Worker Voice ethics hotline to ensure a whistleblowing system at the local level. In 2022, the Group rolled out an additional whistleblowing channel to give workers an opportunity to make reports anonymously. This new whistleblowing line was initially made available in the mills of our main suppliers and it may be extended to tier 1 suppliers if necessary. This practice, which goes beyond the scope of a social audit, is intended to identify risks upstream and to implement systematic corrective measures.

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