Protecting biodiversity
Carrefour Group 2022

TABLE OF CONTENTS

1.The Carrefour Group's biodiversity strategy
1.1 Background and challenges
1.2 Risks and opportunities
1.3.The Carrefour Group's ambitions
1.4.Summary of objectives
1.5.Coalitions and partnerships
1.6.Our organisation
2.Supporting the transition to sustainable agriculture
2. 1 Introduction
2.2 Objectives and performance
2. 3 Action plans
2.3.1 Developing a supply of organic products accessible to all
2.3.2 Promoting agro-ecology through Carrefour Quality Lines
2.3.3 Financing the food transition
2.4 Collaborations and partnerships
3.Maintaining biodiversity for the supply of sensitive raw materials
3. 1 Introduction
3.2 Objectives and performance
3.3 Action plans
3.3.1 Combating deforestation
3.3.2 Limit overfishing
3.3.3 Developing more responsible textile sectors
3.4 Collaborations and partnerships
4.Develop the eco-design and circular economy of packaging
4.1 Introduction
4.2 Objectives and performance
4.3 Action plans
4.3.1 Encouraging re-use
4.3.2 Reducing plastic packaging
4.3.3 Facilitating collection and recycling
4.3.4 Incorporate more recycled material
4.4 Collaborations and partnerships
5.Limiting the impact of our sites on biodiversity
5.1 Introduction
5.2 Objectives and performance

5.3 Action plans
5.3.1 Taking biodiversity into account in land management and the eco-design of sites
5.3.2 Reducing waste and food waste
5.3.3 Controlling water consumption at our sites
5.4 Collaborations and partnerships

1. Carrefour Group's biodiversity strategy

1.1 Background and issues

The food industries are closely dependent on biodiversity, and preserving it is essential. However, biodiversity is experiencing an unprecedented global decline that is associated with five main causes, to which food chains also contribute:

- Changes in land use, mainly due to the intensification and extension of agricultural areas, leading to the destruction, degradation and fragmentation of habitats or the degradation of soils and their functions.
- Water, soil and air pollution and the resulting deterioration in water quality.
- The direct exploitation of certain organisms leading to the over-exploitation of biological resources when too much is taken from the natural environment (over-fishing, unmanaged hunting, etc.).
- Climate change, by altering the range of animal and plant species.
- The proliferation of invasive alien species, which pose a threat to almost a third of terrestrial species and to the functioning of ecosystems.

The current food system is contributing to the erosion of biodiversity, and Carrefour, as a major player in the food sector, has a role to play in preserving it. Carrefour has set itself the objective of offering its customers food, products and services that respect biodiversity. While action can be taken at the level of Carrefour sites and operations, solutions to promote biodiversity must also be developed collectively throughout the supply and production chains with all stakeholders. Carrefour is taking action to preserve biodiversity at the level of its activities and operations, but also upstream, in partnership with its suppliers, and downstream, with its customers. These actions can be presented in five major areas:

- **Supporting the transition to sustainable agriculture**

As an essential link in the food system, agriculture is the stage most closely linked to biodiversity and where interactions with it are the most obvious. Agriculture is highly dependent on the services provided by biodiversity (both domestic and wild), and certain agricultural practices have a significant impact on biodiversity. The food systems of industrialised countries have led to an explosion in agricultural productivity. But these systems, which are often intensive, are not sustainable because they are responsible for multiple pressures on the environment in general, and on biodiversity in particular. These impacts can be direct (reduction in varietal diversity for cultivated species, decline in pollinator populations (pesticides and neonicotinoids), biological resources used up too quickly (overfishing, deforestation), etc.) and indirect (pollution of watercourses and environments, contribution to climate change, habitat degradation and fragmentation, etc.). In addition to the environmental issues, these intensive practices also pose problems for human health (deterioration in air quality, for example).

Faced with these facts, more and more consumers are changing their consumption habits, looking for products that are more respectful of the environment and processed as close to home as possible. To meet their expectations, producers are having to adapt their production methods by moving towards more virtuous and sustainable techniques, such as agro-ecology, organic farming and conservation agriculture.

It is therefore essential to encourage biodiversity-friendly practices in agricultural production, which is why Carrefour is working with its suppliers to develop more sustainable production methods that are more respectful of biodiversity. With more than 80% of its sales coming from food products, Carrefour is committed to supporting the transition towards sustainable agriculture.

- **Maintaining biodiversity for the supply of sensitive raw materials**

The production of certain raw materials can have consequences for biodiversity (deforestation, environmental pollution, over-exploitation of species, etc.), and the globalisation of supply chains makes it difficult to control and trace them. However, all the players in these supply chains have a share of responsibility and can act to improve the practices associated with the production of these raw materials. They are also regularly reminded of this responsibility by civil society players, who are increasingly aware of and informed about these issues.

As a retailer, Carrefour has a role to play. Certain raw materials have been classified as "sensitive" by the company and are the subject of particular attention. These sensitive raw materials are the subject of a programme designed to establish action plans by 2025. In 2021, a number of raw materials will be covered by specific action plans: palm oil, wood and paper, fish and seafood, Brazilian beef, soya, cocoa, cotton, etc.

To this end, and to ensure that the actions taken are effective, Carrefour works closely with other players, such as NGOs and recognised certification bodies, and implements systems to improve the traceability of certain products.

- **Developing eco-design and the circular economy for packaging**

The distribution of goods in general and food products in particular requires the use of large quantities of packaging. This packaging, particularly plastic packaging, has a direct or indirect impact on biodiversity, particularly during production (the extraction of materials and manufacture of packaging can be a source of various forms of pollution) and at the end of its life (pollution of aquatic environments in particular). The failure of collection infrastructures in several countries and poor consumer behaviour, among other things, are at the root of 'leakage' of plastic waste, which is then not processed. It can then be carried away, particularly by winds and currents, and end up in marine environments. It is estimated that around 250 kilos of plastic are thrown into the oceans every second. This plastic waste has various impacts on biodiversity: ingestion, pollution linked to its components (pesticides, lead, heavy metals, etc.), transport of invasive species that attach themselves to this waste, etc.

Much of the plastic produced today is used to make packaging. The use of packaging is closely linked to the growth of mass retailing: it meets the challenges of transport, preservation and health safety. The retail sector therefore has a key role to play in changing practices and meeting the expectations of its consumers, who are increasingly aware and informed about environmental issues.

In this context, Carrefour wishes to lead the transition of its sector towards a more sober, measured and considered consumption of the packaging present in its shops and used for its products.

This subject is covered in a dedicated thematic report: Developing eco-design and the circular economy for packaging.

- **Limiting the impact of our sites on biodiversity**

The degradation of habitats caused in particular by the artificialisation of land is the leading cause of biodiversity loss worldwide. The sites operated by Carrefour can contribute to this artificialisation through their footprint on the ground. In addition to soil artificialisation, mass retail sites (shops, warehouses) directly or indirectly exert various pressures on biodiversity,

in particular through the emission of greenhouse gases, the exploitation of resources and the production of waste. Retail activities can also be sources of soil and groundwater pollution, particularly through service station operations, the storage of hydrocarbons and the use of hazardous products in various processes.

Food waste is a key issue for the supermarket sector, and is indirectly responsible for significant pressures on biodiversity. When a food product is wasted, all the environmental impacts that exist at each of the upstream stages (agricultural production, storage, processing, packaging and transport) have been generated for nothing. More generally, and beyond food waste, which is a priority issue for ethical, environmental and economic reasons, the production and management of waste is an important issue, both for the preservation of natural resources and for limiting the pollution associated with its treatment, on which supermarket sites can act to limit their impact on biodiversity.

All these issues need to be taken into account in each location, through discussions initiated by local authorities, the local economic fabric, and even on a more global political scale. To reduce their impact on biodiversity in the long term, shops and warehouses need to take action at different levels and at every stage of their life cycle, from design to operation: sustainable construction, operation and renovation, waste reduction and recycling, reduction of water consumption, air, water and soil pollution, preservation and restoration of biodiversity.

Carrefour implements actions to reduce these direct and indirect impacts by following the principles of eco-design for its sites, promoting biodiversity on its sites or combating food waste and waste production. Each site can therefore, at its own level and in collaboration with local stakeholders, implement virtuous actions for biodiversity adapted to its geographical location and the activities it carries out.

The actions implemented are adjusted according to the type of activity at each site (distribution, logistics, tertiary, service station), based on the mapping of environmental risks and challenges drawn up by the Risk Department. However, for each of the activities operated by Carrefour sites, these actions focus on managing the risks of soil and groundwater pollution, water management, waste optimisation and management, and energy issues (eco-design, more sustainable renovation, etc.).

- **Combating and preparing for climate change**

Climate change is one of the main causes of biodiversity loss worldwide, and its effect on biodiversity could worsen in the coming decades. The main underlying mechanism is the change in the ranges of animal and plant species associated with these climate changes. In addition, the increased frequency and intensity of specific meteorological events, particularly droughts, is contributing locally to the loss of biodiversity.

This subject is covered in a report dedicated to the Carrefour Group's climate plan.

1.2 Risks and opportunities

Preserving biodiversity is a real challenge for the Group. It represents an opportunity to improve the quality of Carrefour products and better meet consumer expectations. Nevertheless, its erosion threatens food production in the long term.

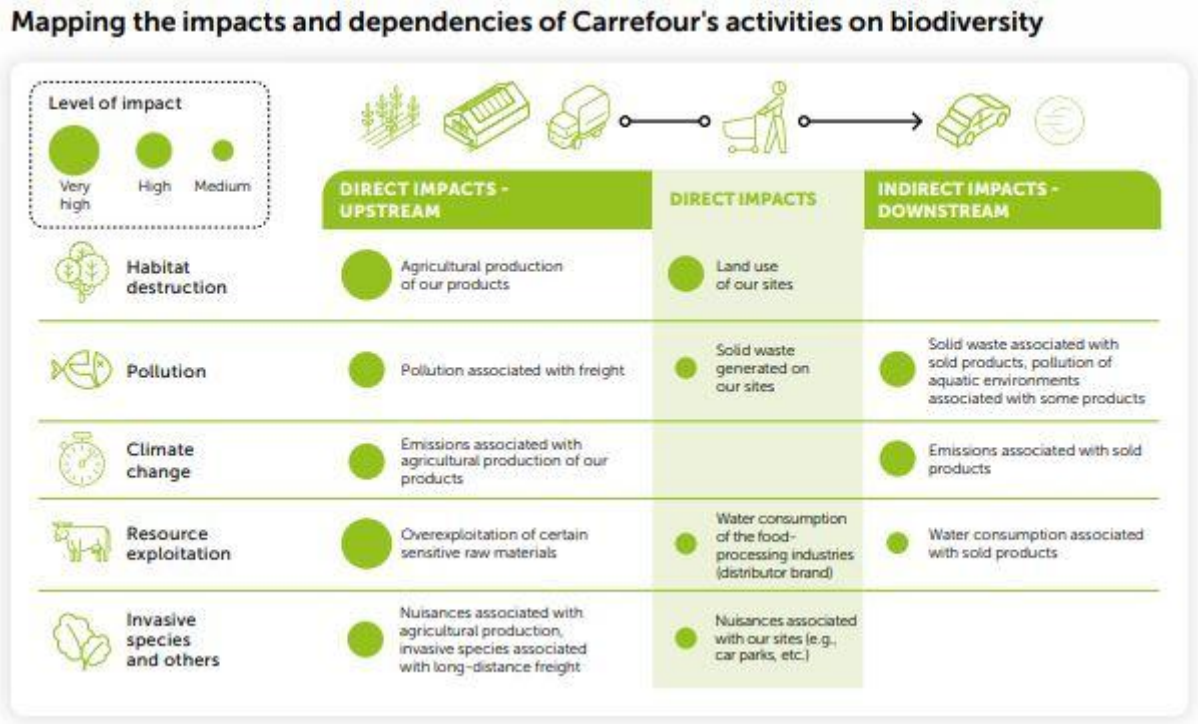
As part of its commitment to the *Sciences Based Target for Nature* programme, which aims to help companies set ambitious, science-based targets for climate change and nature conservation, the Group is mapping its impact on and dependence on nature in 2022.

The general methodological approach is based on the *Science Based Target Network* (SBTn) methodology, supplemented by a biodiversity footprint calculation using the *Corporate Biodiversity Footprint* (CBF) tool.

The preliminary macro-analysis showed that Carrefour's impacts on biodiversity were numerous and diverse: the Group's activities contribute to each of the five main drivers of biodiversity loss identified by the IPBES (*Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services*), and most of these impacts occur upstream or downstream of Carrefour's direct operations.

Consequently, the diagnosis of Carrefour's impacts must be carried out at the scale of the value chain and cover all the factors of biodiversity loss. The figure below shows the nature of our dependencies and impacts on nature, throughout the value chain and according to the associated level of risk:

Mapping the impacts and dependencies of Carrefour's activities on biodiversity



The results of the Group's biodiversity footprint confirm that distribution activities, and food distribution in particular, account for most of Carrefour's impact on biodiversity (>95% of biodiversity impact). The occupation and transformation of ecosystems by Carrefour is the pressure that contributes most to the erosion of biodiversity, followed by the contribution to the erosion of biodiversity of water resources and local pollution. Activities in France and Brazil account for two thirds of the Group's biodiversity footprint.

Within the food distribution business, animal products, particularly beef, have the greatest impact on biodiversity. The ten product categories with the greatest impact at Group level are: beef, pork, vegetable oils, cheese, poultry, ready meals, biscuits/confectionery, coffee, croquettes and eggs.

In addition, Carrefour updated its materiality analysis in 2021 (see section 1.1.7 of Chapter 1 of the EPFD). Three biodiversity-related issues have been identified as major by stakeholders as part of the Group's food transition strategy, and are among the ten priority issues:

- Development of sustainable agriculture, particularly through organic farming and agro-ecology (ranked first);
- Responsible sourcing of seafood and aquaculture products (ranked second) ;
- Combating deforestation linked to the supply of sensitive raw materials (ranked eighth).

Finally, customer expectations are particularly high for the following two issues: "Eco-design of products, packaging and the circular economy" (ranked first by customers) and "Offering a customer experience and an in-store/on-line pathway that facilitates zero waste, zero plastic, organic and healthier products" (ranked second by customers).

1.3. The Carrefour Group's ambitions

Carrefour's ambition is to be a committed player in the preservation of biodiversity, by taking action both on its sites and throughout the value chain with its partners.

Carrefour's strategy is based on four key areas:

Promoting and developing sustainable agriculture: To achieve this, Carrefour has made organic and agro-ecology strategic priorities in the redesign of its food offering. The Group wants to accelerate the transition to agro-ecological agriculture by supporting the development of agro-ecological supply chains and guaranteeing quality relationships with suppliers. Carrefour is also developing financing solutions to facilitate the transition to practices that are more respectful of health and nature. Finally, the Group aims to make quality products from sustainable agriculture accessible to all, whether through the various distribution channels or through affordability.

Ensuring the preservation of biodiversity for sensitive materials: Carrefour aims to limit the impact of its products on biodiversity, through three main axes: the fight against deforestation (palm oil, wood & paper, Brazilian beef, cocoa, soya, etc.), the preservation of fisheries resources by guaranteeing sustainable fishing methods and the development of more sustainable textile chains, particularly in the production stages at risk (agricultural production for cotton or viscose, dyeing, tanning, etc.).

Developing eco-design and the circular economy for packaging: The Group's first aim is to reduce the amount of packaging placed on the market, particularly plastic packaging, and to improve the use and end-of-life of those that are still needed, by ensuring, for example, that they can be reused or recycled.

Limiting the impact of its sites on biodiversity: Carrefour aims to limit the environmental impact of its sites as much as possible. Each shop, warehouse or logistics platform is required to monitor and optimise its water and energy consumption and waste management, and to minimise its impact on the surrounding ecosystems and biodiversity. In addition, the

Group invests in renovations and new shops in accordance with biodiversity-friendly specifications.

In 2022, the Group deployed the SBTN methodology in order to quantify its contribution to the loss of biodiversity and deploy appropriate action plans. In this way, Carrefour is expressing its ambition to protect biodiversity and its desire to scientifically analyse its impact and dependence on multiple environmental pressures.

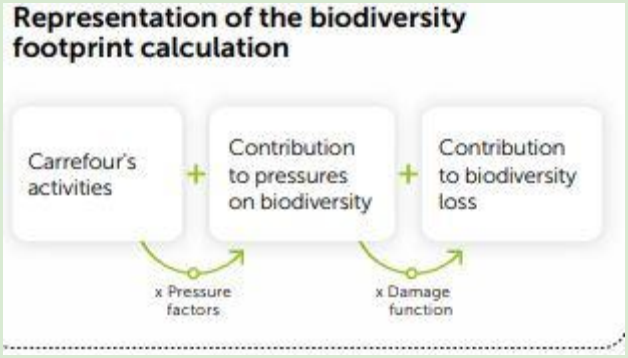
Focus on the definition of Carrefour's biodiversity strategy, based on the SBTn approach

1. General methodology used by Carrefour

The general methodological approach is based on the SBTn methodology, supplemented by a biodiversity footprint calculation using the Corporate Biodiversity Footprint (CBF) tool.

SBTN has defined 5 steps for setting SBTs for Nature: (1) Assess, (2) Interpret and prioritise, (3) Measure, establish and publish, (4) Act, (5) Monitor. These five steps constitute SBTn's methodological framework to help companies set scientifically robust targets and support them in making their business model environmentally sustainable.

The calculation of the biodiversity footprint involved three successive stages: the collection of data on the Carrefour Group's activities (e.g. the volumes of beef sold by Carrefour, in tonnes), the application of pressure factors to these activity data in order to quantify Carrefour's contribution to pressures on biodiversity (e.g. the land occupation associated with the production of beef sold by Carrefour, in km²), and finally the estimation of the contribution to biodiversity loss via the use of damage functions (e.g. the damage to biodiversity caused by the production of beef sold by Carrefour, in tonnes): the land cover associated with the production of beef sold by Carrefour, in km²), and finally estimating the contribution to the loss of biodiversity via the use of damage functions (e.g. the loss of biodiversity attributable to the land cover associated with the production of beef sold by Carrefour). This loss of biodiversity is expressed here in km 2 MSA (Mean Species Abundance).



This biodiversity footprint is based on data from Carrefour's activities, life cycle analysis databases (pressure factors) and scientific publications on empirical, experimental or

modelling studies (damage functions). In terms of pressures, this biodiversity footprint takes into account, among other things, the occupation and transformation of ecosystems, the contribution to environmental pollution (eutrophication and acidification indicators), the contribution to climate change and the contribution to the depletion of water resources.

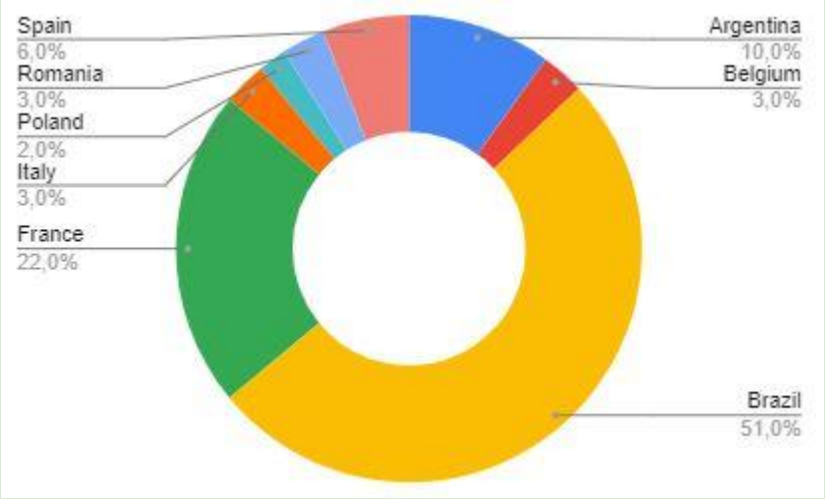
The scope of this diagnostic includes all of the Carrefour Group's operations and its value chain (food and non-food retailing, fuel sales, logistics activities, real estate activities and other services). The main business data used are :

- for property: surface area occupied by type of site and by country (m^2),
- for sales of food and non-food productstquantities of goods sold by product family and country (kg),
- for fuel sales: quantity of fuel sold by type of fuel and by country (litres),
- Logistics: distance travelled by goods by mode of transport (t.km),
- Services: sales associated with each activity by country (euros).

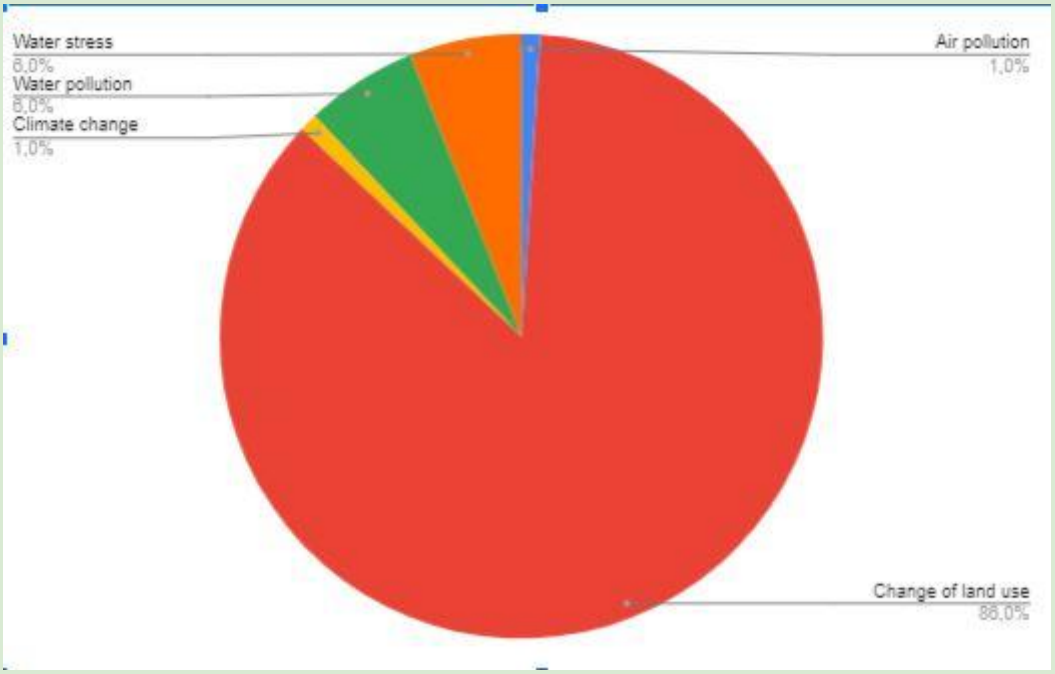
This analysis is supplemented by specific focuses on certain products that have a particular impact on biodiversity. These focuses include a more in-depth analysis of the impacts via a characterisation of the pressures and their location, cross-referenced with indicators of the local state of nature (general or specific to a given pressure).

2. Presentation of initial results :

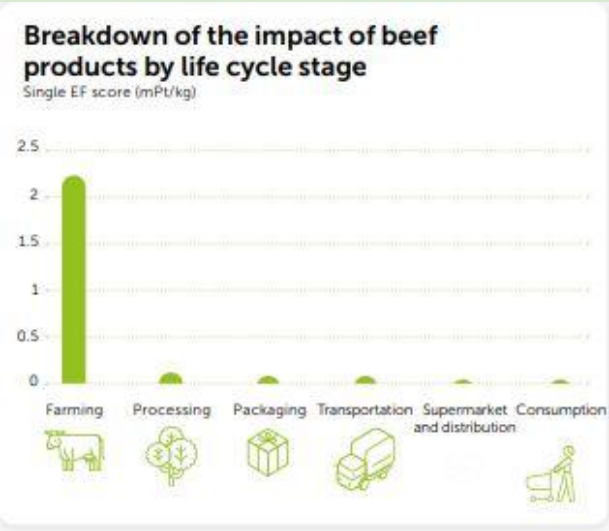
The main results of the preliminary macro-analysis and the Group's biodiversity footprint are presented in the Risks and Opportunities section of this document. The occupation and transformation of ecosystems by Carrefour is the pressure that contributes most to the erosion of biodiversity, followed by the contribution to the erosion of water resources and local pollution. Activities in France and Brazil account for two thirds of the Group's biodiversity footprint.

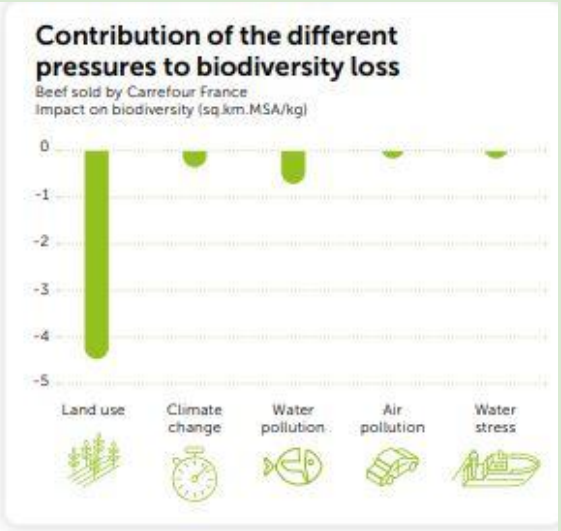


Carrefour's impact on various pressures



Several focus groups on particularly impactful products have been carried out or are planned, to analyse more precisely the impact of these products on biodiversity and their location. One such focus was on beef sold by Carrefour France. The main results are that this sector impacts biodiversity mainly through its land use for agricultural production. These impacts are mainly located in the centre and west of the country, where the majority of beef farms are located.





- Next steps

By 2022, the SBTN roadmap has enabled Carrefour to quantitatively estimate its impact on

Nature and to locate the key areas and challenges in the Group's business sectors worldwide: real estate, retail (food, non-food, fuel), logistics and service.

It is necessary to set scientifically defined objectives in order to ensure that the Group's path strictly respects the renewal and assimilation thresholds of ecosystems and takes into account society's expectations in terms of preserving nature.

Around ten ingredients have been identified and are or will be the subject of a special focus, including: beef, cotton, fish products, oil (including palm oil), soya, cane sugar, cocoa, nuts, maize, rice and coffee. Carrefour's ambition is to cover all the commodities identified by SBTn as having the greatest impact on biodiversity by the end of 2023. This diagnostic work will make it possible to prioritise biodiversity issues and set specific targets. A dedicated action plan will also be drawn up in 2023 to ensure that these objectives are met.

1.4. Summary of objectives and performance

Themes	Objective	Deadline	Perimeter
Promoting and developing sustainable agriculture	15% of fresh food sales are organic or agro-ecological	2025	Controlled fresh products and national brands in the Group's 8 integrated countries.
	100% of Carrefour Quality Lines are committed to an agro-ecological approach	2025	FQC brand products (controlled products) in the Group's 8 integrated countries.
	8 billion in sales from certified sustainable products by 2026	2026	
	50,000 partner producers, 7,000 of them organic	2026	
Maintaining biodiversity for sensitive raw materials	100% of sensitive raw materials covered by a risk reduction plan by 2025	2025	8 integrated Group countries, for priority risk raw materials according to the Group's risk analysis.
	100% deforestation-free Brazilian beef for Carrefour brands by 2026 and for other brands by 2030	2026 2030	
Limiting the environmental impact of	Recover 100% of shop waste	2025	Integrated shops in the Group's 8 integrated countries.
	Reduce food waste from shops by 50% (compared with 2016)	2025	Integrated shops in the Group's 8 integrated countries.

our sites	100% of new shopping centres and expansions are BREEAM (Building Research Establishment Environmental Assessment Method) certified, and 75% of existing shopping centres are BREEAM In-Use certified.	-	Carmila real estate in France, Spain and Italy.
Developing eco-design and the circular economy for packaging (plastic)	100% reusable, recyclable or compostable own-brand packaging	2025	Carrefour-branded products (excluding first-price and no-name products) in the Group's 8 integrated countries.
	20,000 tonnes of packaging saved, including 15,000 tonnes of plastic packaging (cumulative since 2017);	2025	Controlled products and national brands in the Group's 8 integrated countries.
	30% recycled plastic in packaging;	2025	Carrefour-branded products (excluding first-price and no-name products) in the Group's 8 integrated countries.
	1,000 reusable packaging solutions available in shop;	2025	Shops in the Group's 8 integrated countries.
	500 shops equipped with a packaging reuse system by 2025;	2025	Shops in the Group's 8 integrated countries.
	50 new "Bulk" experiences	2025	Shops in the Group's 8 integrated companies.
	150 million in bulk and deposit sales	2026	
Water management	Reduce water consumption per square metre of sales area.	-	Shops in the Group's 8 integrated countries.
Climate	Scopes 1 & 2. Contribute to carbon neutrality for shops by 2040. Reduce GHG emissions by 50% by 2030 (vs. 2019) and by 70% by 2040 (vs. 2019) - objective in line with the 1.5°C scenario.	2040	Shops in the Group's 8 integrated countries.
	Scope 3. Reduce its GHG emissions by 29% by 2030, compared with 2019, including purchases of products and services, product use and downstream transport.	2030	8 integrated countries.

1.5. Coalitions and partnerships

Carrefour participates in several international coalitions or specific working groups on the subjects of biodiversity and natural capital, in order to define an ambitious global strategy at Group level in partnership with key players.

- Act For Nature international
- Companies committed to nature
- Science Based Targets engagement programm
- Natural Capital Lab (WWF)
- Forest positive coalition (Consumer Goods Forum)

Interaction with stakeholders is a priority, in order to accurately identify the various issues related to Carrefour's activities. The Group is in constant dialogue with NGOs, associations, suppliers, customers, investors, trade unions, stakeholder coalitions, public authorities and other relevant stakeholders through bilateral dialogue and working sessions involving a wide range of stakeholders.

Carrefour maintains regular dialogue with the WWF as part of its long-standing partnership with the Group. The subjects dealt with in 2022 mainly concerned biodiversity, natural capital (participation in the Natural Capital Lab) and the Science Based Targets for Nature commitment programme.

Carrefour is also a member of the Consumer Goods Forum. Within this framework, the Group actively participates in coalitions on soya, wood and paper, palm oil, beef and plastics. Alexandre Bompard is co-director of the coalition against deforestation. In France, as part of the Manifeste Soja des acteurs français mobilisés contre la déforestation, Carrefour has joined the working group of French retailers coordinated by the Earthworm Foundation. Carrefour regularly organises meetings with representatives of the National Strategy to Combat Imported Deforestation on forest-related issues (soya, cocoa, beef).

Carrefour is also part of the same working group bringing together French retailers to collectively address the issues of feeding aquaculture fish, with a priority on salmon, and animal welfare, with the aim of improving aquaculture practices.

1.6. Our organisation

- *Group governance bodies* :

Biodiversity is the subject of strengthened governance, as follows:

- The Group Executive Committee defines strategy, policies and objectives and assesses performance. The Executive Committee met 12 times in 2022 and gave five presentations on the Group's climate and energy policy.
- Each country's Executive Committee implements this strategy locally.
- Carrefour's Board of Directors validates the strategy established by the Group Executive Committee and assesses its implementation.
- The Purchasing Rules Committee for the Food Transition meets every two months and is chaired by the Group's Merchandise Director. It brings together the Merchandise Department, the Quality Department, the CSR Department, the International Partnerships Department, the Communications Department and Global Sourcing. The Purchasing Rules Committee coordinates the updating and

deployment of these rules. This committee also deals with alerts identified as part of the duty of care, 24% of which concerned deforestation, 2% sustainable fishing, 9% plastics and 2% climate change in 2022.

In 2022, a Commitment Department was created. This department is responsible for the Group's CSR strategy and gives concrete expression to the Group's social and environmental commitments.

- *Group management tools*

CSR and Food Transition Index. Carrefour has set up a CSR and Food Transition Index in order to monitor the achievement of its objectives, assess its CSR performance and mobilise its internal teams. Designed as a real steering tool for the various business lines, the CSR index enables us to report externally on the deployment of the Group's strategies, particularly with regard to biodiversity, climate, health and the commitment of partners and employees. It should be noted that the biodiversity strategy is reviewed annually by the CSR Committee of the Board of Directors. As from 2019, the Group's performance in achieving these objectives has been included in the remuneration criteria for senior executives and will be used as the basis for calculating 25% of the remuneration of senior executives under a Long Term Incentive plan and 20% of the remuneration of the Chairman and CEO. Since 2021, the CSR index has been included in the variable remuneration of executives in integrated countries.

In 2022, Carrefour exceeded its extra-financial objectives measured by its CSR and Food Transition Index with a score of 109% (with an average score of 102% for indicators relating to biodiversity). On the occasion of the announcement of the Carrefour 2026 strategic plan, the Group strengthened its commitments, particularly in the areas of packaging reduction, sustainable agriculture, the fight against climate change and the fight against deforestation in Brazil. The new commitments will be included in the CSR and Food Transition index from 2023. The CSR index has been modified to take account of these new objectives and to adapt the Group's ambitions as part of the Carrefour 2026 plan.

Purchasing rules for the food transition. Within the Group, specific Purchasing Rules for issues related to biodiversity and the food transition are drawn up in consultation with stakeholders (experts, NGOs, customers, suppliers, public authorities, etc.). The Purchasing Rules for the food transition include criteria and requirements for respecting marine resources, protecting forests, eco-design of packaging and agro-ecology. Comprehensive objectives and action plans are then defined, deployed and monitored by a dedicated project management team. The purchasing rules for the food transition were updated in 2021. They have been distributed to all countries and training has been given to the Merchandise and Quality Departments. The actions taken on products are then promoted to consumers.

- *Performance evaluation.*

The Group's CSR, merchandise and quality teams regularly review the performance of the Group's countries to ensure that the purchasing rules for the food transition are being properly implemented. Audits are carried out by an independent third party twice a year to certify the reliability of the consolidated data for the Group. The key performance indicators are published in the CSR and food transition index, in the Universal Registration Document, and are detailed in sections 2, 3, 4 and 5 of this document.

Carrefour answers rating agency questionnaires to assess its economic, social and governance performance. In 2022, the Group obtained an "A" rating from the Carbon Disclosure Project (CDP) for its commitment to the fight against global warming.

Rating Agency	2017	2018	2019	2020	2021	2022
CDP - *Carbon Disclosure Project*	A-	A-	A	A-	A	A
CDP Forest						
Palm oil	A-	B-	B	B	B	B
Soya	B	B-	B-	B	B	B
Meat	B	C	B-	B	B	B
Wood and paper	A-	B-	B	B	B	B
CDP Water	-	-	-	A-	A-	A-

As part of its stakeholder inclusion approach, the Carrefour Group responded in a public and transparent manner in 2022 to various NGO questionnaires on topics such as:

- The Chocolate Scorecard: launched by the NGO "Be Slavery Free" and distributed by a group of international NGOs, evaluates 72 chocolate manufacturers around the world on the basis of various criteria relating to human rights, deforestation and transparency.
- RTRS (Round Table on Responsible Soy) Annual Report 2022: the purpose of the RTRS is to promote growth in the production, trade and use of responsible soy by cooperating with actors along the soy value chain, from production to consumption, in an open dialogue with stakeholders. Members of this coalition are required to submit a written annual progress report to the RTRS secretariat.

- *Perimeter*

The Carrefour Group's objectives concern the Group's 8 integrated countries: France, Spain, Italy, Belgium, Poland, Romania, Argentina and Brazil. The priority areas of our policy are the subject of appropriation by the countries which deploy their own Group policy actions, all the integrated countries. The detailed perimeters for all the Group's objectives are given above.

- *Find out more.*

- Climate sheet. CDP climate.
- Forest sheet. CDP forest.
- Water sheet. CDP water.
- Thematic report: Water management
- Thematic report: Combating global warming
- Thematic report: Taking action to protect forests
- Thematic report: Developing eco-design and the circular economy for packaging.

All these documents are available on : https://www.carrefour.com/en/csr/reference-documents

Initiatives and coalitions.

- France: soy manifesto, cocoa manifesto,
- Forest positive coalition (publications, website).

- Natural Capital Lab
- Sciences Based Target Network

2. Supporting the transition to sustainable agriculture

2. 1 Introduction

Food has a major impact on the environment. That's why consumers not only want to eat products grown in an environmentally-friendly way, but also want them to be processed as close to home as possible. The food transition involves conversion to organic, agro-ecological or soil conservation farming, as well as promoting farming that is healthier for people and more respectful of the planet. To meet these expectations, Carrefour, whose food sales account for more than 80% of its turnover, is investing in the development and promotion of sustainable farming practices that combine taste, environmental, social and economic performance.

The Carrefour Group's ambition is to make quality products from sustainable agriculture accessible to all, whether through the various distribution channels or through affordability. Carrefour secures its organic and Carrefour Quality channels in order to facilitate the implementation of sustainable agricultural practices that respect the environment. Carrefour promotes sustainable agricultural transition through fairer contractual conditions with suppliers, the development and promotion of a responsible product offering, the implementation of financing solutions and, finally, the establishment of a relationship of trust with consumers. The Group has developed a strategy based on a number of levers:

1. **Supporting the development of supply chains and guaranteeing quality relationships with suppliers**: Carrefour has expertise and knowledge of agricultural supply chains which it wishes to use to develop sustainable relationships with suppliers and producers. Through fairer contractual conditions, including long-term commitments, price commitments and volume commitments, Carrefour gives priority to securing organic channels and Carrefour Quality Channels to facilitate the implementation of better practices, both environmentally and in terms of taste.
2. **the development of an organic product offering and agro-ecological supply chains**: in line with the "Carrefour 2022" transformation plan, the Group has made organic a strategic focus for the overhaul of its food offering. The Group's objective is to be the leader in the democratisation of organic food in all the countries where it is present. Carrefour also wants to develop the Carrefour Quality Lines: these lines of raw or minimally processed products, which guarantee total traceability and multi-year contracts with a fair price for producers, are the Group's agro-ecology laboratory.
3. **the development of financing solutions to facilitate the transition:** Carrefour has set up various financing systems to support producers in their transition to practices that are more respectful of health and nature. The challenge for Carrefour is to facilitate the food transition through win-win partnerships with its suppliers.

2.2 Objectives and performance

Carrefour's ambition is to be a committed player in the production regions where the Group is present and a benchmark partner in the agricultural world for the development of sustainable agricultural practices. The Group is promoting the transition to sustainable agriculture in 3 ways: fairer contractual conditions with suppliers (including long-term price and volume commitments), the development and promotion of a range of responsible products, and the introduction of financing solutions.

To this end, and in order to facilitate the implementation of sustainable agricultural practices that respect the environment, Carrefour secures its organic and Quality channels and provides financial support to those involved in the agricultural transition.

Overall target: 15% of sales of fresh food products from organic farming or agroecology by 2025

Development of organic sectors

Objectives:
50,000 partner producers by 2026, including organic partner producers

Key performance indicators	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
Sales of organic products (1)	Bn	2,3	2,7	2,7	2,6	(2,2)%	4.8 billion in 2022
Number of Carrefour Bio product references(2)	Number	920	1100	1200	1247	3,9%	-
Number of partner producers in organic farming (supported through a contractual chain)	Number	-	1776	3538	3637	2,8%	-

(1) Sales of food, drugstore, perfume and hygiene departments.
(2) France scope.

In France, Carrefour's objective was to support 3,000 French farmers in organic farming or in conversion to organic farming by 2022. This target was achieved a year ahead of schedule, bringing the number of French partner farmers in organic farming or in conversion to 3,400 by the end of 2021.

In 2022, 3,637 partner producers will be organic. Since 2018, the Group has helped 90 producers in the Fruit & Vegetables sector and 35 in the wine sector to convert. At the end of 2022, 12 partner producers were still in the conversion process.

In the other G6 countries (Spain, Belgium, Italy, Poland and Romania), almost 2,300 producers are being supported.

1,200 Carrefour Bio-branded products (Carrefour Bio, Nectar of Bio, Babybio, etc.) are sold in France, including the new Carrefour Bio Filières grocery brand (wholemeal pasta and compotes).

Development of Carrefour Quality Lines

Objectives

- 10% penetration of Carrefour Quality Lines in fresh produce by 2025
- 100% of products from Carrefour Quality Lines carry a differentiating agro-ecological message or are committed to an agro-ecological approach by 2025 ("fed without GMOs", "fed without antibiotic treatment", "grown without chemical treatment", etc.).
- 50,000 partner producers by 2026, including Carrefour Quality Chain partner producers

Performance indicators	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
Penetration rate of FQC in fresh produce	%		6,6%	7,2%	6,9%	(0.3) pt	10% by 2025
Penetration rate of sectors committed to an agro-ecological approach within FQCs (fresh produce)(1)	%	-	-	New	6,5%	-	100% in 2025
FQC products	Number	726	753	617	844	36,8%	-
Number of FQC partner producers	Number	27758	25843	24980	22176	(11,2)%	-
Sales (incl. VAT) of FQC products	Bn	0,09	0,1	1,13	1,13	-	-
Number of FQCs using blockchain technology	Number	-	34	55	69	25,4%	-
Number of blockchain-enabled products with a visible QR Code	Number	-	New	478	1222	155,6%	-

(1) This approach will be measured in France in 2022 and extended to all countries in 2023.

Deployment of financing solutions

Carrefour provides financial support to farmers and other players committed to sustainable agriculture, through various schemes.

Performance indicators	Unit	2019	2020	2021	2022	Evolution 2022/2021
Sustainable agriculture projects supported by the Foundation	Number	28	15	37	43	16%
Projects supported by the Foundation concerning sustainable agriculture and solidarity out of all projects supported by the Foundation	%	38%	32%	52%	40%	8 pts

2. 3 Action plans

The action plans to meet our ambition and achieve our objectives are as follows:

- (2.3.1) Developing a range of organic products accessible to all
  - Lever #1: Develop organic production chains by supporting producers
  - Lever #2: Develop organic ranges that are consistent with consumer expectations
  - Lever #3: Make organic products more accessible to all, in-store and online
- (2.3.2) Promoting agro-ecology through Carrefour Quality Lines
- (2.3.3) Financing the food transition

2.3.1 Developing a range of organic products accessible to all

The organic market is characterised by demand outstripping supply. Our production of organic products is currently insufficient to meet consumer demand. In France, for example, 31% of organic produce consumed was imported in 2018.

Lever #1: Develop organic production chains by supporting producers

To develop French organic produce, Carrefour has chosen to make a commitment to the French farming world by developing French organic sectors.
Dedicated teams are working to establish partnerships with the organic farming world and provide security for producers through more favourable contractual arrangements. Carrefour offers organic farming suppliers 3 to 5 year contracts, with volume commitments, to take account of production requirements and constraints. Teams from the Organic Department travel throughout the country to meet with local farming organisations in order to get as close as possible to production and the field, and to develop local supply chains. This enables the Group to make its needs known so that it can guide farmers' production, and also to identify the supply opportunities offered by farmers on the ground.
Thanks to its network of manufacturers and processors, Carrefour can also play a networking role: bringing producers and processors together and building tripartite agreements to gradually structure supply chains throughout the country that cover consumers' needs.

In addition to the partnerships established with organic farming suppliers, Carrefour supports converting producers to speed up the transition to organic farming. During the period of conversion to organic farming, a long-term contract (three to five years) provides farmers with security so that they can have visibility and invest in their farms with greater peace of mind. A commitment to a volume of purchases and intermediate pricing arrangements between conventional and organic farming helps to offset the impact of lower productivity on farmers' incomes. Where regulations allow, the products are then identified by specific labelling that can be seen in shops to promote the approach to consumers. These contracts are offered in France, Belgium and Romania. In France, this contract has been developed in partnership with WWF®. In addition, Finifac, the Carrefour Group's financial company, pre-finances European and French aid for conversion to organic farming.

Illustration:

FRANCE: Carrefour has been working with French producers for over 30 years to help them develop and sustain their organic farming activities. Through multi-party, multi-annual and renewable contracts with its French farming partners, the Group is able to offer high-

quality organic and French products, while providing producers with long-term visibility. By 2022, the Group will be working with almost 3,500 French organic producers, through partnerships that link all the players from production, through processing, to distribution of the product. This approach enables the Group to offer organic and French products, produced by specialised players, where consumer demand for French organic products is still strong. For the other players in the supply chain, these long-term partnerships guarantee outlets, since they benefit from Carrefour's commitment to minimum purchase volumes, and the contracts with these partners guarantee a fair price, among other things. The 11 new sectors are: organic small spelt and organic white beans (Ekibio); organic strawberries (Bio Pays Landais); apricots, nectarines and peaches (Fauriel Fruits); organic potatoes (Ferme de la Motte); organic melons (Force Sud); organic vine tomatoes (Rougeline); organic courgettes (SARL Masse); and organic aubergines (Top Légumes). Carrefour is therefore making a twofold commitment: firstly, to consumers, by offering several thousand organic products in its shops and Driveways, including 1,200 under the Carrefour Bio brand; and secondly, to the world of agriculture, via its contracts in the organic sector, but also thanks to its solutions for financing projects in favour of the food transition, such as the #JeParticipe participative financing platform and the MiiMOSA Transition #1 fund, in which Carrefour invests up to 10% in all the projects financed.

Lever #2: Develop organic ranges that are consistent with consumer expectations

Carrefour's aim is to offer an organic range that fully meets consumer demand. In both Carrefour-brand and national-brand products, Carrefour is continuing to adapt its offer with, for example, more vegan and raw products.

Since 2018, Carrefour has been developing its nationally sourced organic fruit and vegetable ranges.
In France, 80% of Carrefour ORGANIC products are made in France, including almost 450 products made from French ingredients. Our fruit and vegetables (excluding exotic produce), meat (beef, veal, lamb, poultry), milk (cow's milk) and eggs are all from France. As far as possible, Carrefour also favours regional origin for our organic fruit and vegetables.
In Belgium, in 2020, more than 90 products of Belgian origin were listed in organic grocery shops. This range is promoted in specialised organic areas (Bio Experiences). Poland has added more than 60 organic products of Polish origin to its range.

Carrefour is going further by developing other product categories at national level. For example, a "Carrefour Bio Filière" range was developed in 2020 to give concrete expression to the partnership with French organic farmers. It involves a three-year commitment with producers for grocery products. Two wholemeal pasta references and compote references have been launched.

Lever #3: Make organic products more accessible to all, in-store and online

Carrefour's know-how and its role in supporting the supply chains enable it to offer affordable prices for its own-brand products. The distribution of value within the supply chains is guaranteed by the contractual conditions detailed above and the promotion of the product to the consumer. To raise consumer awareness of these issues, a test project has been set up in Poland on 25 products, with the aim of communicating on the packaging and the distribution of the final price between the various production intermediaries.

The margin policy for organic products is identical to that for other products, in order to guarantee affordable prices: the relative margin rate is the same as for conventional products. However, it may include compensation for higher breakage rates, particularly on fresh produce. The logistical constraints on organic products are indeed greater: adapting the Group's operational organisation to these products, which have a shorter shelf life, remains a challenge today in order to limit breakage and offer consumers more affordable prices.

Carrefour pays particular attention to the promotions applied to organic products in order to guarantee a fair distribution of value. In France, a loyalty bonus system enables consumers to obtain a 10% discount on their loyalty account on all Carrefour Organic products, on a daily basis. By the end of 2022, 4.7 million consumers had signed up to the Prime Bio scheme (up 1 million on 2021).

Carrefour is relying on all its formats to achieve its ambition, through the development of its specialised shops (So.bio, Biomonde), the promotion of organic products in general shops (Bio Expérience in hypermarkets, shop in shop in supermarkets, organic corners in local stores) and the creation of a benchmark omnichannel organic model (Carrefour.fr, Greenweez, Planeta Huerto, etc.). In 2020, Carrefour strengthened its network with the acquisition of BioAzur and Bio C' Bon. By 2022, the Group will have 170 specialised organic shops in France (+2 vs. 2021). In other organic areas, by 2022 the Group will have 60 Bio Expérience hypermarkets and 166 shop-in-shops in Markets.

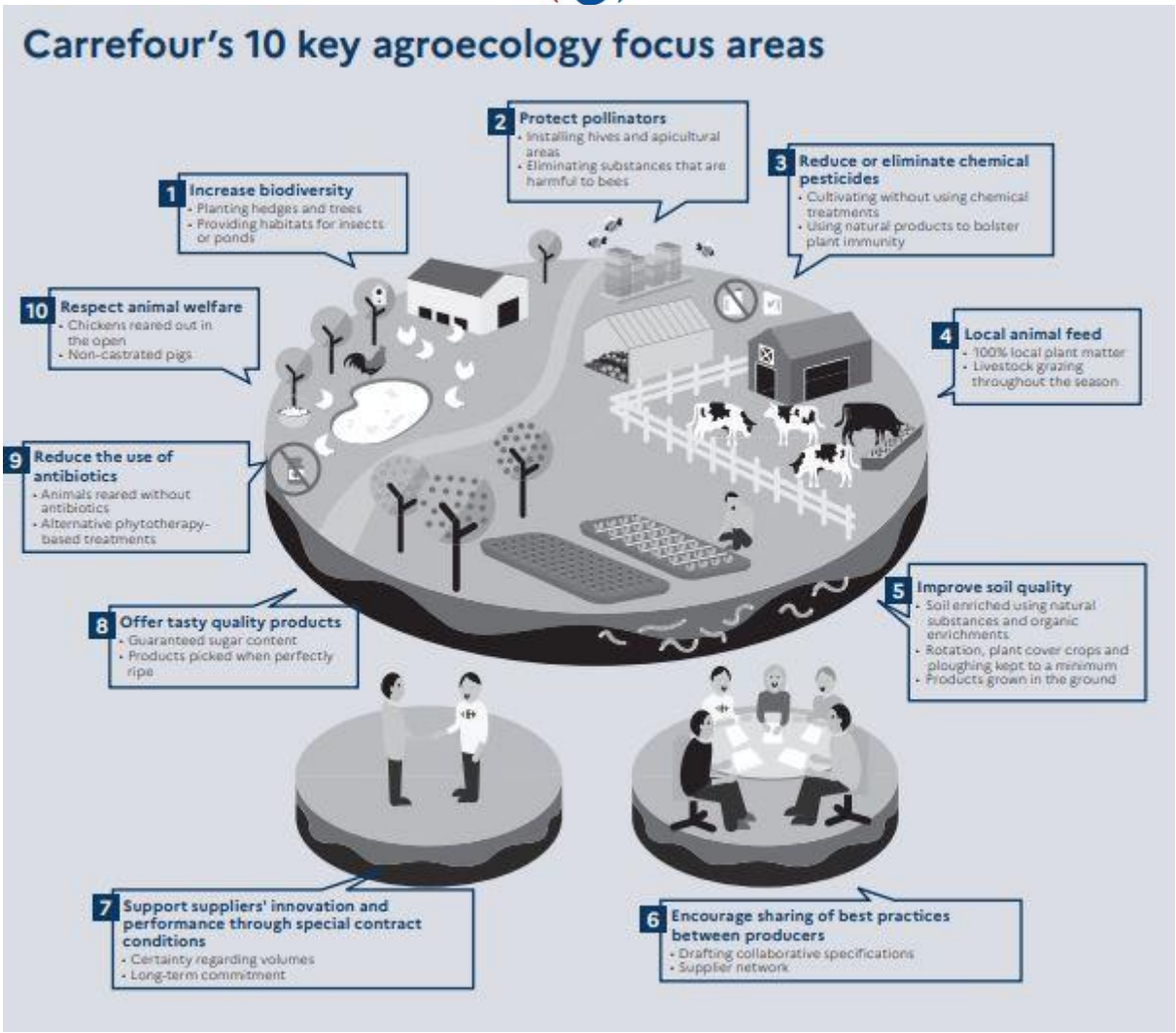
2.3.2 Promoting agro-ecology through Carrefour Quality Lines

Carrefour participates in the development of agro-ecological practices, in particular through the deployment of its Carrefour Quality Lines offer.

Agroecology for Carrefour

In addition to its desire to develop organic farming accessible to all, Carrefour wants to transform non-organic production by drawing inspiration from the agroecology model. Carrefour is using this model to drive forward its non-organic sectors and improve their environmental performance. Agroecology is based on the solutions provided by nature to improve production. For the Group, it is a driving force behind the innovations and improvements expected by customers, farming partners and society as a whole.

In practical terms, this means reducing or eliminating the use of chemical pesticides and antibiotics, making the soil more lively by limiting ploughing and encouraging biodiversity on farms. Carrefour has defined ten key points for developing agroecology and offering quality references over the long term, while protecting biodiversity. Since 1992, Carrefour has been encouraging its partners to produce using innovative practices that respect the environment and biodiversity as part of a collaborative approach.



Quality Lines, a pillar of agro-ecological development for Carrefour

Carrefour has a unique tool for developing agroecology: the Carrefour Quality Lines (CQL). By the end of 2022, the Group will have more than 800 products from these FQCs around the world, involving 22,176 producers and offering core market fresh products that meet strict requirements in terms of traceability, quality and flavour.

Producers who choose to join the "Carrefour Quality Lines" approach are demonstrating a genuine commitment. This mutual trust makes it possible, on the one hand, to guarantee a quality product produced according to the best practices and, on the other hand, to guarantee multiple and regular commercial outlets for these products.

The Group has set up 3-year contracts with partner growers who implement common production methods such as integrated pest management, crop rotation, a ban on spreading sewage plant sludge, the exclusion of soil-less crop production and the absence of post-harvest chemical treatments for fruit and vegetables.
Carrefour sets demanding specifications for each product, including production methods, taste criteria and environmental protection obligations.

Carrefour is also committed to setting a fair price for everyone, so as to ensure that producers are properly rewarded for their quality approach and to offer its customers the best value for money for core market products.

To continue to develop these virtuous practices, Carrefour supports its Carrefour Quality Lines suppliers through the development of pilot crops and the implementation of progress plans to extend agro-ecology to various supply chains. The Group also encourages the exchange of best practices throughout the country via producer clubs and meetings.

2.3.3 Financing the food transition

Carrefour also offers financing solutions for farmers and producers to support the transition to food for all:

- Solution #1: Financing support structures
- Solution #2: An investment structure for the food transition
- Solution #3: Support from the Carrefour Foundation

Solution #1: Financing support structures

Carrefour finance companies offer financial services for small and medium-sized businesses, farmers and producers: in France, for example, the Finifac financing structure pre-finances European aid for conversion to organic farming to build up cash flow.

Solution #2: An investment structure for the food transition

In June 2019, Carrefour initiated the first bank credit operation with a CSR component in the European retail sector, joining forces with 21 partner banks to finance an investment structure dedicated to the food transition. Six themes are covered: reducing the use of chemical inputs in agriculture, developing biodiversity on farms, transforming farming methods and respecting animal welfare, developing sustainable fishing and farming, developing circular and sustainable solutions and promoting healthy eating.

In 2019, the participative financing platform JeParticipe.carrefour.com was launched in partnership with MiiMOSA, to finance agricultural projects in the food transition. More than 230 projects had been financed via this platform by the end of 2022. 30 projects have been referenced and around twenty events have taken place in Carrefour shops for the Kilometre Zero weeks (June and October 2022). A total of €6.5 million was raised through this method of financing. To complement this scheme, in 2021, Carrefour invested €5 million in the MiiMOsa participative financing platform to support the food transition. One year later, 29 projects have been financed through this platform and 52% of these projects are led by Group suppliers. Through this platform, Carrefour has become the first private investor in this fund, taking a 10% stake in all the projects financed.

Solution #3: Support from the Carrefour Foundation

The Carrefour Foundation funds public interest projects that are not directly linked to Carrefour's activities. On the other hand, this funding complements the Group's approach by helping local and regional players to adopt more sustainable farming practices. This is one of the main areas of funding for the Foundation, which is committed, via projects that promote organic or agro-ecological farming, to enhancing the value of farming activities that preserve biodiversity.

In 2022, 24 projects related to sustainable and solidarity-based agriculture were financed by the Foundation for a total amount of 2,125,140 euros (41% of the total budget). In Belgium,

for example, the Carrefour Foundation is supporting the advocacy and training of Belgian agricultural stakeholders in favour of regenerative agriculture with three associations (Farming for Climate, RegeneraTerre and Farm for Good). In Brazil, IDH supports veal producers who respect forest resources. The Carrefour Foundation contributes to the creation of fair and regular remuneration for producers.

At the beginning of 2023, the Carrefour Foundation, in partnership with Carmila, renewed its call for Ensemble pour la transition alimentaire (Together for the food transition) projects, which provides funding for sustainable and socially responsible agriculture projects.

.

2.4 Collaborations and partnerships

- WWF® France
- CIRAD (French Agricultural Research Centre for Development)
- MiiMOSA
- Open Agri Food
- Carmila

3. Maintaining biodiversity for the supply of sensitive raw materials

3. 1 Introduction

The issues linked to the production of raw materials are global: they involve the entire value chain and various market players. Leading NGOs and civil society regularly question retailers on these issues. Consumers are demanding more information, better quality products and greater transparency.

In this context, Carrefour's role is to offer its customers products that meet their expectations, by improving the agricultural practices, fishing and forestry methods and manufacturing processes involved in the production of their products. Ensuring the conformity of the raw materials used for Carrefour products requires mobilising the players upstream of our supplies to transform the evaluation of traders and working collectively to develop new market standards.

Certain raw materials have been classified as "sensitive" by the company and are the subject of particular attention: soya, palm oil, cotton, fishery products, etc. Carrefour's objective is to limit the impact of its products on biodiversity by actively participating in improving agricultural practices, fishing and land use methods, and manufacturing processes. In order to limit its impact on biodiversity, Carrefour uses a range of tools to ensure the conformity of raw materials: certifications, geo-monitoring, geographical traceability, risk assessment by origin and raw material, evaluation of traders' policies, etc.

Carrefour is committed to :

- **Fighting deforestation for its high-risk supplies:** Carrefour is working as a priority on the raw materials most present in its supplies, such as wood and paper, palm oil, Brazilian beef, soya and cocoa. Through its purchasing policies, recourse to certification, innovative traceability systems, or by implementing the necessary collaborations, Carrefour has co-constructed action plans on its priority raw materials with its stakeholders, testing these solutions as they are developed and sharing their progress, best practices to be generalised and/or obstacles identified. Carrefour was one of the first companies in its sector to report on its forest preservation performance through the Carbon Disclosure Project (CDP).
- **Preserving fish stocks by guaranteeing sustainable fishing methods**: In 2005, Carrefour created a responsible fishing range. Carrefour works closely with its producers, stakeholders in the sector, international NGOs and fishermen's organisations on biodiversity and seafood products to build its action plan. The problem of overfishing is a global issue requiring local responses. Solutions to protect resources must be adapted to each fishing zone and implemented with local stakeholders. To preserve fish stocks, the Group uses a variety of tools, including certification (MSC, ASC, Organic), the use of fishing techniques that have less impact on stocks in good condition, and products from fisheries that have set up a local improvement project.
- **Develop more responsible textile supply chains by prioritising risky production stages**, such as agricultural production (e.g. for cotton or viscose), dyeing or tanning. In 2019, Carrefour joined the signing of the Fashion Pact, a global coalition of 56 fashion and textile companies representing around 250 brands. The Fashion Pact's objectives focus on three areas of action:
    - Stop global warming (reduce CO2 emissions).
    - Restore ecosystems and preserve key species (promote responsible supply chains: organic cotton, sustainable cellulose fibre, animal fibres that respect animal welfare and preserve land).

- Protecting the oceans (phasing out single-use plastics, reducing pollution from microplastics).

3.2 Objectives and performance

In 2021, Carrefour's objectives have been strengthened to reaffirm the Group's ambition to combat deforestation and protect biodiversity on land and at sea.

Objective: 100% of sensitive raw materials covered by a risk reduction plan by 2025

Key performance indicators[1]	Units	2020	2021	2022	2020/2021 trend	Target
Sensitive raw materials - Percentage deployment of action plans for sensitive raw materials	%	New	55%	61%	+6 pts	100 % by 2025

Combating deforestation

Targets to end 2025

- Sustainable forestry: 100% of priority raw materials are committed to a risk reduction plan by 2025
- Palm oil: 100% of the palm oil and palm kernel oil used in Carrefour-branded products is RSPO Segregated certified by 2022.
- Brazilian beef: 100% of suppliers geo-monitored and compliant with our forestry policy or committed to an ambitious policy to combat deforestation by 2025
- Soya: 100% of Carrefour Quality Lines and key Carrefour-branded products using non-deforested soya for animal feed by 2025.
- Cocoa (G4): 100% of Carrefour-branded bars comply with our sustainable cocoa purchasing rules by 2023
- Wood and paper: 100% of paper and cardboard packaging for controlled products compliant with our forestry policy by 2025
- Trader traceability and assessment: 100% of key traders - upstream players trading in agricultural commodities - assessed and making progress towards compliance with our policy by 2025.

Performance indicators - Palm oil (1)	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target

[1] This indicator takes into account the Group's priority raw materials in terms of deforestation (palm oil, beef, soya, cocoa and trader traceability), the protection of fish stocks and sensitive textile raw materials (cotton, cashmere, viscose).

Proportion of palm oil used in controlled products certified as sustainable and fully traceable (RSPO segregated)	%	51,8 %	54,6 %	82,1%	83,4 %	+1.3pts	100% by the end of 2022
Proportion of palm oil used in controlled products certified RSPO or equivalent	%	82 %	86,2 %	99,9%	99,9 %	-	-

(1) Calculation based on the weight of raw materials contained in the products. Scope: 100% of consolidated sales (incl. VAT) in 2021. BUs not comparable (RO excluded in 2020).

Since 2021, significant efforts have been made to ensure the RSPO segregated or mass balance certification of almost all (99.9%) of the palm oil contained in Carrefour brand products. Efforts to fully certify and trace palm oil were slowed down in 2022 by the crisis in Europe.

Indicator - Soya[1]	Unit	2020	2021	2022	Change 2022/2021	Target
% of Carrefour Quality Lines and other key Carrefour-branded products using zero-deforestation soya for animal feed	%	New	2,9 %	19,7 %	+16.8 pts	100% by 2025

(1) Filières Qualité Carrefour products and key Carrefour-branded products (excluding premier prix and no name): the following frozen and fresh raw products (excluding charcuterie): chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat. Scope: France only. 54.1% of 2021 consolidated sales (incl. VAT).

In 2021, Carrefour defined sourcing criteria for zero deforestation soy and published for the first time the share of its key products using zero deforestation soy for France. In 2022, Carrefour deployed this measure in other countries and this year published its results for France, Spain, Belgium, Poland and Romania. As part of a continuous improvement process, Carrefour aims to continue to extend its scope and include the remaining countries in 2023.

Indicator - Wood and paper	Unit	2019	2020	2021	2022	Change 2022/2021	Target
Proportion of paper and cardboard packaging for controlled products that complies with our zero deforestation forest policy		-	-	*Reporting methodology under development*		-	100% by 2025
Sales of PEFC and FSC products (in millions of euros)	Number	205	534	574	292	(49,4) %	-
Share of sales of Carrefour-branded products from sustainable forests in the 10	%	48,6 %	70,2 %	79,5 %		+9.3pts	100 %

priority families (%)							

The Group is continuing to roll out its sustainable forest policy for its ten priority product families containing wood and paper (e.g. toilet paper, wooden furniture) in all the Group's countries. In addition, Carrefour is working to develop a methodology for reporting the proportion of compliant cardboard packaging.

Indicator - Brazilian beef[1]	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
% of Brazilian beef suppliers geo-monitored and compliant with our forestry policy or committed to an ambitious policy to combat deforestation	%	-	72 %	86,9 %	-	+14,9 %	100 % by 2025
Percentage of Carrefour-branded Brazilian beef that is deforestation-free (sourced from outside high-risk areas)	%	-	-	-	New	-	100 % in 2026
(1) Scope: Brazil Carrefour and Atacadao. Suppliers of fresh, frozen and processed meat, distributors and warehouses.							

In 2021, Carrefour extended the geo-monitoring of its Brazilian beef supplies to Atacadão in Brazil. By 2022, Carrefour Brazil and Atacadão will be geo-referencing more than 33,000 farms. This progress is in line with the objective of having 100% of Brazilian beef suppliers geo-monitored and compliant with our forest policy or committed to an ambitious policy to combat deforestation by 2025.

Indicator - Cocoa[1]	Unit	2019	2020	2021	2022	Change 2022/2021	Target
of Carrefour-branded bars comply with our sustainable cocoa charter	%	-	New	30,8 %	31,4%	+0.6 pt	100% by 2023
(1) Scope : BE, ES, FR & IT. Comparable BUs. 100% of consolidated sales (incl. VAT) 2022							

Following the establishment of a Sustainable Cocoa Charter for its chocolate bars, the Group is postponing, for the first time in 2021, the proportion of cocoa mass complying with this charter for bars sold in Belgium, Spain, France and Italy. In 2022, the increase in the proportion of sustainable cocoa mass is low compared with the target and will be the subject of an action plan in 2023.

Indicator - Trader traceability and assessment[1]	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
Tracing and assessing traders: 100% of key traders to be assessed by 2025	%	-	New	100%	100%	-	100 %
Tracing and assessment of traders: 100% of traders on track to comply with our policy by 2025		-	Valuation based on 2022		100%	-	-

(1) Traders: upstream players trading agricultural commodities

Traceability work is underway to identify upstream players trading in risky raw materials present in the Group's supplies. In collaboration with the Consumer Goods Forum, Carrefour has defined a methodology for assessing the anti-deforestation policy of traders in its supply chains. In 2022, 36 traders were evaluated. The evaluation criteria are currently being made more reliable, with the aim of measuring the progress made by traders.

Preserving fish stocks

Objective by the end of 2025: 50% of sales of fish and aquaculture products, Carrefour-branded products and national brands, from a responsible approach by 2025.

Indicator - Trader traceability and assessment[1]	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
Sales of fishery and aquaculture products, controlled products and national brands, from a responsible approach (1)	%	-		35,1 %	34,5 %	(0.6)pt	50% by 2025
Sales of controlled fishery and aquaculture products from a responsible approach (2)	%			49,5 %	49,5 %	(3.3)pts	-

(1) Scope: 95% of 2022 consolidated sales (incl. VAT). BUs not comparable (BR C excluded in 2022). Sales of sustainable fisheries include products certified Organic, MSC, ASC, Filières Qualité Carrefour products and other responsible approaches. This ratio includes: sales of controlled products for all fish and aquaculture product departments and sales of national brand products for all fish and aquaculture product departments (expanded scope in 2021).
(2) Scope: 95% of 2022 consolidated sales (incl. VAT). Non-comparable BUs (excluding BR C in 2022).

Since 2021, Carrefour has extended its ambition and extended the measurement of the share of responsible fishing for national brand products and for all departments. Efforts have been made to improve the completeness of the scope. Further efforts are expected in 2023 to increase the proportion of sales of responsibly sourced fishery and aquaculture products, in order to meet the target of 50% by 2025.

Total sales - responsible fishing/farming (controlled products - in millions of euros).

Labels	2019	2020	2021
Total sales of controlled fisheries/farming products	427 m€	596 m€	524 m€
Total sales of MSC-certified fishery/farming products	102m€	177m€	153 m€
Total sales of	39m€	69m€	163 m€

controlled fish/farming products ASC			
Total sales of controlled organic fish/farming products	34m€	47m€	49 m€
Total sales of controlled fish/farming products from other responsible approaches (FQC, FIP, etc)[2]	252m€	303m€	159 m€

Developing more responsible textile sectors

Targets to the end of 2025 :
100% of natural textile raw materials comply with our responsible TEX policy by 2025 (cotton, wood fibre, wool, cashmere)

- Cotton: 50% of TEX cotton products will be organic by 2025
- Kashmir: 100% Kashmir, which guarantees the animal welfare of goats and comes from soils that prevent desertification, in our TEX products by 2021.
- Wool: 100% wool in our TEX products, guaranteeing the animal welfare of sheep and protecting soils and ecosystems by 2025.
- Wood fibres: 100% of wood-based fibres (such as viscose, lyocell and modal) produced without deforestation in our TEX products by 2023.

Key performance indicator	Unit	2019	2020	2021	2022	Change 2022/2021	Target
Natural textile materials in line with our responsible TEX policy	%	-	New	41,6%	46,4%	+4.8 pts	100% by 2025
TEX organic cotton products	%	-	New	18%	21%	+3 pts	50% by 2025
Fibres from wood produced without deforestation in our TEX products	%	-	-	40%	71%	+31 pts	100% in 2023
Wool in our TEX products guarantees	%	-	-	New	25%	-	100% in 2025

[2] Other responsible steps :

the animal welfare of sheep and protects soils and ecosystems.							
Our products come from Kashmir, which guarantees the animal welfare of the goats and comes from soils that prevent desertification.	%	-	-	100%	100%	-	100% in 2021

In 2021, Carrefour reported for the first time on the share of responsible textiles for the following raw materials: cotton, wood fibre and cashmere. In 2022, Carrefour extended this measure to an additional raw material, wool. The proportion of these various natural textile raw materials that comply with our responsible TEX policy is increasing.

3.3 Action plans

The action plans to meet our ambition and achieve our objectives are as follows:

- (3.3.1) Combating deforestation
- (3.3.2) Preserving fish stocks
- (3.3.3) Developing more responsible textile sectors
    - #Lever 1: Responsible production of agricultural raw materials.
    - #Lever 2: Control plans, evaluation and environmental performance of suppliers.

3.3.1 Combating deforestation

In 2010, Carrefour made a commitment to move towards zero deforestation by 2020 as part of the Consumer Goods Forum (CGF). In order to reinforce the Group's ambition on forests and to initiate systemic changes with all market players, in 2020 the Group took on the co-direction of the Forest Coalition of the Consumer Goods Forum, bringing together 20 companies mobilised to fight deforestation in their supply chains through concrete actions such as the joint evaluation of traders' policies and their level of implementation. On the basis of these assessments, the coalition is asking traders to apply measures to combat deforestation throughout their supply chains. These assessments also serve as the basis for a dedicated dialogue and individual commercial measures. This approach is currently being implemented for soya and palm oil. Carrefour is currently working on implementing a similar approach for beef.

The Group contributes to other collective initiatives, particularly in Brazil, to establish synergies with all stakeholders (suppliers, competing distributors, raw material traders, regional and national governments, scientists, NGOs and data and service providers). In its sourcing activities, Carrefour applies the following principles for sustainable forest management:

- Protection of High Conservation Value (HCV) forests, peatlands, carbon-rich areas (HCS) and remarkable ecosystems.
- A ban on burning forests and the implementation of best practices to reduce greenhouse gas emissions in existing plantations.

- Respect for human rights and workers' rights. Respect for the rights of local populations, in particular by implementing a policy of free and informed consent and preventing conflicts related to land use.
- Support for small producers to integrate them into sustainable supply chains.
- Exclusion of GMOs where possible (in particular for palm oil and timber) and the exploitation of threatened or endangered species that appear on the International Union for Conservation of Nature (IUCN) red list and/or in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Reduction and responsible use of pesticides and a ban on the most dangerous pesticides.

Carrefour gives priority to the raw materials it sources most, such as wood and paper, palm oil, Brazilian beef, soya and cocoa. In 2020, Carrefour extended its commitment to cocoa and non-food materials to textiles, such as viscose.

Through its purchasing policies, the use of innovative traceability systems, or by implementing the necessary collaborations, Carrefour has co-constructed action plans on its priority raw materials with its stakeholders, testing these solutions as they are developed and sharing their progress, good practices to be generalised and/or obstacles identified.

Palm oil: Carrefour has implemented a gradual action plan with its direct suppliers, based on RSPO certification, in order to secure this supply chain in all of the Group's integrated countries. Initially, by requiring its suppliers to use mass balance certified raw materials by 2020, then by raising the requirement to a segregated level in order to ensure complete traceability from plantation to consumer by 2022. In addition, Carrefour substitutes palm oil in its Carrefour-branded products when this improves the nutritional profile of the product or meets consumer expectations.

Wood and paper: Carrefour has set up a supply control system based on a risk analysis of production countries. 10 families of controlled products using the largest volumes of wood and paper are defined as priorities. For these 10 families and depending on the origin of the products, different certifications or levels of guarantees are requested (recycled material, FSC certification, PEFC certification or specific audit).

Beef in Brazil: Carrefour has set up a system of geo-monitoring (in Amazonia and the Cerrado) to monitor its beef supplies for its Carrefour and national brand products. The Group's purchasing data is cross-referenced with official maps of deforestation, protected areas and the territories of indigenous populations. In this way, Carrefour involves its suppliers in its policy to combat deforestation while ensuring the conformity of products sold in shops. Carrefour works with its suppliers to identify non-compliances with breeders and takes commercial decisions accordingly. It commits its suppliers to going further by signing a letter of commitment; this requires monitoring of indirect suppliers and reporting on this in an action plan provided to the Group. To take this further, a monitoring pilot for indirect suppliers is gradually being rolled out to suppliers. In addition, Carrefour is encouraging other distributors present on the market to apply the harmonised protocol (link: https://www.boinalinha.org/) and regularly takes the floor at conferences to share its best practices. In 2022, the Group raised its ambitions and made a commitment to market totally deforestation-free beef in Brazil by 2026, by moving out of risk zones and delisting any farms located in these zones. This commitment will apply in the same way to other brands sold in Carrefour shops by 2030.

Soya: Soya is used in animal feed for Carrefour-branded products such as chicken and eggs. Carrefour is committed to ensuring that key Carrefour-branded products come from animals fed on soya that is not sourced from deforestation, by 2025. To ensure that this raw material has no link with the conversion of forests and ecosystems, Carrefour is using

various levers: the development of local soya channels, the promotion of organic and FQC animal channels fed with non-GMO soya, the use of certified segregated soya, the use of alternative proteins, support for field projects or by favouring the most virtuous upstream players in its sourcing. The Group is also behind the Soya Manifesto, which aims to mobilise French players (government, NGOs, distributors and upstream players) to take action against imported deforestation linked to Brazilian soya. As part of this initiative, additional criteria relating to non-deforestation and non-conversion of ecosystems have been incorporated into the specifications for Carrefour brand products in France. Direct suppliers are being made aware of the Group's requirements throughout the supply chain. Joint work involving all French distributors, civil society and the Ministry, signatories of this manifesto, is being carried out to make a national warning mechanism viable and to mobilise all players in the chain.

Cocoa: Carrefour has been a partner of CÉMOI's Transparence Cacao programme since its inception. It is deployed on 20 Carrefour-branded bars, including 8 organic references. This programme contributes to the fight against deforestation and to improving the living and working conditions of cocoa farmers. The cocoa paste obtained from cocoa beans grown in this way ensures complete traceability from the planter to the consumer. Carrefour also joined the Retailer Cocoa Collaboration (RCC) initiative in 2019. In 2021, the Group defined a Cocoa Commitment Charter applicable to all suppliers of Carrefour-brand chocolate bars. This charter is one of the pillars in the fight against deforestation and child labour, while contributing to better remuneration. Carrefour has also joined the French Sustainable Cocoa Initiative, which brings together public authorities, NGOs, chocolate unions, distributors, traders and scientists to work collectively towards a sustainable cocoa sector.

FOCUS: New plan to combat deforestation in Brazil

As part of its programme to protect biodiversity and its commitment to combating deforestation and land conversion, Carrefour has announced a new plan to combat deforestation in Brazil.

The new plan includes a Forest Committee, chaired by two members of the Group's Executive Committee, and supported by a panel of experts on deforestation and land conversion in Latin America. This committee has the following responsibilities:

- give an opinion on the effectiveness of the actions implemented
- make proposals to Carrefour on priorities for action
- give an opinion on funded projects
- Report to senior management on the progress of the action plan.

Carrefour is prioritising a new plan to reduce its direct and indirect impact on forests and other remarkable ecosystems through its beef sourcing. To carry out its new plan to combat deforestation, the Group is implementing the following actions:

- Testing new traceability tools: blockchain to speed up the transmission of information and artificial intelligence for livestock identification. These tests will be carried out to improve current tools or to scale up new solutions to handle additional levels of the supply chain (including indirect suppliers).
- Investment in the bioeconomy: support for landscape projects in at-risk areas to combat deforestation and conversion at source and promote social inclusion
- Become the leader in alternatives to animal proteins in all the Group's shops

- Application of the Carrefour Group's purchasing rules to all its activities in Brazil.

Alongside its objective of reducing its impact, Carrefour is committed to financing projects with a positive impact on forest biodiversity, innovations and carbon sequestration in its supply chain to the tune of €10 million by 2026.

For more details, please refer to the document "**Protecting forests**".

3.3.2 Limiting overexploitation of fish stocks

The Group is committed to ensuring that 50% of fish sold is sustainably sourced by the end of 2025 (Carrefour brands and national brands for fresh products)**.**

To this end, Carrefour works closely with its producers and those involved in the supply chain in order to :

- Favour abundant species, MSC-certified sustainable fishing products and fishing techniques that have less impact on ecosystems. Carrefour is also suspending the marketing of sensitive species;
- Develop responsible aquaculture by selecting farms with good practices (limiting industrial fishing, banning antibiotics and, where appropriate, GMO-free feed) and giving preference to products bearing the ASC responsible aquaculture label;
- Support sustainable local fishing through partnerships with local stakeholders;
- In-store promotion of sustainable fishing products and the diversity of seafood products;
- Promoting the fight against illegal fishing.

Carrefour is committed to working with partners to support its approach. The Group regularly consults international NGOs and fishermen's organisations on biodiversity and seafood to build its action plan. The problem of overfishing is a global issue that requires local responses. Solutions to protect resources must be adapted to each fishing zone and implemented with local stakeholders. As a result, the approach is being launched progressively in each country on their own initiative.

To guarantee a sustainable supply of seafood and aquaculture products, the Group uses the following tools:

- Carrefour Quality Lines, selected lines traced back to the boat and/or farming basin;
- The Aquaculture Stewardship Council (ASC) label for responsible aquaculture, which ensures that the environment is respected, animal welfare is checked and working conditions are monitored;
- The Marine Stewardship Council (MSC) label for responsible fishing, which guarantees the commitment of fishermen, the avoidance of overfishing and respect for the marine environment;
- The organic livestock label, which distinguishes products from more environmentally-friendly livestock farms;
- Fishing techniques that respect the marine environment are used on stocks that are in good condition, such as fishing without fish aggregating devices (FADs), which is controversial given the burden they place on fish stocks;
- Products from fisheries that have implemented a robust Fisheries Improvement Project (FIP).

Suspension of sensitive species: Since 2007, Carrefour has gradually suspended the marketing of sensitive species. In France, several sensitive species have now been withdrawn from the shelves, including emperor, blue ling, shark (except small dogfish), wild sturgeon, mostelle, grenadier, scabbardfish, cusk, eel, red seabream and skate. Since 2018, sea bass fishing has been suspended during the spawning season.

Less impactful fishing practices: Carrefour is in favour of applying the precautionary principle to electric fishing. In 2020, Carrefour France reaffirmed its commitment not to market species fished using this technique. Carrefour France has put several references of canned tuna fished using alternative methods such as pole and line fishing and fishing without fish aggregating devices (FADs) on the shelves. In addition, the introduction of a "Produit d'exception" (exceptional product) approach has helped to promote small-scale fishing, by identifying on the shelf products from small-scale coastal fishing, complying with a specific technical sheet (type of boat, fishing time and product freshness).

More responsible aquaculture practices: Carrefour works closely with its producers and those involved in the sector to develop more responsible aquaculture by selecting farms with good practices. This is why Carrefour :

- Prohibits the presence of ingredients from illegal, unreported and unregulated fishing on all its Carrefour brand products;
- Prohibits the presence of GMOs in its products Filière Qualité Carrefour ;
- Reduces or even ends the use of antibiotics on its products Filière Qualité Carrefour ;
- Actively working on farmed fish feed.

Action is being taken to reduce the proportion of feed for farmed fish that comes from industrial fishing[3] , which accounts for almost 20% of the world's wild marine catches, and to replace it with co-products from fish farms[4] .

Today, a number of steps are being taken to transform this food:

- Tests with partner suppliers (FQC salmon) are underway to reduce the proportion of marine feed derived from industrial fishing, and also to replace some of the fish oils with seaweed oils or the incorporation of insects;
- Tests are also underway in France (on the FQC trout sector) with the aim of reducing the use of industrial fishing and eliminating imported palm oil and soya meal from the composition of aquaculture feed.

In addition, promoting the sale of shellfish helps to reduce the impact on marine resources, since no exogenous food is provided to the shellfish, which feed exclusively on phytoplankton present in the natural environment.

Deployment of the Carrefour Quality Lines: At the same time, and in order to guarantee a range of products from increasingly responsible fishing and aquaculture, the Carrefour Group is relying on the development of its Carrefour Quality Lines (CQL), selected and traced back to the boat and/or farming basin. A veritable agro-ecological laboratory, these channels make it possible to develop more demanding specifications in partnership with suppliers.

The list of FQC fishing products currently sold in the Group is as follows:

- Spain: Vannamei shrimp, meagre, sea bass, sea bream, octopus, bonito, skrei cod, trout;

[3] *Intensive industrial fishing intended to supply industrial sectors with small fish of low commercial value, which will be processed into fishmeal and fish oil for animal feed in aquaculture, fish farms, etc...*

[4] *In most cases, after the wholesale purchase of seafood, the fish and shellfish are processed to sell a finished, processed product.*

- France : Norwegian salmon ASC, MSC cod, Madagascar prawns ASC, Ecuador prawns ASC, Marennes Oléron IGP fine/special oysters, oysters from Brittany/Canal/East or West Normandy/Bouzigues, flat oysters, bouchot mussels STG, bouchot mussels from the Bay of Mont St Michel PDO, rope mussels, sea bass and sea bream from the Rope, Label Rouge meagre fish from Corsica, trout, whelk MSC, scallops from St Brieux, Label Rouge scallops from Normandy, crab;
- Belgium: Smoked Omega sea bass, Prawn Vannamei ;
- Italy: Smoked salmon, prawn vannamei ;
- Argentina: Wild Patagonian shrimp ;
- Brazil: Tilapia ;
- Poland: Shrimp Vannamei ;
- Romania: Prawn Vannamei; Taiwan: Milk Fish.

FOCUS - PARTNERSHIP :

The Carrefour Foundation is also partnering WWF France in a research project on sharks and rays in the Mediterranean. This initiative aims to identify an aggregation hotspot in order to generate knowledge and support the future design of appropriate management measures for pelagic sharks and rays. This project enables links to be established between fishermen, scientists and in the form of at least one working group to safeguard elasmobranchs within at least two fleets in the western Mediterranean.

For more details, please refer to the document "**Acting for responsible fishing and aquaculture**".

3.3.3 Developing more responsible textile sectors

#Lever 1: Responsible production of agricultural raw materials.

Carrefour has drawn up a list of production stages considered to be sensitive and which may present environmental risks. These stages may be included in the manufacturing process of Carrefour suppliers or further up the value chain. The Supplier Commitment Charter and the purchasing rules specific to the production stages and raw materials at risk are appended to the purchasing rules governing the social and environmental compliance of purchases of all controlled products.

In 2018, Carrefour formalised minimum purchasing rules for cotton. These rules prohibit the purchase of cotton from Uzbekistan, Turkmenistan and Syria. In 2019, Carrefour joined in the signing of the Fashion Pact. Prompted by a mission entrusted by the French President to the CEO of Kering, it was presented to the heads of state meeting at the G7 Summit in Biarritz. This global coalition brings together 56 fashion and textile companies (ready-to-wear, sports, lifestyle and luxury) representing around 250 brands and more than 20% of the global textile and fashion sector, in terms of production volume.

The objectives of the Fashion Pact are based on scientific criteria (science-based targets) and focus on three areas of action:

- Curb global warming (reduce CO2 emissions).

- Restore ecosystems and preserve key species (promote responsible supply chains: organic cotton, sustainable cellulose fibre, animal fibres that respect animal welfare and preserve land).
- Protecting the oceans (phasing out single-use plastics, reducing pollution from microplastics).

Traceability and organic cotton production: By 2030, Carrefour has set itself the target that 100% of the natural raw materials on its TEX brand products should be sustainable and traceable. Since 2019, Carrefour has been working with more than 8,000 small cotton producers in Madhya Pradesh and Maharashtra on a project combining organic cotton quality, fair remuneration for producers and traceability from the seed. The Carrefour Foundation has supported the installation of two biopesticide production units enabling 2,000 local producers to obtain higher yields and increase their income. It has made it possible to drill 100 wells to ensure regular irrigation of the cotton fields. 1,000 farmers in 18 villages have also benefited from training in organic farming techniques. Finally, Carrefour ensures that the producers in its Indian organic cotton supply chain receive higher remuneration than conventional cotton via its partner Cotton Connect. The first 100% "sustainable cotton" collection resulting from this approach offers household linen, underwear and clothing for babies and children under the TEX BIO brand. These products have been on sale since spring-summer 2019 in all Carrefour hypermarkets in France and Spain. All stages between sowing and the finished product are tracked and recorded to ensure complete traceability, from seed to TEX BIO product. Blockchain technology, which will be introduced for textiles in 2020, now enables consumers to track the cotton's journey from the field to the shop via a QR code on the product label.

#Lever 2: Control plans, evaluation and environmental performance of suppliers.

Carrefour raises awareness among its suppliers and asks them to take control measures where necessary. Rules have been put in place for leather, with the obligation to source only from LWG (Leather working group) certified tanneries, to ensure a good level of environmental respect.

For textiles, visits are systematically organised for 100% of factories, with a maximum frequency of one year, to ensure that quality procedures and factory standards are being maintained using the "Carrefour Good Factory Standard". This standard, developed by Carrefour, groups together a set of basic requirements to be met in order to maintain the factory standard. The document has been adapted for different sectors and products. It incorporates good and bad practice in a simple, pictorial way, making it easy to understand and more effective for training our suppliers.

Since 2016, a global programme has been established to reduce the environmental impacts of Carrefour's supplier factories. This programme, called the "Clean water project", is aimed primarily at water-consuming textile industries that use water and chemicals in their production process. It is designed by Carrefour Global Sourcing's sustainable development teams and aims to raise awareness, train and monitor suppliers on the management and efficiency of processes that consume water and chemicals (e.g. dyeing and finishing). The Clean Water Project includes a training and audit programme on chemical product management, an environmental programme in China in collaboration with the Institute of Public & Environmental Affairs (IPE) and a tannery certification programme. The aim is to reduce their impact on water and the environment and to reach 100% of the production sites of key integrated textile suppliers trained and working on corrective plans. This has been

achieved in India and Bangladesh, with the support of chemical product audits, and in China with the support of IPE.

Carrefour chemical guidebook: in Bangladesh and India, Carrefour Global Sourcing has issued guidelines on the management of chemical products in factories: purchase, stock, use and disposal. Called the "Carrefour chemical guidebook", these guidelines are the subject of training and unannounced annual checks on water quality at the water treatment plant, the management of chemical products and the correct application of the standard promoted by Business for Social Responsibility (BSR). Suppliers are controlled on the basis of a chemical audit carried out by a third-party company and aimed at controlling five chapters:

- chemical product management,
- handling chemicals,
- waste water treatment,
- sediment management,
- efficient management of water consumption.

Controlled suppliers are integrated suppliers for dyeing and washing operations.

Carrefour is also asking all its textile suppliers not to use the banned chemicals included in the ZDHC-Zero Discharge of Hazardous Chemicals MRSL (Manufacturing Restricted Substance List).

In 2022 and early 2023, the Group has partially replaced the chemical audit with the Higg environmental assessment. Some of the Group's suppliers have already been audited on the basis of this assessment. All these suppliers were trained in chemical management in 2021 (rather than 2022). Other non-integrated suppliers have been involved in chemical audits, and some of them are already subject to a Higg assessment: all these suppliers have also been trained in 2021 (not in 2022).

Additional training is planned for 2023, mainly for integrated suppliers, on the management of chemical products, but also on CO2 emissions.

In 2023, the Group joined the Sustainable Apparel Coalition in order to be able to use the Higg environmental assessment more systematically for Carrefour suppliers.

Institute of Public & Environmental Affairs (IPE): in China, Carrefour has been working jointly with IPE since 2015, a non-profit environmental and research organisation that collects data from over 5,000 factories. The aim of this project is to address supply chain non-compliance with Chinese environmental legal requirements. Carrefour publishes a list of its textile suppliers on the IPE platform every year and collects environmental data from its subcontractors to identify potential environmental non-compliances. These are followed up with corrective action plans. The largest Chinese textile suppliers (34 "Very important suppliers") were all trained at an environmental conference with IPE - Institute of public and environmental affairs of China- organised by Carrefour Global Sourcing, in December 2019.

In 2022, 625 level 1 units were checked on the CAI database in the textile and hardline sectors, including 585 level 1 units that were examined and listed in the CAI database, with 9/585 alerts, i.e. less than 2% of alerts. The focus will be on level 2 dyehouses in 2023.

Leather working group (LWG): since 2005, the Leather working group has been working to develop common standards for all stakeholders in the leather industry value chain. The LWG has developed a protocol that assesses the compliance and environmental performance of

leather manufacturers to promote sustainable business practices within the leather industry. 100% of Carrefour's supplier tanneries are Leather Working Group certified in Asia (tier 2 suppliers). By 2022, 4 additional tanneries have been certified (2 in India, 1 in Pakistan and 1 in China).

CSR supplier rating: Since 2019, the assessment of textile suppliers has included a CSR rating, in addition to the usual assessment including commercial, quality and delivery (supply chain) ratings. This CSR rating includes the results of social audits, environmental assessments and alerts, supplier management of suppliers, traceability of components, supplier certifications and good social practices (beyond regulatory compliance). Carrefour's local teams meet with assessed suppliers to discuss good practices and areas for improvement, and take this rating into account when selecting suppliers. In 2022, Carrefour has included an additional criterion in the CSR evaluation of suppliers. This is a criterion on the "level of environmental strategy of our suppliers' CO2 emissions reduction plan".

3.4 Collaborations and partnerships

Combating deforestation

At Group level, Carrefour works with a number of organisations:

- Amazon Soy Moratorium: Carrefour has supported the Amazon Soy Moratorium since its inception in 2006. The Moratorium has had positive results for the protection of the Amazon and Carrefour encourages its extension to other biomes.
- Round Table on Responsible Soy (RTRS): multi-stakeholder platform for the introduction of responsible soy certification.
- Duralim: Carrefour is a signatory of the French collaborative charter for sustainable animal feed.
- National Strategy to Combat Imported Deforestation (SNDI): Carrefour is part of the national platform to combat imported deforestation in France and participates in the Scientific and Technical Forestry Committee (CST) dedicated to soya.

In Brazil:

- GTPS (Sustainable Cattle Working Group): Carrefour Brazil has been a member of the Sustainable Cattle Platform since its creation in 2007.
- GTFI (Grupo de Trabalho de Fornecedores Indiretos): Carrefour has been supporting the working group monitoring indirect supplier practices in Brazil since 2017
- CFA (Collaboration for Forests and Agriculture): an initiative resulting from collaboration between the World Wildlife Fund (WWF®), The Nature Conservancy (TNC) and the National Wildlife Federation (NWF) and financed by the Gordon & Betty Moore Foundation. Within the CFA, Carrefour Brazil participates in the application of the CFA Operational Guidance, which helps companies implement deforestation and free conversion (DCF) commitments for beef and soya in the Amazon, Cerrado and Chaco biomes.
- Amazon Soy Moratorium: Carrefour has supported the Amazon Soy Moratorium since its inception in 2006. The Moratorium has had positive results for the protection of the Amazon and Carrefour encourages its extension to other biomes.
- Grupo de Trabalho da Soja (GTS) and Grupo de Trabalho do Cerrado (GTC): Carrefour accompanies the Soy Working Group in Brazil and supports the group dedicated to combating deforestation in the Cerrado biome.

Internationally:

- Consumer Goods Forum (CGF): Carrefour is a member of the CGF's Forest Positiv Coalition.
- Cerrado Manifesto Support Group (SoS Cerrado Manifesto): since 2017, Carrefour has been supporting this initiative alongside more than 140 companies and investors, and participating in discussions in Brazil with the Government, NGOs and producers, in order to protect this ecosystem

Protecting fish stocks

- Marine Stewardship Council
- Aquaculture Stewardship Council
- WWF France
- International Seafood Sustainability Foundation (ISSF)

Developing more responsible textile sectors

- CAI
- Leather Working Group
- Fashion Pact

4. Developing eco-design and the circular economy for packaging

4.1 Introduction

Much of the plastic produced today is used to make packaging. The use of packaging is closely linked to the growth of mass retailing: it meets the challenges of transport, preservation and health safety. The retail sector therefore has a key role to play in changing practices and meeting the expectations of its consumers, who are increasingly aware and informed about environmental issues.
To address this global and systemic issue, Carrefour wishes to lead the transition of its sector towards a more sober, measured and thoughtful consumption of the packaging present in its shops and used for its products, to promote the eco-design innovations of its suppliers, and to mobilise its customers and NGOs to put forward ideas. To involve its customers in this transformation and identify consumers' expectations, a monthly top 5 packaging event is organised, highlighting consumers' proposals for transforming the packaging of MDC products.

An initial analysis of 800 suppliers was carried out in 2018 on Carrefour brand products. It highlighted certain orders of magnitude concerning the use of packaging for these products: 123,000 tonnes of Carrefour-brand packaging are placed on the market in France, Spain, Italy and Belgium, including 57,000 tonnes of plastic resins, 30,000 tonnes of glass, 18,000 tonnes of cardboard, 7,300 tonnes of metals and 4,500 tonnes of paper. Carrefour has decided to take action at every level of its value chain to limit the use of plastic and to encourage the reduction, recyclability and reuse of packaging, and to do so does not hesitate to mobilise its ecosystem of suppliers, customers and NGOs.

Consumers support the efforts being made. According to a comparative study by Alkemics OpinionWay[5] , although the health crisis has led to a slight decline in consumer concerns on this subject, it is still relevant and topical. Despite the impact of the health crisis, customers continue to express a preference for the use of recyclable or even reusable packaging in the long term, for many categories of food products.

4.2 Objectives and performance

In 2021, on the occasion of the publication of the first progress report on the National Pact on Plastic Packaging, the Carrefour Group reaffirmed its commitment to achieving the targets it had set itself for 2025:

Objectives

- 100% reusable, recyclable or compostable packaging for Carrefour-branded products by 2025;
- 20,000 tonnes of packaging saved, including 15,000 tonnes of plastic packaging by 2025 (cumulative since 2017);
- 30% recycled plastic in packaging by 2025;
- 1000 reusable packaging solutions available in shops;
- 500 shops equipped with a packaging re-use system by 2025;
- 50 new "Bulk" experiences

Key performance	Unit	2019	2020	2021	2022	Evolution	Target

[5] [1] Source: Surfrider Foundation

[2] Source: "The French and packaging reduction", March and November 2020, Alkemics OpinionWay

indicator						2022/2021	
Tonnes of packaging placed on the market avoided (cumulative since 2017)	Tons	3460	6212	10906	16390	+50%	20,000 tonnes by 2025
Percentage of reusable, recyclable or compostable packaging for Carrefour-branded products (1)	%	-	44%	46%	57%	+11 pts	100% in 2025
Percentage of recycled plastic used in packaging for Carrefour-branded products (2)	%	-	Reporting methodology under development		7,7%	-	30% by 2025
Number of Loop references in shops	Number	-	25	43	47	+9,3%	1,000 by 2025
Number of shops equipped with a packaging reuse system	Number	-	-	Methodology being reported -		-	500 by 2025
Number of "Bulk" experiments	Number	-	-	Methodology being reported		-	50 by 2025

(1) Scope: 71% of consolidated sales (incl. VAT) in 2022. BUs not comparable (FR only in 2021; ES, IT, PL and AR excluded in 2022).
(2) Scope: 63% of 2022 consolidated sales incl. VAT. BUs not comparable (FR only in 2021; BE, ES, IT, PL and AR excluded in 2022).

Carrefour is ahead of its targets for reducing the amount of packaging placed on the market, with a significant acceleration in all the Group's countries since 2021. In 2021, Carrefour published for the first time the percentage of reusable, recyclable or compostable packaging for France. In 2022, the reporting methodology was extended to Belgium, Romania and Brazil. Carrefour aims to extend its scope to the other remaining countries by 2023. The same applies to the percentage of recycled plastics in packaging, for which reporting has been extended to Romania and Brazil in addition to France, in 2022 and will continue to be rolled out to the other countries in 2023.

4.3 Action plans

By 2022, the actions implemented by the Group will have reduced the use of plastic by more than 2,000 tonnes.

See the action plans relating to the use of plastics within the Group's operations, and the Group's Extrafinancial Performance Statement (section 2.1.2.4 Developing eco-design and the circular economy, page 73).

5. Limiting the impact of our sites on biodiversity

5.1 Introduction

Carrefour's sites, shops and warehouses, have a significant impact on biodiversity throughout their life cycle: land artificialisation, greenhouse gas emissions, water consumption, waste generation, food waste, pollution linked in particular to transport to access sites, etc. To limit these impacts, it is therefore necessary to anticipate them and seek to reduce them, from the design stage of the sites and then during their operation.

With 1,128 hypermarkets, 3,842 supermarkets, 8,573 convenience stores, 541 cash & carries and 139 warehouses and platforms around the world, Carrefour is committed to limiting the impact of its buildings on their ecosystem, even beyond existing regulations. Each site can therefore, at its own level and in collaboration with local stakeholders, implement actions that are virtuous for biodiversity and adapted to its geographical location. This includes eco-design of buildings and their more sustainable renovation, actions to reduce waste and food wastage, good management of water consumption, and actions to reduce pollution associated with the building.

5.2 Objectives and performance

The objectives relating to the impact of our sites mainly concern land management, waste management and food wastage, and water consumption management.

Objectives

- Recover 100% of shop waste by 2025;
- Reduce food waste from shops by 50% by 2025 (compared with 2016);
- 100% of new shopping centres and expansions certified BREEAM (Building Research Establishment Environmental Assessment Method), 75% of existing shopping centres certified BREEAM In-Use;
- Reduce water consumption per square metre of sales area.

Land management

100% of its new shopping centres and expansions are now BREEAM-certified, and BREEAM In-Use certification will be rolled out to 100% of sites in France by the end of 2025.

Key performance indicators	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
BREEAM New Construction certified projects (in %)(1)	%	100%	100%	100%	100%	-	100%
BREEAM In-Use certified sites (% by value)	%	60%	86%	90,6%	94,2 %	3.6 pts	-
• of which Very Good (% by value)		87%	75%	57%	33%	(24) pts	-

• of which Level Good (% by value)		13%	25%	30%	59%	29 pts	-

(1) Scope: Carmila property company with operations in France, Spain and Italy.

Waste management

Key performance indicators	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
Percentage of shop waste recycled[1]	%	63,4%	66,2%	68,5 %	74,5%	+ 6 pts	100% in 2025
Percentage of food waste recycled[2]	%	54,2%	57,4%	53,2 %	57,8%	(4.6) pts	-
Reduction in food waste compared to 2016 (kg/m²)[3]	%	(9,74) %	(28,7) %	(28) %	(40)%	(12) pts	(50) % by 2025
Total quantity of waste (in thousands of tonnes)[4]	Thousands of tonnes	696	729	672	696	(9)%	

(1) Scope : Non-comparable BUs (excluding BE and IT CO and CC) (95% of consolidated sales (incl. VAT) in 2022 vs. 94% in 2021).
(2) Scope: excluding ES (SM, C&C), IT (CO, C&C), BE (HM, SM), BRAT (HM, C&C). Non-comparable BUs (70.9% of consolidated sales (incl. VAT) in 2022 vs. 90.2% in 2021).
(3) Scope: excluding ES (SM, C&C), IT (CO, C&C), BE (HM, SM), BRAT (HM, C&C). Non-comparable BUs (70.9% of consolidated sales (incl. VAT) in 2022 vs. 90.2% in 2021).
(4) Scope : Non-comparable BUs (excluding BE and IT CO and CC) (95% of consolidated sales including VAT in 2022 vs. 94% in 2021)

Combating food waste

The Group's ambition is to be irreproachable in its activities, but also to play a leading role in the fight against waste within its ecosystem, by involving all the other stakeholders (suppliers and consumers).

Key performance indicators	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
% reduction in food waste (compared to 2016)[1]	%	(9,74)%	(28,7) %	(28) %	(40)%	+12 pts	50% by 2025
of unsold food recycled	%	54,2 %	57,4%	53,2 %	58%	5 pts	-
Number of meal	Millions	105	77	44,1	45,6	3,4%	-

equivalents distributed in the form of unsold food to associations (in thousands of meals)(2)							
Weight of unsold food recycled through the sale of hampers in partnership with Too Good To Go(3)	Tons	2 374	3 885	3 440	3 437	(0,1)%	-

(1) Scope: Excluding ES (SM, CO, C&C), IT (CO, C&C), BE (HM, SM), BRAT (HM, C&C) & PL (C&C). Non-comparable BUs (70.9% of 2022 consolidated sales incl. VAT).
(2) Scope: this figure includes food donations made by shops in all the Group's integrated countries, as well as donations made by warehouses in France.
(3) Scope : BE, ESP, FR IT, PO.

The food waste rate reached -40% vs 2016 (vs -28% in 2021) with a target of -50% in 2025 vs 2016. The reduction in food waste is progressing well in Europe and for Carrefour Brazil. As part of an improvement initiative, a mission will be launched in 2023 to extend the reporting scope to all countries. Lastly, the quantity of donations is increasing slightly, rising from 44.1 million meal equivalents donated to 45.6 million meal equivalents worldwide in 2022.

Managing water consumption

Key performance indicators	Unit	2019	2020	2021	2022	Evolution 2022/2021	Target
Quantity of water consumed per m² of sales area (in m³/m²)	m³	1,43	1,38	1,2	1,3	10%	-
Quantity of water consumed[6]	million m³	12,4	12,9	11,5	12,2	5,7%	-

In France, Spain and Italy, 100% of new shopping centres and expansions of over 2,000 m are now BREEAM (Building Research Establishment Environmental Assessment Method) certified. BREEAM In-Use certifications have been deployed on more than 75% of sites, enabling Carrefour to achieve its target a year ahead of schedule. BREEAM In-Use certifications are renewed every 3 years and are renewed annually via 1 audit. By 2022, 21 new Carmila sites have been certified in Spain and France.

5.3 Action plans

5.3.1 Taking biodiversity into account in land management and site eco-design

[6] Scope : Non-comparable BUs (100% of consolidated sales (incl. VAT) in 2021 vs. 99% in 2020 - RO SM)

As part of the Carrefour Property business, Carrefour has introduced a sustainable construction and operation policy in France, Italy and Spain, which provides a framework for the adoption of best environmental practices at every stage in the life of buildings.

Our sustainable construction policy is governed by the BREEAM Construction certification scheme. The aim is to design and build buildings that respect the environment and the health and safety of their occupants.

At the design stage, shop architecture is designed to optimise energy consumption. Natural materials that are more respectful of the environment and have a low carbon impact are favoured, and renewable energies are systematically considered. Each project is designed to blend in with the natural or urban landscape and minimise its impact on the environment.

All projects submitted for planning permission are subject to a life cycle analysis. In particular, when Carrefour seeks to obtain the "life cycle analysis" criterion of BREEAM certification, life cycle analyses (LCA) consider two material scenarios in order to choose the one with the least environmental impact.

In order to reduce the carbon impact of visitor travel, shopping centre construction projects include measures to encourage visitors and employees to use environmentally-friendly means of transport, such as complementary service agreements with bus companies, car-pooling zones, recharging points for electric vehicles and bicycles, dedicated paths and shelters for bicycles, and so on.

Biodiversity conservation is also taken into account right from the design stage. For each shopping centre construction or renovation project, a fauna and flora diagnosis is carried out by an ecologist. Facilities are created for local fauna: insect hotels, bird nesting boxes, beehives; an ecological balance is sought for vegetation, and green spaces are managed according to ecological principles.

During the construction phase, the companies working on Carrefour shop construction sites have signed the Green Worksite Charter, which covers such issues as soil and air pollution, waste sorting instructions, water consumption, vibrations and noise pollution.

The renovation of shopping centres, undertaken by the Carrefour Group and the real estate companies Carmila and Carrefour Property, incorporates environmentally-friendly solutions into the new developments. Renovated sites are also being landscaped with local species.

Finally, the service stations managed by Carrefour are equipped with facilities designed to prevent environmental risks and odour nuisance. The Group constantly monitors the regulatory compliance of its facilities, and a precise balance sheet of fuel inputs and outputs is used to control the risk of leaks.

In 2020, a Biodiversity Charter for sites in operation was drawn up in the summer of 2020. It proposes solutions for developing biodiversity at shopping centres in operation, based on the following four principles:

- improve knowledge of the biodiversity of its site and the management of planted areas;
- develop the site's biodiversity ;
- ecologically manage green spaces and limit the impact of the farm on biodiversity;
- raise awareness, communicate and promote.

5.3.2 Reducing waste and food waste

Waste management is based on the following principles:

- Prevent the production of in-store waste linked to packaging and point-of-sale advertising, by finding solutions with suppliers;
- Encourage sorting by providing suitable equipment for separating different types of waste;
- Recovering waste and participating in the development of sorting and recovery systems in countries where this is regulated. For example, Carrefour produces biomethane from organic waste that is recovered and methanised. At the same time, the Group is working with those involved in the recovery of cardboard, plastic, organic waste and wood to transform waste management constraints into financial opportunities. In countries not subject to regulation, the Group is taking part in the structuring of these processes.

EXAMPLE IN FRANCE

Carrefour France has set up a virtuous circle of new delivery vehicles and biomethane service stations to convert shop bio-waste into fuel locally. By 2022, almost 20 tonnes of bio-waste had been processed (hyper and supermarkets).

Carrefour also fights food waste on three levels: in-store, with suppliers and with consumers.

In shops, Carrefour is taking steps to reduce the quantity of products withdrawn from sale:

- Improving stock and order management by tracking information on breakage and using sales and production forecasts, which can be adjusted according to the weather or external events, to better adapt orders to demand.
- By promoting short-dated products and products beyond the date of minimum durability (DDM) at reduced prices to encourage the disposal of stocks at risk of breakage.
- By offering tailor-made solutions to sell the products rather than mark them down. For example, by processing or cutting certain fresh products directly in shop.

In addition to preventing shrinkage in shops, Carrefour is implementing solutions to make the most of unsold goods generated in shops, for example by optimising donations to food aid associations, by making the most of unsold goods via "Too Good to Go" baskets in nearly 3,000 shops or by offering these unsold goods to processors to create eco-responsible products (e.g. jams) which are resold in shops. Finally, products destined for human consumption that cannot be donated or processed are transformed into biomethane, which is used in lorries to transport goods.

Together with its suppliers, Carrefour implements joint solutions to reduce food waste. For example, the Group markets non-compliant products (for reasons of size or shape) at a reduced price under the exclusive "Tous Antigaspi" brand. Also, in 2017, Carrefour and its suppliers initiated joint action to extend or eliminate use-by dates. To date, 400 Carrefour-branded products have had their use-by date (BBD) or minimum durability date (MDD) extended and more than 100 products have had their MDD removed.

Lastly, Carrefour promotes the fight against food waste among its customers by developing anti-waste ranges and programmes that promote products with minor defects or close to their use-by date. Examples include the "Tous AntiGaspi" range, special promotions and in-store displays. In 2020, the Group introduced the Zéro Gaspi challenge, a cross-functional signposting system designed to make all the initiatives put in place to reduce waste visible to customers.



In 2022, 2,212,039 baskets were sold in France, equivalent to 3,437 tonnes of unsold food.

5.3.3 Controlling water consumption at our sites

In 2013, Carrefour carried out an analysis of issues relating to water consumption: direct and indirect depletion, direct and indirect discharges of organic matter, pesticides, industrial discharges, sealing and changes in land use, deforestation, etc. This analysis has enabled the Group to define priorities and action plans for its sites, through the deployment of precise monitoring systems (dedicated meters) and the development of new solutions (rainwater harvesting and water-saving taps).

As a result of the shops' activities, the waste water leaving the site is not very polluted. In some countries, however, systems are in place to treat and recycle this grey water.

EXAMPLES FROM SPAIN AND ITALY

Specific connected water meters have been installed to better monitor water consumption and identify potential water leaks.

5.4 Collaborations and partnerships

- TooGoodToGo Pact: bringing together manufacturers, retailers, associations, trade federations and digital players in the fight against food waste.