

# Protecting forests

## Carrefour Group 2022

1. Strategy to combat deforestation and conversion
2. Palm oil
3. Soya
4. Wood/paper
5. Brazilian beef
6. Cocoa

**SCHEDULE**

**APPENDIX**



# 1. Strategy to combat deforestation and conversion

## 1.1 Background and issues

Forests form the basis of a chain of ecological, economic and social values from which humans benefit, simply by virtue of their natural functioning. Forests are home to 80% of the Earth's biodiversity and provide a living for 1.6 billion people. Yet thirteen million hectares of forest are lost every year, particularly in tropical areas. Several types of production have an impact on forests, such as the production of palm oil, wood and paper, beef and soya. The expansion of these crops is gaining ground on existing ecosystems and contributing to illegal logging, which can also impact the territories of indigenous populations and encourage the exploitation of workers. NGOs regularly warn of the social and climatic impacts and the consequences for biodiversity associated with the destruction of forests.

The fight against deforestation offers a unique opportunity for food retailers and governments to work together to tackle this global environmental challenge. As major players in the supply chain, retailers can play a leading role in promoting sustainable practices by ensuring that their products come from deforestation-free regions. By implementing rigorous guidelines and certification programmes, retailers can encourage suppliers to adopt responsible land-use practices, such as zero deforestation commitments and sustainable farming methods. At the same time, governments play a central role by adopting and enforcing strong legislation that protects forests and encourages sustainable farming practices. They can also provide support to distributors and farmers who are committed to sustainable land sourcing and management.

In order to protect forests and local populations and to combat climate change, Carrefour is committed to fighting deforestation associated with its supply chains.

## 1.2 Ambition of the Carrefour Group

The production of certain raw materials can have significant consequences for biodiversity (deforestation, risks for species, etc.), and the globalisation of supply chains makes it difficult to control and trace them. Certain raw materials have therefore been classified as sensitive by the Group and are the subject of particular attention: soya, beef, cotton, palm oil, fish products, etc. The Group's ambition is therefore to limit the impact of products sold in shops on biodiversity, by actively participating in the improvement of agricultural practices, land use and manufacturing processes.

This is why, in 2020, Alexandre Bompard (CEO of the Carrefour Group), became co-director of the *Forest Coalition* of the *Consumer Goods Forum*<sup>1</sup>.

To complement its efforts to ensure zero deforestation and conversion across its supply chain, Carrefour is involved in a number of commodity-specific landscape projects on the ground in 2022 to deliver local multi-stakeholder action to tackle the root causes of deforestation. Carrefour's investment strategy is in line with its commitment to the CGF Forest Positive Coalition strategy, which aims to drive positive transformational change for the forest in high priority areas in the countries where Carrefour operates and in its key sourcing areas and meets the ten agreed principles of the CGF Forest Positive Coalition. By working with local stakeholders, businesses, civil society organisations and governments to support these initiatives, Carrefour seeks to use its influence to create local impact and catalyse wider transformation of the world's production landscapes.

<sup>1</sup> Platform bringing together over 200 companies committed to fighting deforestation in their supply chains through concrete actions (joint evaluation of traders' policies, assessment of their level of implementation, etc.).

The Group is also contributing to other collective initiatives, particularly in Brazil, to establish synergies with all stakeholders (suppliers, competing distributors, raw materials traders, regional and national governments, scientists, NGOs and data and service providers).

In order to intensify its commitment to the fight against deforestation, Carrefour Brazil has announced a new anti-deforestation plan for 2022, based on five actions:

- the establishment of a governance structure dedicated to forest protection, with the creation of a high-level Forest Committee comprising independent experts,
- reducing the volume of beef from critical areas by 50% by 2026 and 100% by 2030,
- the creation of a fund dedicated to the fight against deforestation and investment of 10 million euros to finance innovative and systemic projects contributing to the preservation of biodiversity between now and 2026,
- the mobilisation of a local and international group, bringing together experts, partners, industrialists and other retail leaders, with a view to extending measures to combat deforestation to the entire market.
- the creation of a platform for publishing results, open to all, to ensure transparency on the progress made and the difficulties encountered in implementing its action plan.

Finally, Carrefour was one of the first companies in the sector to report on its forest conservation performance through the Carbon Disclosure Project (CDP), with a B rating for 2022 (B rating for all beef, soya, wood-paper and palm oil categories).

## 1.3 Summary of objectives

To meet the expectations of its customers and because forest protection is a major concern, Carrefour has renewed and accelerated its commitments to the fight against deforestation in 2022. The Group has therefore committed to ensuring that Carrefour brand beef is totally deforestation free by 2026, by moving out of high-risk areas and delisting any farms located in these areas. This commitment will apply in the same way to other brands sold in Carrefour shops by 2030.

To monitor the achievement of these objectives, Carrefour has set up a CSR and Food Transition Index. As of 2019, the Group's performance in achieving these objectives has been included in the remuneration criteria for senior executives as part of a Long Term Incentive, as well as 20% in the variable remuneration of the Chairman and Chief Executive Officer. From 2021, the CSR index will be included in the variable remuneration of senior executives.

When the Carrefour 2026 strategic plan was announced in November 2022, the Group strengthened its commitments, particularly in terms of sustainable agriculture, the fight against climate change and the fight against deforestation. These new objectives will be included in the CSR and Food Transition index from 2023. The 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.



**Table 1: Objectives of the Group's CSR index and food transition concerning deforestation :**

Categories	Objectives	Perimeter	Deadline	Cut off date?
Palm oil	100% of the palm and palm kernel oil used in Carrefour branded products is RSPO certified Segregated	Food products FMCG and TFP (e.g. biscuits, pastries) and non-food products (e.g. candles, soap) containing palm oil.  Excluding palm oil derivatives.  For first-price products, no-name products and MDC Light: minimum RSPO mass balance target by 2025 and RSPO Segregated level by 2030.	2022	31 December 2020
Soya	100% of Carrefour Quality Lines and key Carrefour branded products use non-deforested soya for animal feed.	Filières Qualité Carrefour products and key Carrefour-brand products:  the following raw frozen and fresh products (excluding charcuterie): chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat.  Excluding top prices and MDC Light.	2025	1st January 2020
Wood and paper	<b>Products:</b> 100% of sales of Carrefour-branded sustainable products, in the 10 priority families, from sustainable forests	10 priority families representing more than 80% of the wood and paper used in Carrefour products (e.g. toilet paper, stationery, garden furniture, etc.).	2020	31 December 2020
	<b>Packaging:</b> 100% of paper and cardboard packaging for the products audited complies with the sustainable forest policy	Three areas of application: <b>1.</b> Controlled products. <b>2.</b> Sales/economy packaging (e.g. fruit and vegetable bags, catering trays). Non-market purchases. <b>3.</b> E-commerce sales and delivery packaging.	2025	
	<b>Textile fibres derived from wood fibre:</b> 100% of fibres derived from wood (such as viscose, lyocell, modal) produced without deforestation in our TEX products.	Carrefour TEX brand products.	2022	

Brazilian beef	100% of Brazilian tier 2 beef suppliers geo-monitored and compliant with forest policy or committed to ambitious policies to combat deforestation	Beef suppliers, including tier 1 suppliers (abattoirs) and farms of tier 2 suppliers of fresh, frozen and processed meat. Carrefour Brazil and Atacadão.	2025	<b>cut off date in 2008</b> and implemented since 2016 for direct and illegal, <b>cut off date 2009</b> and implemented since 2020 for direct and legal,
	100% Brazilian beef is zero deforestation for Carrefour brands by 2026 and other brands by 2030.		2030	<b>cut-off date 2008</b> and deadline 2025 for indirect and illegal activities <b>cut-off date 2019</b> and deadline 2025 for indirect and legal. Cerrado: deadline in 2020 and deadline in 2030 for direct and indirect, legal and illegal products.
Cocoa (G4)	100% of Carrefour branded bars comply with our Sustainable Cocoa Charter <sup>2</sup>	France, Belgium, Spain and Italy. Carrefour brand chocolate bars. Excluding first prices.	2023	<b>1 January 2020,</b> Ivory Coast origin: <b>1 January 2018</b>
Tracing and evaluating traders	100% of key traders (upstream players trading in agricultural raw materials) assessed and making progress towards compliance with forestry policy <sup>3</sup>	Joint actions implemented by the Group as part of the <i>Consumer Goods Forum</i> and the <i>Retailer Cocoa Collaboration</i> . Food products only.	2025	-

## 1.4 Risks and opportunities

The activity of retailers is closely linked to the world’s forests. Although this link may not seem obvious at first glance, forest protection is a major issue for the Carrefour Group. The health of forests has a direct impact on our ability to use agricultural and forestry raw materials in a sustainable manner.

### Risk management :

#### 1. Identified in the Group’s risk analysis

The Carrefour Group applies an annual risk analysis methodology which involves all the departments concerned in each country. This analysis makes it possible to highlight the priority global risks at Group level and to fine-tune the assessment in each area of operation. The “Responsible sourcing of raw materials” risk is one of the priority CSR risks and requires special management and consideration.

As part of its Extra-Financial Performance Declaration and duty of care, Carrefour has introduced several specific tools for analysing and managing the risks associated with raw materials. These consist mainly of precise and distinct maps, enabling the level of risk assessment to be refined on an ongoing basis.

<sup>2</sup> in France, Belgium, Spain and Italy.

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

## 2. Through analysis of raw materials

Carrefour carries out a risk analysis of the sensitive raw materials used in its products. This analysis assesses the societal issues associated with each raw material on the basis of requests from stakeholders (investors, rating agencies, NGOs, media, customers and public authorities) and bibliographical feedback. The importance of these issues is then compared with Carrefour's sales volumes for each raw material, and this information is updated regularly. A list of priority raw materials is identified on the basis of their impact on forests and their materiality in Carrefour's supplies. These raw materials are the subject of specific action plans: palm oil, soya, wood and paper, Brazilian beef, cocoa, coffee and viscose.

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.

## 3. Dealt with in the context of the duty of vigilance (alert handling process)

The Carrefour Group's governance bodies identify the policies to be implemented in accordance with the assessment of risks to human rights, health and safety, and the environment. Deforestation alerts are constantly monitored in order to identify, prevent and mitigate this risk. Over the course of 2021, the Carrefour Group has strengthened its policies and prioritised the actions to be implemented on the basis of the alerts identified.

Alerts are analysed by different bodies depending on their origin and processed by the relevant departments. Alerts and incident risks are prioritised, and investigations are carried out according to the level of risk identified.

Carrefour's partners and employees are permanent alert points in the organisation. Several channels for raising alerts have been identified:

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

## 1.5 Summary of action plans and solutions deployed

### Summary of action plans

Raw materials	KPI	Progress of action plans in 2021
Palm oil	percentage of palm oil used in controlled products certified as sustainable and fully traced (RSPO segregated at minimum)	83%
	percentage of palm oil used in controlled products certified RSPO or equivalent	100%
Soy	% of Carrefour Quality Lines and other key Carrefour-brand products using zero-deforestation soya for animal feed	20%
Wood/paper (priority families)	Sales of PEFC and FSC products (in millions of euros)	292 Millions
	Share of sales of Carrefour-branded products, in priority families, sourced from sustainable forests (in %).	90,7%
Wood/paper cardboard packaging	Proportion of paper and cardboard packaging for controlled products that complies with our zero deforestation forest policy.	Reporting methodology under development
Wood/paper textile	% of fibres from wood produced without deforestation in our TEX products	71%
Brasilian beef	% of Brazilian beef suppliers geo-monitored and compliant with our forestry policy or committed to an ambitious policy to combat deforestation	90%
Cocoa	% of Carrefour-branded bars comply with our sustainable cocoa charter	31%

### Summary of solutions deployed

The solutions deployed by the Group are similar for each raw material identified (palm oil, wood/paper textile, wood/paper - 10 priority families, wood/paper cardboard packaging, soya, cocoa, Brazilian beef).



## 1.6 Organisation and governance

- **The Group Executive Committee** defines strategy, policies and objectives, and assesses CSR performance. Each country's Executive Committee implements this strategy locally;
- Carrefour's **Board of Directors** validates the strategy drawn up by the Group Executive Committee and assesses its implementation. Meeting within a dedicated CSR Committee, in 2021 it gave its opinion in particular on the monitoring of the performance of the CSR and Food Transition Index, on the Group's strategies concerning health and nutrition, the reduction of greenhouse gas emissions, the reduction of packaging, the development of the organic market, diversity and youth employment. The committee reviews the Group's performance annually in the context of the Extra-Financial Performance Declaration (EFRD) and the Compliance Plan. In 2021, an exceptional committee was organised to validate the objectives of the new CSR and food transition index for the period 2021-2025.

At Group level, a **Food Transition Committee**, chaired by Alexandre Bompard, brings together the various players responsible for implementing the food transition, and defines strategic guidelines based on consumer results and trends. The General Secretariat, the Strategy and Transformation, Merchandise and Quality Departments and the Country Departments coordinate the deployment of the food transition and CSR in a coherent manner throughout the Group:

- **The General Secretary** is responsible for implementing the food transition at Group level. He is in charge of the Food Transition Steering Committee. The Group General Secretariat coordinates the deployment of the food transition, CSR policies and the vigilance plan in a coherent manner in all countries. The CSR Department, the Audit and Risks Department, the Legal Department and the Organic Market Department report to it;
- **The Commitment Department:** on 1 February 2022, the Group announced the creation and appointment of a Commitment Director. She is the Managing Director of the Carrefour Foundation and a member of the Group's Executive Committee. The Commitment Department gives concrete expression to the Group's social and environmental commitments and plays a clear role in contributing to the Group's positive impact on the planet.
- The Carrefour Group **Strategy Department** is responsible for defining and deploying the objectives of the "Carrefour 2022" strategic plan. In particular, the strategic plan includes objectives on the transition to food for all;
- **The Merchandise Division** defines the CSR and food transition objectives relating to products and responsible purchasing. It is responsible for the Food Transition Purchasing Rules Committee. The Merchandise and Quality Departments then roll out the objectives and implement the purchasing rules for the food transition in all the Group's countries.



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

The **Food Transition Purchasing Rules Committee** analyses the risks and alerts relating to Carrefour's supplies and defines the associated strategies and objectives to be implemented. It ensures that the purchasing rules for the food transition are implemented within the Group by the business units concerned. This bi-monthly committee is chaired by the Group Executive Vice President, Merchandise and Formats, and brings together the following key departments: Merchandise, Quality, CSR, Strategy, Audits and Risks, Legal, Clean Brand, CPI, Communications and Global Sourcing.

- In 2020, the objectives of the CSR and Food Transition index were reviewed by the committee for the period 2021-2025. The performance indicators of the sustainable forestry policy are included in the CSR and Food Transition index. 25% of this index is included in a long-term executive remuneration plan and 20% in the remuneration of the Chairman and CEO.

**The purchasing rules for the food transition have been** updated and distributed to all countries. Purchasing rules are defined transversally by the Group and distributed for application in all countries. The various departments within the Risks and Supply Committee are responsible for applying the rules established in the countries where the Carrefour Group operates.

The **Forest Committee** created as part of the new plan to combat deforestation in Brazil. This five-member committee is chaired by two members of Carrefour's Executive Committee. The committee has the following responsibilities: to give an opinion on the effectiveness of the actions implemented, to make proposals to Carrefour on priorities for action, to give an opinion on the projects financed and to report on the progress of the action plan to General Management.

## 1.7 Coalitions, partnerships and stakeholder dialogue

### 1.7.1 Coalitions and stakeholder dialogue

In 2010, Carrefour made a commitment to move towards zero deforestation as part of the Consumer Goods Forum (CGF). 10 years later, the Group became co-leader of the CGF Forest Coalition. The aim of this coalition is to accelerate efforts to eliminate deforestation from companies' individual supply chains by complementing them with the implementation of collective solutions. The coalition aims to collectively set higher standards, drive transformational change in key territories and transparently report on progress. Within the CGF Forest Positive Coalition, Carrefour and other partner companies jointly set requirements for their operations to reduce the risk of deforestation.

Carrefour works at different levels to deploy the various levers at its disposal via :

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

Carrefour is working to identify the ecosystem of relevant stakeholders to co-construct its action plans and work collectively to combat deforestation. The Group has structured dialogue and collaboration mechanisms to respond to the issues associated with each type of stakeholder throughout the value chain. The map below summarises the dialogue mechanisms implemented.

## Stakeholder mapping and associated issues

Within the framework of the law on due diligence, Carrefour works closely with stakeholders to co-construct its due diligence plan at every stage.

Type of stakeholder	Role	Examples of stakeholders
<b>Risk mapping</b>		
Scientific organisations and reference standards	Definition of methodologies and reference frameworks for risk analysis	Sciences Based Targets, Task Force for Climate Disclosure
Service providers and experts	Risk prioritisation and assessment	Expert committees on deforestation in Brazil
<b>Regular assessment procedure</b>		
Environmental audit standards		
Certifiers		
Coalition of players	Shared assessments (e.g. traders)	Consumer Goods Forum
<b>Actions to prevent risks and mitigate serious harm</b>		
NGOs and associations	Defining action plans and setting up practical projects	WWF
Coalitions of players	Working together to align market expectations	Consumer Goods Forum, Lab Capital Naturel, Act for Nature International, Race to Zero
Local players and partners	Setting up local projects, consultation with local players	HDI in Brazil
Suppliers and the value chain	Building value chains, transforming production methods	Partner producers
Governments	Bringing stakeholders together to work towards common goals	Manifeste Soja (France), SNDI (France), Manifeste Cacao (France)
Regulators and certifiers	Definition of common requirements, verification, traceability and transparency	RTRS, RSPO, PEFC, FSC, MSC, Max Havelaar
Stakeholder panels	Co-construction of policies and action plans	Multi-stakeholder meetings (customers, suppliers, governments, investors, experts, etc.)
Trade unions	Information, dialogue and consultation	CSE, European Information and Consultation Committee
<b>Alert mechanism and collection of alerts</b>		
NGO	Identifying public warnings and calls for action	Mighty Earth, Caponée
Rating agencies	Indication of controversies	Moody's ESG (formerly VIGEO), Sustainalytics, ISS Oekom
Local suppliers and partners	Daily dialogue and alerts from Carrefour teams	Worker Voice, Elevate
<b>System for monitoring measures and evaluating their effectiveness</b>		
NGO	Response to questionnaires and regular dialogue on progress made	Climate Action Network, Greenpeace
Rating agency	Measuring performance and identifying best practice	Carbon Disclosure Project
Individual investors and coalitions	Performance evaluation and dialogue to monitor measures	Forum for Responsible Investment (FIR), FAIRR
Regulators and auditors	Publication and verification of performance indicators	AMF, Independent Third Party Verification Body

## 1.7.2 Presentation of the Group's warning mechanism

Carrefour has set up a mechanism for alerting and collecting reports on the existence or occurrence of risks, established in consultation with the trade unions representing Carrefour. In this way, all Group employees, suppliers and service providers can confidentially report situations or behaviour that run counter to Carrefour's ethical principles.

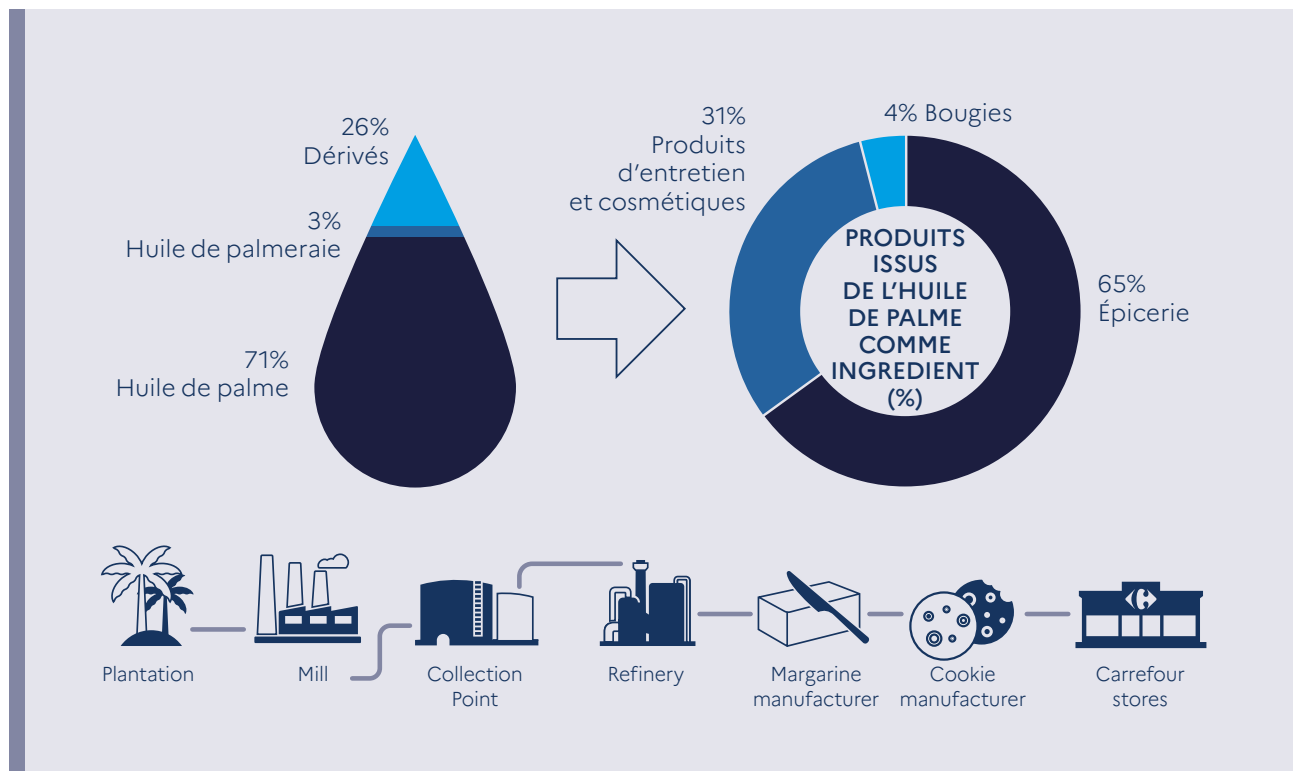
Confidentiality of information is guaranteed at all stages of the whistleblowing process and Carrefour undertakes to ensure that no sanction will be taken against an employee who has reported a breach of the Ethical Principles in good faith. The purpose of this whistleblowing system is to enable Carrefour both to prevent serious breaches of its Ethical Principles and to take the necessary measures in the event of a proven breach. All alerts identified by the Compliance Departments are processed and lead to an investigation if the level of information contained in the alert is sufficient.

The Ethics and Compliance Directors in each country are responsible for redirecting alerts received to the appropriate departments, depending on the nature of the alert. For example, alerts relating to fraud or theft are handled by the Security Departments, alerts relating to corruption are handled by the Compliance Departments, and alerts relating to employee health and safety or discrimination are handled by Human Resources. Serious alerts are handled by the Ethics Committees in each country.

## 2. Palm oil

### 2.1 Background and transparency

Palm oil and its derivatives are used as ingredients in Carrefour brand products, including foods such as cereals and cakes, hygiene products such as soaps and other products such as candles.



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

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

## 2.2 Objectives and performance

### Objectives:

Carrefour's objective is to reduce the palm oil contained in its own-brand products where this has a nutritional benefit or corresponds to customer attention. This is why the group has set itself the target of substituting palm oil for its Carrefour BIO products in France, Spain, Italy and Belgium.

Categories	Objectives	Deadline
Palm oil	Substitution of palm oil in organic Carrefour products (France, Spain, Italy, Belgium)	-

For Carrefour brand products containing palm oil, the Group guarantees that the oil used will be sustainably produced by 2022 (minimum RSPO Segregated level).

Categories	Objectives	Deadline
Palm oil	100% of the palm and palm kernel oil used in Carrefour branded products is RSPO certified Segregated	2022

To go further, Carrefour is mobilising players upstream of its supply chains (palm oil traders) to share its ambition to combat deforestation as close as possible to the areas of production.

Categories	Objectives	Deadline
Tracing and evaluating traders	100% of key traders (upstream players trading in agricultural raw materials) assessed and making progress towards compliance with forestry policy <sup>4</sup>	2025

### Performance:

Indicator - Palm oil <sup>5</sup>	2020 value	2021 value	2022 value	Evolution	Target
Proportion of palm oil used in controlled products that is certified sustainable and fully traceable (RSPO segregated)	54,6 %	82,1 %	83,4%	+1.3 pts	100 % à 2022
Proportion of palm oil used in controlled products certified RSPO or equivalent	86,2 %	99,9 %	99,9%	0 pt	-

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.

The breakdown of different certification schemes in 2022 is as follows:

- 0.7% of palm oil is RSPO Identity Preserved certified,
- 82.8% of Segrégé's palm oil is RSPO certified,
- 16.5% of RSPO Mass Balance certified palm oil,
- 0% of palm oil covered by RSPO credits,
- 0.1% of palm oil without certification.

Lastly, 100% of key traders have been assessed and actions are underway to incorporate these results into the Group's purchasing decisions.

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

<sup>5</sup> Calculation based on the weight of raw materials contained in the products. Scope: 94% of consolidated sales (incl. VAT) in 2022. BUs not comparable (IT excluded in 2022).



## 2.3 Action plans

Since 2010, Carrefour has implemented a policy of substituting palm oil in its own-brand products when this improves the nutritional profile of the products or meets consumer expectations. For Carrefour-branded products containing palm oil, the Group guarantees that the oil used will be sustainably produced by 2022.

### In its supply chains:

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

At the same time, Carrefour is working to source sustainable palm oil from suppliers with physical traceability. The Group is working with its main suppliers to map its supply chain to the relevant guarantee point. This traceability process ensures that suppliers share the Group's sourcing policy.

### Involvement of upstream players:

In order to change practices upstream of its supply chain, Carrefour maintains a dialogue with the main palm oil importers at various levels, through its involvement in collective initiatives and through bilateral exchanges to share its ambition of zero deforestation throughout the supply chain. As part of the Consumer Goods Forum forestry coalition, Carrefour supports the introduction of more stringent require-

ments for traders. A shared evaluation system for traders' performance, via the *Palm Oil Transparency Coalition*, has been set up to engage in dialogue with them and enable each company to direct its supplies towards the most virtuous traders. By 2021, 100% of the key palm oil importers linked to Carrefour's supplies will have been assessed and committed through the POTC.

### Support for local projects:

To complement its efforts to ensure zero deforestation and conversion across its entire value chain, Carrefour has committed to supporting territorial projects to develop local multi-stakeholder action to tackle the root causes of deforestation. Details of the palm oil project supported in 2021:

#### Siak and Pelalawan Landscape Programme (SPLP)

As a member of the Positive Forest Action Coalition, in 2020 Carrefour participated in a collective investment in the Siak Pelalawan programme to strengthen the social and environmental well-being of the Siak district (Riau province) and its communities in one of the largest palm oil producing districts in Indonesia. The aim of the programme is to achieve deforestation-free palm production that contributes to improving livelihoods and respecting human rights. This was achieved by working with existing organisations to set up an effective deforestation monitoring and

response system at district level, to eliminate deforestation within and beyond palm concessions and company supply chains. To assess the impact of this approach, SPLS will develop a deforestation monitoring and response system in collaboration with the district government and partners. This will provide the district government with baseline data on small-scale oil palm farmers and environmental conditions, and improve government programming to provide long-term support. Project supported in partnership with Daemeter Consulting and Proforest.

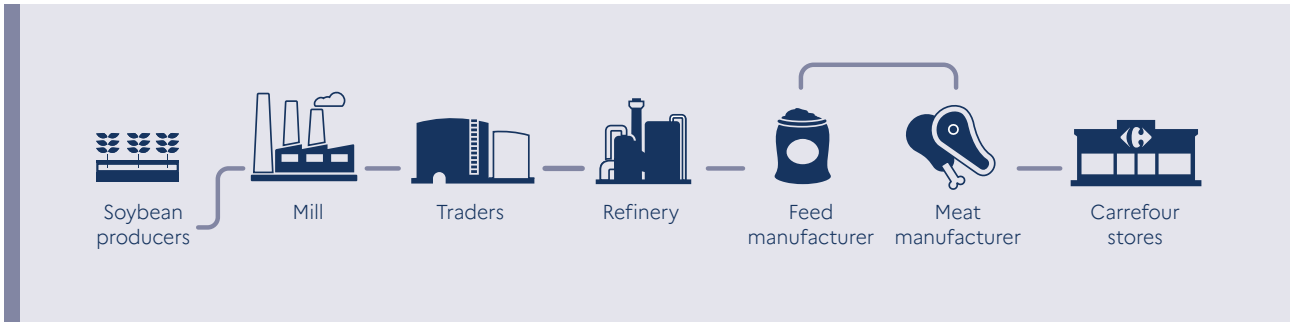
## 2.4 Coalitions and partnerships

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

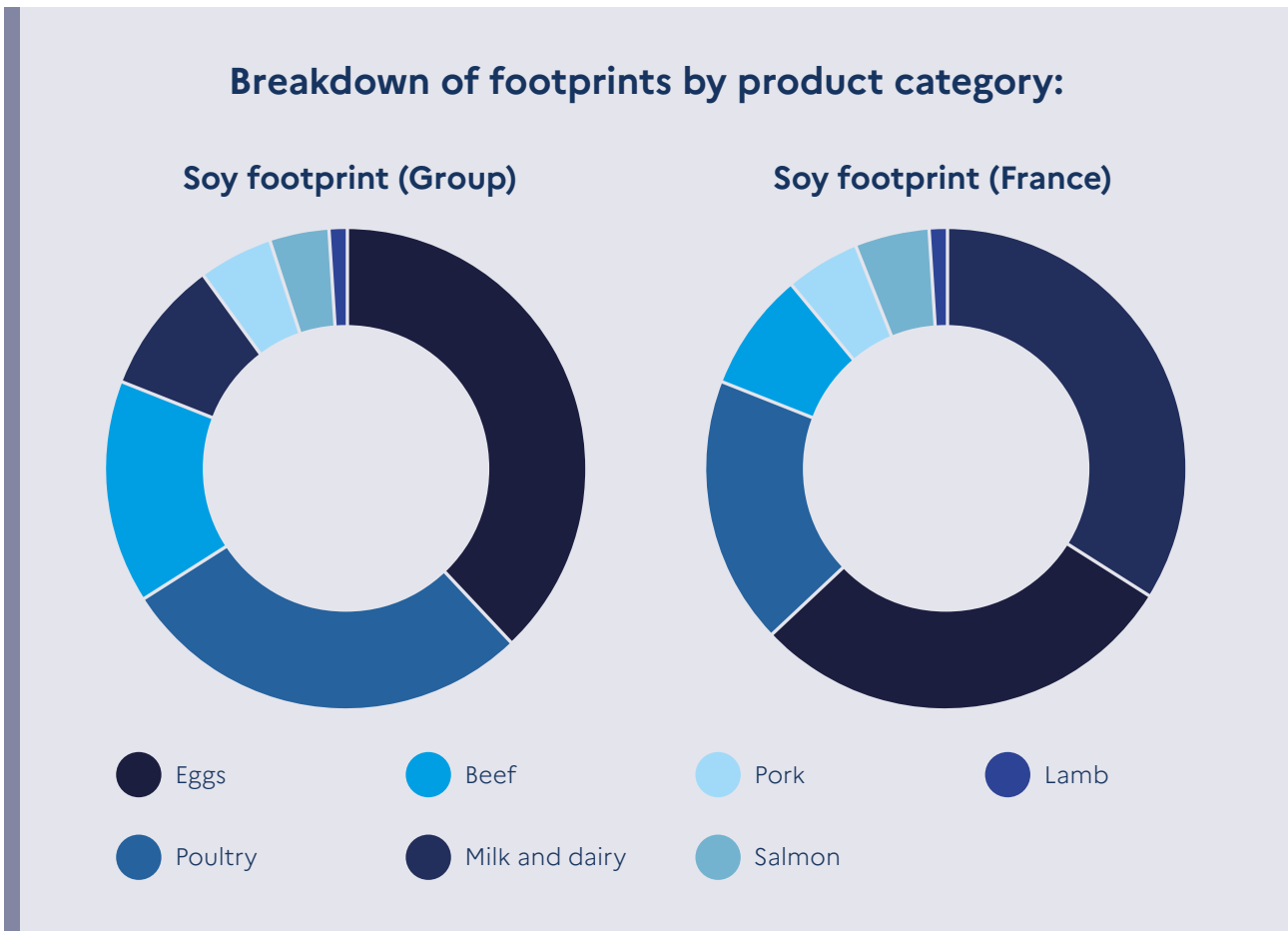
# 3. Soya

## 3.1 Background and transparency

Soya, in all its forms (bean sprouts, beans, soya oil, etc.) is a common ingredient in many foods today. However, almost three quarters of the soya produced in the world is used as a source of protein in animal feed. Soya is therefore used indirectly in the production of dairy products, as well as poultry, eggs, pork, beef and farmed fish.



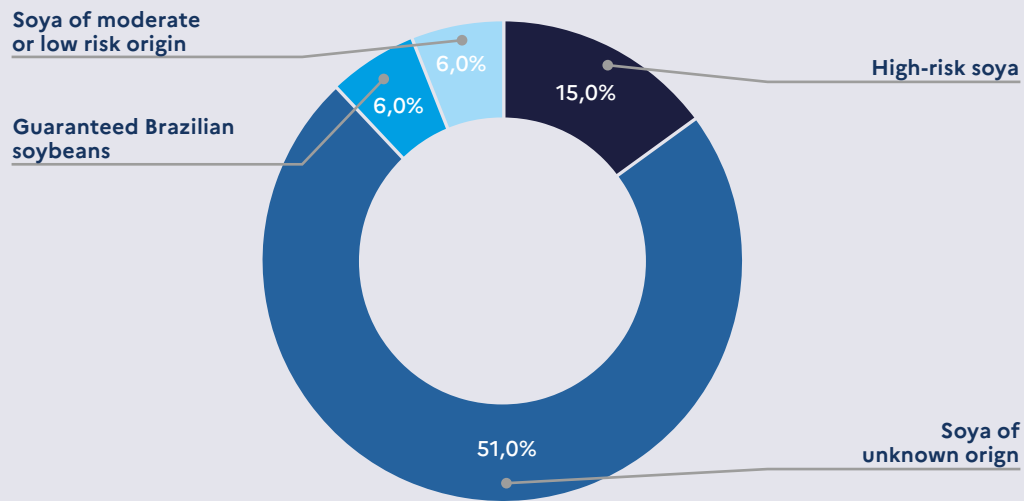
**Footprint** (Group scope): 147,584 tonnes of soya beans in 2022



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

In order to have better visibility of the origin of soya within its supply chain, Carrefour has conducted surveys among its direct suppliers to obtain more precise information on the sources of integrated soya and to establish the proportion of traceable soya not linked to deforestation.

## Origin of soya from our direct suppliers



The proportion of soya of unknown origin is 73%.

The proportion of high-risk soy represents 15% of Carrefour's global soy footprint. The regions considered as high-risk for soya are as follows: Brazil (without guarantee), Paraguay, Argentina and Bolivia.

The Brazilian origin of guaranteed soya accounts for 6% of the overall footprint, which includes soya physically certified to the Proterra or RTRS standard and soya from low-risk Brazilian municipalities (according to internal soya mapping).

Soya of moderate or low risk origin represents 6% and includes origins such as: Europe, Canada, United States, India, etc.

## 3.2 Objectives and performance

### Objectives:

For Carrefour Quality Lines and Carrefour-branded products using soya in animal feed, the Group guarantees that the soya used will not come from deforestation or conversion by 2025.

Categories	Objectives	Deadline
Soya	100% of Carrefour Quality Lines and key Carrefour branded products use non-deforested soya as animal feed.	2025

To go further, Carrefour is mobilising the players upstream of its supply chains (soy traders) to share its ambition to combat deforestation as close as possible to the areas of production.

Categories	Objectives	Deadline
Tracing and evaluating traders	100% of key traders (upstream players trading in agricultural raw materials) assessed and making progress towards compliance with forestry policy <sup>6</sup>	2025

<sup>6</sup> palm oil, soya, wood and paper, Brazilian beef, cocoa.

## Performance:

Indicator - Soya <sup>7</sup>	2020 value	2021 value	2022 value	Evolution	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 % à 2025

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.

## 3.3 Action plans

In order to reduce the impact of soya on forests and ecosystems, Carrefour acts on several levels: on its own supplies, in collaboration with supply chain players and key stakeholders to develop market standards.

### In its supply chains:

To meet the challenges of deforestation and conversion linked to soya production, the Group first worked on its Carrefour Quality Lines in each of its countries of operation, setting itself the objective of developing at least one "Zero Deforestation" animal line per country by the end of 2020. By the end of 2020, the Group had a total of twenty channels feeding non-deforested soya, which has made it possible to set up local channels in the countries concerned and/or develop alternatives to soya in animal feed. Carrefour is also developing vegetarian and vegan ranges to offer an alternative to animal proteins in all countries.

In 2021, the Group is strengthening its ambition by setting the following targets: 100% of key traders (upstream players trading in agricultural raw materials) to be assessed and to make progress towards compliance with the Group's policy: 100% of key products to use non-deforested soya for animal feed by 2025. The products covered by the commitment are Filières Qualité Carrefour products and Carrefour-branded products for the following fresh and frozen raw products: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat. To comply with the commitment, the soy indirectly contained in animal feed products must meet one of the following criteria:

- Substituting soya with alternative proteins
- Locally produced soya that is not the result of deforestation
- Certified non-deforested soya with full traceability
- From a region with no risk of deforestation or conversion
- Resulting from a field project using a landscape approach

### Involvement of upstream players:

In order to change practices upstream of its supply chain, Carrefour maintains a dialogue with the main soya importers at various levels, through its involvement in collective initiatives, through exchanges at local level and through bilateral exchanges to share its ambition of zero deforestation throughout the supply chain. As part of the Consumer Goods Forum forest coalition, Carrefour supports the introduction

of more stringent requirements for traders. A shared evaluation system for traders' performance, via the *Soy Transparency Coalition*, has been set up to engage in dialogue with them and enable each company to direct its supplies towards the most virtuous traders. By 2021, 100% of the key soy importers linked to Carrefour's supplies have been assessed and engaged through the STC, webinars and bilateral exchanges.

<sup>7</sup> 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).

## Working with stakeholders to establish common rules:

In consumer markets, Carrefour aims to establish common practices with its entire ecosystem. The Group is a member of the national platform to combat deforestation imported into France (SNDI) and has taken part in the Scientific and Technical Forestry Committee (CST) dedicated to soya.

At the end of 2020, Carrefour joined forces with other French retailers to make a joint commitment to put an end to deforestation and the conversion of ecosystems for soya production. This alignment resulted in the signing of a Manifesto "for the mobilisation of French players to fight against imported deforestation linked to soya". In this context, Carrefour has committed to:

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

One year after the launch of this manifesto, Carrefour has mobilised 100% of its suppliers via webinars, bilateral meetings and official letters sent by the Group Merchandise Director. In addition, the first contracts incorporating the new clauses are being signed for the chicken and pork sectors. In addition, Carrefour participated in the construction and launch of the national risk management tool for soya arriving in France, in collaboration with the SNDI and key stakeholders. This tool makes it possible to determine the level of risk for supplies in France by soy origin and importer.

In the Brazilian production countries, the Group contributes to collective initiatives to establish synergies with all stakeholders (suppliers, competing distributors, raw material traders, regional and national governments, scientists, NGOs and data and service providers), in particular the Cerrado Soy Working Group (GTC) and the Moratorium on Soy in Amazonia. In addition, following the resurgence of forest fires during the summer months, the CEO of Carrefour Brazil wrote to the CEOs of Cargill, Bunge and the main beef manufacturers to reaffirm the Group's commitment to the fight against deforestation. Bilateral meetings are held regularly, and each company's action plan is monitored by a dedicated committee that reports directly to Carrefour Brazil's Executive Committee.

## Support for local projects:

To complement its efforts to ensure zero deforestation and conversion across its value chain, Carrefour is committed to supporting local projects to develop local multi-stakeholder action to tackle the root causes of deforestation and conversion. Details of the project supported by Carrefour in 2022 on soya and beef:

### Regenerative production of low-carbon commodities in the Cerrado biome

The aim of this programme is to encourage the adoption of integrated agricultural production systems in the state of Tocantins, in Brazil, more specifically in the Matopiba region. The project aims to promote the development of sustainable agricultural areas by building capacity on the regenerative production model for low-carbon soya and beef, through rural extension services to support the adoption of the integrated crop-livestock-forest (ICLF) production model. In addition, it provides financial incentives to support the regenerative low-carbon production model. Project supported in partnership with Conservation International (CI), Brazil. In 2022, Carrefour provided financial support of €75k.

## 3.4 Coalitions and partnerships

- Consumer Goods Forum (CGF) Soy Coalition
- National Strategy to Combat Imported Deforestation (SNDI)
- Soja Manifesto from French players in the fight against imported deforestation
- French collaborative charter for sustainable animal feed (Duralim)
- Round Table on Responsible Soy (RTRS)
- Amazonian moratorium on soya supported since its creation in 2006
- Grupo de Trabalho da Soja (GTS) and Grupo de Trabalho do Cerrado (GTC)
- Support group for the Cerrado Manifesto (SoS Cerrado Manifesto)
- Soy Transparency Coalition (STC)

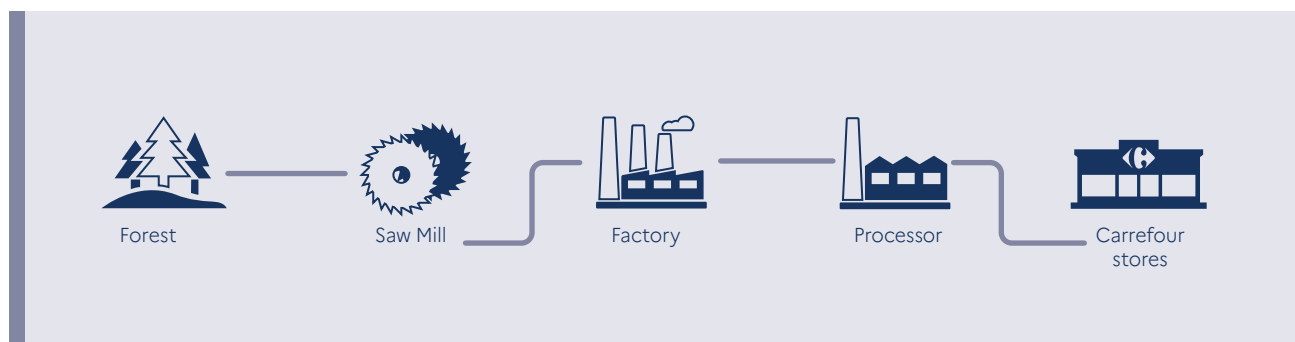


# 4. Wood/paper

## 4.1 Background and transparency

### Wood and paper

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



Packaging also accounts for a significant proportion of our consumption of wood-based resources.

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

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

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

- **Packaging**

**Footprint** (Group scope) : Methodology under development

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

**Footprint:** (France, Belgium, Spain, Italy): 1230 tonnes in 2021

**Origins:** India, China, Bangladesh

## 4.2 Objectives and performance

### Objectives:

For Carrefour-branded products in the 10 families identified as priorities, Carrefour has set itself the target that 100% of these products should come from sustainably managed forests by 2020.

Category	Objective	Deadline
Wood and paper	100% of sales of Carrefour-branded sustainable products, in the 10 priority families, from sustainable forests	2020

To go further, Carrefour has set itself a new target for the paper and cardboard packaging of its controlled products, so that they comply with these same requirements by 2025, as well as for its TEX brand textile products made from cellulosic fibres.

Category	Objective	Deadline
Paper and cardboard packaging	100% of the paper and cardboard packaging for the products inspected complies with the sustainable forestry policy	2025
Cellulose fibres	100% of wood-based fibres (viscose, lyocell, modal) produced without deforestation in our TEX products	2023

### Performance:

Indicator - Wood and paper	2019 value	2020 value	2021 value	2022 value	Evolution	Target
Share of sales of Carrefour-branded products from sustainable forests in the 10 priority families (%) <sup>8</sup>	48,8%	70,2%	80,2 %	90,7%	+10.5 pts	100 % à 2025
Proportion of paper and cardboard packaging for controlled products that complies with our zero deforestation forest policy	-	-	<i>Reporting methodology under development</i>			100 % à 2025
% of fibres from wood produced without deforestation in our TEX products	-	New	40%	70,9%	+30.9 pts	100% à 2023

The Group is continuing to roll out its sustainable forest policy on its ten priority product families containing wood and paper (e.g. toilet paper, wooden furniture, etc.) in all the Group's countries. In addition, Carrefour is working to develop a methodology for reporting the proportion of compliant cardboard packaging and has achieved 70.9% of its target for TEX products from sustainably managed forests.

<sup>8</sup> Scope: 100% of 2021 consolidated sales incl. VAT. BUs not comparable (RO incl. in 2021).

## 4.3 Action plans

### In its supply chains:

The Group uses risk analysis tools to assess its suppliers' wood supplies according to :

- Volume: number of product categories that consume the most tonnes of wood equivalent;
- Species: type of wood used, to guarantee the absence of species considered high-risk or prohibited by our charter (e.g. those on the IUCN Red List of Threatened Species);
- origin: the level of risk associated with the country or region where the wood is produced.

Depending on the results, Carrefour guides its suppliers to carry out audits, obtain certification or choose sourcing from another region. Carrefour uses several certifications to ensure that its supplies comply with its policy and to promote sustainable forest management: FSC® "100%", "Mixed" or "Recycled" certification for the highest-risk areas, and PEFC® certification for the lowest-risk areas. Carrefour also uses the European ecolabel to guarantee best practice in product manufacture.

### In concrete terms :

- 100% of charcoal sold in France is FSC® certified or made from wood of French origin;
- 100% of the tropical wood (acacia and eucalyptus) garden furniture supplied by the Group's international purchasing group is FSC® certified;
- Since 2018, 100% of toilet paper destined for France, Spain, Italy and Belgium has been FSC® "Mixed" certified;
- Carrefour has launched the EcoPlanet range of stationery products, made from 100% recycled paper;
- 95% of the printing paper used for our headquarters in France is certified, and 90% is FSC® or Blue Angel certified;
- Since 2014, more than 99% of the paper used by the Carrefour Group for commercial publications has been recycled or certified;
- All carton packs for TEX textile products are FSC® certified.

### Support for local projects :

To complement its efforts to ensure zero deforestation and conversion across its value chain, Carrefour has committed to supporting local projects to develop local multi-stakeholder action to tackle the root causes of deforestation and conversion. Details of wood and paper projects supported in 2021:

#### ● Dvinsky landscape initiative

As a member of the Positive Forest Action Coalition, Carrefour participated in a collective investment to protect and preserve the Dvinsky Forest in Russia by promoting sustainable forest management practices - classified as an Intact Forest Landscape (IFL) and one of the last areas of intact forest ecosystems in Europe. Project supported in partnership with Earthworm F., WWF Russia, FSC Russia.

#### ● FSC landscape initiative in north-west Russia

As a member of the Forest Positive Coalition, Carrefour took part in a collective investment, helping to promote responsible forest management in the North-West Federal District of the Russian Federation. This project is supported in partnership with the FSC.

## 4.4 Coalitions and partnerships

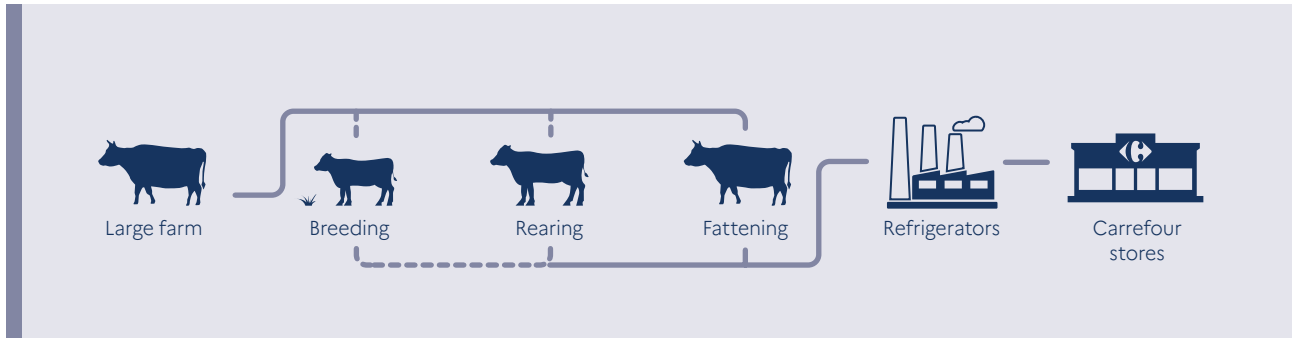
- Wood, Paper and Packaging Coalition of the Consumer Goods Forum (CGF)
- Forest Stewardship Council (FSC)

# 5. Brazilian beef

## 5.1 Background and transparency

Brazilian beef has been identified as a priority raw material as part of the Group’s policy to combat deforestation and conversion.

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



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

**Origin** : Brazil

## 5.2 Objectives and performance

### Objectives:

Carrefour has set itself the target that all Brazilian beef (Carrefour brand and national brand) sold in its Carrefour shops in Brazil should be deforestation-free. To go further Carrefour is mobilising players upstream of its supply chains (meat traders) to share its ambition to combat deforestation as close as possible to the production areas.

Categories	Objectives	Deadline
Brazilian beef	100% of Brazilian beef suppliers geo-monitored and compliant with forest policy or committed to ambitious policies to combat deforestation <sup>9</sup>	2025
Tracing and evaluating traders	100% of key traders (upstream players trading in agricultural raw materials) assessed and making progress towards compliance with forestry policy <sup>10</sup>	2025
Deforestation	100% reduction in the volume of beef from critical areas	50% in 2026 100% by 2030

<sup>9</sup> Scope: suppliers of fresh, frozen and processed meat, distributors and warehouses.

<sup>10</sup> palm oil, soya, wood and paper, Brazilian beef, cocoa.

## Performance:

Indicator - Brazilian beef <sup>11</sup>	2020 value	2021 value	2022 value	Evolution	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 %	89,7 %	+2.8 pts	100% by 2025
100% of key traders assessed for compliance with our policy by 2025	-	100%	100%	-	100% by 2025
100% of key traders on track to comply with our policy by 2025	-	Valuation based on 2022			100% by 2025
Reducing the volume of beef from critical areas	-	-	New	-	50% by 2026

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.

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 by 2023.

## 5.3 Action plans

### In its supply chains:

In response to the deforestation issues linked to beef production, the Group has initiated a series of actions in Brazil. It has introduced five sourcing criteria applicable to fresh beef sold in its shops, and deployed a satellite geo-referencing platform to ensure compliance. Supplies must not come from regions :

1. Affected by deforestation.
2. Under environmental embargo.
3. In conservation units.
4. On land belonging to indigenous populations.
5. Or resorting to illegal employment.

Carrefour has set up a geo-monitoring system 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 (in the Amazon and the Cerrado), protected areas and the territories of indigenous populations. The reference deadlines applied are: 05/10/2009 in the Amazon, and 2018 for the Cerrado. In this way, Carrefour commits its suppliers to its policy of combating deforestation while ensuring the conformity of products sold in shops. To date, all the fresh and frozen meat farms supplying the slaughterhouses (Carrefour's direct suppliers) are monitored by Carrefour's tools in Brazil. It commits its suppliers to going further by signing a letter of commitment, which requires monitoring of indirect suppliers and reporting on this in an action plan provided to the Group.

<sup>11</sup> Scope : Brazil Carrefour and Atacadao



In order to ensure compliance with the objectives defined in its policy to combat deforestation, Carrefour has two tools at its disposal: the systematic geo-monitoring of its supplies and the implementation of an investigation in the event of an alert received by our stakeholders. In the event of a proven violation of its policy, Carrefour has defined a series of measures which enable it to suspend supplies which do not offer the guarantees and transparency required by Carrefour. For example, in 2020, following alerts raised in the state of Rondônia (considered to be at high risk of deforestation), Carrefour decided to suspend the purchase of meat from farms in this state from the supplier JBS. In addition, since 2021, a penalty has been applicable to suppliers who are late in sending the data required for the monthly monitoring of meat purchases.

### Involvement of upstream players:

Carrefour Brazil has strengthened its policy by sharing with all its beef suppliers in Brazil a “*termo e compromisso*” proposing a common commitment. This document describes the rules to be respected by suppliers in their direct and indirect supply chain, the verification process put in place and the consequences of non-compliance with these rules. Each supplier is asked individually to sign this agreement. In addition to this individual approach, a collective approach has been taken with beef producers. As part of the *Forest Positive* coalition of the *Consumer Goods Forum* (CGF), Carrefour has undertaken to implement the following criteria for all member distributors and to monitor the progress of upstream players (suppliers and traders) on the same criteria:

- A public commitment to zero deforestation and conversion across the commodities business, including a public action plan with a clear timetable and milestones for meeting commitments;
- A process in place for regular engagement of direct suppliers and raw materials traders;
- A mechanism for identifying and responding to grievances;
- Support for landscape initiatives that deliver positive forest development;
- Regular reporting on key performance indicators.

In 2021, the commitment on beef has been revised to allow for the extension of the scope which took into account the monitoring of fresh and frozen meat. Carrefour aims for 100% of Brazilian beef suppliers to be geo-monitored and compliant with the forest policy or committed to ambitious policies to combat deforestation by 2025. The extended scope includes suppliers of fresh, frozen and processed meat, as well as Carrefour Brazil and Atacadao distributors and warehouses. Following the acquisition of the BIG Group, Carrefour has extended its policy to combat deforestation. to BIG shop operations with the same high standards.

In this context, Carrefour would like to be able to assess slaughterhouses on their ability to implement solutions for their indirect suppliers. Carrefour Brazil is also working with the *National Wildlife Federation* to initiate traceability work with two of its suppliers in the priority states of Mato Grosso and Pará. This is the only pilot project to date on the traceability of indirect suppliers.

## Support for local projects:

To complement its efforts to ensure zero deforestation and conversion across its value chain, Carrefour has committed to supporting local projects to develop local multi-stakeholder action to tackle the root causes of deforestation and conversion. Details of the beef projects supported in 2022:

- **Sustainable calf production in Mato Grosso, Amazonia**

Finally, the Carrefour Foundation is involved in a field project with the IDH Foundation to develop sustainable beef production by supporting 450 calf-supplying farmers in the state of Mato Grosso in Amazonia. This project aims to ensure total traceability of beef from the field to the plate, while ensuring compliance with the Group's purchasing policy. It is a way for Carrefour to engage indirect suppliers in a change of practices.

Since 2019, the Carrefour Foundation has granted financial support of more than €1.4 million to the project. In 2022, Carrefour has granted financial support of €96,000k. After two years of involvement in this grassroots project involving the various links in the chain (producers, slaughterhouse, government, associations etc.), the first slaughter of beef from the programme initiated in 2019 took place in July 2021. This programme represents a major innovation in the Brazilian beef sector: it is the first meat to be 100% traceable from birth to slaughter. The product is marketed under the Filière Qualité Carrefour brand at an affordable price and with full traceability via QR code in the São Paulo region. The aim of this first stage in Brazil is to demonstrate the feasibility of this type of supply chain before rolling it out on a larger scale.

- **Regenerative production of low-carbon commodities in the Cerrado biome (see soya section)**

- **Traceability of "indirect suppliers" to meat packers in Brazil, using the Visipecc tool.**

The largest source of deforestation in Brazil is linked to "indirect suppliers", which are not included in current deforestation monitoring systems. The Visipecc tool has been developed to improve the traceability and monitoring of deforestation by focusing on indirect suppliers. Carrefour supports the expansion of this project to include indirect suppliers, the use of the Visipecc tool in a landscape enables supply chains to be mapped through assessments of municipalities/landscapes for deforestation, impacts of forced labour, overlaps with protected areas and the role of smallholders among direct suppliers, indirect suppliers and potential or likely suppliers. In 2022, Carrefour provided financial support of €75k.

- **Regenerative production of low-carbon commodities in the Cerrado biome**

The aim of this programme is to encourage the adoption of integrated agricultural production systems in the state of Tocantins, in Brazil, more specifically in the Matopiba region. The project aims to promote the development of sustainable agricultural areas by building capacity on the regenerative production model for low-carbon soya and beef, through rural extension services to support the adoption of the integrated crop-livestock-forest (ICLF) production model. In addition, it provides financial incentives to support the regenerative low-carbon production model. Project supported in partnership with Conservation International (CI), Brazil. In 2022, Carrefour provided financial support of €75k.

## Greening the food supply:

Greening food is a key issue for Carrefour. It is a strong social expectation at the crossroads of major climate issues, the preservation of biodiversity, the sharing of resources at global level and major public health issues.

The first French retailer to launch a own-brand vegetarian range in 2015, the Group now has 115 products, making it the broadest vegetarian offering in supermarkets and hypermarkets.

Since 2021, Carrefour has continued to step up its pace in the meat-only segment by launching more than 10 innovations, responding to consumers' growing expectations for "Better eating" and "Better consumption". These products are offered in all the Group's integrated countries and in all formats.

In early 2022, Carrefour opened France's first vegan butcher's shop, offering customers a range of meat-free products such as mince, chicken-style nuggets and vegan burgers. Then in March, the Group launched its new international "Plant Based Contest", aimed at the most innovative start-ups in the field of plant-based food.

In the same year, Carrefour co-developed the "Veggie Monday" campaign with Danone and the WWF. The aim of the initiative is to promote the consumption of plant-based proteins and the veganisation of meals.

To find out more: see the thematic report "Carrefour Group Climate Plan" accessible from the CSR library: <https://www.carrefour.com/fr/rse/bibliotheque-rse>

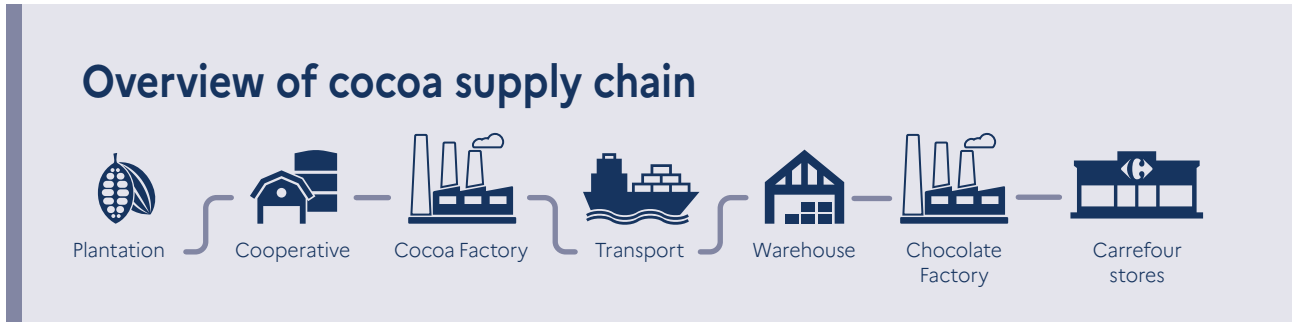
## 5.4 Coalitions and partnerships

- Consumer Goods Forum (CGF) Beef Coalition
- National Strategy to Combat Imported Deforestation (SNDI)
- Collaboration for Forests and Agriculture (CFA): an initiative resulting from collaboration between the World Wildlife Fund (WWF®), The Nature Conservancy (TNC) and the National Wildlife Federation (NWF) and funded by the Gordon & Betty Moore Foundation. Within the CFA, Carrefour Brazil participates in the application of the CFA Operational Guidance, which helps companies to implement deforestation and free conversion commitments (DCF) for beef and soya in the Amazon, Cerrado and Chaco biomes.
- Sustainable Livestock Working Group (SLWG) since its creation in 2007
- Indirect Suppliers Working Group (GTFI) since 2017

# 6. Cocoa

## 6.1 Background and transparency

Carrefour uses cocoa in a number of product categories, including grocery products (chocolate bars, biscuits), pastries, ice cream and fresh products such as dairy desserts. Cocoa has been identified as a priority raw material as part of the Group’s policy to combat deforestation. Carrefour has prioritised its actions on cocoa bars, the products with the highest cocoa footprint.



**Cocoa bar footprint** (France, Belgium, Spain, Italy): 3047 tonnes in 2019  
**Origins (cocoa paste):** Ivory Coast, Ghana, Dominican Republic, Peru, Brazil

## 6.2 Objectives and performance

### Objectives:

Carrefour’s ambition is that all its branded chocolate bars should be sustainable and traceable from the planter to the consumer, ensuring the fight against deforestation, the absence of child labour on cocoa plantations and better remuneration for planters.

Categories	Objectives	Deadline
Cocoa	100% of Carrefour branded bars comply with our Sustainable Cocoa Charter <sup>12</sup>	2023

To go further Carrefour is mobilising players upstream of its supply chains (cocoa traders) to share its ambition to combat deforestation as close as possible to the production areas.

Categories	Objectives	Deadline
Tracing and evaluating traders	100% of key traders (upstream players trading in agricultural raw materials) assessed and making progress towards compliance with forestry policy <sup>13</sup>	2025

<sup>12</sup> In France, Belgium, Spain and Italy.

<sup>13</sup> Palm oil, soya, wood and paper, Brazilian beef, cocoa.

## Performance:

Indicator - Cocoa	2020 value	2021 value	2022 value	Evolution	Target
of Carrefour-branded bars comply with our sustainable cocoa charter	New	30,8 %	31,4%	+0.6 pts	100% by 2023
100% of key traders assessed for compliance with our policy by 2025	-	100%	100%	-	100% by 2025
100% of key traders on track to comply with our policy by 2025	-	Valuation based on 2022			100% by 2025

Following the establishment of a Sustainable Cocoa Charter for its chocolate bars, the Group is postponing the proportion of cocoa mass complying with this Charter for bars sold in Belgium, Spain, France and Italy until 2021. In 2022, the increase in the proportion of sustainable cocoa mass is behind target. Additional efforts are expected in 2023 to make up for this delay.

## 6.3 Action plans

### In its supply chains:

Carrefour supports all its suppliers in achieving its objectives by defining a Cocoa Commitment Charter. This describes the requirements around:

- the fight against deforestation (reference deadline 2018)
- the fight against child labour
- fairer remuneration for growers
- traceability and transparency

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

In addition, the Carrefour Group has been a partner of CÉMOI's Transparence Cacao programme since its inception. It is now deployed on 27 Carrefour-brand shelves, including 8 organic products. This programme helps to combat deforestation and improve 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.

### Involvement of upstream players:

Carrefour also mobilises players further upstream in supply chains via the *Retailer Cocoa Collaboration* (RCC). Since 2019, the aim of this retailer platform has been to initiate a dialogue between retailers and cocoa traders in order to promote transparency and progress towards sustainable cocoa production. The implementation of this annual assessment programme makes it possible to:

- To measure the progress of cocoa traders in relation to the eight fundamental principles of the Cocoa and Forests Initiative (CFI);
- Aligning collectively on a method of evaluation between distributors ;
- Make more informed decisions about cocoa sourcing.



### **Working with stakeholders to establish common rules:**

In 2021, Carrefour joined the French Initiative for Sustainable Cocoa (IFCD), which covers chocolate produced, consumed or sold in France. The French Sustainable Cocoa Initiative covers cocoa from the main supply countries for the French cocoa and chocolate industry, primarily Côte d'Ivoire, Ghana, Nigeria and Cameroon, but also countries in Latin America and Asia. This partnership includes international players from both the private and public sectors, starting with governments and government agencies, as well as cocoa farmers' organisations, local traders and other partners in the cocoa chain in cocoa-producing countries, who must therefore work together effectively.

## **6.4 Coalitions and partnerships**

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

# SCHEDULE

Stakeholders	Related issues	Relationships and commitment drivers	Example of an initiative and key players
Indirect producers	Traceability for supply chain players beyond tier 1 Integration of sustainability criteria and deployment of best practices within production chains	Construction of fully traceable supply chains Setting up regional approaches	Inclusion of criteria for zero-deforestation soya in the specifications of producers of key own-brand products Territorial project in partnership with IDH for regional control of veal production in Brazil (Mato Grosso)
Direct suppliers (manufacturers, abattoirs, etc.) and national brand suppliers	Commitment from suppliers to implement ambitious policies to combat deforestation Control of supplies, compliance with the Carrefour Group's sustainability criteria and exclusion of products linked to deforestation Involving national brands in the fight against deforestation	Integration of requirements through the commercial relationship for own-brand suppliers (product specifications) Assessment and monitoring to exclude products linked to deforestation Voluntary commitment within the „Food Transition Pacts“ at Group and country level and via the CGF	Definition of sourcing criteria, CSR and food transition purchasing rules and ambitious own-brand targets Geo-monitoring of beef suppliers in Brazil Collective evaluation within the CGF committing national brands to defining collective requirements
Traders	Commitment from traders to implement ambitious policies to combat deforestation Control of supplies, compliance with the Carrefour Group's sustainability criteria and exclusion of products linked to deforestation	Evaluation of policies to combat deforestation under the CGF and the RCC Involvement of the main traders identified through meetings, letters, webinars, etc.	100% of key traders assessed via the STC, POTC, RCC and CGF beef coalition
Regulators and certifiers	Ensure full traceability of certified products Reduce the gap between certified premium products and conventional products resulting from deforestation	Participation in standards review committees Support for local initiatives (RTRS in Brazil) Regular dialogue (bilateral or within platforms)	RTRS, RSPO, FSC, Rainforest Alliance/UTZ, Proterra, Max Havelaar Executive Director of Carrefour Spain appointed FSC National Forest Ambassador
Governments and ministries	Working together to define common requirements in order to develop market standards	Participation in collective initiatives such as the SNDI, the CST on soya, the IFCD on cocoa, the GTPS on beef in Brazil, etc.	Launch of the soya and cocoa manifestos with the French government.

Distributors	<p>Working together to define common requirements in order to develop market standards</p> <p>Collective initiatives to facilitate large-scale implementation of identified solutions</p>	Working together on collective initiatives	<p>Consumer Goods Forum, co-lead of the Forest Positive coalition, joint assessment of soya trader via the Soy Transparency Coalition and palm oil trader via the Palm Oil Transparency Coalition, development of the same assessment system for beef.</p> <p>Joint assessment of cocoa traders via the Retailer Cocoa Collaboration.</p> <p>French distributors' working group on the Soya Manifesto.</p>
Rating agencies and investors	<p>Transparency of Carrefour's action plans and objectives in order to assess performance in a comparable manner</p> <p>Helping Carrefour define and comply with international standards and benchmarks to accelerate market transformation</p>	<p>Regular bilateral dialogue</p> <p>Responding to questionnaires</p> <p>Reaction to controversies</p>	<p>CDP Forêt, Vigeo Eiris, ISS Oekom, Sustainalytics, etc.</p> <p>Individual investors (e.g. BNP-PAM)</p>
NGO	Reconciling Carrefour's objectives with the expectations of civil society	<p>Regular bilateral dialogue</p> <p>Inclusion in multi-stakeholder panels</p>	<p>WWF, Mighty Earth, Canopée, Global Canopy, Earthworm Foundation, NWF, Imaflora, Greenpeace, Proforest, Tropical Forest Alliance, Rainforest Foundation Norway etc.</p>
Employees	<p>Mobilising people internally on the subject of forests</p> <p>Leadership of merchandise teams</p>	<p>Mobilising management via the CSR and Food Transition Purchasing Rules Committee</p> <p>Mobilising teams via webinars, country committees and CSR and food transition rules</p> <p>Involvement of the countries of operation via the Forest Committee, with one forest ambassador per nominated country</p>	<p>Committed Ambassadors Club to mobilise internal support for food transition issues</p> <p>Deployment of CSR and TA rules integrated into the team training process</p> <p>Forestry objectives included in the CSR index and food transition impacting the variable remuneration of executives</p>
Customers	<p>Mobilising consumers on the subject of forests</p> <p>Making the fight against deforestation and the food transition tangible for customers</p> <p>Offering deforestation-free products accessible to all</p>	<p>Communicating the forest issue in-store, digitally and via webinars with committed consumers</p> <p>Deployment of solutions to combat deforestation with no impact on the final price</p>	<p>The Committed Consumers Club aims to raise customer awareness of food transition issues such as the preservation of forests.</p> <p>Territorial project in Brazil with 100% traced veal</p> <p>Pooling of tools between distributors to provide customers with a safe product</p>

# APPENDIX

## Appendix 1 a – List of the main suppliers of Carrefour branded soya-fed animal products (France)

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
ELIVIA SAS
ARRIVE M COQ
SOCOPA VIANDES
LDC
GALLIANCE VOLAILLE
ORLAIT
COCORETTE DISTRIBUTION
CANDIA
LOEUF
L N U F ET MDD
BIGARD GROUP
MORNINGS
COOPERL ARC ATLANTIQUE
DUC COMPANY
GALLINE FRAIS SARL
COVIAL
MOWI BOULOGNE
DELABLI SAS
AQUALANDE
MOWI CUISERY
MONFORT VIANDES
ALSACE LAIT
TRADIVAL
FIPSO
PRIMEX INTERNATIONAL
SICAREV
DEVEILLE
SAS ODNV
SAPRESTI CATERING
CHARAL
GOLDEN BLASON
PUIGRENIER
LEROY SEAFOOD FRANCE
GALLIANCE ELABORES
LAITERIE DE VERNEUIL
MACQUET S A
CHIRON ACVF
MITI
UNIMA DISTRIBUTION
ROLMER SAS
ETS BODIN FILS
LACTEL SNC
TENDRIADE COLLET
SOBEVAL
FISHERS OF FLAVOUR
CAILLOR
NUEVA PESCANOVA FRAN
EMBAL COSTS
SODIP ORC ANGOULÊME

## Annex 1 b.: List of the main soy importers linked to our supply of Carrefour-branded animal products (Group)

ADM
COFCO
Louis Dreyfus Company
Cargill
Bunge
Amaggi
Solteam
Caramuru
CJ Selecta
Imcopa

## Annex 2 a: List of the main suppliers of Carrefour-branded products containing palm oil (France)

LIST OF TOP OWN-BRAND SUPPLIERS (FRANCE)
VANDEMOORTELE
CERELIA
LA BOULANGERE & CO
POULT
BOUVARD BISCUITS
NATRA CHOCOLATE
WILLEMS BISCUIT FACTORY
ST MICHEL BISCUITS
LA FOURNEE DOREE
POPPIES

## Annex 2 b.: List of the main palm oil traders linked to our Carrefour-branded products (France)

AAK
ADM
Bunge
Cargill
Fuji oil
Louis Dreyfus Company
Olenex

**Appendix 3: List of main suppliers of Carrefour-brand chocolate bars (France, Spain, Italy, Belgium)**

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

**Annex 3 b.: List of the main cocoa traders linked to our supplies of Carrefour-branded bars (G4)**

Agroforce
Barry Callebaut
Ecom
Nederland
Sopex
Sucden
Theobroma
Touton



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