

2

CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE

2.1 Non-financial policies, action plans and performance	51	2.3 Green taxonomy	160
2.1.1 CSR methodology and non-financial risks and performance	51	Reporting on the Carrefour group's 2021 activities with regard to the "EU Green Taxonomy"	160
2.1.2 Biodiversity	57	Breakdown of eligible activities	160
2.1.3 Climate	74	2.4 Reporting methodology and verification of information	163
2.1.4 Health and product quality	85	2.4.1 Detailed reporting methodology for CSR indicators	163
2.1.5 Business ethics and supply chains	92	2.4.2 Report of the independent third-party on the verification of the consolidated non-financial statement included in the Group management report	171
2.1.6 Employees	107		
2.2 Carrefour's duty of care plan	126		
2.2.1 CSR and duty of care plan governance and methodology	126		
2.2.2 Risk map	132		
2.2.3 Risk assessment, prevention and mitigation measures	136		
2.2.4 Report on actions implemented in 2021	144		

Introduction

The following sections of the Universal Registration Document present the components that underpin Carrefour's Corporate Responsibility strategy.

Section 1 presents Carrefour's *raison d'être* and its ambition to become the leader of the food transition for all. In line with this ambition, this chapter also looks at projects developed by the Group, as well as a materiality analysis that ensures the alignment of these strategic priorities with stakeholder expectations, and an analysis of Carrefour's business model. Lastly, it reviews the Group's CSR performance summary and the achievement of its objectives based on the CSR and Food Transition Index.

Section 2 details how CSR is structured within the Group, and the method deployed for implementing the food transition for all, creating more value for all stakeholders, and therefore developing the positive impact of the organisation's activities on society. It describes the methodologies enabling Carrefour to develop CSR policies in response to social, environmental and societal risks it has identified in its business model and through dialogue with stakeholders. It highlights these policies, action plans and duty of care measures put into action to address identified risks. Lastly, it transparently explains the Group's CSR performance through a set of key indicators. Section 2 also contains information on the Non-Financial Statement, the EU sustainability taxonomy, the duty of care and the main international standards applied, in particular the Sustainability Accounting Standards Board (SAS-B), the Task Force on Climate Disclosure (TCFD) and the Global Reporting Initiative (GRI). Cross-reference tables specific to the Non-Financial Statement, SAS-B, TCFD and GRI-G4 appear in Section 9.6.

Alignment with applicable regulations

Non-Financial Statement: this Universal Registration Document complies with the requirements of French government order no. 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017, providing for a Non-Financial Statement as stipulated notably under Articles L. 225-102-1 and R. 225-105 *et seq.* of the French Commercial Code (*Code de commerce*). This information concerns the activities of Carrefour SA (the parent company) and all the Group's consolidated companies.

The Non-Financial Statement consists of the following:

- the business model, provided in Section 1.1.5;
- the map of Group risks based on the business model, which incorporates societal risks, presented in Section 4.1.2. The methodology for identifying societal risks and their definition are detailed in Section 2.1.1.2;
- the policies and action plans that address societal risks, described in Section 2.1. Thus, all the societal risk factors encountered by the Group in its activities are subject to its CSR policy. The CSR policy sections are structured as follows: biodiversity (Section 2.1.2), climate (Section 2.1.3), health and product quality (Section 2.1.4), business ethics and supply chains (Section 2.1.5) and employees (Section 2.1.6);
- the Group's Key Performance Indicators in 2021 are detailed for each policy in Section 2.1. Performance is summarised in Section 2.4 and Section 2.4.1 provides details on the reporting method;

- lastly, Section 2.4.2 contains the independent third-party report on consolidated CSR information.

Duty of care: this section contains information on the Group's duty of care plan for identifying risks and preventing serious violations of human rights and fundamental freedoms, the health and safety of individuals, and the environment. It complies with the requirements set out in French law no. 2017-399 of March 27, 2017 with regard to the duty of care. As such, the following items and information are covered:

- the map used to identify, analyse and classify risks (see Section 2.2.2);
- procedures used to regularly assess the position of subsidiaries, subcontractors and suppliers with which the Group maintains an established business relationship, based on the risk map (see Section 2.2.3);
- adapted actions for mitigating risks or preventing serious threats (see Sections 2.2.3.1 and 2.2.3.2);
- the whistleblowing and warning systems for reporting the existence or materialisation of risks, established in cooperation with the trade unions of said company (see Section 2.2.1.5);
- the system for monitoring actions taken and measuring their effectiveness (see Section 2.2.4.2);
- the report on the implementation of the duty of care plan covering the previous financial reporting year (see Section 2.2.4).

The information included in Carrefour's duty of care plan is presented in this section as follows:

- governance of CSR and the food transition, as applied to the implementation of the duty of care plan along with measures specifically related to these areas, is presented in Sections 2.2.1.1 and 2.2.1.2;
- procedures for dialogue and collaboration with stakeholders, which can be used to set policy and to update and evaluate the implementation of third-party assessments and risk prevention and mitigation measures are presented in Section 2.2.4.1;
- the methodology used to map risks relating to human rights and fundamental freedoms, health and safety, and the environment is presented in Section 2.1.1.2.1. The main risks identified and their definition are available in Section 2.1.1.2.2;
- risk prevention frameworks, third-party assessments, risk prevention and mitigation measures and whistleblowing systems covered in the duty of care plan are detailed in Sections 2.2.2, 2.2.3 and 2.2.4. The report on actions implemented in 2021 as part of the duty of care plan is available in Section 2.2.4;
- a summary of Carrefour's non-financial reporting, which covers all of the Group's non-financial performance indicators, is presented in Section 2.2.4.3.

Sustainability taxonomy: Section 2.3 complies with Regulation (EU) 2020/852, the EU sustainability taxonomy, which came into effect on July 12, 2020 and establishes a common classification system for all European Union countries to identify sustainable economic activities. To date, the taxonomy's scope does not cover product distribution in the Group's stores. The regulation is applicable to only a few of the Group's ancillary businesses, such as building construction and vehicle rentals.

2.1 Non-financial policies, action plans and performance

2.1.1 CSR METHODOLOGY AND NON-FINANCIAL RISKS AND PERFORMANCE

2.1.1.1 CSR methodology

In conducting its business activities, Carrefour gives importance to creating value for all its stakeholders. The Group has implemented CSR governance, developed reporting methods and continuously improved its decision-making processes, tools and strategies to increase its positive impact on society.

Since the transformation plan was launched in 2018 by its Chairman and Chief Executive Officer Alexandre Bompard, the Group has accelerated its actions to promote sustainable development and the food transition for all. The Group's *raison d'être*, adopted at the Shareholders' Meeting in June 2019 and enshrined in the preamble of the Company's Articles of Association, marks the starting point of this acceleration and the transformations in progress (see Section 1.3).

Figure 1 below shows the key events in Carrefour's history and their positive impact both on integrating CSR into the Group's business operations and on improving production and consumption modes.

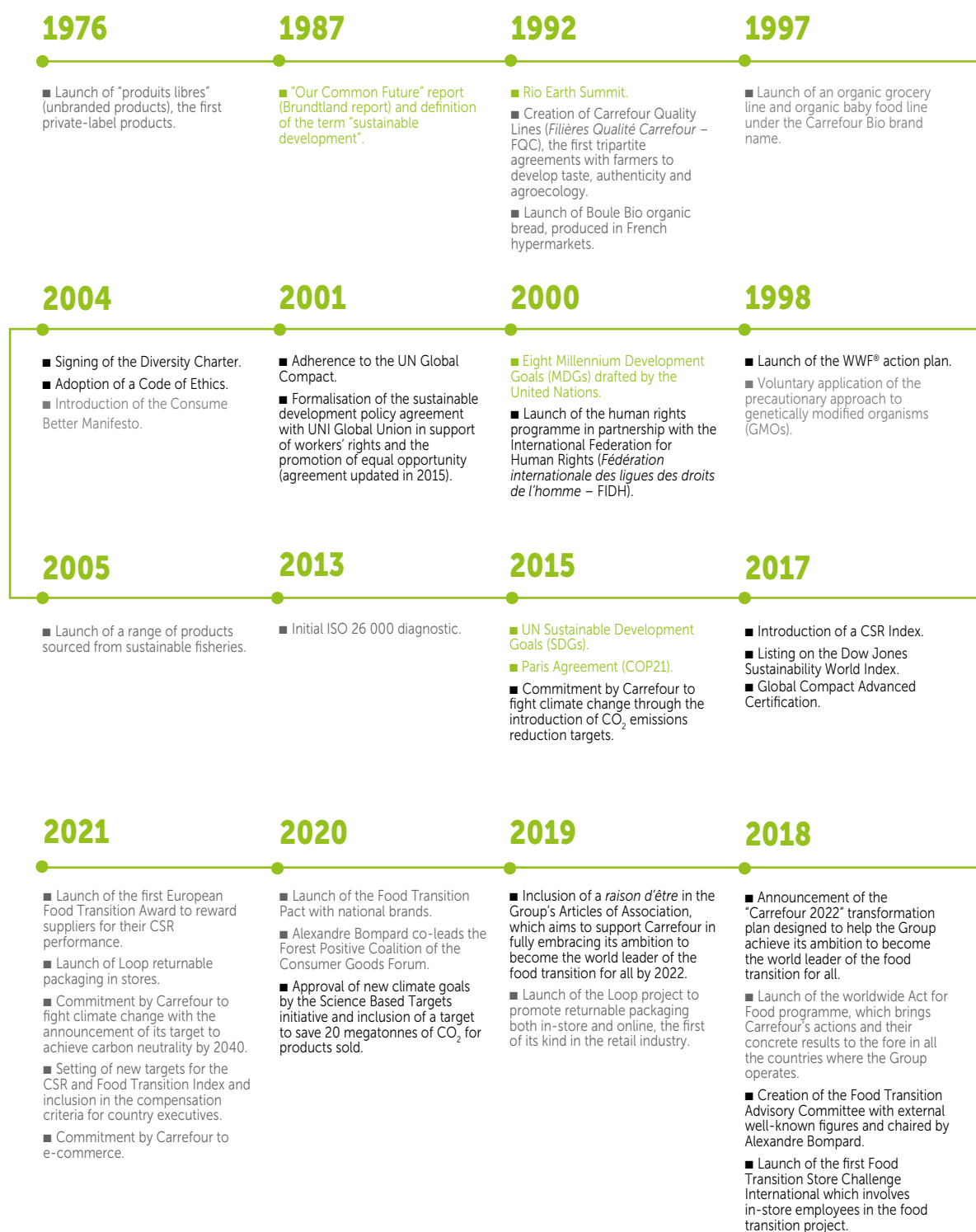
The Group's CSR approach has evolved significantly due to the actions taken in implementing the "Carrefour 2022" transformation plan. The methodology is based on the following principles:

- **transparent goals with stakeholders supported at the highest level of the organisation:** Carrefour works with its partners in setting specific, quantitative targets. The Group presents its short- and long-term goals in line with material issues identified with its stakeholders (the materiality matrix is detailed in Section 1.3.1.4). The Group's objectives associated with CSR and the food transition are measured through a set of performance indicators. The most strategic objectives are integrated into the CSR & Food Transition Index. This index measures an achievement rate, which is also a criterion factored into management compensation (see Section 1.5.5);
- **dedicated governance:** governance bodies for CSR and the food transition have been set up at every level in the organisation (see Section 2.2.1.1). The Group has created an external Food Transition Advisory Committee, which is chaired by Alexandre Bompard. Internal Food Transition Advisory Committees were set up at Group level and in integrated countries and within the various professions depending on the issues addressed;
- **actions integrated into products and stores for its customers:** the integration of actions tested by customers into stores is a key marker of the methodology, as these actions embody the Group's long-term objectives.

To achieve its mission of becoming the leader of the food transition for all, the Group acts at all levels to participate in transforming markets; directly engaging suppliers, partners, and customers; and bringing innovative solutions that can reshape production and consumption modes. **Figure 2** below shows how all actors are involved in the reduction of packaging within the

Group. Carrefour uses the following drivers to make this mission a success:

- **working towards a positive transformation in market standards:** Carrefour acts for progress in market standards through initiatives supported by retail companies, suppliers and stakeholders in the value chain, organisations and public authorities;
- **implementing exclusive initiatives at a local or international level** that serve as an industry benchmark and can change consumer standards. Initiatives that have been successful with consumers are applied industry-wide and help bring about transformation on the market. Campaigns include *C'est qui le patron?* (Who's the Boss?), "Bring your own container", returnable packaging, no-waste boxes, and the elimination of plastic from the fruit and vegetables section. Carrefour and its partners work to identify innovative solutions and support the implementation of these solutions in order to suggest new ways of producing and using products;
- **getting direct suppliers and partners involved:** Carrefour has direct relationships with thousands of farmers, manufacturers and service providers:
 - the Group uses its trade relations, especially with its suppliers of Carrefour-brand products, to include standards in line with CSR and the food transition. In 2020, Carrefour updated its purchasing rules to support the food transition, for example including criteria and requirements to respect marine resources, protect forests, integrate ecodesign into packaging and promote agroecology;
 - Carrefour sets up voluntary collaborations with its suppliers of Carrefour-brand products and national brands to initiate the transformations necessary to bring about the food transition for everyone. Carrefour offers its suppliers opportunities to work on joint projects (e.g., Collaboration for Healthier Life in Lyon), innovation platforms (e.g., the RESET project for ecodesign in packaging) and technical support for supply lines (e.g., the development of agroecology in Carrefour Quality Lines). Lastly, the Group launched the Food Transition Pact in 2019, which unites national brand suppliers around common objectives on biodiversity, transparency, health and nutrition, climate and packaging.
 - In order to increase involvement among its suppliers, Carrefour launched the first European Food Transition Awards in 2021, a competition that rewards the most virtuous suppliers in terms of CSR in the eyes of customers;
- **educating and engaging customers:** to transform consumer habits, Carrefour offers products and solutions in stores to promote sustainable consumption. Carrefour aims to identify and better meet customers' emerging societal and environmental expectations. But the Group also hopes to educate people about sustainability issues and co-build solutions that everyone can adopt. Carrefour also established customer consultation and engagement channels to define its strategies (e.g., activist consumer groups in Spain and France).

FIGURE 1: TIMELINE OF KEY EVENTS AND THEIR POSITIVE IMPACT BOTH ON INTEGRATING CSR INTO INTERNAL PRACTICES AND ON IMPROVING PRODUCTION METHODS AND CONSUMER HABITS

- markers of the integration of CSR into Group strategy
- markers of Carrefour's positive impact on production methods and consumer habits
- key events in CSR history

FIGURE 2: EXAMPLE OF THE ACTION PLAN ON PACKAGING AND PLASTIC: HOW CAN EVERYDAY CONSUMER USE BE TRANSFORMED INTO SOMETHING POSITIVE?



Carrefour uses analysis and dialogue tools to identify material issues, and define its policies and action plans while taking a continuous improvement approach. The Group implements the following actions, which are detailed in other sections in this document:

- engaging with stakeholders and consumers on societal issues (Section 2.2.1.4.1);

- defining policies and helping the business segments to deploy them through action plans and objectives (Section 2.1);
- risk analysis (Sections 4.1.1 and 2.1.1.2) and materiality analysis (Section 1.3.1.4);
- evaluating non-financial performance (Section 1.5.5).

2.1.1.2 Content of the Group's map of CSR risks

2.1.1.2.1 Methodology for analysing Group risks

Carrefour relies on different internal risk management procedures to identify and assess the risks applicable to the Group. These include risks of violations of human rights, health and safety, and the environment relating to the Group's business operations.

For the first step, the Group identifies the key risks that include criteria relating to the Company's corporate social responsibility.

The methodology for identifying risks includes:

- international standards and guidelines (GRI G4, ISO 26000, SAS-B);
- expectations expressed in ESG questionnaires to which the Group responds every year;
- the materiality analysis conducted with both internal and external stakeholders, which is used to confirm the main societal risks included in the analysis.

The Group's key risks are identified and assessed by all Group entity departments concerned. The Group's general risks are then

identified and analysed with all departments concerned in each country. This helps refine the assessment of risks detected in each region. This process is detailed in Section 4.1 of this Universal Registration Document. These risks are then ranked in order of their net criticality.

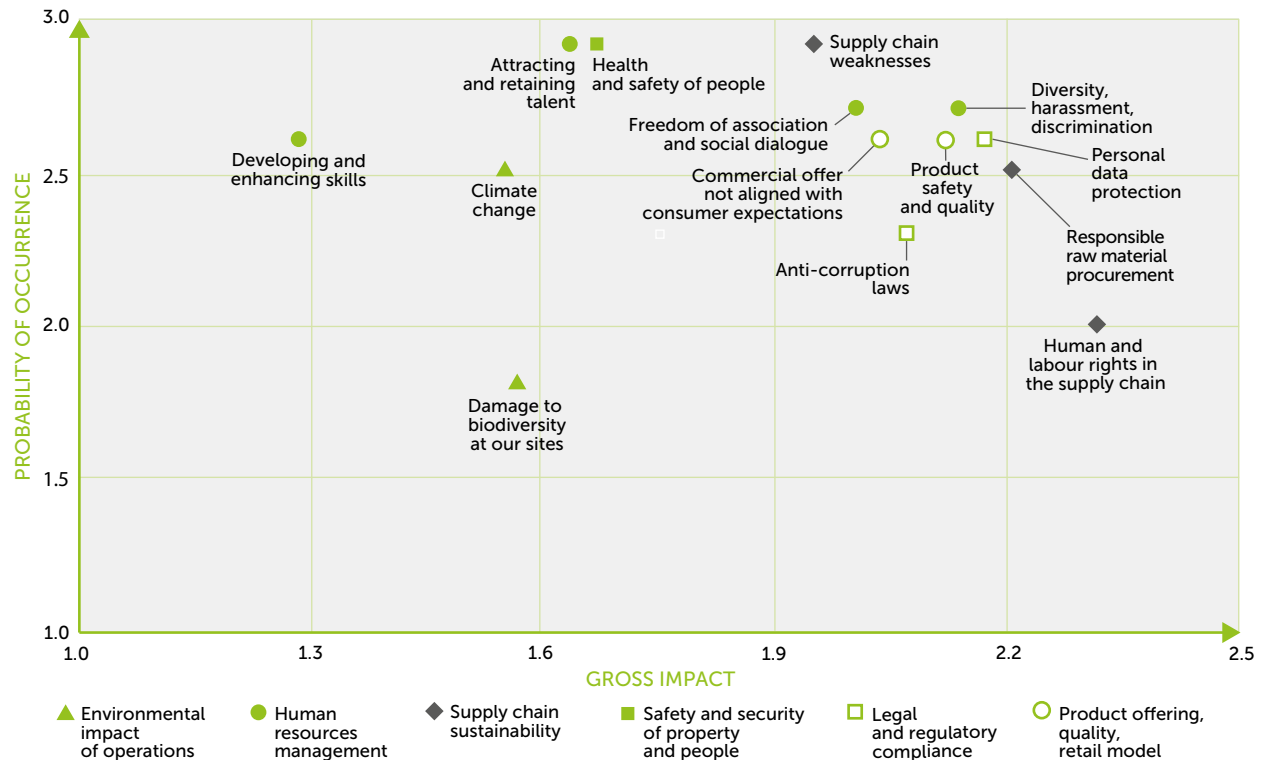
This first generic analysis highlights the main risks that could affect the Group's operations, financial position, reputation and results. The analysis is updated annually, and results are submitted to the Audit Committee, the Group Executive Committee and the Board of Directors.

Carrefour then identifies which Group risks are CSR risks that could lead specifically to violations of human rights, health and safety, and the environment. This selection of key CSR risks primarily measures the impact on stakeholders (including customers, suppliers, NGOs and civil society). Section 2 details the analysis methods, action plans and performance indicators related to these CSR risks. It therefore contains information relating to the Non-Financial Statement and the duty of care plan.

2.1.1.2.2 Map of the Group's CSR risks

The scope of the Non-Financial Statement specifically addresses various CSR risks identified by the Group's risk analysis. Carrefour rates each of these societal risks. These risks are assessed based on the following criteria:

- **gross impact:** this indicator measures the impact on stakeholders (consumers, employees, suppliers, organisations, etc.), as well as the financial and reputational impacts. It is rated on a scale of 1 to 4;
- **gross probability:** this criterion measures the risk's probability of occurrence, without taking the ability to control the risk into account. The probability is assessed on a scale of 1 to 4.



2.1.1.2.3 Definition of the Group's societal risks and associated policies

This mapping initiative identifies non-financial information reporting risk categories. The manner in which they are broken down and defined throughout the Group is detailed in the table below. These non-financial information reporting risk categories correspond to risks identified by the Group Internal Audit and Risk department. The significance of these risks has been confirmed by the materiality analysis conducted with both internal and external stakeholders. Section 2.1 presents the measures used to manage these risks, which are covered in the last column of the table below.

TABLE 1: DEFINITION OF PRIORITY SOCIETAL RISKS USED FOR NON-FINANCIAL INFORMATION REPORTING PURPOSES

Non-financial information reporting risk category	Group risk	Description of the non-financial information reporting risk category	Non-financial information reporting policies, action plans and performance
Sourcing sensitive raw materials	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Carrefour could stand accused of using raw materials whose value chains could have an impact on deforestation, depletion of scarce resources or human rights abuses (unpaid or poorly paid work, child labour, etc.).	Section 2.1.2.3 Section 2.1.5.2 Section 2.1.5.3
Occupational health and safety risks	Workplace accidents, psychosocial risks and occupational illnesses	As the largest private-sector employer in France and one of the top 50 employers in the world, Carrefour has a duty to safeguard its employees against workplace accidents, psychosocial risks and occupational illnesses.	Section 2.1.6.5
Contribution and vulnerability to climate change	Failure to control energy and refrigerant consumption, and contribution to climate change	Carrefour may suffer from poor control over its energy and refrigerant consumption, particularly following the promulgation of EU F-gas and F-gas II regulations, which will gradually prohibit the replacement and use of the most polluting refrigerants (e.g., Freon gas) by 2030.	Section 2.1.3.3
	Natural disasters and climate change	Natural disasters (e.g., flooding, heavy snowfall, heatwaves, etc.) may interrupt business (plant closures, breakdowns, serious damage) and endanger the lives of Carrefour customers, employees or suppliers.	
Quality, compliance and product safety failure	Significant lack of product control and traceability	Major deficiencies in product control and traceability could have serious consequences for the health of our customers and not meet consumer expectations regarding product origin. These shortcomings could also impact Carrefour's business development and results.	Section 2.1.4.2
	Failure of the removal and recall device	Malfunctions in the recall and withdrawal procedure for batches of food products could have serious health impacts on customers.	Section 2.1.4.2
Failure to develop and value skills	Failure to assess, develop and value skills	Poor deployment of skills assessment, development and recognition policy by managers and human resources is likely to demotivate employees and result in lower productivity and increased turnover.	Section 2.1.6.3
Failure to attract and retain talent	Inability or difficulty in attracting and retaining key employees	The Group could encounter difficulties in attracting, hiring or retaining talent for key positions. This risk may arise in particular due to departures from critical positions such as Directors and Senior Directors.	Section 2.1.6.3
Lack of supply chain resilience	Riots, street demonstrations, strikes, protests and agricultural crises	Farming or industry crises could lead to supply shortages (e.g., milk or butter shortages in France). Supply chains can also be disrupted by events related to economic or political crises. Environmental and social crises can impact supply chains, raising the price of raw materials and lowering the Group's profits.	Section 2.1.5.2 Section 2.1.5.3

Non-financial information reporting risk category	Group risk	Description of the non-financial information reporting risk category	Non-financial information reporting policies, action plans and performance
Failure to uphold human rights and decent pay across the entire value chain	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair remuneration.	Carrefour strives to uphold human rights across the entire value chain. Any instances of forced labour or exploitation of children, or failure by a supplier to pay the minimum wage could have a strong negative impact on the Group's reputation.	Section 2.1.5.2 Section 2.1.5.3
Failure to respect the principles of diversity and combat discrimination and harassment	Failure to respect the principles of diversity and equality and failure to combat discrimination and harassment	Carrefour may encounter difficulties in deploying its anti-discrimination policy, particularly with regard to gender diversity and equal pay or the employment of people with disabilities.	Section 2.1.6.4
Failure to respect freedom of association and the right to collective bargaining	Poor management or deterioration of the social climate within Carrefour	Insufficient social dialogue can lead to demotivated employees. These events are likely to result in loss of productivity and/or revenue.	Section 2.1.6.2
Non-compliance with laws on the protection of personal data	Non-compliance with laws on the protection of personal data (RGPD, LGPD, etc.).	Carrefour processes large volumes of personal data for customers, employees and suppliers. Data protection and privacy legislation – e.g., the General Data Protection Regulation (GDPR) in force since May 25, 2018 in the European Union in addition to existing national legislation, and the "General Data Protection law" (LGPD) which came into force in Brazil in September 2020 – establish a new legal data protection framework with increased protection for citizens' rights and new legal obligations for businesses. Carrefour must ensure that it complies with all of the requirements of such legislation.	Section 2.1.5.4
Non-compliance with anti-corruption laws	Non-compliance with anti-corruption legislation (Sapin II law)	The Sapin II law on transparency, corruption and modernised business practice requires French companies, such as Carrefour and its subsidiaries, to set up a compliance programme to both prevent and detect any corruption or use of undue influence both inside or outside France. Carrefour may fail to comply with all of the pillars and provisions of this legislation.	Section 2.1.5.5
Non-sustainable product offering and retail model	Commercial offering not aligned with customers' social and environmental expectations (local products, reduction in packaging, food waste, etc.)	Carrefour could be held liable in a scandal involving food waste and poor waste management. Product offerings and the management of store operations could be misaligned with customers' emerging societal expectations, such as selling local products, promoting local distribution networks, or reducing packaging and plastic in stores.	Section 2.1.2.4 Section 2.1.3.4
Pollution and the impacts of our operations on biodiversity	Damage to biodiversity (pollution from oil-based products, waste, construction work, etc.) caused by business operations.	Carrefour's business operations may have a negative impact on biodiversity, particularly due to pollution events. Ecosystems may be destroyed by construction work, pollution from fuel retail operations or poor waste management.	Section 2.1.2.5

2.1.2 BIODIVERSITY

2.1.2.1 Overview of objectives

Context The food industry is highly dependent on biodiversity, so preserving biodiversity is an industry imperative. However, biodiversity is in an unprecedented⁽¹⁾ global decline caused by five main factors⁽²⁾ significantly exacerbated by the food industry:

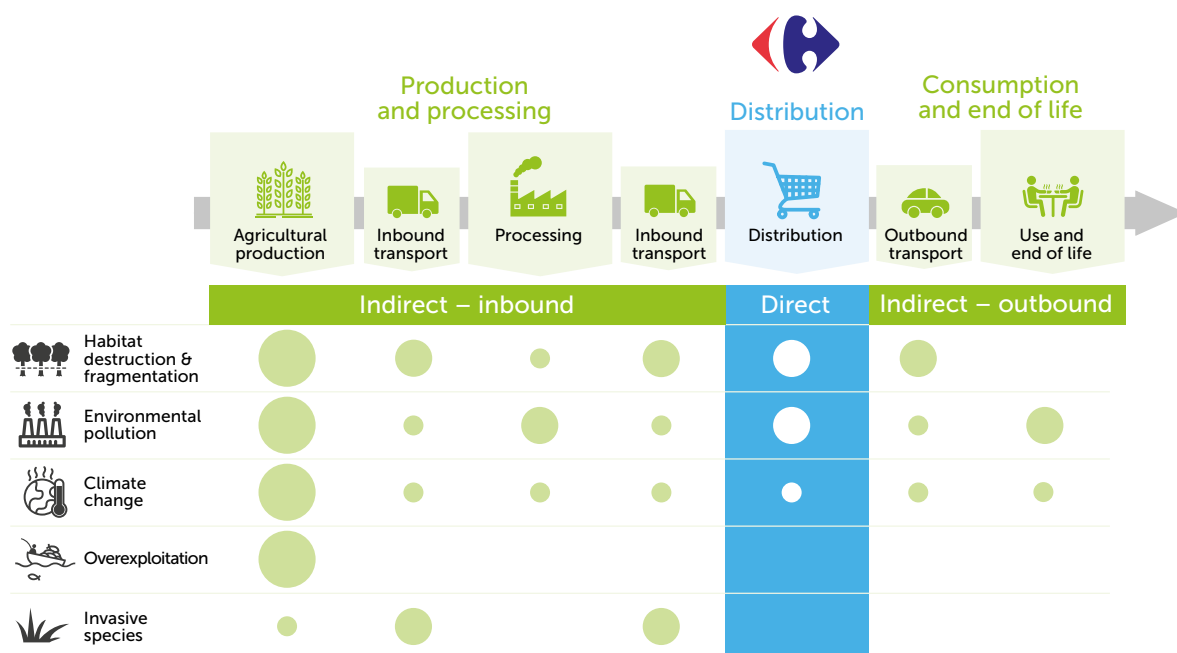
- changes in how land is used;
- water, soil and air pollution and the resulting reduction in water quality;
- direct exploitation of certain organisms;
- climate change;
- the spread of invasive alien species.

Carrefour has a responsibility to preserve biodiversity and is involved in several initiatives to limit both its own impact and that of other links in its value chain. Furthermore, consumer behaviour is at a turning point. Consumer expectations are constantly changing: they want more information, better quality products and greater transparency, and rightly so.

Risks and opportunities

Preserving biodiversity is a real challenge for the Group. It offers Carrefour an opportunity to improve the quality of its products and better meet consumer needs. However, its loss threatens long-term food production.

The figure below presents Carrefour's direct and indirect impacts on biodiversity throughout its value chain, within its operations and, later on, in the homes of its customers:



Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). Three biodiversity-related issues were identified as major issues for stakeholders:

- developing sustainable farming, mainly through organic farming and agroecology (ranked first);
- responsibly sourcing seafood and aquaculture products (ranked second);

- combating deforestation related to sourcing sensitive raw materials (ranked eighth).

Finally, customers have particularly high expectations regarding the following two issues: "Ecodesign of products and a circular economy for packaging" (ranked first by customers) and "Offering a customer experience and in-store/online process that makes it easier to buy healthier and organic products involving zero waste and zero plastic" (ranked second by customers).

(1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 2019. Seventh IPBES Global Assessment report.
(2) World Business Council for Sustainable Development (WBCSD). Vision 2050.

Our initiatives

Carrefour's mission is to provide its customers with products and services that meet their needs. Carrefour's strategy is based on four key areas:

- **promoting and developing sustainable agriculture** through organic farming, agro-ecology and the development of financing solutions that are more respectful of health and nature;
- **protecting biodiversity for sensitive materials:** One of Carrefour's goals is to limit its products' impacts on biodiversity through three key objectives: combating deforestation (palm oil, wood and paper, Brazilian beef, cocoa, soy, etc.), preserving fishery resources and developing more sustainable textile supply chains;
- **developing ecodesign and a circular economy for packaging:** The Group seeks to reduce the quantity of packaging that it places on the market. It also seeks to improve the use and ultimate disposal of the packaging that remains necessary, by guaranteeing, for example, its re-use or recycling;
- **limiting the impact of our sites on biodiversity:** Carrefour aims to limit the environmental impact of its sites as much as possible. Each store, warehouse or logistics hub must monitor and optimise its water and energy consumption and its waste management, and reduce its food waste, while minimising its impact on the surrounding ecosystems and biodiversity.

Coalitions and partnerships

Act4nature
international

Science Based
Targets for Nature
engagement
programme
(Science Based
Targets Network)

Lab Capital Naturel
(WWF)

Forest positive
coalition
(Consumer Goods
Forum)

Entreprises
engagées pour la
nature (French
government
programme)

Contribution to the UN Sustainable Development Goals



Our objectives

TOPIC	OBJECTIVE	DEADLINE
Promoting and developing sustainable agriculture	15% of fresh food product sales generated by organic or agroecological products by 2025	2025
	Carrefour Quality Lines: 10% market penetration rate for Carrefour Quality Lines in fresh products by 2025	2025
	Agroecology: 100% of Carrefour Quality Lines products must display an agroecology-specific message or be part of an agroecological approach by 2025	2025
Protecting biodiversity for sensitive raw materials	100% of sensitive raw materials must be covered by a risk reduction plan in 2025	2025
	For targets by raw material, see Section 2.1.2.3 <i>Protecting biodiversity for the responsible supply of raw materials</i>	2025
Limiting the environmental impact of our plants	Recover 100% of retail waste by 2025	2025
	Reduce retail food waste by 50% by 2025 (when compared to 2016)	2025
	All new shopping centres exceeding 2,000 square metres and all expansion projects certified to BREEAM (Building Research Establishment Environmental Assessment Method) standards, 75% of existing shopping centres certified to BREEAM In-Use standards	-
	100% BREEAM In-Use certification of operational sites by 2025.	2025
Water management	Reduce water consumption per sq.m. of sales area	-
Developing ecodesign and a circular economy for packaging (plastic)	100% reusable, recyclable or compostable packaging in 2025	2025
	Recover 100% of waste by 2025	2025
	20,000 tonnes of packaging avoided, including 15,000 tonnes of plastic packaging by 2025 (cumulative since 2017)	2025
	30% of packaging using recycled plastic by 2025	2025
	1,000 reusable packaging solutions available in-store	2025
	Reduce food waste by 50% (vs. 2019)	2025
	500 stores must have a package re-use system by 2025	2025
	50 new "bulk" experiences	2025
Climate	See Section 2.1.3	

2.1.2.2 Supporting the transition to sustainable agriculture

Context and definition

An increasing number of consumers are changing their consumption habits. They seek out products that are more respectful of the environment and that are processed locally. To meet their expectations, producers must adapt their production methods by switching to more virtuous and sustainable techniques, such as agroecology, organic farming and soil conservation in agriculture.

With food products representing more than 80% of its sales, Carrefour is committed to supporting the transition to sustainable agriculture, in particular through its Carrefour Quality Lines brand and the development of affordable organic products. This commitment involves developing agroecology for the market and fresh product suppliers with whom Carrefour has a direct relationship, as well as limiting the use of at-risk raw materials that can have a specific impact on biodiversity.

Policy and performance

Carrefour is securing its organic lines and Carrefour Quality Lines to facilitate deployment of sustainable, environmentally-friendly agricultural practices. The Group is focusing on three areas to promote a more sustainable agricultural transition: fairer terms with suppliers (including long-term pricing and volume commitments); developing and showcasing a responsible product offering; and creating financing solutions.

Carrefour is focused on increasing its organic offering and aims to generate 15% of sales from organic or agroecological food products by 2025. In France, the targets for organic and in-conversion partner farmers were reached in 2021 with 3,538 French organic and 188 in-conversion partner farmers.

Key Performance Indicators	2021	2020	Change	2022 target
Sales of organic products ⁽¹⁾	€2.73 billion	€2.72 billion	+0.4%	€4.8 billion

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

Indicators	2021	2020	Change
Number of Carrefour-brand organic product references ⁽²⁾	1,200	1,100	+9%
Number of organic farming producers (supported through sector-based contractual arrangements)	3,538	2,150	+65%

(2) In France.

The Group is aiming to capture 10% of fresh product sales by 2025 by developing Carrefour Quality Lines, which serve as Carrefour's agroecology laboratories: The objective is for all

product lines to carry an agroecology-specific message by 2025 (e.g., "fed on GMO-free feed", "fed without antibiotics" and "grown without chemical treatment").

Key Performance Indicators	2021	2020	Change	2025 target
Market penetration rate of Carrefour Quality Lines in fresh produce (in %)	7.2%	7.4%	-0.2 pt	10%

Indicators	2021	2020	Change
Number of Carrefour Quality Lines products	651	753	-14%
Number of Carrefour Quality Lines partner producers	25,173	25,843	-3%
Gross sales of Carrefour Quality Lines products (in billions of euros)	1.14	1.17	-2.6%

Comments on 2021 performance. In 2020 and 2021, Carrefour finished streamlining the number of Carrefour Quality Lines products and partners so it could develop partnerships with more robust contractual commitments in terms of volumes and prices. This initiative also improved monitoring of agroecological criteria for the line.

More generally, Carrefour is introducing responsible policies for sourcing raw materials that are at risk from a social and environmental perspective (see Section 2.2.1.3 Sourcing raw materials at risk). Animal welfare is also a strategic focus for developing sustainable agriculture (see Section 2.1.5.6 Guaranteeing ethical farming).

Action plans

1. Developing an affordable organic offering

Carrefour is investing heavily in organic food to achieve its objectives. This means activating three drivers: making the organic offering affordable by developing production channels based on support for producers; developing organic ranges that fit with consumer expectations (i.e., bulk organic offering, plastic-free offering, local produce, etc.); and making organic products accessible in-store and online.

The Group offers its organic farming suppliers three- to five-year contracts that commit to volumes and purchase prices and take account of production constraints. Carrefour also supports producers who are in the process of transitioning to organic farming through long-term contracts – lasting three to five years – which secure their investments through intermediate pricing arrangements between conventional and organic farming prices and offset the impact of lower productivity on their income. These contracts are offered in France, Romania and Taiwan. In 2021, Carrefour supported more than 1,300 new organic farmers, bringing the total to more than 3,500 organic farming partner producers.

In its stores, Carrefour aims to offer a selection of organic products matched to consumer demand. Under Carrefour-brand products and national brands, the Group continues to adapt its product offering by adding vegan and raw products for example. Carrefour is prioritising the elimination of plastic packaging in the Bio product range, while 80% of Carrefour Bio-brand packaging is already recyclable, reusable or compostable. Since 2018, Carrefour has been developing locally-grown organic fruit and vegetable ranges, including non-packaged produce. There are 1,200 Carrefour-brand Bio product references in France (Carrefour Bio, Nectar of Bio, Baby Bio), including the new Carrefour Bio range of grocery products (wholegrain pasta and fruit *purées*).

Carrefour is harnessing all store formats to achieve its ambition by developing specialised stores (Carrefour Bio, So.bio, Biomonde), showcasing organic products in general stores (aisles in hypermarkets dedicated to organic products, shop-in-shop in supermarkets, organic sections in convenience stores) and the creation of a benchmark omni-channel model for organic products (*Carrefour.fr*, Greenweez, Planeta Huerto, etc.). In 2020, Carrefour strengthened its network in this segment by acquiring Bioazur and Bio c' Bon. In 2021, the Group had 168 specialised organic stores in France. New organic sections have been opened in stores, bringing the total number of Bio Expérience areas in hypermarkets to 60 and the number of shop-in-shops in Carrefour Market stores to 166 at the end of 2021.

2. Promoting agroecology via Carrefour Quality Lines (CQLs)

Carrefour has a unique tool for developing agroecology: the Carrefour Quality Lines (CQLs). There are 651 CQL products worldwide, involving 25,173 producers and offering market-fresh produce that meets strict traceability, quality and taste criteria. The Group has prepared three-year contracts with partner producers who implement responsible methods such as crop rotation, soil-less crop production, and no post-harvest chemical treatment of fruit and vegetables, among others. Carrefour draws up strict product specifications with each producer covering

production methods as well as taste criteria and environmental protection obligations.

Carrefour supports its Carrefour Quality Lines suppliers by developing pilot crops and implementing progress plans to extend agroecological practices into various lines. The Group also encourages the exchange of best practices throughout the country through producer clubs and meetings.

In 2021, CQL product sales surpassed 1 billion euros and represented 7.2% of the Group's fresh product sales.

3. Providing financing solutions

Carrefour supports producers in their agricultural transition by providing different financing solutions:

- Carrefour's financing entities offer financial services to small- and medium-sized businesses, farmers and producers. For example, the French financing entity Finifac provides loans to help farmers transition to organic farming;
- in June 2019, Carrefour initiated the first CSR-linked credit transaction in the European Retail sector by teaming up with 21 partner banks to finance an investment structure dedicated to the food transition. In 2021, six projects were funded for a total of 1.1 million euros;
- thanks to Carrefour's crowdfunding platform *JeParticipe.carrefour.com*, launched in partnership with MiiMOSA in 2019, these agricultural food transition projects are being financed with the assistance of ordinary citizens through donation matching or interest-bearing loans. At the end of 2021, Carrefour had financed 172 projects with the support of some 18,000 contributors. Fourteen products are available under the Carrefour brand, and others under their own brand. Carrefour invested 1.5 million euros in 14 selected projects and over 5 million euros were raised in total;
- Carrefour also invested 5 million euros to support the food transition in partnership with the MiiMOSA crowdfunding platform, which launched a new debt fund. This investment is a follow-up to the investment structure dedicated to the food transition. This fund, which aims to reach 50 to 60 million euros, has already attracted 30 million euros. It focuses on 11 key aims: contributing to food safety and sovereignty, guaranteeing people's health, tackling climate change, protecting biodiversity, protecting natural resources, producing renewable energy, combating waste, ensuring animal welfare, contributing to regional development, providing decent working and living conditions and enhancing social cohesion. Through this investment, Carrefour became the fund's biggest private investor, providing 10% for loan-supported projects;
- the Carrefour Foundation supports organisations that promote agricultural practices such as agroecology, the transition to organic farming and urban agriculture. In 2021, 24 sustainable and solidarity-based agricultural projects were funded by the Foundation for a total amount of 2,715,450 euros (51.3% of the overall budget). In Romania, the Carrefour Foundation supports four local associations – Synerb Venture Catalyze Association, PACT, CMSC, and the Civitas Foundation – that help local farmers develop their labour. In Brazil, it supports IDH, which assists veal producers that respect forest resources. In this way, the Carrefour Foundation helps to create fair and steady compensation for producers.

Joint initiatives and partnerships

- Synerb Venture Catalyzer Association, Civitas, Civitas Foundation and PACT
- Cirad (a French agricultural research body focused on international cooperation)
- MiiMOSA
- Open Agri Food

+ Find out more

- [Carrefour.com: Employment at Carrefour and managerial transformation/CSR](#) (see the Employees section)
- [Carrefour.com: Guaranteeing ethical farming/CSR](#) (see the Business ethics and supply chains section)
- [Carrefour.com: Taking action to combat deforestation/CSR](#) (see the Biodiversity section)
- [Carrefour.com: Protecting biodiversity/CSR](#) (see the Biodiversity section)

2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials

Context and definition

The production of certain raw materials can have significant consequences for biodiversity (deforestation, environmental pollution, risks to species, etc.), and the globalisation of supply chains makes it difficult to monitor and trace them. However, everyone participating in these supply chains bears some responsibility and can work to improve the practices used to produce these raw materials. Civil society, which is increasingly aware of and informed about these issues, is asking them to do it. In fact, consumers are demanding more information, better quality products and greater transparency.

As a retailer, Carrefour has a role to play. The Company has categorised certain raw materials that come under close scrutiny as "sensitive": soy, palm oil, cotton, fishery products, etc. Carrefour's objective is to limit the impact that products sold in stores have on biodiversity by actively helping to improve agricultural practices, fishing and land use methods and manufacturing processes. To do so, Carrefour works in close cooperation with stakeholders such as NGOs and certification bodies, and is setting up systems that improve the traceability of certain products.

Policy and performance

This section presents the new targets set for the different types of sourcing and the progress achieved to date. In 2021, the targets were strengthened to reaffirm the Group's goal of combating deforestation and protecting land and marine biodiversity.

Key Performance Indicators ⁽¹⁾	2021	2020	Change	Target
Sensitive raw materials: progress made in rolling out action plans on sensitive raw materials (as a %)	53.6%	New		100% by 2025

(1) This composite indicator covers raw materials considered a priority in the fight against deforestation (palm oil, Brazilian beef, soy, cocoa and trader traceability), protection of fishery resources and sensitive raw materials for textiles (cotton, cashmere and viscose).

Tackling deforestation

Carrefour is committed to eliminating deforestation with respect to its at-risk supplies, promoting sustainable fishing and guaranteeing animal welfare in its production chains by adapting farming conditions.

As part of its "Zero Deforestation" policy, the Group has committed to the following targets:

1. **Palm oil:** 100% of palm oil and palm kernel oil used as an ingredient in Carrefour-brand products must be RSPO-certified under the "Segregated" system by 2022.
2. **Soy:** 100% of Carrefour Quality Lines and key Carrefour-brand products must use deforestation-free soy for livestock feed by 2025.
3. **Wood and paper:** 100% of paper and cardboard packaging for all certified products must comply with the sustainable forests policy by 2025.
4. **Brazilian beef:** 100% of suppliers are geo-monitored and compliant with the forest policy or committed to ambitious policies to combat deforestation by 2025. Scope: direct suppliers of fresh, frozen and processed meat, distributors and warehouses.
5. **Cocoa:** 100% of Carrefour-brand chocolate bars must comply with our Sustainable Cocoa Charter by 2023 (in France, Belgium, Spain and Italy).
6. **Traceability and assessment of traders:** 100% of key traders (intermediaries trading in agricultural commodities near the beginning of the supply chain) must be assessed and be making progress towards complying with the forest policy (palm oil, soy, wood and paper, Brazilian beef, cocoa) by 2025.
7. **Textiles:** 100% of wood fibres (i.e., viscose, modal and lyocell fibres) used in our TEX products must be deforestation-free by 2023.

Indicator – Palm oil ⁽²⁾	2021	2020	Change	Target
Proportion of palm oil used in controlled products that is certified sustainable and fully traced (RSPO-certified under the "Segregated" system)	79.2%	54.6%	+24.6 pts	100% by end-2022
Proportion of palm oil used in regulated products that is certified to RSPO or equivalent standards	99.4%	86.2%	+13.2 pts	-

(2) Calculated based on weight of raw material contained in the products. Scope: 100% of 2021 consolidated gross sales. Non-comparable BUs (RO excluded in 2020).

Comments on 2021 performance. Significant work was done in 2021 to ensure almost all (99.4%) of the palm oil used in Carrefour-brand products was RSPO-certified (Segregated or Mass Balance). In addition, the 2021 objective for palm oil to

be certified sustainable and fully traced has almost been achieved. The Group is therefore on track to meet its final target of 100% by 2022.

Indicator – Wood and paper	2021	2020	Change	Target
Proportion of paper and cardboard packaging for all certified products that comply with our zero deforestation forest policy	Reporting methodology currently under development			100% by 2025
Sales of Carrefour PEFC and FSC products (in millions of euros) ⁽³⁾	545	534	+2%	
Proportion of Carrefour own-brand products in ten priority categories sourced from sustainable forests (as a %) ⁽⁴⁾	79.5%	70.2%	+9.3 pts	100%

(3) Scope: 90% of 2021 consolidated gross sales. Non-comparable BUs (RO FSC incl. in 2021 and IT & AR FSC excl. in 2021).

(4) Scope: 100% of 2021 consolidated gross sales. Non-comparable BUs (RO included in 2021).

Comments on 2021 performance. The Group is continuing to roll out its sustainable forest policy across all ten of its priority product families containing wood or paper (such as toilet paper and wood furniture) in every country where the

Group operates. Furthermore, Carrefour is working on developing a reporting methodology for compliant cardboard packaging.

Indicator – Brazilian beef ⁽⁵⁾	2021	2020	Change	Target
Percentage of Brazilian beef suppliers that are geo-monitored and comply with our forest policy or are committed to an ambitious policy to combat deforestation	86.9%	72%	+14.9%	100% by 2025

(5) Scope: Carrefour Brazil and Atacadão. Direct suppliers of fresh, frozen and processed meat, distributors and warehouses.

Comments on 2021 performance. Carrefour Brazil achieved its 2020 target, with 100% of fresh and frozen meat suppliers geo-monitored. In 2021, Carrefour expanded geo-monitoring of its Brazilian beef supply chain for Atacadão in Brazil. This means that Carrefour Brazil and

Atacadão use geo-referencing to monitor more than 40,000 farms. The sustainable beef policy was strengthened by introducing action plans for indirect suppliers (see Section 2.2.4).

Indicator – Soy ⁽⁶⁾	2021	2020	Change	Target
Percentage of Carrefour Quality Lines and other key Carrefour-brand products that use zero-deforestation soy as animal feed	2.9%	New	-	100% by 2025

(6) Carrefour Quality Lines products and key Carrefour-brand products (excluding discount and no-name products): the following unprocessed fresh or frozen products (excluding deli meats) – chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat. Scope: France only. 54.1% of 2021 consolidated gross sales.

Indicator – Cocoa ⁽⁷⁾	2021	2020	Change	Target
Percentage of Carrefour-brand chocolate bars that comply with our Sustainable Cocoa Charter	30.8%	New	-	100% by 2023

(7) Scope: BE, ES, FR, IT, PO. 83% of 2021 consolidated gross sales.

Comments on 2021 performance. In 2021, Carrefour defined sourcing criteria for zero deforestation soy and a Sustainable Cocoa Charter for its chocolate bars. For the first time, Carrefour France reported the percentage of its key products that use zero-deforestation soy. This measure will be rolled out to all countries in 2022.

Comments on 2021 performance. The Group is also reporting for the first time the proportion of cocoa mass used for chocolate bars sold in Belgium, France, Italy and Spain that complies with our Sustainable Cocoa Charter.

Indicator – Traceability and assessment of traders ⁽⁸⁾	2021	2020	2025 target
Traceability and assessment of traders: 100% of key traders assessed by 2025	100%	New	100%
Traceability and assessment of traders: 100% of key traders making progress towards complying with our policy by 2025	Assessed based on 2021 data		100%

(8) Traders: intermediaries trading in agricultural raw materials near the beginning of the supply chain.

Comments on 2021 performance. Work on traceability has been initiated to identify intermediaries trading in at-risk raw materials near the beginning of the Group's supply chain. Carrefour worked with the Consumer Goods Forum to define an anti-deforestation policy assessment methodology for traders in its supply chains. In 2021, 35 traders were assessed.

Protecting fishery resources

Targets for end-2025:

Carrefour was even more ambitious in the area of the sustainable fishing in 2020 and announced a new target. The Group is now including national brand products for all sections within the scope of its commitment and aims to ensure that 50% of all fish sold must come from sustainable sources by 2025.

Key Performance Indicators	2021	2020	Change	Target
Percentage of sales of fishery and aquaculture products, Carrefour-brand products, and national brands produced using sustainable practices ⁽¹⁾	34.7%	New	-	50% by 2025
Percentage of sales of Carrefour-brand fishery and aquaculture products produced using sustainable practices ⁽²⁾	52.9%	47.9%	+5 pts	

(1) Scope: 100% of 2021 consolidated gross sales. Sustainable fish sales comprise fish certified as organic, MSC, ASC or from Carrefour Quality Lines, as well as fish sold under other responsible programmes. This ratio includes:

- ° all controlled products sourced from fishing or aquaculture;
- ° all national brand products across all product categories sourced from fishing or aquaculture (scope extended in 2021).

(2) Scope: Non-comparable BUs. RO excluded in 2020. 100% of 2021 consolidated gross sales.

Developing more sustainable textile supply channels

In 2021, the Group committed to ensuring that 100% of its natural raw materials for textiles (cotton, wood fibre, cashmere and wool) is sourced from suppliers that comply with its TEX sustainability policy by 2025.

Key Performance Indicators	2021	2020	Target
Percentage of natural raw materials for textiles that comply with our TEX sustainability policy	41.6%	New	100% in 2025
Percentage of TEX products made with organic cotton	18%	New	50% in 2025
Percentage of wood-derived fibres in our TEX products that are deforestation-free	40%	New	100% in 2023
Percentage of the wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems	New	New	100% in 2025
Percentage of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification	100%	-	100% in 2021

Action plans

Carrefour has established social and environmental compliance guidelines for its retail and non-retail purchases (see Section 2.1.5). These rules apply to all controlled products purchased in all the Group's countries, and may also apply to national brand products as appropriate. The Group has created a list of sensitive raw materials that must be covered by action plans by 2025. In 2021, a number of raw materials were included in the CSR index and were the focus of specific action plans, i.e., palm oil, fish and seafood, Brazilian beef, soy, cocoa, cotton, wool, cashmere and viscose.

Specific raw materials purchasing rules are drawn up in concertation with the stakeholders (i.e., experts, NGOs, customers, suppliers, public authorities, etc.). Comprehensive objectives and action plans are devised, deployed and monitored by a dedicated project management team. The purchasing rules for the food transition – including purchasing objectives and criteria for at-risk raw materials – were updated in 2021 and circulated to all countries. Training courses were organised for

the Merchandise and Quality departments and the actions put in place are brought to the attention of consumers.

1. Tackling deforestation

To step up the Group's commitment to forests and help drive systemic changes with all market stakeholders, Alexandre Bompard now co-leads the Consumer Goods Forum's Forest Positive Coalition of Action, bringing together 20 companies who are eliminating deforestation in their supply chains through concrete measures such as jointly assessing traders' policies and the degree to which they are implemented. The coalition uses these assessments to get traders to apply measures to combat deforestation across their own supply lines. For individual traders, these assessments can serve as a basis for dialogue and specific trade measures. This process has already been adopted for soy and palm oil. Carrefour is currently working on implementing a similar approach for beef.

MONITORING DEPLOYMENT

Material	Key issue	Solution deployed/identified
Palm oil	Impact on biodiversity and land use. Social development. Working conditions.	Group-level purchasing policy and rules devised for products containing palm oil: the sourcing of palm oil complies with RSPO certification requirements. Collective involvement of traders in the CGF and factoring outcomes into purchasing decisions.
Brazilian beef	Impact on biodiversity and land use. Contribution to global warming.	Geo-referencing platform that maps the location of beef suppliers, including tier 1 suppliers (slaughterhouses) and tier 2 supplier farms. Pilot project to monitor indirect suppliers. Collective involvement of traders in the CGF and factoring outcomes into purchasing decisions. Investment in landscape approach projects to ensure full traceability from calf production to stores. Initiatives to educate and encourage Brazilian retailers to implement the unified <i>boi na linha</i> protocol (https://www.boinalinha.org/) to monitor the beef supply chain across Brazil.
Wood and paper	Impact on biodiversity and land use.	Group-level purchasing policy and rules provide for the use of FSC and PEFC or recycled wood and paper, or the performance of specific audits based on level of risk. This policy applies to ten priority ⁽¹⁾ product categories that account for more than 80% of wood and paper supplies and for any development or replacement of packaging. Paper for commercial publications is FSC- or PEFC-certified, or recycled.
Cotton	Impact on biodiversity and land use. Local pollution linked to pesticides. Water consumption. Social development. Working conditions.	Prohibiting sourcing from Uzbekistan and Turkmenistan. Developing 100% traced organic cotton lines in India (see case study in Section 2.1.5.3 Tracing production channels and communicating transparently). Developing blockchain technology for baby products and household linens to provide consumers with full farm-to-store traceability via QR code.
Soy	Impact on biodiversity and land use. Local pollution.	Certification (ProTerra) and development of local livestock feed chains that guarantee zero deforestation in all countries. Participation in local initiatives such as <i>Moratoire amazonien sur le soja</i> and Cerrado Manifesto. Signing of a Soy Manifesto by French industry players, insertion of a non-conversion/non-deforestation clauses into agreements with key suppliers. Collective involvement of traders in the CGF and factoring outcomes into purchasing decisions.
Cocoa	Impact on biodiversity and land use. Sensitivity to global warming. Social development. Working conditions.	<i>Transparence Cacao</i> programme for Carrefour chocolate bars (Carrefour Sélection & Carrefour Bio products) in France. Definition of a Cocoa Commitment Charter that applies to all suppliers of Carrefour-brand chocolate bars, with a focus on combating deforestation, ensuring no child labour is used and securing better compensation. In 2019, Carrefour joined the Retailer Cocoa Collaboration to participate in a dialogue between retailers and cocoa suppliers, allowing for the collective involvement of traders and for outcomes to be factored into purchasing decisions. In 2021, Carrefour joined the French Sustainable Cocoa Initiative, which brings together public authorities, NGOs, the <i>Syndicat du chocolat</i> (French chocolate trade union), traders and scientists to develop a sustainable cocoa supply chain.
Bananas	Impact on biodiversity and land use. Sensitivity to global warming. Social development. Working conditions.	Development of agroecological and organic fair trade solutions. Investment in a field project in Peru for Carrefour-brand organic fair trade bananas with Max Havelaar.

(1) The ten priority controlled product families identified for G4 by the French teams are: toilet paper; paper towels; printing paper; nappies; handkerchiefs; exercise books and notebooks; paper sheets; paper napkins and tablecloths; charcoal; incontinence and feminine sanitary towels; wooden furniture.

2. Protecting fishery resources

Carrefour began its responsible fishing range in 2005. In 2018, it committed to fielding the widest range of sustainably sourced fish on the market by 2022. To achieve this target, the Group committed to sustainably sourcing 50% of its fish by 2025 (Carrefour brands and national brands for fresh products).

With this in mind, Carrefour works closely with producers and other players in the sector on the following points:

- favouring the more abundant species, products certified by MSC as being from sustainable sources, and fishing techniques having the least impact on ecosystems. Carrefour has also stopped selling vulnerable species;

- supporting the development of responsible aquaculture practices through the promotion of best practices (limiting industrial fishing, banning the use of antibiotics and, if applicable, practising GMO-free feeding) and greater emphasis on ASC-certified products;

- supporting local sustainable fishing through local partnerships;

- highlighting a broad range of sustainably sourced seafood products in-store;

- promoting the combat against illegal fishing.

MONITORING DEPLOYMENT

Material	Key issue	Solution deployed/identified
Fish and seafood	Impact on biodiversity. Working conditions.	Group-wide shared purchasing policy and rules are in place for fishery and aquaculture products: a range of solutions are used, including BIO, MSC, ASC, Carrefour Quality Lines and other responsible approaches (e.g., small-scale fishing, fishing techniques that respect the marine environment, and alternatives to using fishmeal in aquaculture fish feed).

3. Developing more sustainable textile supply channels

In 2019, Carrefour became a signatory of the Fashion Pact, a global coalition of 56 companies representing approximately 250 brands in the fashion and textile industry. The Fashion Pact's goals are focused on three areas:

- stopping global warming (reducing CO₂ emissions);
- restoring ecosystems and protecting key species (by promoting sustainable supply chains: organic cotton, sustainable cellulose fibre, animal fibres that respect animal welfare, and land conservation);

- protecting the oceans (phasing out single-use plastics, reducing microplastic pollution).

Carrefour plans to achieve these objectives through two major initiatives:

- responsible production of agricultural raw materials;
- and plans for monitoring, assessing and improving the environmental performance of its suppliers.

MONITORING DEPLOYMENT

Material	Key issue	Solution deployed/identified
Textiles: wool, cashmere	Animal welfare. Impact on biodiversity and land use.	Traceable supply lines, ensuring improved farming conditions and soil recovery.
Textiles: recycled polyester	Local pollution.	Recycled material incorporated into the product manufacturing process.
Textiles: viscose	Impact on biodiversity and land use.	Wood fibres used in FSC-certified products.

Joint initiatives and partnerships

- Consumer Goods Forum
- Round Table for Sustainable Palm Oil
- Marine Stewardship Council
- Retailer Cocoa Collaboration
- WWF France

+ Find out more

- *Carrefour.com*: [Protecting biodiversity/CSR](#) (see the Biodiversity section)
- *Carrefour.com*: [Ensuring animal welfare/CSR](#) (see the Business ethics and supply chains section)
- *Carrefour.com*: [Taking action to combat deforestation/CSR](#) (see the Biodiversity section)

2.1.2.4 Developing ecodesign and a circular economy for plastic packaging

Context and definition

More than 350 million tonnes of plastic are produced each year worldwide, with 40% for packaging. And the figure is constantly on the rise. Plastics are harmful to the environment and to biodiversity. Ineffective collection and recycling infrastructure in many countries can lead to plastic waste "leaks" into the environment, where it remains unprocessed. From there it can be carried away by winds and currents, and end up contaminating marine environments. It is estimated that around 250 kg of plastics⁽¹⁾ enter the world's oceans every second. This plastic waste will have various impacts on biodiversity: ingestion, pollution from its components (pesticides, lead, heavy metals, etc.), transport of invasive species that cling to it, etc.

The use of plastics is closely linked to the boom in large-scale retail: they solve transport, preservation and food safety issues. Consequently, the retail sector has a key role to play in changing practices and meeting the expectations of its consumers, who are increasingly well-informed about environmental issues. With this in mind, Carrefour wishes to spearhead the sector's transition towards a more reasonable, measured and conscious consumption of the packaging in its stores and used for its products. It aims to do so by working alongside its rivals to promote the ecodesign innovations of product and packaging suppliers, raising consumer

awareness on the matter, and partnering with NGOs in the field.

In 2018, nearly 800 suppliers⁽²⁾ of Carrefour-brand products were assessed for the first time. This gave a rough idea of how much packaging is used for these products: 123,000 tonnes of Carrefour-brand packaging were 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 metal and 4,500 tonnes of paper. Carrefour has decided to act at all levels of its value chain to limit the use of plastic and encourage people to reduce, reuse and recycle packages. It calls upon its ecosystem of suppliers, customers and NGOs to help it achieve these goals.

Consumers are getting behind the efforts undertaken: according to a comparative study by Alkemics OpinionWay, although the health crisis has resulted in a slight decline in the relative importance accorded to this issue, it still remains highly relevant and topical. Despite the impact of the health crisis, customers continue to express a preference for recyclable or even reusable packaging across many categories of food products.

Policy and performance

In 2019, the Carrefour group was a founding signatory of France's National Pact on Plastic Packaging. Then, in March 2020, it joined the European Plastics Pact, which brings together governments and companies that are pioneers in reusing and recycling single-use plastic products and packaging. With this in mind, in July 2021, the Group reaffirmed the targets set in 2017 for the year 2025: to reduce packaging by 20,000 tonnes (replacing the initial objective of

10,000 tonnes for the same time period), to incorporate recycled plastic into 30% of packaging, and to ensure that all Carrefour-brand packaging is reusable, recyclable or compostable. Carrefour's policy therefore seeks to reduce the quantity of packaging it places on the market as well to improve the use and ultimate disposal of the packaging that remains necessary, by guaranteeing, for example, its re-use or recycling.

Key Performance Indicators	2021	2020	Change	Target
Cumulative reduction of packaging since 2017 (in tonnes)	11,068	6,212	+78%	20,000 tonnes in 2025
Percentage of Carrefour-brand packaging that is reusable, recyclable or compostable ⁽¹⁾	46%	44%		100% in 2025
Percentage of Carrefour-brand packaging that uses recycled plastic	Reporting methodology currently under development			30% in 2025
Number of reusable packaging solutions (e.g., Loop project)	43	25	+72%	1,000 in 2025
Number of stores equipped with a reusable packaging system	Reporting methodology currently under development			500 in 2025
Number of "Bulk" experiences	Reporting methodology currently under development			50 in 2025

(1) Scope: France only. 54% of 2021 consolidated gross sales. Comparable BUs.

Comments on 2021 performance. Carrefour is ahead of schedule regarding its targets for reducing the amount of packaging that it puts on the market, with significantly more progress made in all Group countries in 2021. Carrefour is also publishing, for the first time, the percentage of its packaging that is reusable, recyclable or compostable in France. The reporting methodology will be implemented in other Group countries.

Carrefour has achieved its target of 80% of recyclable packaging for its own-brand organic products. Carrefour Bio fruit and vegetables are the target of a specific goal, which is to remove the plastic packaging (whether entirely plastic or partially plastic) from 90% of product references in France by the end of 2021.

(1) Surfrider Foundation.

(2) "Les Français et la réduction des emballages", March and November 2020, Alkemics OpinionWay.

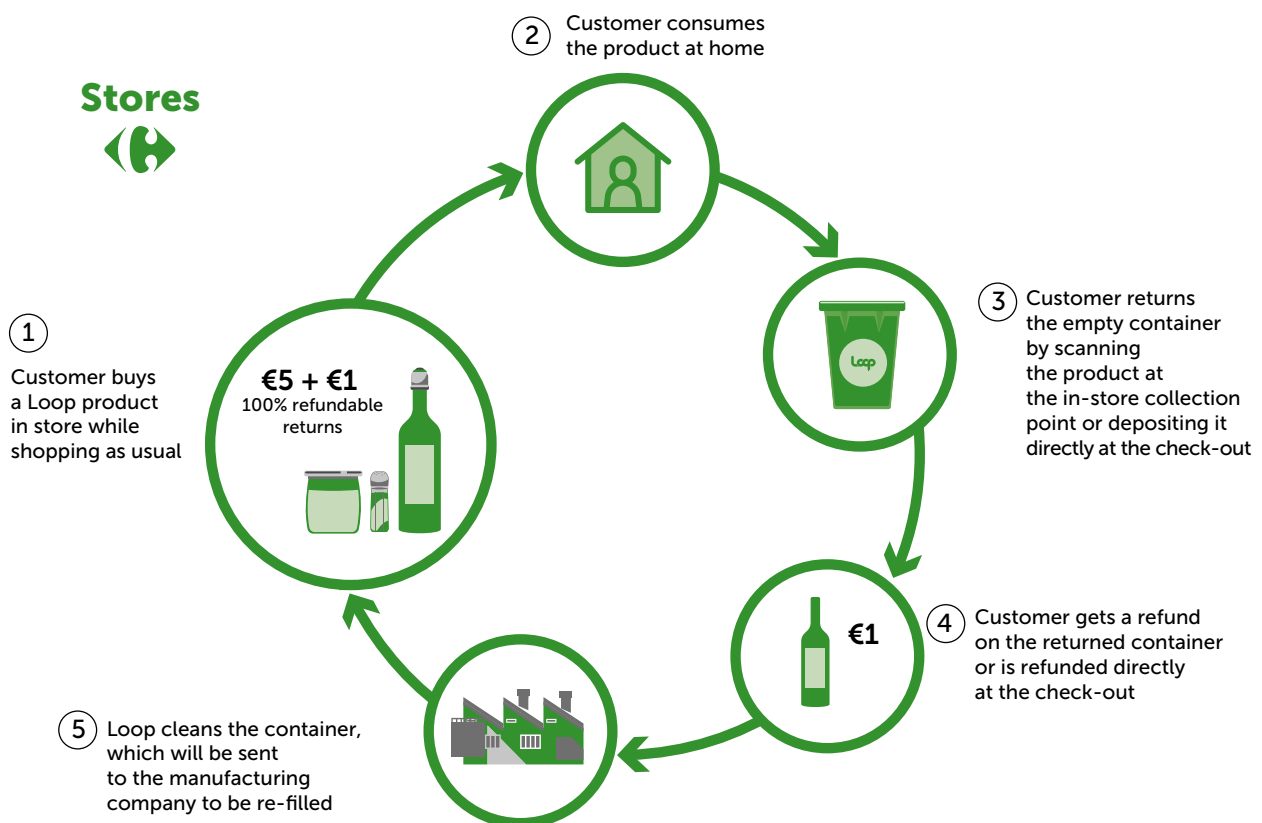
Action plans

Carrefour's commitments in each country form the basis for action plans with the following focuses:

1. Transform the customer experience by developing reusable packaging solutions

Reusable packaging solutions in all formats appear in stores: Carrefour was the first retailer to introduce a "bring your own container" campaign in all European countries, where customers would be able to use their own containers for products bought at traditional foodstuff sections: fish & seafood, meats, delicatessen, etc. In France, all bio-plastic bags have been removed from store shelves and replaced by brown paper bags and reusable organic cotton bags. Carrefour is also developing

e-commerce solutions to promote reusable packaging solutions. A short, circular-economy loop has been set up for all home delivery bags used by *Carrefour.fr*: over 600,000 bags per year are recovered and reused. With TerraCycle, Carrefour launched Loop by Carrefour in 2019, making the Group one of the first French retailers to introduce a returnable packaging solution in partnership with Loop. Loop is a system of returnable long-life containers that helps cut down on single-use packaging. It included around 43 product references at end-2021. This initiative was also introduced into stores in October 2020 and consumers are now able to return containers for certain products in seven Paris convenience stores. In 2021, this initiative was extended to the Montesson hypermarket near Paris and to 10 new convenience stores, thus raising to 20 the number of stores using the Loop returnable service.



2. Reducing and eliminating plastic packaging in stores by adopting a customer perspective

Carrefour has established a number of priorities based on in-store surveys conducted in France and Spain to identify customers' main concerns. Bio-plastic bags were replaced with brown paper bags for all organic fruit and vegetables in various French hypermarkets and the Group continues its drive to replace packaging with recyclable alternatives. These changes helped achieve annual reductions of 32 tonnes for organic bananas (substituting ribbons and labels), as well as reducing

plastic by 171 tonnes by using less virgin plastic in bottles of dishwashing liquid.

Priority is given to non-packaged items in all Carrefour organic produce formats and sections. There are already 149 product references available in non-packaged form in France. Plastic-free packaging is being tested in the Group's in-store bakeries. Carrefour is also working to reduce over-packaging of products on special offer and individually-wrapped portions. Electronic item packaging was reduced (light bulb packaging has been reduced by over 350 tonnes since 2019) and 45 less tonnes of plastic were used to package stationery items in 2020.

3. Ensuring the recyclability of packaging and making it easier for consumers to collect and sort

Ecodesign initiatives are being rolled out in all countries to make packaging more recyclable. In Brazil, a packaging recyclability index has been introduced. All Carrefour own-brand suppliers underwent a recyclability diagnostic in 2019, resulting in the replacement of non-recyclable packaging for more than 5.4 million products. To promote this initiative among consumers, a specific logo identifies all recycled, recyclable, reusable and compostable products. Since January 2019, Carrefour in France has been backing the launch of (RE)SET, a packaging innovation accelerator working on new complex formats for biscuits, salads, etc.

Carrefour works with customers to improve collection and sorting. Due to the positive results achieved, two additional RVMs (Reverse Vending Machines) have been installed in the Chartres and Rambouillet stores.

The Group is also getting its suppliers involved in the Food Transition Pact network, which provides a platform for sharing best practices and new opportunities for working together. Participating suppliers sign up to an action plan that includes eliminating unnecessary packaging, reducing packaging volumes and providing clear information about recycling. In 2021, 114 suppliers were members of the pact, including 38 international suppliers representing 30% of the Group's FMCG turnover.

Finally, as part of the National Pact on Plastic Packaging, the Group is working with other companies to collectively think about how to use less plastic and innovate to develop a circular economy. A consensus emerged within Pact members that plastic should never become waste. To meet this goal, companies have made the following commitments:

- eliminate all problematic or redundant packaging;
- develop non-packaging and reusability solutions;
- ecodesign and recyclability;
- accelerate recycling;
- include recycled plastic;
- develop innovative solutions.

To meet the requirements of the National Pact on Plastic Packaging, the Group has increased the number of initiatives that limit the use of plastic. For example, in July 2020 Carrefour Bio started selling a range of unsweetened nectars packaged in bottles made entirely of recycled plastic.

4. Include more recycled materials in Carrefour-brand product packaging

50% of plastic used for Carrefour-brand water bottles will be recycled by 2022 in France.

5. Eliminating polystyrene from our packaging in France

In 2021, Carrefour and other members of the National Pact on Plastic Packaging made several commitments regarding polystyrene, which the National Pact on Plastic Packaging categorises as a raw material under review. In particular, the decision was made to maintain the ban on polystyrene foam, suspend all development of industrial polystyrene packaging production capacity, assess the implementation of a credible recycling trajectory that is in line with 2025 targets and gradually stop using polystyrene packaging until it is phased out in 2025.

Joint initiatives and partnerships

- Global Declaration on Plastics & New Plastics Economy: signed in December 2018
- National pact on plastic packaging for 2025: founding signatory in 2019
- (RE)SET: innovation accelerator on replacements for problematic packaging standards (non-recyclable plastics, nomad packaging, etc.)
- Loop: launch of the Loop by Carrefour project in cooperation with Carrefour own-brand and national brand suppliers

+ Find out more

- *Carrefour.com*: [Protecting biodiversity/CSR](#) (see the Biodiversity section)
- New plastics economy: <https://www.ellenmacarthurfoundation.org/our-work/activities/new-plastics-economy>
- National pact on plastic packaging (in French only): https://www.ecologique-solidaire.gouv.fr/sites/default/files/2019.02.21_Pacte_National_emballages_plastiques.pdf

1

2

3

4

5

6

7

8

9

2.1.2.5 Limiting the environmental impact of our plants

Context and definition

Carrefour's sites (stores and warehouses) impact biodiversity in various ways throughout their life cycle, including: GHG emissions, water consumption, waste generation, food waste, pollution generated by transport to and from the sites, soil artificialisation, and more. Limiting these impacts involves anticipating them and trying to minimise them from initial design through to everyday operation.

With 1,130 hypermarkets, 3,754 supermarkets, 8,642 convenience stores, 440 cash & carries and 139 warehouses (including 15 dedicated to serving the online business) and

logistics hubs worldwide, Carrefour is committed to limiting the impact of its buildings on their ecosystem even more than existing regulations require.

Consequently, each site can play its part by working with regional stakeholders to take biodiversity-positive actions that are appropriate for its geographic location. This includes ecodesigning its buildings and renovating them to be more sustainable, taking action to reduce waste (including food waste), managing water consumption and implementing measures to reduce the pollution associated with buildings.

Policy and performance

Carrefour targets minimum waste production and recovery of 100% of store waste by 2025. It also aims to reduce food waste in 2025 by 50% compared to 2016.

Key Performance Indicators	2021	2020	Change	Target
Proportion of hypermarket and supermarket waste recovered ⁽¹⁾	68.2%	66.2%	+2 pts	100% in 2025
Percentage of food waste recovered (by weight) ⁽¹⁾	53.2%	57.4%	-4.2 pts	
Reduction in food waste since 2016 (in kg/sq.m.)	-30.7%	-28.7%	-2 pts	-50% by 2025

(1) Scope: Excl. ES (SM, PRX, C&C), IT (C&C), BE (HM, SM), & TW (HM, SM). Non-comparable BUs (90.2% of 2021 consolidated gross sales). Including warehouse data for Atacado.

Indicator	2021	2020	Change	Target
Total waste (in thousands of tonnes) ⁽¹⁾	672	729	-7.8%	-

(1) Scope: Excl. IT. Non-comparable BUs (93.6% of 2021 consolidated gross sales vs. 96.1% in 2020).

Carrefour's policy is focused on promoting responsible water use, seeking to reduce water consumption and impacts upstream, as well as in its operations and downstream. It focuses on the direct impacts of its business operations as

well as the indirect impacts linked to products sold in stores. In particular, Carrefour is working to reduce water consumption per sq.m. of sales area.

Indicators	2021	2020	Change
Water consumption per sq.m. of sales area (in cu.m./sq.m.)	1.39	1.38	0.1%
Amount of water consumed (in millions of cu.m.) ⁽¹⁾	13.9	12.9	7.8%

(1) Scope: Non-comparable BUs (100% of 2021 consolidated gross sales vs. 99% of 2020 consolidated gross sales – RO SM).

In France, Spain and Italy, all new shopping centre constructions and expansions larger than 1,000 sq.m. are BREEAM (Building Research Establishment Environmental Assessment Method) certified. BREEAM In-use certification

has been rolled out across 75% of sites, meaning that Carrefour's objective was achieved a year ahead of schedule. BREEAM In-Use certification is renewed annually by audit.

Indicators	2021	2020	2019	Change	Target
Projects certified to BREEAM New Construction standards (in %) ⁽¹⁾	100%	100%	100%	-	100%
Sites certified to BREEAM In-Use standards (in % by value) ⁽¹⁾	90.6%	86%	60%	4.6 pts	
• o/w Very Good (in % by value)	57%	75%	87%	-18 pts	
• o/w Good (in % by value)	30%	25%	13%	5 pts	75% by end of 2021

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

Action plans

1. Manage waste and prevent food waste

In collaboration with its suppliers, Carrefour works to cut down the production of waste packaging and point-of-sale advertising materials at each store. This involves encouraging waste sorting and recovery through innovative solutions such as joint collection rounds and biomethane and compost production from organic waste.

Carrefour's global strategy includes participating in the development of sorting and recovery processes in countries where these are covered by official regulations. This involves joint work on the recovery of cardboard, plastic, organic waste and wood, the aim being to transform the constraint of waste management into financial opportunity. In countries without regulations on the matter, Carrefour takes part in developing these kinds of structures.

At the global level, nearly a third of gross agricultural production is wasted or lost before consumption⁽¹⁾. According to ADEME (French Environment & Energy Management Agency), the French retail sector accounts for 14% of losses and waste by weight⁽²⁾. Aside from the related ethical and economic issues, this wasted food, which is produced, processed, packaged and transported before ultimately being thrown away, affects the environment in several ways. These include the five main drivers of biodiversity loss, since producing these products contributed to:

- the use of agricultural land resulting in land artificialisation, habitat degradation and fragmentation, soil degradation and loss of soil function and biodiversity (1.4 billion hectares of land, or 30% of the world's agricultural land⁽³⁾);
- overexploitation of biological resources (e.g., 250 cu.km. of water, i.e., three times the volume of Lake Geneva);
- environmental pollution, such as from nitrogen and phosphorus used in agriculture or air pollutants emitted at various stages;
- the spread of invasive alien species, especially for products transported over long distances.

Moreover, due to its position at the end of the food value chain and as a retailer, Carrefour has a significant role to play in combating food waste (See also Section 2.3.1.4 Combating food waste). When a food product is wasted, all of the earlier stages (agricultural production, storage, processing, packaging and transport) and their corresponding environmental impacts can be considered wasted as well. In addition to reducing food waste on its own sites, Carrefour can help reduce food waste at other stages of the value chain, especially with its suppliers. For example, it can suggest solutions for products that do not meet specifications for reasons unrelated to taste quality (size, differences between batches, colour, etc.)

Country-specific initiatives

- France: Carrefour France has set up a virtuous-circle system involving new biomethane delivery vehicles and service stations to locally convert stores' organic waste into fuel.

2. Saving water

Carrefour conducted an analysis of water consumption issues, including direct and indirect depletion, direct and indirect discharge of organic materials, pesticides, industrial discharge, soil sealing, changes in land use, deforestation. In 2021, Carrefour updated an analysis of the physical water-related risks for all of its sites. An analysis of the water impact of the Group's supplies has also been carried out to assess the risks associated with the products sold by the Group. This enabled the Group to set priorities and draw up action plans designed to limit the water footprint and impacts of its products and business operations.

The Clean Water project is a good example of an action plan deployed in sourcing operations. This worldwide programme aims to identify the main global and regional environmental risks for the textile industries, and to raise awareness, train and monitor suppliers in the management and efficiency of processes that consume water and chemical products.

Carrefour Quality Lines products are produced using enlightened sustainable farming practices that comply with agroecology principles. Reducing water consumption is therefore both a production criterion and a quality driver.

Stores are gradually phasing in solutions to reduce their water consumption, including precise monitoring (with dedicated meters), and new solutions. Given the nature of their business, stores do not produce heavily polluted wastewater. Nevertheless, wastewater treatment and recycling systems have been introduced in some countries.

Country-specific initiatives

- Spain: due to potential water shortages, an action plan to anticipate the consequences of potential regulations has been deployed in all hypermarkets and is in the process of being extended to the supermarkets, representing 297 sites or 51% of all Spanish sites.
- Brazil: to improve management of water consumption under current conditions of growing water scarcity in the country, Carrefour Brazil conducts online monitoring of water consumption at all its stores and has started work on upgrading its water supply lines.

3. Protect biodiversity on our retail sites

With regard to the real estate business of Carrefour Property and Carmila in France, Italy and Spain, the Group has introduced a sustainable construction policy aligned with BREEAM Construction certification standards, to ensure that buildings are designed and built in a commitment to safeguarding the environment, occupant health and safety, and preserving biodiversity. Store architecture is planned from the outset to optimise energy consumption (through the use of natural materials and renewable energies) and ensure unobtrusive integration in the natural or urban environment. On each shopping mall construction and renovation project, measures are taken to encourage shoppers to use environment-friendly transport solutions: agreements with bus companies on additional stops, provision of car-share areas, electric vehicle charging stations, etc. Special provisions are made for local wildlife, with the provision of habitats for insects and birds. Ecological balance is also sought in the choice of plants. All companies working on construction sites for Carrefour stores have signed the Green Site Charter. Service stations managed by the Group are equipped with systems for preventing environmental risks and odours. In addition, a precise log of incoming and outgoing fuel volumes is kept to minimise the risk of fuel leakage.

(1) FAO, 2011, Global food losses and food waste – Extent, causes and prevention, Rome.

(2) ADEME, 2016, Food losses and waste – Inventory and management at each stage in the food chain.

(3) FAO, 2013, Food wastage footprint – Impact on natural resources – Summary report.

A Biodiversity Charter was drawn up for all operational sites in the summer of 2020. It proposes solutions for developing biodiversity at shopping centres by focusing on four aspects:

- improving knowledge of local biodiversity and managing green spaces;
- developing on-site biodiversity;
- managing green spaces with an ecological mindset and limiting the impact of business operations on biodiversity;
- raising awareness, communicating and showcasing initiatives.

Joint initiatives and partnerships⁽¹⁾

- Opening of a biomethane station in Cestas (33), with *Planète Végétal*
- Too Good To Go pact: bringing together industry, retail, NGOs, trade organisations and digital operators in the fight against food waste

+ Find out more

- *Carrefour.com*: [Protecting biodiversity/CSR](#) (see the Biodiversity section)

2.1.2.6 Case studies in 2021

Creation of two new French organic lines

For more than 30 years, Carrefour has been supporting French producers, helping them to develop their organic farming activities and ensuring their long-term existence. The banner signs renewable multi-party contracts with them that commit to a specific volume of raw materials and finished products for at least three years. At the Tech&Bio International Trade Fair in Bourg-lès-Valence in September 2021, the Group signed two new partnerships that reaffirm its support for France's organic sector. The first covers the organic milling wheat/flour/precooked bread product line with Bionatis, Moulin Marion and Envisol for four products: organic loaf, organic seed baguette, organic baguette and quinoa baguette with a target of 960 tonnes in 2022. The second is for the Provence Broccoli product line with the EARL les Demoiselles for a volume of 100 tonnes. At the same time, Carrefour renewed its commitments to the beef product line with UNEBIO (the union of organic livestock farmers) with a target volume of 9,500 steers in 2024. It is also continuing its partnership with the Permanent Assembly of Chambers of Agriculture to develop local, regional and national organic agricultural product lines and product lines that are organic or in the process of switching to organic farming methods. Thanks to these new agreements, Carrefour now supports more than 3,000 organic producers through its product lines.

Promotion of sustainable second-hand textiles and TEX Recycled

Carrefour is committed to offering its customers more responsible and sustainable fashion, and ensures its TEX-brand products are environmentally friendly throughout their life cycle. The Group guarantees the brand's transparency, while also making sure that the materials it uses are sustainable and the environmental impact of its supply chain and packaging is reduced. Its goal is for 100% of the natural raw materials in its textile products be sustainable and traceable by 2030. The TEX brand prioritises the use of recycled materials in manufacturing its products and is committed to using more water- and energy-efficient processes that generate less pollution, particularly for all its denim product lines. All wood-derived fibres (such as viscose) used in TEX products will be deforestation-free by 2023. To commemorate World Recycling Day on

May 17, 2021, Carrefour Argentina presented its new "TEX Recycled" line made from recycled raw materials, which offers its customers an opportunity to consume more responsibly. All hypermarkets in the country offer "TEX Recycled" underwear, blouses and jackets made from recycled polyamide and polyester at very competitive prices. Meanwhile, Carrefour Spain promoted the circular economy with shop-in-shops featuring second-hand goods in its Madrid and Barcelona stores. These shop-in-shops were run with Patapam, a local second-hand clothing business. They sold more than 4,000 items of second-hand clothing for infants, children, women and men between the summer and the end of October 2021, while complying with mandatory health and safety rules.

Concerted action in favour of zero-deforestation soy

Carrefour has set the goal of reducing the negative ecosystem impacts of soy production in its supply chain. Since 1998, 100% of Carrefour Quality Lines non-GMO fed products have been guaranteed to have no link to deforestation. Accordingly, the Group has upheld the Amazon Soy Moratorium since 2006. In 2016, it created Sojalim, a sustainable soy production line based in south west France, which offers farmers locally sourced animal feed. In 2020, the Group decided to go even further by taking over joint management of the Consumer Goods Forum's Forest Positive Coalition of Action and committed to the Soy Manifesto, which pushes French stakeholders to take action against imported deforestation associated with soy. In particular, the Group asked its suppliers to reject soy grown on deforested land in Cerrado, which is the main region in Brazil being deforested for soy production, from January 1, 2020 (deadline). This commitment applies primarily to Carrefour's own-brand poultry, pork, beef or dairy products that consumed soy-based livestock feed. Since January 2021, Carrefour has required its own-brand suppliers to include non-conversion/non-deforestation clauses for soy among their suppliers' contractual conditions. The Group is also urging national brand products to make these commitments. Since end-2021, Carrefour has been able to define its footprint, map its soy supply chain and assess the actions taken by traders. Its goal for 2025 is for 100% of Quality Lines and Carrefour's own-brand products to meet this commitment, and for all soy traders to be assessed and in compliance with the Group's policy.

(1) In France.

Partnership with local Spanish fishermen

In Spain, Carrefour works with more than 60 local fish markets that supply an assortment of fresh products to its stores every day. In order to support the Spanish fishing sector, which was weakened by the Covid-19 crisis, in 2020 the Group signed a first agreement with the fishing guild of Santoña, Cantabria, to market their mackerel. The purpose of this kind of partnership is to eliminate the uncertainty associated with bidding and guarantee a minimum income for fishermen. This purchasing guarantee also makes it possible to offer our customers price stability. This was the first of 12 agreements signed throughout 2021 in various regions of the Spanish coast. For example, in May 2021, the Group reached an agreement with the Barbateña Association to market 40 tonnes of sustainably caught anchovies from the Gulf of Cádiz at a price of 3.90 euros/kg in its stores in Andalusia, Valencia and Madrid. Other agreements were signed, notably with the Roquetas de Mar auction house to market 70 tonnes of fresh swordfish, the Puerto Celeiro auction house for 40 tonnes of hake, and the Ebro delta fisheries and producers' organisation for 7,000 units of oysters and 10 tonnes of mussels.

Complete waste recovery at Noisy-le-Grand hypermarket in France

The Carrefour group's objective is to recover 100% of waste by 2025. In France, the waste separation rate for hypermarkets stood at 75% at the end of December 2021. The first Waste Committee was set up in January 2021, bringing together several directorates to ensure coordinated waste management and monitoring. This committee involves the CSR, Non-Market Purchasing, Technical, Hypermarket and Supermarket Format, and Management Control departments. Several stores have taken the lead in this area, such as the Noisy-le-Grand hypermarket, where the recovery rate rose from 69% to 82% between September 2020 and December 2021. This success is attributable to both the quality of waste sorting systems and the deployment of local recovery networks. The store set up a dedicated sorting space where each waste type is clearly identified by a sign to make it easier to do the right thing. Consequently, recoverable waste is systematically separated from residual waste, increasing the waste separation rate. The quality and volume of waste is also checked daily, with reminders given to teams at each morning meeting. The hypermarket launched recovery initiatives with a number of partners. Polystyrene, rigid plastics, brochures and hangers are collected and recycled by Veolia. Fruit and vegetables that cannot be donated or sold are picked up by a local farm as feed for its chickens and other livestock. It used to take just one week to fill the residual waste compactor, but now it takes a month thanks to these initiatives.

Launch of Natural Capital Lab and the Eco-score

As part of the International Union for Conservation of Nature (IUCN) World Congress in September 2021, Carrefour participated in the launch of the "Natural Capital Lab", an initiative launched by WWF France and the Ecological Accounting Chair to experiment and study sustainable and responsible accounting solutions. The Lab helps pioneering companies implement tools and approaches grounded in strict conservation targets. For example, it is helping develop the CARE (*Comprehensive Accounting in Respect of Ecology*) multi-capital accounting method, which integrates natural and human capital into financial accounting for companies, encouraging them to rethink their strategic objectives and business models. Carrefour is testing the use of CARE to evaluate how it manages social and natural capital in one of its French stores. The Group is also analysing the implementation of a farm sustainability indicator (*Indicateur de Durabilité des Exploitations Agricoles* – IDEA), which adapts the CARE method for agricultural production, in one of the farms that supplies the Group's vegetables. As a result of this project, the Carrefour Foundation is funding a thesis to study the use of this multi-capital accounting method among suppliers in France. With these pilot projects, the Group is trying to help develop new market practices that report on the impact of economic activities with respect to planetary boundaries and societal expectations. Finally, Carrefour is testing environmental labelling by putting an Eco-score on all food products sold under national and private labels. This environmental rating, which has been available on *Carrefour.fr* since June 2021, helps customers select the products they consume each day. This awareness-raising initiative, the first of its kind in the retail industry, prioritises products with smaller environmental footprints, such as products of French origin, non-packaged items or recyclable packaging, certified products, or sustainably fished or deforestation-free products.

Launch of the first batch of 100% deforestation-free meat

Thanks to its partnership with IDH (Sustainable Trade Initiative) and support from the Carrefour Foundation, in the third quarter of 2021, Carrefour Brazil began selling meat from farms in the Amazon biome that follow agricultural best practices. This affordably priced beef has no impact on deforestation and is traced from the time the calf is born until the meat reaches supermarket shelves. Consumers can find out everything there is to know about the product by scanning a QR code stamped on its label. This is the culmination of a sustainable calf production programme set up in 2018 by Carrefour Brazil with 450 small producers in Mato Grosso. To protect the Amazon biome, the Group provides them with technical, financial and environmental assistance while also developing a sustainable and profitable livestock production chain. The programme also helps tackle climate change by restoring low-productivity grazing areas, limiting deforestation and encouraging low-carbon agriculture. Part of the project is located in the Jurueña Valley, which accounts for 35% of Mato Grosso's calf production and supplies much of the beef line. Carrefour Brazil and IDH are already laying the groundwork for the next step, which will be to launch a national protocol that combines procedures and processes guaranteeing social and environmental origins.

2.1.3 CLIMATE

2.1.3.1 Overview of objectives

Context In 2015, the COP21 Paris climate agreement set goals for limiting global warming, advocating reorientation of the world economy toward a low-carbon model and the phase-out of fossil fuels.

A 2019 assessment of the Group's greenhouse gas (GHG) emissions highlighted the following: 98% fall into Scope 3 indirect emissions. In Scope 2, the emissions are related to the stores' energy and refrigerant consumption. As for Scope 3, 72% of the Group's emissions are from products and packaging sold in stores, 12% from the use of fuel sold, 5% from the upstream transport of products and packaging sold and, lastly, 5% from the use of non-food products sold.

At its Shareholders' Meeting of May 29, 2020, Carrefour announced a series of climate-protection goals, approved by the Science Based Targets initiative (SBTi), a partnership between the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the WWF®. Carrefour has been certified, along with more than 800 other companies, in light of its commitment to keeping the global temperature increase to below 2°C by 2100 compared to pre-industrial temperatures. Carrefour has thus revised its ambitions upward and, for the first time, has included emissions indirectly related to its activities, mainly from products sold.

In 2021 Carrefour again raised its targets for emissions directly related to its activities (Scopes 1 and 2) and announced its goal of making its stores carbon neutral by 2040, with a reduction aligned with a 1.5°C trajectory of -30% by 2025, -50% by 2030 and -70% by 2040 (compared to 2019). Carrefour has also announced that its e-commerce activities will be carbon neutral by 2030.

Risks and opportunities

Carrefour is committed to fighting climate change by reducing the Group's GHG emissions and minimising the climate risks to which its business is exposed. The risks analysed for Carrefour in relation to climate change can be broken down into the following four categories:

- in-store physical risk: in the countries where it operates, the Group may be exposed to natural disasters and uncertain weather conditions, which have direct or indirect impacts on its activities, assets, customers and employees (for example, changes in temperature);
- regulatory risk: the Group is subject to significant regulatory pressure, particularly with regard to the application of the F-Gas regulation concerning refrigeration systems used in stores;
- market risk: the Group is subject to a risk related to new consumer behaviour which is linked in varying degrees to climate change and which deeply impacts the spending patterns of the Group's customers: automobile use, local produce consumption, energy-efficient products, the reduction of animal protein consumption;
- securing raw material supplies: the Group has identified sensitive materials that contribute to climate change or that are highly sensitive to climate change. Carrefour may thus be exposed to a risk of supply shortages for raw materials, or increases in raw materials prices. This may weaken Group

suppliers, but also jeopardise the partnership relationship established with them.

Carrefour's climate change-related risks are factored into the Group's risk management procedures (see Chapter 4.1). The risks analysed concern both Carrefour's contribution to climate change and the more or less direct impacts of climate change on Carrefour's business.

In addition, Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). Three climate-related issues have been identified as major by the stakeholders within the framework of the Group's food transition strategy, and they are among the ten priority issues:

- combating food waste (third-ranked);
- product range favouring goods from the country and regions in which we operate (fourth-ranked);
- reducing transport- and e-commerce-related CO₂ emissions (seventh-ranked).

Lastly, customer expectations are particularly high for the following three issues: "Eco-design of products, packaging and circular economy", "Combating food waste" and "Offering a customer experience and a store/online process that facilitates 'zero waste' purchases, zero plastic for organic products and healthier products".

Our initiatives

Carrefour has several measures at its disposal to reduce its direct and indirect emissions, and these measures can be implemented in its supply chain, stores and warehouses, supply chains and relations with its stakeholders in order to transform the market:

- at the plant and transport level, Carrefour aims to provide flawless operational management, in order to optimise its activities and reduce GHG emissions associated with its direct and indirect operations;
- at the supply chain level and to transform the product offer available in stores, Carrefour defines responsible sourcing

criteria for its own branded products, and selects the national brand offer to reflect the food transition throughout the store;

- in order to engage market players and reduce its indirect emissions, Carrefour works collectively through local and global initiatives to share its objectives with other companies in the sector. Carrefour also collaborates with its suppliers and service providers, in particular within the framework of the Food Transition Pact;
- lastly, Carrefour promotes low-carbon consumption among its customers through concrete initiatives in stores.

Coalitions and partnerships

Business Ambition to 1.5 – Our Only Future

Race to zero

European Climate Pact

RE100 – Validation in progress

Contribution to sustainable development goals



Reducing our direct emissions Scopes 1 & 2

FORMER TARGETS SET BY THE SBTi IN 2019

NEW TARGETS SET IN 2021

2025 Reduce emissions by 30% by 2025 (vs. 2019)

2030 Reduce emissions by 30% by 2030 (vs. 2019)

2040 Reduce emissions by 55% by 2040 (vs. 2019)

Reduce emissions by 50% by 2030
(vs. 2019) Target aligned with the SBTi 1.5°C scenario

- **RENEWABLE ELECTRICITY** 100% of electricity consumed from renewable sources by 2030
- **ENERGY EFFICIENCY** Reduce energy consumed by 27.5% by 2030 (vs. 2019)
- **REFRIGERANTS** Reduce refrigerant-related emissions by 50% by 2030 (vs. 2019)

Achieve carbon neutrality in our direct operations by 2040

Reduce emissions by 70% by 2040 (vs. 2019)

Target aligned with the SBTi 1.5°C scenario

- **REFRIGERANTS** Reduce refrigerant-related emissions by 80% by 2040 (vs. 2019)

Reducing our indirect emissions

Scopes 3

2025	Food waste	Reduce food waste by 50% by 2025 (vs. 2019)
	Waste	Recover 100% of waste by 2025
	Packaging	100% reusable, recyclable or compostable packaging
		20,000 tonnes of packaging avoided , including 15,000 tonnes of plastic packaging (cumulative since 2017)
		30% of packaging using recycled plastic
		1,000 reusable packaging solutions available in-store
		500 stores equipped with a reusable packaging system
		50 new "bulk" experiences
2030	Deforestation	100% of sensitive raw materials covered by a risk reduction plan in 2025
	Supplier commitment	300 suppliers involved in the Food Transition Pact
	Plant proteins	Develop plant proteins through a dedicated offer and the promotion of a more plant-based diet
	Purchase of goods and services	Reduce emissions from purchased goods and services by 30% (vs. 2019) – this target translates into savings of 20 megatonnes of CO ₂ , in collaboration with our suppliers
	Product use	Reduce emissions related to the use of our products by 27.5%
	Outbound transport	Reduce our transport-related CO₂ emissions by 20% (vs. 2019)

2.1.3.2 Helping stores become carbon neutral (Scopes 1 and 2)

Context and targets

In 2020, Carrefour was ahead of these targets with a 9% reduction in 2020 compared to 2019. In 2021, Carrefour has raised its targets and announced a "carbon neutral" target for its stores by 2040. Carbon neutrality and the use of renewable energies are strongly-held expectations among citizens and consumers. Aware of its pioneering role in distribution, the Carrefour group has set itself the goal of achieving carbon-neutral stores by 2040 (Scopes 1 and 2). Its action plan to achieve carbon neutrality aims to reduce CO₂ emissions from its activities as much as possible at source.

The Group aims to **reduce emissions from its stores (Scopes 1 and 2) by 30% by 2025, by 50% by 2030 (compared to 2019) and by 70% by 2040 (compared to 2019)**, a target aligned with the SBTi 1.5°C scenario.

To achieve this, Carrefour is taking the following initiatives:

- **the use of 100% renewable electricity by 2030.** To achieve this, the Group will give priority to on-site production for

self-consumption or supplying the network, then the use of PPAs (Power Purchase Agreements). Electricity consumption accounted for 58% of GHG emissions in 2020;

- **a 27.5% reduction in energy consumption by 2030 (compared to 2019)**, i.e., the equivalent of more than 1 million MWh per year and a reduction of 240,000 tonnes of CO₂ equivalent. This reduction implies annual savings of 100 million euros on energy purchases. Energy consumption accounted for 66% of GHG emissions in 2020;

- **reducing emissions from the use of refrigerants by 50% by 2030 and by 80% by 2040**, in particular by replacing fluorinated refrigerants with new installations using CO₂, in synergy with the EU F-Gas Regulation. The consumption of refrigerants accounted for 34% of GHG emissions in 2020.

Performance

Key Performance Indicators	2021	2020	Change	Target
SCOPE 1 AND SCOPE 2				
Scope 1 and Scope 2 GHG emissions (in T. CO ₂ eq.)	1,483,001	1,599,584	-7.3%	
				-30% by 2025, -50% by 2030, and -70% by 2040, (vs. 2019)
% reduction in Scope 1 and Scope 2 GHG emissions (vs. 2019)	20.1%	13.9%	-6.2 pts	
Energy⁽¹⁾				
CO ₂ emissions related to energy consumption (in T CO ₂ eq.)	996,918	1,035,250	-4%	
Energy consumption per sq.m. of sales area (kWh/sq.m.)	467.9	479.8	-2.5%	
% reduction in energy consumption per sq.m. of sales area vs. 2019	7%	5%	-2 pts	
Refrigerants⁽²⁾				
Refrigerant-related CO ₂ emissions	486,083	564,334	-14%	
% reduction in refrigerant-related GHG emissions compared with 2019	31%	20%	-11 pts	
OTHER INDICATOR				
CDP Climate rating	A	A-		

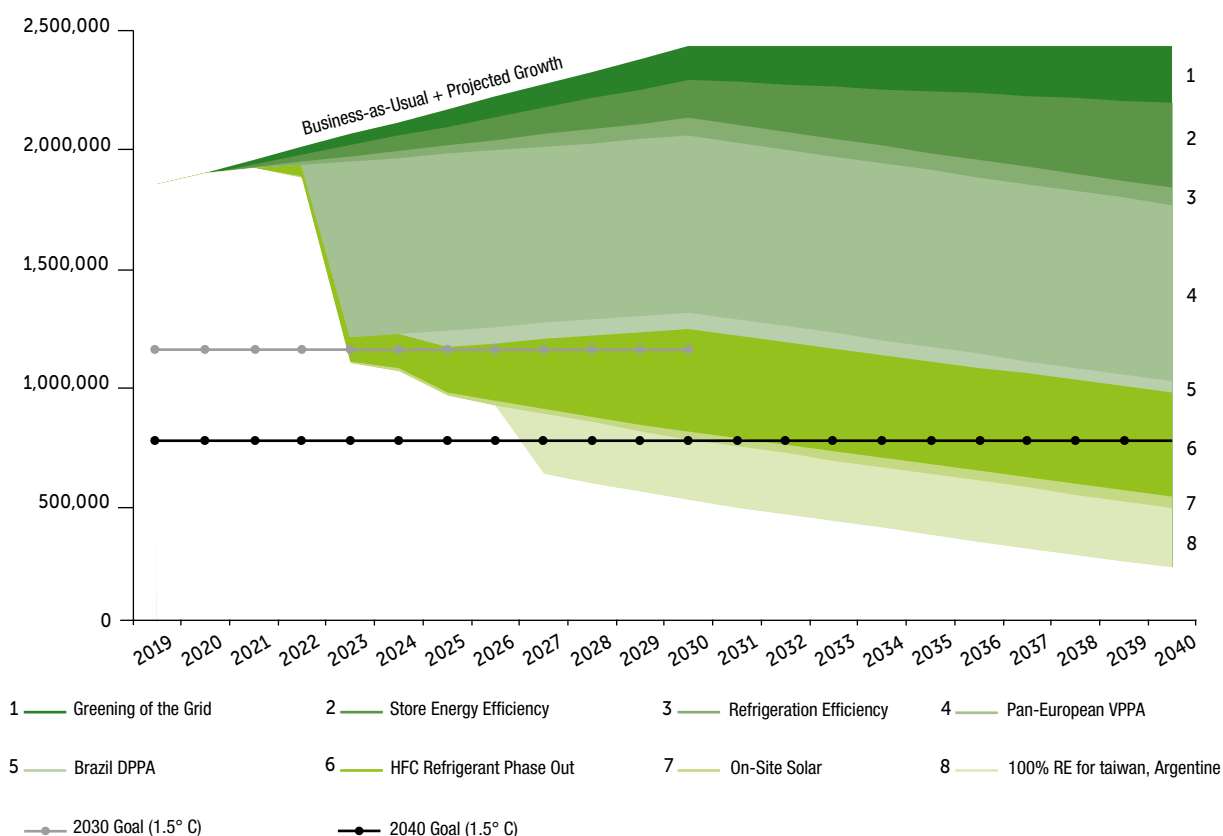
(1) Scope: Comparable BUs (100% of 2021 consolidated net sales).

(2) Scope: Comparable BUs (84.5% of 2021 consolidated net sales) – excl. BRAT. Indicators subject to an audit providing reasonable assurance.

Action plans

In 2021, the Group defined the target scenario for achieving its goal of reducing greenhouse gas emissions from its integrated stores, in relation to the consumption of energy and refrigerants (Scopes 1 and 2). This scenario is based on a projection of the

Group's emissions to 2040, using current emissions and the Group's estimated growth to 2040 (*Business as Usual + Projected Growth*). This scenario breaks down the different actions to be implemented to achieve carbon neutrality and the reduction of GHG emissions associated with each action.



The use of renewable energy

The Group's priority is to develop on-site electricity production for self-consumption or supplying the network. In France, the Carsol project launched in 2020 is currently equipping seven hypermarkets with photovoltaic systems, covering 10% of the energy consumption (21 GWh) of these stores. In Europe, two stores are also equipped with solar panels, one in Poland and the other in Belgium. In order to achieve its goal of 100% renewable electricity by 2030, Carrefour will also use PPAs (Power Purchase Agreements).

Reducing energy consumption

In 2013, Carrefour launched a worldwide strategic plan, encouraging all Group entities to improve their energy efficiency. Teams in Group host countries were issued a list of five priority action and technology recommendations for their stores: doors for refrigeration units operating at 0°C to 8°C; electronic speed controllers; low-consumption LED lighting; submetering systems; and phase-out of high warming potential HFC refrigerants for cooling systems. In Europe, Carrefour Belgium, Carrefour France and Carrefour Italy hold ISO 50001 certification for their integrated stores (hypermarkets and supermarkets) as well as for their head offices and warehouses. This represents 35% of the sales area of the Group's integrated hypermarkets and supermarkets.

The reduction in emissions from refrigerant use

Carrefour is committed to phasing out HFC refrigeration units and phasing in systems using natural refrigerants (CO₂), which have much lower emission levels, by 2030 in Europe and 2040 in other geographies.

The roll-out of the F-gas regulation in Europe aims to gradually phase out hydrofluorocarbon (HFC) refrigerant gases, in order to replace them with lower-emitting alternatives. Each country has drawn up a roadmap for tackling this issue.

When a CO₂ plant is replaced, an additional energy gain is expected, thanks to the new, more modern plants, with an estimated 8% reduction in electricity consumption for food refrigeration. Efforts are also made to limit refrigerant leaks by stepping up equipment maintenance and keeping it as leak-free as possible in all countries of operation.

Joint initiatives and partnerships

- Race to zero
- Business ambition for 1.5°C
- RE100
- Signatory to the French Business Climate Pledge
- Consumer Goods Forum (CGF) network
- Science Based Target Initiative (SBTi)
- Climate Disclosure Standard Board (CDSB)
- Carbon Disclosure Project (CDP) – Reporter Services Membership
- Food Transition Pact

+ Find out more

- [Carrefour.com: Fighting and preparing for climate change/CSR](#) (see the Climate section)
- CDP Climate: see the CDP website

2.1.3.3 Promoting low-carbon consumption (Scope 3)

Context and targets

Carrefour has set the goal of achieving a 29% reduction in its indirect GHG emissions (Scope 3) by 2030, compared with 2019. The Group's ambition has been approved by the Science Based Targets initiative for its alignment on a trajectory below 2°C. In view of its main indirect emissions drivers, Carrefour has structured its Scope 3 Climate Action Plan around the following emission items that together account for 90% of Scope 3 emissions:

- **purchases of goods and services:** reducing emissions from goods and services purchased by 30% by 2030, compared with 2019 (well below the 2°C scenario). This target implies cutting 20 megatonnes of CO₂ between 2030 and 2019;
- **product use:** reducing emissions from product use (especially for fuel and consumer electronics) by 27.5% by 2030, compared with 2019 (2°C scenario);
- **outbound transport:** reducing CO₂ emissions linked to outbound transport by 20% by 2030, compared with 2019 (2°C scenario).

To achieve these objectives, Carrefour has several means of promoting low-carbon consumption, such as selecting the products and packaging on the shelves, supplier commitment to reduce emissions, defining responsible

purchasing criteria, promoting the circular economy and guiding customers in their consumption choices. Carrefour has set the following objectives:

- **supplier commitment:** 300 suppliers have committed to the Food Transition Pact by 2025;
- **local and national products:** 45,000 partner producers by 2025;
- **responsible production:** 100% of products from Carrefour Quality Lines committed to an agro-ecological approach by 2025; 100% of sensitive raw materials covered by an action plan to combat deforestation by 2025 (palm oil, Brazilian beef, wood and paper, soy, cocoa);
- **packaging reduction and the circular economy:** 20,000 tonnes of packaging saved, including 15,000 tonnes of plastic packaging by 2025 (cumulative since 2017); 100% reusable, recyclable or biodegradable packaging by 2025; 30% integration of recycled plastic in packaging by 2025;
- **waste and food waste management:** 50% reduction in food waste by 2025 (compared to 2016); 100% recovery of store waste by 2025.

Performance

Indicators	2021	2020	Change	Target
Number of Food Transition Pact partner suppliers	114	26	+338%	300 in 2025
Number of partner producers ⁽¹⁾	38,580	36,277	-	45,000 in 2025
Percentage of Carrefour Quality Lines products committed to an agro-ecological approach	Reporting methodology currently under development		-	100% in 2025
Percentage of sensitive raw materials covered by an action plan to combat deforestation ⁽²⁾	53.6%	New		100% in 2025
Reduction in packaging since 2017 (in tonnes)	11,068	6,212	+78%	20,000 in 2025
Percentage of reusable, recyclable or biodegradable packaging for Carrefour-brand products ⁽³⁾	46%	44%	-	100% in 2025
Percentage of integrated recycled plastic in packaging for Carrefour-brand products	Reporting methodology currently under development		-	30% in 2025
Percentage of food waste avoided (in kg/sq.m) compared to 2016 ⁽⁴⁾	30.7%	28.7%	-2 pts	-50% in 2025
Percentage of store waste recovery ⁽⁵⁾	68.2%	66.2%	+2 pts	100% in 2025

(1) National partner producers in organic farming, Carrefour Quality Lines, regional and local producers listed directly by stores.

(2) This composite indicator covers raw materials considered a priority in the fight against deforestation (palm oil, beef, soy, cocoa and trader traceability), protection of fishery resources and sensitive raw materials for textiles (cotton, cashmere and viscose).

(3) Scope: France only. Comparable BUs (54.1% of 2021 and 2020 consolidated net sales). Reporting methodology being rolled out in other countries.

(4) Scope: Excluding ES (SM, PRX, C&C), IT (C&C), BE (HM, SM), & (HM, SM). Non-comparable BUs (90.2% of 2021 consolidated gross sales) Including warehouse data for Atacadão

(5) Scope: Excl. IT. Non-comparable BUs (93.6% of 2021 consolidated gross sales vs. 96.1% in 2020).

Reduce Scope 3 emissions

Carrefour has put together a Scope 3 Climate Action Plan on reducing the main indirect emissions arising primarily from the products it sells. This action plan consists of:

1. Optimizing the operation of plants and supply chains and promoting the circular economy

Limiting food waste and recovering waste. According to a study by ADEME⁽¹⁾, In France, 10 million tonnes of food are lost and wasted every year throughout the chain. Carrefour is implementing action plans (detailed in Section 2.1.2.2) to reduce food waste by 50% by 2025 (compared to 2016). Carrefour also aims to recover 100% of waste by 2025 (Section 2.1.2.4).

Recovery, reuse and recycling of electrical products and household appliances. The production of electrical and electronic equipment generates significant CO₂ emissions. For example, a laptop is responsible for 169 kg of CO₂ equivalent during its entire life cycle, which is equivalent to a 600 km flight. In France, the Carrefour group, in partnership with environmental organisations, recovers neon lights and batteries in each integrated store. The Group's hypermarkets collect small and large household appliances and, from 2022, large furniture with no obligation to purchase. In order to encourage consumers to bring back their equipment, Carrefour launched initiatives to recover televisions and sound bars in October in exchange for vouchers.

Throughout France and in partnership with Cash Converters, Carrefour is opening "second-hand" corners in its hypermarkets. To date, 17 corners have been opened in hypermarkets with an average surface area of 100 sq.m. The goal is to open 80 corners in hypermarkets by the end of 2024. These corners give a second life to telephone equipment, small electrical appliances, computer equipment, but also books, DVDs, games, jewellery and leather goods. In addition, in 120 hypermarkets that do not have a second-hand corner, and thanks to a partnership with BackMarket, Eco ATM terminals have been installed to allow the recovery of telephone equipment, which is then recycled or reconditioned.

Develop packaging deposits and recyclability. The Group wishes to eliminate packaging thanks to the development of bulk sales, but also to returnable packaging. When it is impossible to eliminate the packaging or reuse it, Carrefour wishes to guarantee the effective recyclability or biodegradability of the packaging, in line with the national recycling channels (see Section 2.1.2.5).

Downstream transport. Carrefour aims to achieve a 20% reduction in outbound transport-related CO₂ emissions by 2030 compared to 2019, through optimisation of logistics models and development of alternatives to diesel fuel. Supply chain teams in each country are working with carriers to improve truck loading, optimise travel distances and phase in alternative transport modes consistent with Group policy. In France, Carrefour is modernising its fleet. At end-2021, it had 600 PIEK-certified trucks, which run on biomethane and generate less pollution and noise (under 60dB).

2. Transforming the range of products available in stores and e-commerce

Definition of purchasing rules for controlled products: Carrefour is implementing a set of action plans to develop responsible sourcing and thus reduce the climate impact of its own-brand products. The Group is particularly committed to combating deforestation, developing agro-ecological practices within its Carrefour Quality Lines and sourcing fish from responsible fishing (see Sections 2.1.2.2 and 2.1.2.3). Carrefour

aims for each of its Carrefour Quality Lines products to be committed to an agro-ecological approach by 2025. Examples include: "cultivated without GMOs", "cultivated without antibiotic treatment", "grown without chemical treatment", etc. Some of these practices reduce the CO₂ emissions from agricultural production, such as reducing the use of pesticides and nitrogen fertilisers, soil conservation in agriculture (see Section 2.1.2.2). In addition, the Group is working on responsible sourcing of its packaging and is aiming for 100% paper and cardboard packaging of controlled products to comply with the sustainable forests policy by 2025 and to include 30% recycled plastic in its plastic packaging by 2025. Moreover, 99.9% of trade publications are FSC® (Forest Stewardship Council®), PEFC® (Programme for the Endorsement of Forest Certifications®) certified, or made from recycled fibers.

The greening of food. ADEME has calculated that meat production is responsible for half of the food sector's greenhouse gas emissions. This is why the greening of food is high on Carrefour's list of priorities. There is indeed a strong societal expectation at the crossroads of major climate issues, the preservation of biodiversity, the sharing of resources at the global level and major public health issues. This expectation is already reflected in strong growth in demand, which is impacting the markets. Carrefour is committed to developing vegetarian product ranges with a view to offering an alternative to the consumption of animal proteins. These products are aimed at a wide variety of consumers whether they are vegans, vegetarians, those concerned about animal welfare or flexitarians. Carrefour is attentive to the quality and nutritional profile of these products. The first French retailer to launch a vegetarian range under its own brand, Carrefour now has 110 products, i.e., the widest vegetarian offer in supermarkets and hypermarkets. In 2021, Carrefour continued its acceleration in the meat substitute segment, launching more than ten innovations to meet consumer demand for "Eating better" and "Consuming better". For every type of meat or dairy product, there is a plant-based alternative. These alternative products are available in all European countries where the Group operates, in all formats.

Choosing local and seasonal vegetables. Choosing seasonal vegetables is an obvious way for consumers to reduce their carbon footprint. ADEME estimates that a tomato produced out of season emits 10 times more CO₂ than a tomato produced in season not in a heated greenhouse. In line with this, Carrefour offers its consumers a range of seasonal and local products. To develop this product range, the Group is committed to signing contracts with 45,000 local or national partner producers by 2025.

Non-food products and fuel. In addition to its strategy for food products, Carrefour has a similar objective to reduce Scope 3 emissions on non-food products, particularly products that entail high electricity use or fuel consumption. To act on GHG emissions from combustion of traditional fuels, the Group is developing its range of alternative fuels and is seeking to increase their share in the mix and encourage consumers to choose vehicles with green engines. For example, thanks to a partnership with Meridiam, Carrefour Property, the Group's real estate company, enabled the installation of charging stations in the car parks of 211 hypermarkets for a total investment of 117 million euros in 2021. The Group plans to install 2,000 charging stations by 2023. In order to encourage its customers to use electric vehicles, Carrefour offers 1 hour of recharging per week to loyalty card or pass card holders. These charging stations will be powered by 100% renewable electricity. In addition, free recharging facilities for soft mobility (scooters, bicycles) will be available in all hypermarkets and most supermarkets. Of the 215 shopping centre sites operated by Carmila, more than 200 are located less than 500 m from public transport.

(1) Food losses and waste: Inventory and management at each stage in the food chain, May 2016.

Reducing the impact of packaging. According to ADEME, one kilogram of plastic packaging results in the emission of one kilogram of CO₂. This is why the reduction and elimination of packaging is one of the Group's strategic priorities. Carrefour has undertaken to save 20,000 tonnes of packaging on its products, including 15,000 tonnes of plastic packaging (cumulative since 2017) and to develop reusable packaging (see Section 2.1.2.4).

3. Involving our partners

Food Transition Pact. Products sold by Carrefour and supplied by major national brands are subject to specific attention. Carrefour favours a partnership approach for these products with the development of the Food Transition Pact. At the end of 2021, 114 suppliers had committed to the international pact and to local pacts. The Group's objective is to have 300 committed suppliers by 2025.

In 2019, Carrefour launched the Food Transition Pact, a network of Carrefour suppliers committed to the food transition for all. The Pact provides a platform for these suppliers to discuss matters and best practices, explore new opportunities for collaboration with Carrefour, and share progress with consumers. The Pact rests on four pillars: packaging, biodiversity, climate, and health/nutrition. Food and non-food supplier candidates ready to join the Food Transition Pact must present an ambitious action programme on at least three of the Pact's four pillars. This programme is approved by a panel of internal experts and suppliers are required to report on their progress regularly. Working groups are organised throughout the year.

On the climate pillar, the "20 Megatonnes" project launched in 2020 aims to encourage suppliers to make commitments to reduce their emissions, measure their progress, involve consumers and develop low-carbon consumer habits. In 2021, Carrefour launched a collaborative platform open to all its suppliers on a dedicated website. This platform enables the Carrefour group to monitor the commitments and progress of its suppliers in the fight against global warming and to highlight their most innovative actions. This platform was developed within the framework of the Climate Working Group of the Food Transition Pact, co-piloted by Pepsico and including Johnson & Johnson, Essity, Beiersdorf, Mars, Danone, Soufflet, Coca-Cola, Kimberly Clark, Heineken, Reckitt, Innocent, L'Oréal, Kellogg's, Andros and

Savencia. Each supplier will be able to communicate its greenhouse gas emissions, its reduction objectives and the achievement of its objectives year after year. The method used is aligned with industry benchmarks (Greenhouse Gas Protocol and Carbon Disclosure Project).

4. Engage customers in their product choices

First, Carrefour aims to highlight the low-carbon characteristics of its products. In France, the eco-score is provided on more than 40,000 products of all brands. Some products with an eco-score of A are highlighted by promotional prices. To highlight low-carbon vegetarian products in stores and on the website, Carrefour has modified the display hierarchy on the e-commerce site and has enhanced visual identification in stores.

In addition, Carrefour has pushed ahead with anti-food waste actions, which promote products having minor defects or close to their use-by date, while remaining as good and safe as the rest. In 2020, the Group introduced the *Zéro Gaspé* (zero waste) challenge, a cross-functional tagging system designed to draw customers' attention to all of the initiatives deployed to cut down on waste. An additional *Zéro Gaspé* initiative was launched in France in 2020 to accelerate the reduction in food waste, Carrefour has signed, with 50 French players, the national pact to make use-by and best-before dates easier to read.

A study is under way to determine to what extent the Group can accelerate decarbonisation of the average consumer basket. The aim is to make low-carbon products accessible by enhancing product range and marketing.

Joint initiatives and partnerships

- Food Transition Pact, Climate Working Group co-piloted with Pepsico
- Science Based Targets
- Cash Converters
- Back Market
- Meridiam

1

2

3

4

5

6

7

8

9

2.1.3.4 Combatting food waste

Context and definition

According to a report published by NGO WWF and Tesco, the UK's largest supermarket chain throws away 2.5 billion tonnes of food each year worldwide. This is double the estimate contained in the latest UN report on food waste (2011)⁽¹⁾. Food waste represented 10% of greenhouse gas emissions worldwide in 2021⁽²⁾. Of the 2.5 billion tonnes, 1.2 billion tonnes of food was wasted on farms, particularly in Europe and the US. And 931 million tonnes were thrown away by retailers or consumers. The rest was lost during transportation, storage, manufacturing and product processing. This waste has many causes: overproduction, calibration criteria, interruption in the cold chain, poor stock management and supply-demand mismatching, among others. Each link in the agri-food chain therefore has a role to play in limiting losses.

In 2018, Carrefour assessed food waste throughout the value chain, from the farm to the consumer's table, for five of its

best-selling fresh products: avocados, cod, carrots, bread and chicken. This assessment highlighted several solutions throughout the value chain: crop growing & harvesting, sorting, packaging and transport, quality control, distribution and consumption. Cutting down on food waste is a major challenge for Carrefour, both for shrinking the environmental footprint of its activities and for improving operational efficiency. Methods such as discount management for products nearing their sell-by date and recovery of unsold produce create opportunities to cut waste.

This global issue took on a whole new dimension in 2020 as the health crisis aggravated the difficulties of vulnerable people and low-income households. It became more important to cut down on the amount of perfectly healthy and nutritious food being wasted, so that it could be given to those most in need. In 2021, solidarity actions continued to be carried out.

Policy and performance

Carrefour shares the Consumer Goods Forum (CGF) goal of achieving a 50% reduction in food waste by 2025 (compared to 2016). Carrefour's global policy of cutting food waste has three focus areas: in-store measures, cooperation with suppliers, and improving consumer awareness. Carrefour's

ambition is to ensure operational excellence in its own waste reduction and to catalyse action among stakeholders (suppliers and consumers) throughout its business ecosystem.

Key Performance Indicators	2021	2020	Change	2025 target
Percentage reduction in food waste (vs. 2016) ⁽¹⁾	30.7%	28.7%	-2 pts	50%
Percentage of unsold food products recovered	53.2%	57.4%	-4.2 pts	-

(1) Excl. ES (SM, PRX, C&C), IT (C&C), BE (HM, SM). Non-comparable BUs (90.2% of 2021 consolidated gross sales). Including warehouse data for Atacadão.

Indicators	2021	2020	Change
Number of meal equivalents of unsold products donated to food aid associations (<i>in thousands of meals</i>) ⁽¹⁾	44,134	77,071	-42.7%
Weight of unsold products recovered through sale of food baskets in partnership with Too Good To Go ⁽²⁾	3,440 tonnes	3,885 tonnes	-11.4%

(1) Scope: This figure includes food donations by stores in all of the Group's integrated countries, as well as donations made by the Group's warehouses in France.

(2) Scope: BE, ESP, FR, IT, PO.

Comments on 2021 performance. After a very sharp drop in food waste in 2020 against the backdrop of the health crisis, food waste continued to decline in 2021. The optimization of management of stocks and products approaching their

use-by date continues, as well as the sale of Too Good To Go baskets in stores. Carrefour has extended its reporting scope and now covers 90% of its network of integrated stores (compared to 70% in 2020).

(1) FAO. 2012. Food loss and waste in the world – Extent, causes and prevention. Rome. <https://www.fao.org/3/i2697f/i2697f.pdf>

(2) Cirad.fr, 10% of global greenhouse gases linked to food loss and waste, <https://www.cirad.fr/les-actualites-du-cirad/actualites/2021/10-des-gaz-a-effet-de-serre-mondiaux-lies-aux-pertes-et-gaspillages-alimentaires>

Action plans

1. An in-store approach to cutting down waste

To minimise the volume of products that have to be taken off the shelf, Carrefour starts by improving its management of stocks and orders. Store managers are issued daily information on their waste figures, with a top-40 ranking of products by value or waste rate. Fresh produce line managers use sale and production forecast charts, adjusting them to allow for weather and other factors.

Carrefour stores are tasked with finding solutions for selling products instead of having to take them off the shelves. Examples include slicing pineapples with dry leaves to cut fresh chunks for sale in trays, selling single bananas from damaged bunches, and packaging cloves of garlic or other detached products. In Belgium, Italy, France, Poland and Spain, Carrefour is committed to offering reduced-price baskets of unsold products through a total of 2,624 stores via the Too Good To Go application.

Stores are also promoting products nearing their use-by dates, offering 30% to 60% discounts in French stores, and up to 90% in Polish stores, where prominent endcap displays were tested in 2020 and will be rolled out in 2021 to hypermarkets and supermarkets.

Items that cannot be donated may be offered to organisations or companies that use unsold products as raw material for creating eco-friendly products (jams, for example). Products that can neither be donated or processed are recycled into biomethane for use in almost 600 Carrefour delivery vehicles.

During the health crisis, the Group stepped up its support for food banks and associations. Partnerships with food banks have been continued at all Carrefour hypermarkets in Brazil, Spain and France. The Group has also partnered with Caritas and the Red Cross in some other integrated countries, such as Poland and Argentina. Every morning, the stores sort out unsold products that are safe and appropriate for donation to local organisations, ensuring an uninterrupted cold chain for products where needed.

Since the start of the health crisis, the Carrefour Foundation has released more than 3.8 million euros, primarily to support food distribution in Argentina, Brazil, Romania and France in 2021.

Carrefour Italy launched an initiative to support food banks in more than 1,400 stores: customer donations were converted into gift cards for the most disadvantaged families. Dejbox distributed tens of thousands of meals in hospitals, clinics and doctors' surgeries free of charge. The food donated by Carrefour in 2021 represented the equivalent of more than 44 million meals.

2. Solutions with suppliers

In 2017, Carrefour and its suppliers began a joint programme on reviewing use-by dates. So far, more than 400 Carrefour-brand products have had their use-by or best-before dates extended, while the latter has been removed from over 100 products. Legally required texts along the lines of "preferably use by the end of..." are accompanied by the text "best before", for clearer consumer recognition.

In 2020, hypermarkets set up endcap displays to market products whose best-before dates had been exceeded by up to one month. Employees receive awareness training on waste reduction and best practices on a day-to-day basis, via an e-learning module on Cap Formation, Carrefour's in-house training tool available to all employees.

3. Customer education

Special offers and in-store displays help inform customers on the cost advantage of buying products for same-day or next-day consumption. Carrefour is also pushing ahead with food waste avoidance programmes for products having minor appearance defects but still perfectly safe to consume. In France, Carrefour sells products that are non-compliant for shape or weight reasons, while guaranteeing their quality via its own *Tous Antigaspi* label. In Spain, Carrefour encourages consumption of various Andalusian vegetables by offering a 25% reduction on the price of imperfect produce.

The educational approach behind these initiatives also extends to Carrefour's suppliers. A consumer awareness campaign on cooking with visually unappealing vegetables was launched with Barilla in Spain and Italy. A national anti-waste day was run with Unilever in Argentina. In Spain, a research programme was run with Danone, Barilla and Pascual.

In 2020, the Group introduced the *Zéro Gaspi* (zero waste) challenge, a cross-functional tagging system designed to draw customers' attention to all of the initiatives deployed to cut down on waste. Carrefour Spain has been very proactive in this area, producing and selling one-litre vegetable soups made from very ripe ingredients. In France, since December, anti-waste baskets of substandard fruit and vegetables have been packaged in batches and sold off at knock-down prices in cardboard boxes bearing the *Zéro Gaspi* logo.

France launched another *Zéro Gaspi* initiative in 2020: in an attempt to accelerate the reduction in food waste, Carrefour and 50 other French industry participants signed a national pact to make use-by and best-before dates easier to read.

Carrefour also wants to promote an anti-waste culture, by making the younger generation aware of their responsibilities so that they choose to contribute to more sustainable consumption and to the conservation and enhancement of food through responsible behaviour. As part of its digital innovation strategy, Carrefour Italy launched the #CarrefourZeroWaste challenge on TikTok in 2021.

Users were invited to share a video of one of their recipes or dishes made with products close to the expiry date purchased in Carrefour stores in Italy, to show how, with a little creativity in the kitchen, it is possible to make delicious dishes while avoiding food waste. For each video published, Carrefour donated one kg of products to Banco Alimentare, which distributed them to charities that help people and families in need in the region.

Joint initiatives and partnerships

- Consumer Goods Forum
- Too Good To Go pact: bringing together industry, retail, NGOs, trade organisations and digital operators in the fight against food waste

+ Find out more

- *Carrefour.com*: [Combating food waste/CSR](#) (see the Climate section)
- See also Section 2.1.2.5 Limiting the environmental impact of our plants

2.1.3.5 Case studies in 2021

Multiple packaging innovations

Combatting plastic packaging is one of the Group's priorities. Carrefour France is supporting the roll-out of bulk products in all its formats, with over 1,100 stores now offering this service. The Group tripled its revenue in this segment between 2017 and 2020. To accelerate the development of this market, Carrefour launched the "Carrefour Bulk Innovation Challenge" at VivaTech 2021. This challenge targets start-ups and entrepreneurs in the food industry and aims to find innovative solutions to the ten issues that are currently holding back the development of bulk sales. Alexandre Bompard attended the presentations of the 15 finalists in November 2021. The five winners, announced on January 5, 2022, will develop and test their solutions at Carrefour's Bulk Lab.

The Group is also developing packaging deposits. After launching the Loop returnable and reusable packaging solution in Carrefour City and Market stores in Paris at the end of 2020, Carrefour introduced it in a hypermarket in Montesson, and in ten additional convenience stores in 2021. Carrefour Poland, at the forefront of green practices in its sector, has been offering Jurajska brand sparkling water in one-litre returnable glass bottles since November 2021: on the first purchase, the customer pays a deposit for the bottles and their transport crates; on subsequent purchases the bottles and the crates are replaced free of charge.

Carrefour is also testing new recycling systems. In the Île-de-France region, a pilot system for recycling used nappies in partnership with Pampers and TerraCycle has been set up with connected bins in five Carrefour stores. The cellulose from the nappies is recycled to make furniture, while the recycled plastic can be used to make bottle tops. This system, which was tested from May to November 2021, will make it possible to assess the feasibility of collecting on a larger scale. During the summer, Carrefour also offered Parisians a recycling service for their single-use masks, by providing collection boxes made entirely of recyclable cardboard in 106 Carrefour City stores in the capital. The 700,000 masks collected were processed into polypropylene pellets to be used in the production of plastic parts for cars, for example.

Coordinating the Food Transition Pact

In 2019, Carrefour launched the Food Transition Pact, a network of suppliers committed to the production of healthy, responsible and planet-friendly products. The network shares good practices and works to improve consumer eating habits. In order to keep its partners mobilised over the long term, Carrefour launched the "European Food Transition Awards" in 2021. From October 16 to

November 1, 410,000 of the banner's European customers elected via a special platform the most emblematic products of the food transition for all. 250 products were selected for their commitment to four key themes: healthy products, packaging, climate and biodiversity. Nine European prizes representing nine categories were awarded. The jury also awarded a national prize to each of the six countries participating in the operation: France, Spain, Romania, Belgium, Italy and Poland. Carrefour shares its commitment to healthy and responsible eating with consumers, and organises Food Transition Weeks, entirely dedicated to sustainable and local products.

The supply of electric vehicle charging stations in France

In 2021, Carrefour became the first retail banner in France to offer a complete range of charging stations for electric vehicles in partnership with Meridiam, an investor that specialises in essential infrastructure. By 2023, 2,000 charging stations using 100% green energy will be installed throughout the Group's French hypermarkets. Each store will have approximately 10 equipped parking spaces. Carrefour's e-mobility solution meets the different needs of users. It includes a "comfort" charging service, at 22 kW, free for the first hour for customers with a loyalty card or Carrefour pass; a fast to ultra-fast charging service from 50 kW to 350 kW, enabling an "electric fill-up" in 15 minutes to 45 minutes depending on the vehicle, as well as a free service for soft mobility (electric bikes and scooters). Thanks to Carrefour's wide territorial coverage, its recharging service will be one of the largest in France, but also one of the highest performing, with 56% "super chargers". The Group is already considering a second wave of installations to equip Carrefour Market and franchised stores.

Combatting in-store food waste

Fully committed to combatting food waste, the Group is bringing innovations to all its departments. Since 2020, Carrefour has been developing the sale of baskets made up of products nearing their use-by date, in partnership with the Too Good To Go app. In 2021, Carrefour France set up "zero waste challenge" display cases in 30 of its stores: they collect undamaged eggs from broken or soiled boxes and sell them in bulk at a low price. In order not to lose healthy fruit and vegetables, packaged in trays, mesh or plastic bags and withdrawn from sale due to the deterioration of one or two products, "zero waste" repackaging in baskets has been set up in all stores. In the same spirit, Carrefour Spain offers a 25% reduction on the price of healthy but "ugly" vegetables. The initiative limits waste while allowing customers to enjoy quality products at a lower cost.

2.1.4 HEALTH AND PRODUCT QUALITY

2.1.4.1 Overview of objectives

Context Consumers want clear information and quality standards⁽¹⁾. Carrefour strives to ensure the quality and safety of its own-brand products, from logistical monitoring to implementing withdrawal and recall procedures if necessary, as well as complying with the highest hygiene standards in its stores. These issues are crucial for the Group, as they can have a major impact on its reputation and financial performance, and potentially result in liability.

Against the backdrop of Covid-19, the Carrefour group has made every effort to protect the health of its customers and that of its teams, by constantly adapting to the health regulations and recommendations of public authorities in each country. Independent third-party certifications have been obtained in France, Spain, Romania and Brazil, further demonstrating the Group's commitment to protecting its employees and customers from the pandemic and associated risks.

Risks and opportunities

Risks related to the quality, compliance and safety of products for Carrefour are integrated into the Company's risk management process (see Chapter 4.1). The risks analysed annually primarily concern the Group's quality processes, the design of specifications and product traceability, compliance with hygiene standards and emergency measures:

- lack of product control and traceability: major deficiencies in product control and traceability could have serious consequences for the health of our customers and fall short of consumer expectations regarding product origin. These shortcomings could also impact Carrefour's business development and results;
- deficiency in the development or compliance with the specifications of MDC products: the specifications of an MDC product include an error or omission which makes it impossible to market;
- failure to meet quality and hygiene standards in the store or warehouse: in the case of a supermarket where inspectors find that spoiled or overripe produce is still available on the shelves following an audit, this leads to sanctions;

- failure of the removal and recall device: malfunctions in the recall and withdrawal procedure for batches of food products could have serious health implications for customers.

In addition, Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). Four issues related to product quality and health are identified as important by stakeholders in the context of the Group's food transition strategy and are among the twenty priority issues:

- developing the range of accessible healthy products, informing customers on health and nutrition (11th-ranked);
- combating food insecurity and supporting food aid associations (18th-ranked);
- transparency, traceability and guaranteeing product safety (19th-ranked), with customers' expectations particularly high on this issue;
- development of accessible and quality products, in particular thanks to the banner's own brand (11th-ranked).

Our initiatives

The Group relies on various initiatives to guarantee the quality, compliance and safety of its products, as well as to promote the health of its customers through good food. Carrefour thus implements a policy based on:

- quality processes: ensuring efficient quality processes in the store, the warehouse, the design and monitoring of product specifications, and the implementation of traceability. The design of the specifications and the ranges of products available must meet public health priorities and include in particular:
 - regular reformulation of controlled products to limit energy content, salt, sugars and fats (saturated and trans) and the removal of additives and controversial substances,
 - the development of a food range that addresses the problems of allergens and food-related pathologies (e.g., gluten-free, salt-free or low-salt ranges, etc.), defined in

conjunction with consumer and patient associations, foundations and research bodies;

- offering healthy products: developing a healthy product offer to facilitate access to "eating well" for everyone, especially those with particular health concerns. Through its own brands and the development of special services, Carrefour facilitates access for all to a balanced, quality diet and promotes food that is good for the environment;
- customer involvement: supporting the transition of eating habits towards a healthier and environmentally-friendly diet through simplified nutritional information, communication programmes and dynamic marketing initiatives;
- employee commitment: instructing and training employees to make them ambassadors of the food transition in stores, nutrition and healthier eating habits.

(1) See the Group's materiality matrix in Section 1.3.1.4.

Coalitions and partnerships

Collaboration for healthier lives (The Consumer Goods Forum)

As part of the Group's reflection on health and nutrition, in January 2022, a panel brought together various stakeholders (customers, suppliers, associations, start-ups, Carrefour teams and experts) dedicated to health and nutrition in the presence of Carrefour's General Secretary and the Executive Director of Marketing and Customers.

Contributions to the Sustainable Development Goals



Our goals

TOPICS	OBJECTIVE	DEADLINE
Suppliers	Undertake a quality audit on 100% of the supplier base	Permanent
Traceability/ blockchain	Deploy blockchain technology on a hundred CQL products	2023
Health	Eliminate controversial substances in Carrefour-brand products ⁽¹⁾	Permanent
	Provide clear and transparent nutritional information to the consumer	Permanent
	Propose an optimised nutritional profile on the Carrefour product offer	Permanent
	Nutri-score for 7,000 products in Europe	2022
Organic farming	15% of fresh food product sales generated by organic or agroecological products by 2025	2025
CQL products	Achieve 10% penetration of CQLs in fresh products	2025
	100% of CQLs have a differentiating agro-ecological claim	2025

(1) The establishment of the list of controversial substances is the result of a continuous monitoring process that allows the initial list to be constantly updated with new controversial substances.

2.1.4.2 Guarantee the safety of our customers and the quality of our products

Context and definition

Consumers are looking for guarantees on the quality of their food. They want clear information and standards. In line with its *raison d'être*, "to become a leader in the food transition for all", Carrefour rises to their expectations by democratising healthy, quality food. The Group thus ensures the quality and safety of its own-brand products, from logistics to the

implementation of withdrawal and recall procedures if necessary. It takes great care to comply with hygiene standards in stores. These issues are crucial for Carrefour, as they can have a major impact on its reputation and financial performance, and potentially result in liability.

Policy and performance

Carrefour has implemented quality, compliance and product safety processes for controlled products and national brands in stores in all host countries that meet three objectives:

- ensure the quality and safety of Carrefour-controlled products via product specifications, quality control plans, in-store quality processes and alert and withdrawal systems;
- guarantee the transparency and traceability of Carrefour products through the use of blockchain technology, which

enables the complete traceability of food products (while guaranteeing the protection of recorded data and the history of product information in the chain, and third-party certifications);

- remove substances that are controversial in health and environmental terms from Carrefour products, right from the start of their production, by reducing the use of pesticides and excluding GMOs.

Key Performance Indicators ⁽¹⁾	2021	2020	Change
Number of suppliers – plants ⁽¹⁾	3,040	2,670	13.9%
Number of inspections performed – analyses	49,002	44,727	9.6%
Number of inspections performed – external panels	4,084	3,265	25.1%
% of plants certified to IFS or BRC standards ⁽¹⁾	89%	89%	0 pt
% of plants audited by Carrefour ⁽¹⁾ , o/w:	11%	11%	0 pt
• % of audit ratings ranging between A and B ⁽¹⁾	95%	93%	2 pts
• % of audit ratings ranging between C and D ⁽¹⁾	4.3%	6.3%	2 pts
Number of products withdrawn ⁽²⁾	533	546	-8.6%
% of Carrefour-brand products withdrawn	53%	58%	5 pts
Number of products recalled ⁽³⁾	452	334 ⁽¹⁾	35.3%
% of Carrefour-brand products recalled	18%	24%	-6 pts

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

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

(3) 145 product recalls were attributable to the sesame seed incident.

Comments on 2021. Carrefour implements a series of requirements and procedures to guarantee the quality and compliance of the products it sells. All plants producing Carrefour own-brand products are certified to either International Featured Standard or British Retail Consortium standards (89% in 2020), or audited by Carrefour (11% in 2020). Carrefour's control plans also include consumer focus

groups and warehouse and in-store checks of product freshness and origin.

In 2021, the number of recalls was strongly impacted by the discovery of traces of ethylene oxide in several food additives by the European authorities. This situation is being normalised, as both the sources and origins of this contamination are now clearly established.

Key Performance Indicators ⁽¹⁾	2021	2020	Change
Number of products equipped with blockchain technology and a visible QR code	478	New	
Number of sectors equipped with blockchain technology	55	34	62%
Sales of organic products (in billions of euros) ⁽²⁾	2.73	2.72	0.03%
Market penetration rate of Carrefour Quality Lines in fresh produce (in %)	7.2%	7.4%	-0.2 pt

Comments on 2021. The Group guarantees the transparency and traceability of its Quality Lines (CQLs) in France, thanks to blockchain technology which should cover around a hundred products by 2023, i.e., the majority of the Lines' sales. The Group is also working on identifying and eliminating controversial substances in its own-brand products and on reducing pesticides by supporting the

development of organic farming, aiming for 15% of fresh food product sales generated by organic or agroecological products by 2025 and 3,000 French farmers supported in organic farming and in conversion to organic farming. Carrefour also intends to raise market penetration rate of Carrefour Quality Lines to 10% in fresh products by 2025.

Action plans

Ensuring the quality and safety of Carrefour products

The Group's Quality department develops standards and tools (including purchasing rules), charters and quality guidelines, which it circulates in all of the Group's host countries. The Country Quality departments are brought together in a network to exchange and share best practices in order to guarantee the consistency of approaches. The Group has also launched a major employee training programme and regularly communicates with customers about food safety.

QUALITY PROCEDURES AND POLICIES

Carrefour works constantly with stakeholders to ensure the quality and safety of its own-brand products in all of the Group's host countries, operating a five-pronged policy: supplier compliance with product quality standards, product specifications, quality control plans and customer opinion surveys, in-house expertise, and traceability and data tracking.

The Group seeks stakeholder feedback to continuously improve the safety and quality at each stage of the product's life cycle. For example, Carrefour encourages suppliers to adopt its quality, social practices, health and safety criteria in their production chain. This collaboration implies a lasting relationship of trust, as evidenced by the number of suppliers with more than five years of seniority at Carrefour: 69% in 2019 and 83% with more than two years of seniority. Carrefour also collaborates with civil society organisations (experts, associations, the scientific world, NGOs, consumer associations, public authorities) in order to take its expectations into account.

CRISIS MANAGEMENT, ALERT AND PRODUCT RECALL

The quality system includes a procedure for swiftly removing any potentially dangerous product from stocks and shelves. In order to guarantee that a non-compliant product is no longer accessible to the end consumer, Internet platforms for the transmission of the information have been developed. This facilitates transmission of the data necessary for the withdrawal by the manufacturer concerned, and the listing and alerting of warehouses and stores likely to have received batches of non-compliant products to ensure effective removal. The EAN barcode of recalled products is blocked at checkout.

Carrefour has an alert system known as AlertNet to inform all stores as quickly as possible if they must withdraw or recall a product. It is available online at all times and access is free for suppliers. In the event of an alert, Carrefour immediately withdraws the products and checks that the withdrawal has taken completed within 24 hours.

Guarantee product transparency and traceability

BLOCKCHAIN TECHNOLOGY

To ensure complete traceability and transparency for consumers, Carrefour is the first European Retailer to use blockchain, a technology for storing and transmitting information that cannot be falsified and operates in shared mode. This allows all players in the value chain – producers, processors and distributors – to provide traceability information for the same batch of products. By scanning the QR code on the product label with a smartphone, the customer has instant access to information on the product and its journey from farm to store shelf.

Carrefour wants to accelerate the deployment of the blockchain in all its lines and in all host countries. Carrefour France launched the first food blockchain in Europe in 2018 on Carrefour Quality Lines for free-range chickens in Auvergne. Since then, it has been deployed in 55 Carrefour Quality Lines (CQLs). In 2021, all the Group's countries benefited from the blockchain and Carrefour joined the IBM Food Trust platform, the objective of which is precisely to create an international standard for food traceability. In 2019, the platform integrated a wider range of products traced thanks to the blockchain with the arrival of manufacturers such as Nestlé or Unilever. In 2021, Majid Al Futtaim, the pioneer and leader in shopping centres, local and regional authorities, retail and leisure in the Middle East, Africa and Asia, turned to IBM Food Trust to ensure the traceability of food distributed in Carrefour-banner stores.

CERTIFICATES, LABELS AND CLAIMS

Carrefour uses third-party certifications, which provide a guarantee on complex supply chains, for which full traceability of raw materials is not always available. In order to apply the label to its products, the supplier must meet certain specifications that are verified and validated by a third party before obtaining the certification. Certified products attest to their superior quality and provide consumers with information about their certified characteristics.

Certification can also be a means of reducing the environmental and social impacts related to procuring risky raw materials. However, it has its limitations, as market transformation is not always rapid. This is why Carrefour is seeking to diversify solutions to improve the traceability of raw materials. For example, to ensure that the origin of the beef distributed in Brazil does not contribute to deforestation, Carrefour relies on a geo-monitoring tool that surveys breeding plots via satellite. Where certification results in an *a posteriori* guarantee, geo-monitoring verifies real-time compliance with the specifications defined by Carrefour. The Group is studying the use of these tools for other types of agricultural production.

Eliminating the use of controversial substances for health and environmental reasons

REMOVING CONTROVERSIAL FOOD ADDITIVES FROM CARREFOUR-BRAND PRODUCTS

Ahead of legislative and regulatory change, Carrefour has embarked on a global campaign aimed at eliminating controversial substances from its product ingredients. Authorised additives are examined to establish a continually updated classification divided into four categories:

- black: substance already absent from all Carrefour-brand product categories;
- red: substance authorised only in certain product categories (such as certain alcohol colourants);
- orange: substance authorised, but to be replaced if possible;
- green: substance authorised without restriction.

Carrefour has implemented a workplan to eliminate by 2022 all controversial substances likely to be classified as "black". When substitute solutions for certain substances classified as "black" are not available, Carrefour first chooses to reduce their levels and works to identify satisfactory substitute solutions in the short term.

To go further, in 2020 Carrefour launched the competitively-priced Carrefour Classic' OUI AU BON ! brand. An even longer list of undesirable substances and ingredients, such as polyphosphates, carmines and artificial flavours, have been excluded from products in this range. In line with consumer expectations, these products are also GMO-free, derived from animals fed without GMOs, and without additives, preservatives, colourings or pesticides.

REDUCING PESTICIDE USE

Carrefour invests in organic farming and enlightened sustainable farming practices through the deployment of agro-ecological practices. Carrefour is aiming to generate 15% of fresh food product sales through organic or agroecological products by 2025. For the Group, helping farmers to convert to organic farming reflects its social responsibility, contractualised by a commitment lasting 5-7 years. The banner wants to support hundreds of producers in this profound change in crop and livestock farming. At the end of 2021, the Group had 3,538 partner producers in organic farming. In France, Carrefour has also decided to eliminate some chemical pesticides by developing agro-ecology for its Carrefour Quality Lines (CQLs) and Reflets de France ranges. Carrefour has made a commitment with its partner producers that 100% of its Carrefour Quality Lines products will be agro-ecological by 2025 and that CQL products will represent 10% of its fresh produce range. In concrete terms in the store, it is possible to find strawberries without synthetic pesticides once they bloom, kiwis and frozen broccoli without insecticides, as well as pasta and lentils.

CUTTING OUT GMOS

In 1998, Carrefour brought in a policy of excluding GMOs and their derivatives from its own-brand products and from the feed of livestock used in its Carrefour Quality Lines. All Carrefour own-brand products have been free of genetically-modified ingredients since 1999. This policy extends to the cultivation of non-GMO soybeans. The Group developed a first GMO-free soy livestock feed line for Carrefour Quality Lines products in Brazil in 2000, as well as a French line in 2017.

Ensuring the safety of customers in stores during the health crisis

In response to the Covid-19 pandemic, Carrefour took decisive steps in all countries to protect consumers shopping in its stores (see Section 1.2.1). As soon as the first lockdown was announced, the Group introduced protection measures relating to the management of incoming goods, cleaning and disinfecting shopping carts and baskets, plexiglass protective screens at checkouts and customer service desks, and floor markings to ensure social distancing. Employees were provided with thermometers for taking temperatures on a voluntary basis. Masks were provided to Carrefour teams in the warehouse and in the store. In Poland, free masks were given out to senior customers in the Group's Warsaw hypermarkets. In certain Group stores, opening hours were staggered so that shelf-stacking could take place when stores were closed.

The proper application of health, hygiene and safety rules is regularly and strictly controlled and audited. The quality of the protection measures deployed by the Group is certified by third-party bodies. In Spain, Carrefour became the first company to obtain AENOR Covid-19 certification in June. Carrefour Brazil became the first retailer in the country to be awarded the international My Care label developed by DNV GL. In France, hypermarkets, Carrefour Market stores and warehouses obtained AFNOR certification in November.

Joint initiatives and partnerships

- IBM Food Trust

+ Find out more

- [Carrefour.com: Product nutrition, quality, compliance and safety/CSR](#) (see the Health and product quality section)
- [Carrefour.com and CSR report: Protecting biodiversity/CSR](#) (see the Biodiversity section)

2.1.4.3 Our products and our customers' health

Context and definition

Food is key to health and poor nutrition is one of the main factors in chronic diseases. For a more balanced nutritional intake, people are advised to eat more fruit and vegetables, pulses, whole grains and dried fruit, and to consume less salt, sugars and fats. Improving eating habits is a societal issue that requires action by all stakeholders. Retailers should offer healthy products, adapted to the needs of different populations and cultures, and adopt a marketing approach that encourages "Eating better".

In line with its *raison d'être*, Carrefour has tasked itself with providing quality services, products and foodstuffs that are accessible to all. Accordingly, as part of its mission to "become the leader of the food transition for all", Carrefour aims to meet its customers' expectations in terms of nutrition, and contribute to their health and well-being by making healthy, quality food widely available.

Action plans

1. Develop a healthy product offer to facilitate access to good food for all

CREATE RANGES OF PRODUCTS WITH HIGH NUTRITIONAL VALUE

In all of its host countries, Carrefour has created ranges of products with high nutritional value, as well as ranges meeting specific needs (lactose-free, gluten-free, salt-free, etc.). For example, Carrefour France worked with a nutritionist to develop *Nutrition et plaisir*, a new line of fresh produce. This range offers balanced meals that meet complete nutritional needs. It addresses three categories of nutritional needs: *Vitalité* (protein-rich), *Essentiels* and *Légereté* (low-fat).

EXTENDING OUR VEGETARIAN PRODUCT LINES

See also Section 2.1.3.3 Promoting low-carbon consumption.

The Carrefour Veggie product range offers 100% vegetarian or vegan recipes, source of fibre and/or protein, without artificial flavouring or colouring, and without palm oil. All products carry the European V-label, issued by the Vegetarian Association of France.

In 2021, Carrefour Belgium launched a brand new range of balanced prepared meals, made up of ten recipes, including four vegetarian ones. Each dish has a Nutri-score of A and is made up of at least 50% vegetables. The meals are packaged in environmentally-friendly packaging made of 90% natural, renewable raw materials and 90% industrially biodegradable. In Brazil, as part of Celiac Disease Day, Carrefour has stepped up its efforts to expand its healthy range so that everyone can have access to healthy food, taking into account their nutritional needs and dietary restrictions.

2. Supporting the transition towards a healthier and more environmentally-friendly diet

PROVIDING THE CUSTOMER WITH ADDITIONAL NUTRITIONAL INFORMATION ON PRODUCTS

Customers are being provided with nutritional information thanks to the introduction of the Nutri-Score label on the packaging of Carrefour own-brand products in France and on the *Carrefour.fr*

website. This five-colour logo, which classifies products from A to E based on their nutritional quality, will appear on 7,000 products in Europe by 2022. By involving all of its partners (producers and suppliers) in the Nutri-Score initiative, Carrefour is supporting the public authorities in their food education efforts. To raise customer awareness about "healthier eating", Carrefour also communicates via digital media (such as "Panda" recipes in partnership with WWF France and Carrefour's Nutri-Score web page), flyers, and in-store product promotion and events.

In 2020, Carrefour launched the personalised INNIT score on its *Carrefour.fr* website. This digital platform devoted to food helps consumers optimise their choices and enjoy a balanced diet according to their preferences by providing them with customised information. This new service is another step in the process of providing consumers with a better understanding of food so they can make informed decisions to "eat better".

In 2021, the Carrefour Foundation and Carmila launched a call for projects which rewarded ten associations carrying out local initiatives in favour of the food transition.

3. Raising awareness, training and mobilising employees to eat better

Training is a priority for Carrefour. In 2021, employees received an average of over 13 hours of training in all Group host countries. In addition to the mandatory subjects on health and safety, the training covers the major themes of the "Carrefour 2022" transformation plan: promoting the food transition and advocating good practices for better eating are key areas. In 2021, 8,483 employees were trained face-to-face and 2,806 via e-learning modules on the food transition and organic product basics.

Carrefour is mobilising its employees around the challenges stemming from its "Carrefour 2022" transformation plan. The Group has rolled out the "Act for Food Superheroes" programme to showcase the work of employees who are most committed to the food transition programme and encourage them to share their best practices. This programme harnesses the enthusiasm of Carrefour employees to get involved in the food transition. It is part of a new managerial strategy developed by Act for Change which strengthens employee leadership skills.

As part of an “intrapreneurial” mindset, everyone is able to deploy a project or an initiative that serves the Group’s mission. In 2021, more than 2,000 food transition “superheroes” were identified across the Group. The programme is being deployed in all countries in which the Group operates. The solutions from the field are highly diverse: showcasing healthy products, events focusing on healthier eating and cooking, initiatives to reduce waste, etc.

Joint initiatives and partnerships

- IBM Food Trust
- WWF France
- Consumer Goods Forum
- The Health and Nutrition Panel which brought together various stakeholders on the subject of health and nutrition, with the presence of the Group’s Secretary General, the Executive Director of Marketing and Customers

+ Find out more

- [Carrefour.com: Product nutrition, quality, compliance and safety/CSR](#) (see the Health and product quality section)

2.1.4.5 Case studies in 2021

Promoting better eating

Carrefour supports its customers in their transition to healthier, higher quality and accessible foods. The Group uses new technologies to guide consumers in their in-store choices. In

Brazil, for example, Carrefour has launched a new feature on its My Carrefour application: the Nutri Choice tool. Based on an algorithm that analyses the purchase history of each customer, Nutri Choice offers, via a list of suggestions, personalised alternatives that are both more balanced and more economical. Carrefour Brazil’s Cybercook online platform also offers an interactive cookbook, downloadable via the My Carrefour application, which is available in stores in hard copy: “*ComerEmCasa*: the best recipes for a simple and healthier life”. Through 81 recipes, the book explains how to cook healthy food while saving money. Each recipe has a QR code that directs the reader to the preparation and special pages that provide more general information on the ingredients and their costs.

Roll out the lines that reduce the use of pesticides

As part of its plan to foster agro-ecology, Carrefour has undertaken to promote the reduction, or even the elimination, of chemical pesticides (synthetic insecticides, fungicides and herbicides) for the fruit and vegetables in its Carrefour Quality Lines (CQLs) and Reflets de France ranges.

The process began in 2014, with Reflets de France strawberries and has since been rolled out year after year. At the end of 2020, 24 out of 35 CQLs were involved in the process, representing 400 producers and 80 suppliers. Carrefour marketed 38,000 tonnes of fruit and vegetables without chemical pesticides, out of a total volume of 100,000 tonnes of products from the CQLs and 20,000 from Reflets de France.

Despite difficult weather conditions, volume increased in 2021 and new partners got involved. Four new agro-ecology lines have been created, for mangos, persimmons, avocados and white button mushrooms. The historical lines have also been expanded, thanks to new suppliers’ commitment to the approach. In 2021, 600 producers and around 100 suppliers produced 45,000 tonnes of fruit and vegetables for Carrefour according to the principles of agro-ecology in France.

1

2

3

4

5

6

7

8

9

2.1.5 BUSINESS ETHICS AND SUPPLY CHAINS

2.1.5.1 Overview of objectives

Context As a retailer, Carrefour is in direct contact with numerous stakeholders and has a duty to maintain high-quality relations with its suppliers, producers, trade union representatives, public authorities, investors, NGOs, associations and customers. In 2021, the Group surveyed its customers when it updated its materiality analysis. They expressed high expectations in terms of respect for human rights, creating sustainable relationships and fair distribution of the value created within supply chains. Respect for animal welfare and guaranteed ethical farming are also identified by customers as a priority issue for the food transition.

More broadly, under its duty of care, the Group has a responsibility to its direct and indirect stakeholders to guarantee human health and safety, human rights and the environment. Carrefour aims to act beyond reproach in its relations with its partners at all levels, especially in its business relations, in compliance with applicable regulations such as the General Data Protection Regulation (GDPR) and the Sapin II law on corruption.

The importance that Carrefour gives to quality relationships with its partners, particularly its suppliers, was highlighted during the health crisis. Carrefour has been successful in building sustainable relationships with its partners. The wide range of partnerships with local economies and producers helped secure supplies, especially in the fruit and vegetable supply chain. Additionally, Carrefour continued to honour its commitments to its suppliers, a key factor in sustaining the local economy in the host communities where it sources products. Fulfilment of orders was a question of livelihood for its suppliers in countries coping with social risk during the health crisis.

Risks and opportunities

In its analysis of Group risks, Carrefour identified three main risks involving relations with partners and stakeholders:

- "Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair compensation". To identify those countries where risk of non-compliance with the charter is the highest, Carrefour has established a country-by-country risk map, which was revised in 2018 in line with the duty of care plan. The list of risk countries with this social component is derived from the country-by-country risk classification defined by amfori-BSCI and on the ITUC Global Rights Index. The classification also takes into account recommendations from the International Federation for Human Rights and from Carrefour's local teams;
- "non-compliance with anti-corruption legislation (Sapin II law)". The corruption risk mapping process was updated in 2021 for each main business sector (Retail, Property, Banking and Insurance). 576 employees were interviewed in the course of sessions organised throughout the Group. This update was used to redefine corruption risk scenarios for each managerial and operational process and rank any action plans for more effective risk management and analysis of existing controls;
- "non-compliance with data protection legislation (GDPR, LGPD, etc.)".

Our initiatives

Carrefour's responsibility to its stakeholders is manifold. The main issues identified are:

- **support for the local economy:** thanks to its global network of 13,894 integrated and franchised stores, Carrefour provides its customers with convenient local retail options in all its countries of operation. Each store has the independence necessary to adapt its product assortment and services portfolio to local needs and build close relationships with its customers. The promotion of local products is notably encouraged with the development of brands such as Reflets de France and Terra d'Italia. Through its partnerships with local producers of organic products, Carrefour Quality Lines and local SMEs, the Group supports local economic development;
- **respect for health, safety and human rights within the supply chain:** working with its various stakeholders (investors, consumers, NGOs, etc.), Carrefour anticipates risks relating to its activities upstream of its distribution operations, via their supply chain. In this regard, Carrefour is committed to constantly improving working conditions and protecting human rights and the environment among its suppliers. To meet its commitments, Carrefour puts risk assessment and prevention at the heart of its management system. Carrefour endeavours to assess the social and environmental compliance of its suppliers worldwide and to promote CSR practices throughout its value chain;

- **guaranteeing ethical farming:** for the past few years, Carrefour has been deploying a programme aimed at improving animal welfare in its supply chains. In collaboration with its stakeholders and NGOs specialising in animal welfare, Carrefour has defined its criteria and ensures they are included in specifications. Progress plans and monitoring tools have also been developed to support the transformation of production methods;
- **supporting fair trade and promoting decent wages:** Carrefour is committed to ensuring adequate compensation for its employees and within its supply chains to provide them with an adequate standard of living, which is recognised by the United Nations and the International Labour Organization as a human right. Work is therefore undertaken to guarantee a decent wage across Carrefour's employee population and supply chain network. Through its purchases, Carrefour has been developing and supporting

fair trade for more than 20 years, and in doing so contributes to improving the living conditions of producers and the long-term development of communities;

- **guaranteeing fair practices and personal data protection in business relationships:** corruption can take several forms in Carrefour's normal course of business. Bribery, gifts and favouritism can be linked to the purchasing functions, as well as business development requiring official authorisations. The commitment of Carrefour's governing bodies should give local teams a better understanding of the fight against corruption and accelerate global compliance. Data protection is also a vital challenge for Carrefour. Compliance on this issue is an opportunity for the Group to strengthen the relationship of trust with Carrefour customers, employees and partners as part of a more comprehensive approach to digitising the Company.

Coalitions and partnerships

Institute of Public and Environmental Affairs (IPE)

Fashion Pact

Initiative for Compliance and Sustainability (ICS)

Business Social Compliance Initiative (BSCI)

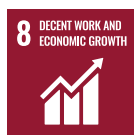
Leather Working Group

Laboratoire d'Innovation Territorial Ouest Territoires d'Élevage (LIT Ouesterel)

Association Étiquette Bien-Être Animal (AEBEA)

Other animal welfare organisations: World Animal Protection, Welfarm, OABA, CIWF

Contribution to the UN Sustainable Development Goals



Our objectives

TOPIC	OBJECTIVE	DEADLINE
Suppliers	300 suppliers involved in the Food Transition Pact in all Group countries by 2025	2025
Local action	45,000 partner producers in all Group countries by 2025 (organic producers, Carrefour Quality Lines, regional and local)	2025
Supply chain	Social audits performed on all supplier factories of controlled products located in high-risk or risk countries	Permanent
Raw materials	Only sustainable and traceable raw materials used in TEX products by 2030	2030
GDPR	Establishment of an organisation, rules and procedures for the protection of personal data	Permanent
Animal welfare	Eight key objectives of our animal welfare policy implemented in all Group countries by 2025	2025

2.1.5.2 Respect for human rights and labour rights

Context and definition

Business activities impact human rights in host countries and beyond, whether through their own operations, within their sphere of influence or via their value chain. In respect of their duty of care, companies have in recent years made progress in taking the social and environmental impacts of their internal and purchasing processes into account. They have worked to define objectives and monitor indicators to disseminate best practices among their teams and suppliers and, where necessary, to rectify their practices.

Carrefour pledges to promote, respect, enforce and protect human rights in its sector of activity and within its sphere of

influence. Carrefour's policies draw on international, universally recognised instruments upholding human rights: the Universal Declaration of Human Rights, the International Labour Organization (ILO), Declaration on Rights at Work, and other relevant ILO conventions. The Group, which works with thousands of suppliers around the world, also measures the risks inherent to its supply chains, assesses the social and environmental compliance of its suppliers, and promotes CSR best practices throughout its value chain.

Carrefour's policy and performance

The Group aims to promote respect for human rights by all of its employees and the employees of its franchisees. Drawing on the key recognised international standards and guidelines on human rights, Carrefour has set targets in line with the following issues: compliance with local and regional legislation and regulations on labour law and human rights in general; child labour; forced labour, slavery and human trafficking; excessive working hours; employee health and safety; decent pay; employee benefits; the fight against all forms of harassment and discrimination; social dialogue, collective bargaining rights, freedom of expression and association; and privacy and personal data protection.

Carrefour is also committed to improving its suppliers' working conditions and respect for human rights and the environment, with the aim of eventually creating sustainable

and fair trade supply chains for both direct and indirect purchases. For example, Carrefour puts in place a set of tools and procedures for monitoring its suppliers. In accordance with Carrefour's purchasing rules, all supply plants located in high-risk or risk countries must undergo a social audit conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Initiative (BSCI) standards.

Carrefour has also made the following commitments:

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

Key Performance Indicators ⁽¹⁾	2021	2020	Change
Percentage of audits with alerts (potential production plants)	14%	17%	-3 pts
• Of which alerts related to working hours	27%	29%	-2 pts
• Of which alerts related to compensation, working conditions and benefits	22%	25%	-3 pts
• Of which alerts related to health and safety	38%	33%	5 pts

Indicators ⁽²⁾	2021	2020	Change
Number of social audits (potential production plants)	918	1,418	-35.3%
• Of which Bangladesh	51	60	-15%
• Of which China	576	915	-37%
• Of which India	59	64	-7.8%
• Of which Turkey	63	69	-8.7%
• Other	169	310	-45.5%

(1) Audits carried out according to the ICS standard only.

(2) Audits conducted under ICS standards (number of audits carried out at Carrefour's request) and BSCI standards (number of audits carried out at Carrefour's plants).

Comments on 2021. As in 2020, the decrease in the number of social audits can be attributed to several factors. The ongoing health crisis prompted a strategy aimed at maintaining activity among existing suppliers, which resulted

in a slowdown in sourcing and consequently a drop in the number of pre-listing audits. Also, some audits were postponed due to Covid-19 travel restrictions.

Carrefour provides training, implements regional projects and supports fair trade to help its suppliers, promote CSR within

its supply chains and foster development in host communities where it sources products.

Indicators	2021	2020	Change
Gross sales of fair trade products (own-brand and national brand) (in thousands of euros)	127,811	111,198	15%

Action plans

1. Protecting Group employees

For the past 20 years, Carrefour has demonstrated its commitment to the protection of human rights, health and safety, and the environment, in particular through partnerships with major NGOs working in these areas, including the WWF® for environmental protection (1998), UNI Global Union for working conditions and fundamental freedoms (2001), and the International Federation for Human Rights (FIDH) (2000-2018). The Group has been a signatory of the United Nations Global Compact since 2001, and all integrated Group host countries are members of the ILO.

First distributed in 2016, Carrefour's Principles of Ethics provide employees with a set of guidelines on how to conduct themselves in the workplace on a daily basis. These principles mainly cover respecting diversity, contributing to a safe and healthy working environment, promoting social dialogue, banning all forms of harassment and discrimination, ensuring the safety of people and property, and acting with integrity, both individually and collectively.

To make sure the principles are applied properly, Carrefour has set up its own ethics whistleblowing system that can be used by Group employees or stakeholders to report any situations or behaviour that do not comply with its Principles of Ethics (see also Section 2.2.4.2 *Summary of alerts and corrective actions taken*).

Carrefour also provides its employees at Group level and throughout France with e-learning courses on human rights to educate them about these issues. In 2021, modules mainly covered gender equality, the Mission Handicap programme for people with disabilities, sexual harassment and sexism, gender prejudice in toys, and domestic violence prevention.

Carrefour also takes steps to ensure that its international franchisees respect human rights by systematically attaching a Human Rights Protection Charter to their contracts, requiring them to comply with international labour rights standards. Franchisees also agree to ensure that all employees, suppliers, sub-licensees, subcontractors and sub-franchisees comply with these commitments.

2. Protecting Carrefour's suppliers and value chain

Carrefour is committed to improving working conditions and protecting human rights among its suppliers, by implementing purchasing rules, tools and procedures to verify its suppliers' compliance and assist them in the compliance process.

The purchasing rules provide the framework for the social and environmental compliance of purchases of certified products, which meet specifications defined by Carrefour and undergo specific quality checks. These rules apply to all Group entities and all production countries based on their risk level. Disseminated in

all countries where the Group operates, the rules specify that suppliers must sign a Commitment Charter; the process and compliance rules for social audits; the Group's purchasing entities must appoint a person in charge of social and environmental compliance; and an action plan to bring sensitive production phases and raw materials into compliance with specific purchasing rules.

An integral part of all purchasing contracts in all countries, the Supplier Commitment Charter essentially extends Carrefour's respect for and promotion of human rights to a broader scope. The charter takes up the Group's Principles of Ethics and stipulates that suppliers agree to comply with its standards on human rights, ethics and the environment. It prohibits any concealed or unreported subcontracting, and requires, as a knock-on effect, Group suppliers to apply the same social compliance standards to their own suppliers.

MAPPING SUPPLIERS AND VALUE CHAIN

To identify those countries where risk of non-compliance with the charter is the highest, Carrefour has established a country-by-country risk map, which was revised in 2018 in line with the duty of care plan. Procurement potential and purchasing rules therefore depend on the risk rating assigned to each country:

- severe risk: production and supply are suspended in these countries;
- high risk: authorisation at Group level is required for any production in these countries. Once the country is approved, Carrefour teams working in the country approve and monitor plants;
- moderate risk: the plant is selected in strict application of the Group's purchasing rules;
- low risk: purchasing rules apply, but an audit is not required.

SECTOR-BASED APPROACHES AND SENSITIVE MATERIALS

Since 2018, Carrefour has also kept an up-to-date list of "sensitive" production phases that may present human rights and environmental risks. These phases may either take place during the manufacturing processes of Carrefour suppliers or further upstream in the value chain. The Group also identified the raw materials associated with social and/or environmental risks throughout their value chain. These raw materials have been prioritised based on their risk level and materiality for Carrefour.

SUPPORTING AND TRAINING EMPLOYEES AND SUPPLIERS

Training is provided on specific social issues. Courses on purchasing rules and the BSCI programme was provided for staff in France and Spain. Since 2019, some 80 purchasing and quality staff members have been trained, along with more than 250 people from Global Sourcing teams (Shanghai, Hong Kong, Bangladesh, India, Turkey, Cambodia and Vietnam).

Carrefour also supports its suppliers to improve CSR performance within the supply chain outside its direct scope, in collaboration with consultants and local NGOs. All suppliers must assess their own tier 1 suppliers identified as being high-risk (tier 2 suppliers for Carrefour) based on ESG criteria using a framework/application provided by Carrefour, which reduces non-compliance risk upstream. In 2019, Carrefour provided training at the plants of its tier 1 suppliers in Bangladesh, Pakistan and India, along with other tools to deal with identified risks. The project was deployed in 2020 in the following countries: India (242 tier 2), Bangladesh (309 tier 2), Pakistan (57 tier 2), Cambodia (8 tier 2), Vietnam (4 tier 2), Burma (3 tier 2) and Sri Lanka (15 tier 2).

The Group has also drawn up the Good Factory Standard, a practical training document featuring a breakdown by sector and/or by type of product (bazaar, clothing, wood, leather, etc.). It offers a set of basic requirements to follow and lists good and bad practices.

DEVELOP CONTROL PROCEDURES

In accordance with Carrefour's purchasing rules, all supply plants located in high-risk or risk countries must undergo a social audit conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Initiative (BSCI) standards. To be accredited, suppliers are subject to several checks, including a pre-audit, a technical audit, a social audit and an environmental audit. Social audits are mandatory for suppliers located in countries classified as risk countries, for all plants manufacturing products under Carrefour brands with a required rating of A or B grade (C, D and E ratings do not qualify). For suppliers located in low-risk countries, the inspection system is adapted to the business, local problems and on-site practices, as external audits are not performed systematically.

In addition to the audits, Global Sourcing's quality teams visit sites according to an inspection schedule set by Carrefour to check product quality compliance and offer on-site surveillance during production. All textile plants are systematically inspected at least once a year to ensure that quality procedures and the factory standard are in line with the Carrefour Good Factory Standard.

Since 2019, clothing supplier assessments have incorporated a CSR score in addition to the usual commercial, quality, and delivery (supply) scores. This CSR assessment includes the results of social audits, environmental assessments and alerts, management of suppliers (tier 2 suppliers for Carrefour), component traceability, supplier certifications and good CSR practices (aside from mandatory compliance).

Joint initiatives and partnerships

- Initiative for Compliance and Sustainability (ICS)
- Business Social Compliance Initiative (BSCI)
- Bangladesh Transition Accord

+ Find out more

- [Supplier Commitment Charter](#)
- [Principles of Ethics](#)
- [Duty of care \(see Section 2.2 of this chapter\)](#)
- [Ethics whistleblowing system](#)

2.1.5.3 Fair compensation and decent wages

Context and definition

Carrefour's employees are its key asset. In its day-to-day business, the Group seeks to protect and develop its human capital and that of the community in which it operates. It focuses on achieving this by providing favourable working conditions, fair compensation and decent wages.

As part of the "Acting with simplicity" commitment of its "Act for change" programme, which aims to provide a secure and positive professional environment for its employees, Carrefour pledges to respect the human rights and

fundamental freedoms of its employees. Consequently, the Group is committed to ensuring that each employee receives an adequate living wage to achieve a suitable standard of living, which is recognised by the UN and more specifically by the International Labour Organisation (ILO) as a human right. Carrefour also pays close attention to recognising its employees' work. To retain its talent, it rewards its employees' performance and skills through fair and satisfactory compensation.

Policy and performance

1. Among Carrefour suppliers

Each host country sets its own compensation policy, in line with local standards. However, the Group has defined the following global compensation goals applicable to all its host countries, which aim to guarantee decent wages for all its employees:

- compliance with local or regional laws and regulations concerning wages in all Carrefour and franchisee countries;

- compliance with sectoral collective bargaining agreements on compensation (in particular by enforcing the minimum wage set by the country or province) in all countries where Carrefour, the Group's directly operated entities and its franchisees operate;
- efficient payroll management;
- fair definition of compensation;
- performance assessments relating to pay and decent wages.

2. Among local, national and SME suppliers

Carrefour has set a target to partner with 45,000 organic farmers, Carrefour Quality Lines, regional and local producers by 2025. One of the guarantees from entering into agreements with these partners is fair pricing practices. The Group is also introducing SME Plans in all countries to develop business with SMEs. Lastly, Carrefour supports local industries through various crises (for example, the milk crisis in France, health crisis in Spain, etc.).

3. Among Carrefour suppliers and throughout the supply chain

Through its Carrefour Supplier Commitment Charter on human rights, Carrefour pledges to provide workers with satisfactory compensation to meet their basic needs and those of their family members who depend directly on them. In accordance with Carrefour's purchasing rules, all supply plants located in high-risk or risk countries must undergo a social audit, including assessments on the minimum wage for employees of these suppliers. The audits are conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Initiative (BSCI) standards.

Key Performance Indicators	2021	2020	Change
Percentage of audits with alerts (potential production plants)	14%	17%	-3 pts
Number of social audits performed	918	1,418	-35.3%
• Of which alerts related to compensation, working conditions and benefits	22%	25%	-3 pts
• Of which alerts related to working hours	27%	29%	-2 pts
• Of which alerts related to health and safety	38%	33%	5 pts

Carrefour also implements regional projects and supports fair trade to promote CSR within its supply chains and foster development in regions where it sources products.

Indicators	2021	2020	Change
Gross sales of fair trade products (own-brand and national brand) (in thousands of euros)	127,811	111,198	15%

Action plans

1. For our employees

The Group enforces a sustainable compensation policy, which takes into account the issues of purchasing power within each country. Compensation levels most often exceed the local legal minimum wage and are usually supplemented with profit-sharing plans, social protection and employee benefit schemes. The employee compensation policy is defined by country, with consideration for the local context, practices and issues, and in line with the Group's goals that apply in all host countries. The working time monitoring systems, implemented at all Carrefour and franchisee sites, optimise payroll management and ensure that employees receive fair compensation, aligned with actual working hours and at regular intervals. Each country uses individual and collective performance assessment systems to adjust compensation and bonuses accordingly.

2. Among our local, national and SME suppliers

Carrefour's goal is to bring together 45,000 organic, regional and local Carrefour Quality Lines partners. A partner producer is a producer or supplier with which Carrefour has a close relationship, governed by a specific contract (multi-year commitment, commitment on price, commitment on volumes, simplified listing process, accelerated payment, SME contract, other). The partnerships between Carrefour and its local and national suppliers are bound under contractual terms to guarantee fair compensation.

Each country where the Group operates has introduced an SME plan to build close relationships with small and medium-sized companies (including direct contact, setting up of clubs, awards

programmes to foster innovation, etc.) and a "Carrefour SME contract", set for a specific duration and offering a dual ombudsmen system, a system to ease cash flow for SMEs, a specific e-mail address, and contract signing on December 31. This action plan also includes training for buyers on specific issues related to business relations with SMEs and ensuring compliance with Carrefour's Code of Ethics (e.g., displaying the Code of Professional Conduct in the booths where negotiations take place). To develop business with these smaller entities, local listing and payment processes can be accelerated. In France, Carrefour implemented multiple local initiatives in 2021 to support supply lines and reasserted its commitment to SMEs by signing contracts with more than 3,400 local and regional SMEs.

Finally, Carrefour supports local industries in meeting challenges identified in the various host countries, particularly since 2020 in response to the health crisis. For example, for the third consecutive year in France, Carrefour and Système U signed agreements in 2021 with SODIAAL, Yoplait, Lactalis Fromages, Lactalis Nestlé Ultra Frais, Savencia and Eural, to revalue the price of milk paid to producers. Thanks to these partnerships, this revised price will apply to more than 800 million dairy products manufactured in France and sold in Carrefour group and Système U banners. Also, through sales of its *C'est qui le patron ?* (Who's the Boss?) products, Carrefour contributed to providing better pay for producers. In Spain, Carrefour promoted Spanish-made footwear within its TEX brand by working with seven regional suppliers, as part of its commitment to and support of the country's quality producers. The Group also showed its support for small and medium-sized local producers of green asparagus experiencing difficulties within their sales channels due to the current health crisis.

3. Among our suppliers in high-risk countries and throughout the supply chain

ENSURING TRACEABILITY OF PRODUCTS AND SUPPLIERS TO ENSURE FAIR COMPENSATION

Supply chain traceability is a necessary requirement for supporting our suppliers and their suppliers in improving their social performance. As part of the 2030 objective: "all natural raw materials used in its TEX products should be sustainable and traceable", Carrefour has developed a methodology to identify its tier 2 suppliers, trace supply lines and as a result ensure fair compensation throughout the value chain.

Mapping tier 2 suppliers in high-risk countries

The Group began mapping tier 2 suppliers in 2020 to have visibility of the various third parties involved across the production and supply chain and then to better identify specific social issues, including fair compensation. Compensation is an identified social risk already covered by the audit criteria for the Group's tier 1 suppliers. For the clothing sector, this task consists of identifying the suppliers of the suppliers involved in the following stages: cloth manufacture (spinning, knitting, dyeing), product assembly, etc. Carrefour began this mapping process "manually" for Bangladesh and India, and an IT solution is currently being studied that could be used to systematically roll the process out to all of the Group's high-risk countries.

Tracing supply lines and communicating transparently

As an example, since 2019, Carrefour has been working with over 8,000 small organic cotton producers in the Madhya Pradesh and Maharashtra regions in India on a project combining quality organic cotton, decent pay for producers and traceability starting from the seed. Thanks to its partner, Cotton Connect, Carrefour ensures that its Indian organic cotton suppliers receive a higher rate than conventional cotton producers. The first 100% "sustainable cotton" collection is a direct result of this approach, comprising home textiles, undergarments, babywear and children's clothing under the TEX BIO brand sold in all of Carrefour's French and Spanish hypermarkets since spring-summer 2019.

SUPPLIERS' SOCIAL PERFORMANCE WITH RESPECT TO COMPENSATION

Carrefour has three levers to advance on living wage issues: fair trade products, social audits and implementing additional services to supplement compensation.

Principles of social audits covering our suppliers with respect to their workers' compensation policy

Carrefour's purchasing rules on implementing decent wages include audits in compliance with minimum wage, legal overtime pay requirements and freedom of association. Specific roadmaps covering these three themes were defined at the local level. The social performance of suppliers is regularly monitored and checked through social audits. Corrective action plans are systematically implemented and progress monitored over time. In addition to social audits, Carrefour develops local projects to meet specific needs of its suppliers. More than 80% of cases of

non-compliance identified in plants in high-risk countries each year relate to the following three categories: "compensation, benefits and conditions", "health and safety" and "working hours".

Social compliance of suppliers with respect to workers' pay

In 2021, 918 social audits covered the Group's potential production sites, 35.3% less than in 2020. This decrease is due to the Covid-19 pandemic. An alert is raised for any critical point of non-compliance identified during the audit. When alerts apply to accredited suppliers, immediate action is required, after which Carrefour only retains suppliers once they have been cleared by a pre-audit within a three-month period. The main occurrences of non-compliance discovered among Carrefour suppliers related to working hours, compensation levels and workers' health and safety. In 2021, 14% of audits conducted on potential production plants generated one or more alerts.

Supporting fair trade

In France, Carrefour was the first major retail banner to sell a fair trade product, Malongo brand coffee back in 1998, produced by small farmers. Many Max Havelaar® certified products have since been added to store shelves through brands such as Alter Eco, Ethiquable, Lobodis, etc., with several international agreements signed twenty years later between Carrefour and Max Havelaar®.

In 2021, more than 127 million euros in fair trade products were sold in Carrefour stores worldwide (up 15% from 2020). Product sales generated nearly 1.5 million euros in development bonuses for cooperatives, on top of the fairer retail price paid to producers, which have financed study grants, water purifiers, schools, a maternity unit, and more. Carrefour's own-brand organic range, launched in partnership with Max Havelaar®, now has a wide range of listings in five product categories: bananas, coffee, chocolate, honey and tea. In 2021, 930 fair trade products were available at Carrefour stores worldwide.

4. Among franchisees

Charter for the protection of human rights for international franchisees

Carrefour is working to ensure that its international franchisees respect human rights by systematically attaching to their contracts a charter for the protection of human rights. The charter binds franchisees to provide workers with compensation that meets their basic needs. Such compensation must at least correspond to the minimum wage set by the national legislation of the country concerned or, in the absence of regulations, it must facilitate decent living conditions for workers. By signing this charter, franchisees agree to ensure that all employees, suppliers, sub-licensees, subcontractors or sub-franchisees, as the case may be, comply with these commitments. Franchisees are also bound to introduce checks to ensure that commitments are met, such as visits to observe suppliers' practices relating to working conditions. Findings are compiled in dedicated reports to assess compliance with the charter. If necessary, corrective action plans are implemented and follow-up visits planned. Franchisees must also authorise the Carrefour group, or any person authorised under the Group's internal and external monitoring system, to carry out unannounced visits to check compliance with the charter's commitments.

2.1.5.4 Personal data protection

Context and definition

Personal data protection is a vital challenge for Carrefour. Compliance on this issue is an opportunity for the Group to strengthen the relationship of trust with Carrefour customers, employees and partners as part of a more comprehensive

approach to digitising the Company, in compliance with the regulations in effect. Non-compliance constitutes a potential threat to its image with consumers and a regulatory risk representing 2% to 4% of its sales (under the GDPR).

Policy and performance

Carrefour has deployed a plan to comply with the General Data Protection Regulation (GDPR). The plan applies to all of the Group's integrated countries and involves regular

communication between the different Data Protection Officers (DPO) to harmonise practices and comply with local legislation and specific local needs.

Indicators	2021	2020	Change
Number of countries/entities with a DPO ⁽¹⁾	8/8	8/8	-

(1) New indicator in 2020. Excl. AR because the nomination of a DPO is not required under local regulations.

Action plans

Carrefour has developed a continuous monitoring plan covering all the key issues relating to the GDPR to ensure proper compliance and, if necessary, take continuous remedial action.

The compliance programme covers:

- application of general data protection policy;
- consent management;
- creation and updating of data processing records;
- creation of a data rights management process for providing responses within legal deadlines;
- implementation of a training programme;
- data conservation policy;
- deployment of a network of data protection officers in accordance with the recommendations of the French Data Protection Authority (CNIL);
- a DPO in each country to deal with data protection issues and support the country business segments;
- a register of incidents and personal data breaches in accordance with the GDPR for tracking different incidents, qualifying them from a legal standpoint to self-assess the appropriateness of notifying the French Data Protection Authority and/or disclosing them to the persons concerned;
- reporting tools for integrated countries or BUs to report to Group level.

2.1.5.5 Fair practices

Context and definition

Corruption is a criminal offence subject to national laws, international conventions and laws with extraterritorial scope, such as the American Foreign Corrupt Practices Act (FCPA), the UK Bribery Act (UKBA) and the French Criminal Code. France's Sapin II law of December 9, 2016, which strengthened the country's anti-corruption system, requires large companies to adopt measures to prevent corruption. Corruption can take several forms in Carrefour's normal course of business. Bribery, gifts and favouritism can be linked to the purchasing functions, as well as business development requiring official authorisations.

Carrefour complies with several rules and regulations for its business, including competition law and those relating to

trade and industry. Competition law encompasses all laws and regulations aimed at enforcing compliance with the principles of free and fair trade and industry. Competition policy helps to stimulate productivity, give consumers a wider choice, and improve the quality of goods and services at the most competitive prices. In EU countries, competition law is based on EU law. This harmonisation provides legal certainty within a single legal framework and basic rules applicable in each EU country.

Lastly, from a tax perspective, the Group's policy is one of transparency and the payment of appropriate taxation wherever it creates value.

Policy and performance

Carrefour contributes to the fight against corruption, money laundering and the financing of terrorism by eschewing all forms of corruption and enforcing the applicable laws. The Group promotes a culture of trust and integrity, which it shares with its stakeholders, enabling each of its employees to report any violation of the law anonymously.

Carrefour is committed to the rules of fair competition in its business relations with its different partners (franchisees, suppliers, service providers, etc.). It is very careful to maintain high-quality, transparent and loyal relations with its different commercial partners and to negotiate balanced agreements

that comply with applicable laws and regulations, especially competition law. The confidentiality of all information exchanged is also strictly respected and managed.

The Group ensures compliance with the applicable rules in all the countries where it operates, including those aimed at fighting tax evasion. No Carrefour entity is located in a country listed on the French or European Union lists of non-cooperative jurisdictions for tax purposes (e.g., the EU "blacklist" published by the Council of the European Union).

Indicators	2021	2020	Change
Amount paid by all Group entities in respect of their tax obligations	€948 million	€962 million	-1.5 pts
Social security contributions borne by the Group	€1,613 million	€1,597 million	1%
% of at-risk employees trained on anti-corruption topics ⁽¹⁾	98.6%	61%	2 pts

(1) New indicator in 2020. Scope: excl. e-learning data in France and excl. PO BE.

Action plans

1. Governance

As part of its responsible business conduct policy, Carrefour ensures compliance with the rules applicable to the transactions it carries out in all the countries where it operates or conducts its business, mainly by developing an ethics and compliance network comprised of representatives in various roles and from different levels within the organisation. This network includes:

- a Group Ethics Committee, the Group Legal Director and the Director of Ethics, Compliance and Personal Data Protection, who acts as secretary;
- the Ethics, Compliance and Personal Data Protection department, which reports to the France and Group Legal departments, overseeing compliance for the Carrefour group;
- Ethics and Compliance Officers from integrated countries and BUs who are responsible for ensuring the compliance of their respective entities;
- all employees with key roles in compliance, so that Carrefour group can collectively comply with ethics and compliance regulations

Joint governance arrangements shared between the Safety and Compliance departments are being rolled out to all entities and countries in which Carrefour is present, for even more effective reporting and oversight.

2. Fighting corruption, money laundering and terrorism financing

Risk mapping and governance

The corruption risk mapping process was updated in 2021 for each main business sector (Retail, Property, Banking and

Insurance). The commitment of Carrefour's governing bodies is reflected in the decision to appoint a Compliance Officer in each Carrefour-integrated country where this was not already the case, to give local teams a better understanding of the fight against corruption and speed up the process of ensuring overall compliance.

This was also demonstrated by Alexandre Bompard and Laurent Vallée speaking to all Group countries on International Anti-Corruption Day on December 9 to reiterate their commitment to the fight against corruption and influence peddling.

In 2021, a Responsible Lobbying Charter and a Governing Charter for the Carrefour Foundation were approved by the Group Ethics Committee and distributed to be applied to the process of selecting sponsorship projects.

Policy

Carrefour has drafted an "Anti-bribery and Corruption Policy", providing practical illustrations of concepts (such as rules governing the acceptance of gifts and invitations). This policy establishes the frame of reference in which employees must all perform their duties on a daily basis, in all of Carrefour's subsidiaries and integrated countries. It applies to all employees in all Group countries. In addition, each country subsidiary takes into account locally applicable regulations, and implements the appropriate compliance programmes and the necessary prevention measures. Carrefour expects third parties with which it has a relationship to take measures to prevent the main corruption risks and to inform their employees accordingly. The Principles of Ethics are shared with suppliers through charters signed or appended to their contracts, which are an important part of the prevention process.

The Group has implemented a plan to comply with the Sapin II law on anti-corruption, strengthening the French law on anti-money laundering and counter-terrorism financing. It covers the following points:

- an awareness-raising and training system has been rolled out for functions on the front lines. It takes the form of either in-person or online meetings and has been attended by several thousand employees directly concerned. Functions that are not on the front lines have also participated to learn more about these issues. All employees involved in a purchasing or selection process are required to sign a declaration of independence each year, with the aim of publicly disclosing any conflicts of interest in order to handle them better. Carrefour has performed a bribery and corruption risk mapping process;
- corruption risks are mitigated by a series of accounting control procedures;
- local whistleblowing systems and an outsourced global whistleblowing service were set up in all countries in 2016. They are available 24/7 via the Internet (ethique.carrefour.com) or the hotline;
- Carrefour evaluates third parties with the highest risk of corruption and with which it has a business relationship. It aims to standardise and centralise Group practices by deploying a common approach to evaluating third parties.

In all host countries, relations with the public authorities are governed by an ethical framework that complies with the applicable regulations. For example, as required by the Sapin II law, Carrefour's lobbying activities in France are entered on the register of interest representatives, which is monitored by France's High Authority for Transparency in Public Life.

Work is also in progress on a global training plan to ensure that employees are well informed about the risks of corruption based on their level of exposure. To date, 98.9% of the employees identified in 2021 as most exposed to risks of corruption have received training. For employees with a lower risk of corruption, an awareness programme is also available and was taken by 80,010 employees in 2021.

An ambitious project to standardise assessments of third parties and stakeholders is also being rolled out

2. Competition law

Carrefour has set up and deployed processes that comprise the following:

- specific training in competition law compliance is regularly provided by the Legal Affairs departments in each country, mainly for those employees who are most exposed.

In France:

- new hires in functions on the front lines have compulsory training that includes a specific module on Purchasing law. Some of the training is organised in the form of role-play;
- more specific and targeted training is provided when purchasing alliances are formed;
- each employee must adhere to a Code of Professional Conduct covering the principles of confidentiality and compliance with competition law *inter alia*;

- these principles are sent to the Group's commercial partners, in particular in the Carrefour Ethical Standards for Suppliers Charter, which they are asked to sign;

- contract templates drafted and circulated by the Legal departments of each country include clauses on compliance with applicable laws and regulations, including competition law. These contract templates are updated regularly to reflect changes in these rules and regulations. Each Legal department provides tailored and secure contractual solutions for the different operational departments;

- the Legal departments in each country monitor legal developments to anticipate any changes in the regulatory framework in which Carrefour conducts its business and to inform the departments concerned in order to mitigate their impacts.

3. Tax strategy

Carrefour applies a tax compliance and transparency policy, guaranteed by its well-trained expert tax team, aligned with the latest tax reforms. In its host countries, the Group cultivates long-term relationships of trust with tax authorities, providing them with the information they need within a reasonable time. It ensures the compliance of its operations with tax regulations, aiming to pay an appropriate amount of tax according to where value is created in the normal course of its commercial activity, without artificially transferring value to low-tax jurisdictions. The Group does not use opaque structures or entities in tax havens to conceal information useful to tax authorities. It applies the arm's length principle for transfer pricing, and does not use transfer pricing as a tax planning tool. As the Group's organisation is decentralised, its intra-group transactions are not significant, representing less than 5% of total trade sales. The Group applies an intra-group flow policy in line with OECD principles and guarantees transparency, notably through Country-by-Country Reporting (CBCR).

The ethics whistleblowing system can be used by Carrefour employees, suppliers or service providers to report – in confidence – any situations or behaviour that do not comply with the Group's Principles of Ethics, including for tax matters.

Joint initiatives and partnerships

- Member of Transparency International (France) since 2009
- Participation in the work of the Companies in Society Commission of the French section of the International Chamber of Commerce (ICC France)

+ Find out more

- Carrefour.com: [Our Principles of Ethics](#)
- Carrefour.com: [Anti-corruption policy](#)

2.1.5.6 Guaranteeing ethical farming

Context and definition

Throughout the world every year, 70 billion animals are reared to feed humans with meat, milk or eggs. Without a fundamental change in our food patterns, global demand will increase by 25% between 2015 and 2030. The response to this growing demand is mainly provided by intensive livestock farming, which accounts for 70% of world livestock production.

In this context, respect for animals and their sensitivity is a growing concern among the general public. According to the United Nations Food and Agriculture Organisation (FAO),

animal welfare is a common good that forms an integral part of the livestock sector's sustainable development. It is linked to food safety and quality, human and animal health, and rural development. In several countries, and especially in Europe, new consumer habits are emerging, such as reducing the quantity of meat consumed, choosing to replace meat with plant proteins, or turning to products made using more sustainable and more animal-friendly farming methods. These changes are happening fast, and farming practices must be adapted accordingly.

Carrefour's policy and performance

For the past few years, Carrefour has been deploying a programme aimed at improving animal welfare in its supply chains. This programme is based on the "five fundamental freedoms" of animal welfare, adapted to different livestock farming methods: physiological freedom (absence of hunger, thirst or malnutrition), environmental freedom (adapted housing, absence of climatic or physical stress), health-related freedom (absence of pain, injury or disease), behavioural freedom (possibility to exhibit normal, species-specific behaviour) and psychological freedom (absence of fear or anxiety). Carrefour developed an animal welfare policy in 2019 based on ten priority areas that are shared within its relevant animal product lines:

1. combating antibiotic resistance and banning antibiotics and growth hormones;
2. banning cloning and genetically modified animals and researching biodiversity;
3. switching to cage-free farming and keeping animal confinement to a minimum;
4. keeping stress during transport and slaughter to a minimum;
5. limiting controversial practices and systematically optimising pain management;
6. requesting proper nutrition;
7. carrying out health monitoring;
8. banning animal testing (cosmetics, personal care and household products);
9. banning materials of animal origin not derived from livestock whose primary purpose is to produce food;
10. improving habitats.

In 2020, the nine integrated countries defined progress plans for these ten priority areas, broken down according to species and product category. Carrefour has measured its performance in achieving the eight targets using indicators common to all Group countries concerned:

- shell eggs: 100% of shell eggs sold for certified and national-brand products must be from cage-free production facilities by 2025 (or 2028 depending on the country);
- eggs as ingredients: 100% of eggs used as ingredients in Carrefour-brand products must be from cage-free production facilities by 2025;
- cage-free farming: the sale of products from other animals (rabbits and quails) raised in cages for Carrefour-brand products must be discontinued by 2025;
- chickens: 50% of Carrefour-brand chicken sales must guarantee compliance with improved animal welfare⁽¹⁾ criteria by 2026 (Better Chicken Commitment criteria);
- pigs: 100% of organic and Carrefour Quality Lines pork products must guarantee compliance with improved animal welfare criteria by 2025;
- horses: 100% of horse meat sources must be independently audited or from EU producers by 2025;
- animal slaughter: 100% of slaughterhouses that deliver unprocessed products certified by Carrefour must be audited for compliance with animal welfare standards by 2025;
- transparency: each country must implement a system to inform consumers about farming methods used for Carrefour-brand products by 2025.

Performance indicators	2021	2020	Change	Target
Shell eggs – Percentage of gross sales of certified products from cage-free production facilities ⁽¹⁾	77.0%	71.1%	5.9 pts	100% by 2025 (2028 depending on the country)
Shell eggs – Percentage of gross sales of national-brand products from cage-free production facilities ⁽²⁾	77.5%	76.8%	0.7 pt	100% by 2025 (2028 depending on the country)
Eggs as ingredients – Percentage of Carrefour-brand products containing cage-free eggs used as ingredients ⁽³⁾	51.2%	New	-	100% by 2025

(1) The animal welfare guarantees are in line with the Better Chicken Commitment criteria.

Performance indicators	2021	2020	Change	Target
Cage-free farming – Percentage of gross sales of animals (rabbits and quails) in certified products raised cage-free	Reporting methodology currently under development		-	100% by 2025
Chickens – Percentage of gross sales of certified products that guarantee compliance with animal welfare criteria	36.2%	New	-	50% by 2026
Pigs – Percentage of gross sales of Carrefour organic and Carrefour Quality Lines pork products that guarantee compliance with improved animal welfare criteria	Reporting methodology currently under development		-	100% by 2025
Horse meat – Percentage of gross sales of horse meat in independently audited certified and national-brand products or from EU producers	Reporting methodology currently under development		-	100% by 2025
Slaughter – Percentage of Carrefour supplier slaughterhouses audited for compliance with animal welfare standards ⁽⁴⁾	46%	New	-	100% by 2025
Transparency – Percentage of species raised using transparent farming methods, for Carrefour-brand products	Reporting methodology currently under development		-	100% by 2025

(1) Scope: Non-comparable BUs (100% of 2021 net sales vs. 93% of 2020 net sales – excl. IT).

(2) Scope: Non-comparable BUs (100% of 2021 net sales vs. 84.5% of 2020 net sales – excl. Italy and Belgium). 2020 data updated.

(3) Scope: FR, IT, ES, BE, RO and PL. 88.5% of 2021 consolidated net sales.

(4) Scope: Outside Belgium. 91.8% of 2021 consolidated net sales.

The performance of our animal welfare policy is measured using the Business Benchmark on Farm Animal Welfare (BBFAW). In 2020, Carrefour ranked in tier 3 of the benchmark.

Indicator	2021	2020	Change
Business Benchmark on Farm Animal Welfare (BBFAW) ranking	3	3	-

Action plans

1. Combating antibiotic resistance

For 30 years, the Group has been working with its suppliers to create lines of products made from “animals reared without antibiotics” in all of its nine integrated countries. The Group encourages responsible use of therapeutic antibiotics throughout its supply chains to limit antibiotic resistance. It therefore bans growth hormones and antibiotics which diminish animals’ physiological capacity and contribute to antibiotic resistance. It systematises prevention (rural animals, limiting density, etc.), vaccines and self-vaccines and sets up “antibiotic-free” production lines. Carrefour is supporting its commercial partners in all integrated countries by implementing pilot projects in order to sell an increasingly complete range of products made from “animals reared without antibiotics” by 2025. In France, for example, by the end of 2021, Carrefour had 187 products labelled “raised without antibiotics” for all or part of the rearing period. These products include chicken (free range and indoor), guinea fowl, pork, veal, laying hens, quail, salmon and shrimp. In Brazil and Poland, Carrefour already sells Carrefour Quality Lines chicken raised without antibiotic treatment.

2. Banning cloning and genetically modified animals

Carrefour supports current regulation which in effect excludes genetically modified clones and animals from its supply chain. The Group pays careful attention to the choice of breeds and strains in terms of growth rate, resistance and origin.

3. Switching to cage-free farming and keeping animal confinement to a minimum

In liaison with its suppliers, Carrefour has launched a global transformation project to ensure that all of its Carrefour-brand eggs are sourced from alternative cage-free farms. The project is already in progress in Italy, Belgium and France. It will take effect in Brazil, Argentina, Taiwan, Poland, Spain and Romania in 2025. The commitment will then be extended to all eggs sold in Carrefour stores – all own brands and national brands, and to processed products from G6 countries. Carrefour France has also committed to phasing out the purchase of quail eggs from farms that use cage-rearing methods for its Carrefour brand by the end of 2021.

4. Keeping stress during transport and slaughter to a minimum

Carrefour’s animal welfare policy stipulates that animals must be slaughtered after minimal transport time and in satisfactory conditions (e.g., density, temperature, transfer methods). In the specifications of the Carrefour Quality Lines and in the AEBEA poultry specifications (for 90% of Carrefour brand chickens), transport time is limited and controlled. The best available techniques and technologies should be implemented to limit stress and avoid pain during transport and slaughter. Stunning and checks before slaughter guarantee a painless death and must be applied to the majority of sources for our own-brand products. Audits and video surveillance are to be implemented at the Group’s partner slaughterhouses as two priorities for the coming years.

5. Limiting controversial practices and optimising pain management

Carrefour agrees, with its partners, to systematically seek an acceptable technically and economically viable alternative to mutilation practices, in particular: castration, dehorning, tail docking and debeaking. If these practices are maintained, pain management must be comprehensive (anaesthesia or analgesia). For pig farming, Carrefour encourages its suppliers to test alternatives to surgical castration, such as raising uncastrated males and performing immunocastration.

6. Requesting proper nutrition

Animals should have access to fresh, clean water. They should be provided with plenty of healthy food, adapted to their species, age and nutritional needs. Their diet must aim to keep them healthy and vigorous. These issues are included in the minimum requirements for products sold under the Carrefour Quality Lines brand, and are therefore audited in all Group countries.

7. Requiring health monitoring

Farms must undergo regular veterinary health monitoring or inspections. Any animal that appears sick or injured must be treated immediately in line with regulations on drug use. Animals must be euthanised following strict protocols to alleviate irreversible suffering. Euthanising healthy animals is prohibited. These requirements will gradually be included in the specifications of Carrefour Quality Lines products and will be audited in all Group countries.

8. Banning animal testing

In Europe, as required by regulations, Carrefour does not accept any finished cosmetic product that has been tested on animals. The Group hopes to extend this practice to all its integrated countries for cosmetic, personal care and household products.

9. Banning materials of animal origin not derived from livestock

Carrefour only buys products with leather, down, feathers and wool that are a co-product of the food industry for all Carrefour-brand products sold in Group countries.

Carrefour-brand textiles do not use animal fur or wool from Angora rabbits.

The Group also bans feathers and down taken from live animals, and the cashmere in TEX products is sourced from a traceable quality chain that guarantees animal welfare.

Also, Carrefour does not sell zebra, kangaroo or crocodile meat, all brands combined (Carrefour brands or national brands) in any of the Group's integrated countries.

10. Improving animal habitats

Carrefour encourages its lines to develop habitats that allow for outdoor access or the open air. The Group also encourages its partners to install features enabling animals to express their natural behaviours in enhanced habitats (such as natural light sources, roosting perches for chickens, manipulable materials for pigs, outdoor access yards or winter gardens, chew objects for rabbits, etc.).

In collaboration with World Animal Protection, Carrefour Brazil has set up a differentiated production chain that is more respectful of animals for three-quarters of the pork sold in its stores. Consequently, by December 2022, all sows will go into Group housing during gestation, limiting their confinement in crates to 28 days, and ear tags used to identify pigs will be banned. Immunocastration will replace surgical castration by December 2025.

In early 2020, Carrefour announced that it had joined AEBEA (*Association Étiquette Bien-Être Animal*) to provide consumers with clear, systematic information on animal welfare and farming methods for all its fresh chicken products under its brands. As a result, all chickens sold under Carrefour brands are being raised in environments that are gradually becoming more comfortable, equipped with perches, anti-pecking devices, natural light and reduced density. This transformation has enabled ten million chickens per year to enjoy living conditions that guarantee a substantial improvement in animal welfare.

Joint initiatives and partnerships

- *Oeuvre d'Assistance aux Bêtes d'Abattoirs* (OABA)
- *Laboratoire d'Innovation Territoriale Ouest Territoires d'Élevage* (LIT Ouesterel)
- *Association Étiquette Bien-Être Animal* (AEBEA)
- Welfarm
- Compassion in World Farming (CIWF)

+ Find out more

- *Carrefour.com*: [Ensuring animal welfare/CSR](#) (see the Business ethics and supply chains section)

2.1.5.7 Case studies in 2021

Support for local and national industries

The Group continues to support its suppliers and local partners in implementing the food transition for all. In January 2021, Carrefour France reasserted its commitment to 3,400 local and regional SMEs and very small businesses in the food industry. Three-year contracts were signed with 1,935 of these suppliers. The Group also supported its partners when they faced hardships, for example due to climatic-related hazards. After a historic frost damaged crops spanning hundreds of thousands of hectares, Carrefour France took action to support its 4,000 Carrefour Quality Lines, Reflets de France and Carrefour Bio partner producers by maintaining three-year commitments, making the most of production spared by the frost ("Cost price for resistant fruit" campaign), reducing payment terms, and giving priority to selling seasonal products of French origin. At the beginning of 2021 in Spain, Carrefour agreed to sell 600,000 kg of green asparagus in its stores in a bid to support the small producers of the Los Gallombares cooperative near Granada, who were hit hard by difficulties with their usual sales channels due to the Covid-19 crisis. The Group also bought 500 tonnes of cherries from Grupo Alba, a social economy and sustainable business in Estramadura, which works with 400 local farmers. In July, Carrefour France agreed to support the development of the French organic almond sector in partnership with the La Melba cooperative, which brings together producers from the Pyrénées Orientales region who are switching to organic farming. In the autumn, the "Forgotten good deals of French fishing" campaign showcased fish from the French fishing industry, selling it at cost price in all of its supermarket and hypermarket fish counters over three weekends. In the same month, Carrefour France renewed the agreements of 11 of its Carrefour Quality Lines (CQLs), which promote the development of quality products and fair compensation for the work of all who contribute to these lines.

Improving the living conditions of workers in Bangladesh

Bangladesh is the world's second largest exporter of textiles and the sector employs more than 4.2 million workers. Most do not have access to either healthcare or medical services. Three years ago, the Carrefour Foundation teamed up with non-profit SNV, two insurance companies and four local medical centres to fund a health insurance programme for textile workers in five factories in Bangladesh for three years, until 2019. Thanks to the coverage provided, workers got free access to medical consultations and diagnosis, family planning and maternity services. The annual cost was estimated at six euros per worker: the Carrefour Foundation paid four euros in 2017, three euros in 2018 and two euros in 2019. The programme was first rolled out in five and then eight Bangladesh factories, reaching more than 14,000 workers. It succeeded in reducing absenteeism and employee turnover while boosting productivity. Carrefour learned a great deal from this experience and is now looking for the best way to put it to good use in its living-wage project.

Similarly, in 2020 Carrefour piloted a scheme with another health insurance policy launched in 2019 based on the "Fair Price Shop" (FPS) model. Bengali workers who buy a basket of basic food necessities (rice, etc.) in the FPS get their annual health insurance for free. The aim is to link this to the Act for Food programme to educate workers in healthier eating while providing them with health coverage.

In 2020, one store was opened, and 2,478 workers benefited from discounts on food, with 96 signing up for health insurance.

Supporting small farmers of organic, fair trade bananas

Bananas are an essential source of employment and income for 4 million families in southern producer countries and are the biggest selling item on Carrefour's fruit and vegetable stands (140,000 tonnes sold each year in France, Spain, Belgium, Italy, Romania and Poland). However, the smallest farmers are not always guaranteed a fair price, and banana production has a high environmental footprint. To meet these challenges, Carrefour has been offering organic and fair trade bananas in its shops since 2014. In 2021, Carrefour contributed 300,000 euros to an innovative one-million-euro project developed by the Fairtrade/Max Havelaar movement and funded by the French Development Agency (AFD), to support environmentally-friendly practices and promote gender equality across the organic, fair trade banana sector. The three-year initiative will benefit 10,000 people working in 11 cooperatives in Peru and the Dominican Republic. The project's priorities are to sustainably improve revenue, empower women and young people and implement measures to increase resilience to climate change. Practical initiatives include building micro-factories to produce organic inputs, setting up diversification field schools, training women and young people through teaching modules, and bringing together producers and cooperatives in both countries to discuss their experience. In addition to this fair trade supply line, in 2020, the Group created a new source of Caribbean Carrefour Quality Lines bananas, in partnership with UGPBAN (Union of banana producers of Guadeloupe and Martinique) and Cirad (a French agricultural research body focused on international cooperation). The aim is to enable the production of agro-ecological bananas in the French West Indies without insecticides and, by 2022, without herbicides. Carrefour will apply blockchain technology to this line to promote it among consumers.

Traceability in organic cotton production in India

By 2030, Carrefour aims to ensure that all natural raw materials used in its TEX products should be sustainable and traceable. Since 2019, Carrefour has been working with over 4,500 small organic cotton producers in the Madhya Pradesh region in central India on a project combining quality organic cotton, decent pay for producers and traceability starting from the seed. The Carrefour Foundation has helped build two organic pesticide production units that enable 2,000 local producers to obtain better yields and boost their income. This has made it possible to drill 100 wells to provide regular irrigation to cotton fields. A total of 1,000 farmers in 18 villages also received training in organic farming techniques. Thanks to its partner, Cotton Connect, Carrefour ensures that its Indian organic cotton suppliers receive a higher rate than conventional cotton producers. The first 100% "sustainable cotton" collection, comprising household linen, undergarments, babyware and children's clothing, is a direct result of this approach. These products have been on sale under the TEX BIO brand in all of Carrefour's French and Spanish hypermarkets since spring-summer 2019. All phases – from seed to finished product – are tracked and recorded to ensure complete traceability of all TEX BIO products. Blockchain technology introduced for textiles in 2020 now makes it possible to include a QR code on the label that will enable customers to track the cotton from the field to the store shelf. In 2021, Carrefour promised that 50% of cotton TEX products will be organic by 2025.

Control of animal protection in slaughterhouses

In France, audits are carried out one to three times a year by qualified independent auditors for all animal species, to monitor transport conditions for animals and their protection in slaughterhouses. Carrefour relies either on a methodology co-constructed with OABA (*Oeuvre d'Assistance aux Bêtes d'Abattoirs*), a French body specialising in the protection of farm animals intended for human consumption, or equivalent approaches with AEBEA (*Association Étiquette Bien-Être Animal*) for chickens and with INTERBEV (French National Interprofessional Livestock and Meat Association) for cattle. Carrefour has asked all slaughterhouses to introduce a video surveillance system at sensitive stages. In 2021, 93 slaughterhouses were equipped with a video control system for the sensitive stages of the process, of which 30 have a video control system (18 with a CVS in all sensitive stages, and 12 with a partial CVS as not all stages are filmed). New slaughterhouses must have video surveillance systems in place before they can be listed as referenced suppliers.

At Group level, each country prepared a progress plan in 2020 with the aim of having animal protection audit processes for CQL slaughterhouses and Carrefour-brand products up and running by 2022 and 2025, respectively. The assessment methodology will be based on that applied in France, adjusted if necessary with local animal protection NGOs.

Implementation of animal welfare labelling

Since 2020, Carrefour has provided information about animal welfare and farming methods for chickens sold under the Carrefour brand and Carrefour Quality Lines, and is including this information with the products through blockchain technology. This animal welfare data will concern over 20 million chickens. The label rates both animal welfare and farming methods with a grade of A to E. The first products to be labelled are Auvergne Carrefour Quality Lines free-range chickens at level A (superior), then Carrefour chickens raised in henhouses at level C (fairly good). To produce the new labels, Carrefour participated in a working group with other members of *Association Étiquette Bien-Être Animal*. Independent external audits are also being performed to ensure compliance with labelling criteria.

Improving poultry farming conditions

Carrefour has been supporting the egg industry for several years to improve the welfare of farmed hens and chickens. After signing up to the Better Chicken Commitment initiative in December 2019, in 2020, Carrefour France introduced spectrophotometers for *in ovo* egg sexing to select prospective laying Carrefour Quality Lines hens, thus putting a stop to the slaughter of male chicks. As of May 1, 2020, this technology had been used on 30,000 chickens. The Group has rolled out this type of action across several of its regions. In 2018, Carrefour Taiwan became the first retailer in Asia to announce that its hypermarkets and supermarkets would sell eggs exclusively from cage-free hens by 2025. In 2021, the 66 hypermarkets, 262 supermarkets and 25 premium supermarkets under the Wellcome supermarkets and Jasons Market Place chains, officially acquired by Carrefour Taiwan, also made this commitment. In June, Jasons Market Place in Taipei became the first supermarket in Taiwan to stop selling eggs from hens raised in cages. In Europe, Carrefour Spain confirmed that 100% of fresh eggs sold under its own brand would be from cage-free sources by 2022, asking its national-brand suppliers to follow suit. Carrefour Spain plans to extend this agreement to eggs used in its own-brand recipes as of 2025. The Company also pledges not to work with suppliers that use multi-tier aviary systems. In 2021, Carrefour Poland was the first retail chain in its country to sign up to the European Chicken Commitment, which takes action against poor farming conditions. By 2026, it will cover all fresh and frozen products and own-brand processed products containing at least 50% poultry meat. Lastly, Carrefour Belgium pledged to sell exclusively fresh and frozen poultry meat that meets the animal welfare standards of the Better Chicken Commitment, by 2026.

2.1.6 EMPLOYEES

2.1.6.1 Overview of objectives

Context A Group with a multi-local, neighbourhood presence, Carrefour employs 319,565 people worldwide, 55.6% of whom are women. It is the skills of all its employees that allow Carrefour to offer quality services, products and food for everyone through all distribution channels – not only in the Group's nine integrated countries, but also in the 30 countries that are home to international franchises.

With the labour-intensive nature of the retail sector, Carrefour faces major challenges in recruiting, retaining and engaging its employees. To attract talent, recruit in the best possible conditions, retain employees despite the demands of the job and encourage everyone to give their best every day, Carrefour fosters a unique, attractive and engaging promise to its employees. The Group capitalises on an established equal opportunity culture that is built on two levels: diversity from the get go and a career advancement strategy that offers unique opportunities for promotion to the most deserving employees.

Carrefour provides employment in more than 300 job families, many of which are open to everyone, with or without a diploma, and are geared towards workers in our host regions regardless of their age, origin or social and professional background. This openness to all candidates fosters the diversity of our teams. Welcoming all kinds of talent enables us to work more effectively on a day-to-day basis – because we take into account the aspects of each individual that can help us to achieve our *raison d'être* – while also upholding social justice.

In addition, through its training capabilities and a well-established practice of merit-based internal promotion, Carrefour offers development and career opportunities to its most committed employees and gives everyone the chance to reach their full potential. Mechanisms are in place to support this culture of talent development and internal promotion and to ensure that career advancement opportunities can be offered across the Board.

Risks and opportunities

Employee-related risks are included in Carrefour's risk management process (see Section 4.1). The risks analysed annually relate to employee skills, talent retention and diversity and inclusion, more specifically:

- **failure to assess, develop and value skills:** poor deployment of skills assessment, development and recognition policy by managers and human resources is likely to demotivate employees and result in lower productivity and increased turnover;
- **failure to attract and retain talent:** the Group could encounter difficulties in attracting, hiring or retaining talent for key positions. This risk may arise in particular due to departures from critical positions such as Directors and Senior Directors;
- **failure to comply with principles of diversity, discrimination and harassment:** Carrefour may encounter difficulties in deploying its anti-discrimination policy, particularly with regard to gender diversity and equal pay or the employment of people with disabilities;
- **occupational health and safety risks:** as the largest private-sector employer in France and one of the top 50

employers in the world, Carrefour has a duty to safeguard its employees against workplace accidents, psychosocial risks and occupational illnesses;

- **failure to respect employees' freedom of association and right to social dialogue:** insufficient social dialogue may demotivate employees. These events are likely to result in loss of productivity and/or revenue.

In addition, Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). One employee-related issue was identified as a major issue for stakeholders in light of the Group's food transition strategy (i.e., ranked in the top 10), while three others were identified as important issues (i.e., ranked in the top 20):

- employee well-being, satisfaction and motivation (ranked 4th);
- attracting and retaining talent (ranked 12th);
- diversity and inclusion in the workplace (ranked 15th);
- training employees and developing their skills (ranked 20th).

Our initiatives

Employees play a key role in helping us achieve our objectives. They allow Carrefour to offer quality services, products and food for everyone on a daily basis, through all distribution channels – in the Group's nine integrated countries.

Carrefour supports this ambitious goal, in particular, by:

- **employee awareness and mobilisation:** Carrefour attaches great importance to upskilling teams;
- **reflecting the social diversity of its host communities:** Carrefour was very quick to commit to promoting diversity

through the signature in 2004 of a Diversity Charter aimed at giving everyone, in all countries, the same career development and recruitment opportunities;

- **protecting employees' health:** since 2020, all of the Group's host countries have an action plan on health, safety and quality of life at work. Local teams are responsible for setting the objectives, particularly in relation to workplace accident frequency and severity, and for structuring the action plan.

Coalitions and partnerships

Gender Equality European & International Standard (GEEIS)

CEASE

in3Women

National Committee for UN Women, France

International Labour Organization (ILO)

UNI global Union

International Labour Office (charter)

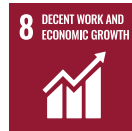
European Week for the Employment of People with Disabilities with AGEFIPH (LADAPT)

Quality of Life at Work Observatory

Parenting Charter

French Association for Diversity Management Professionals (AFMD)

Contribution to the UN Sustainable Development Goals



Our objectives

TOPIC	OBJECTIVE	TIMELINE
Gender equality	35% women executives (top 200) by 2025	2025
	GEEIS certification in all countries	Annual
Disability	Employees with a disability to represent 4% of the total workforce by 2025	2025
Training	At least 50% of employees have access to training every year	Annual
Employer recommendation	Minimum employer recommendation score of 75/100 awarded annually to Carrefour by its employees	Annual

2.1.6.2 Employment at Carrefour and managerial transformation

Context and definition

Across its various store formats, Carrefour employs 319,565 people in more than 300 job families across its nine integrated countries and in the more than 30 countries that are home to international franchises. The Group operates in three key markets: Europe, Latin America and Asia. As part of the "Carrefour 2022" plan initiated in 2018, Carrefour's ambition is to become the leader of the food transition for all and to make healthy, fresh, organic and local foods available to everyone. To align managerial behaviour with these objectives and give employees a central role in the Group's transformation, Carrefour has reviewed its business model

and rolled out its international Act for Change programme. The programme is based on four key commitments: "Growing and moving forward together", "Serving the customer with passion", "Acting with simplicity" and "Taking pride in transforming our profession".

Social dialogue, a key component of the Carrefour corporate culture, is also being used to pick up the pace on the transformation of Carrefour's business families, and contributes to the Group's performance, ensuring a positive social environment in all its stores.

Carrefour's policy

Employees are central to the Group's transformation. The "Be proud to change our business" pillar of the Act for Change programme reflects three objectives, which are closely linked to managers' skills – open up to the outside world, bring Carrefour's strategy to life within teams, and stimulate innovation and experimentation. These objectives are supported by initiatives to help Carrefour gain recognition as the leading retailer in the food transition and by employee "superheroes" who on a daily basis find practical ways to inspire their colleagues and raise awareness among consumers of the importance of healthier eating.

In addition, as part of the "Carrefour 2022" plan, the Group has streamlined its organisation for greater efficiency. These changes are supported by giving priority to negotiation, mobility, internal redeployment and training. Carrefour aims to maintain robust, constructive and regular social dialogue at national, European and international level, covering all labour-related topics and any other issues specific to the local context.

1. Employment at Carrefour

CHANGES IN HEADCOUNT

Carrefour's global workforce contracted slightly from 322,164 in 2020 to 319,565 in 2021, reflecting both the vitality of Carrefour's operations worldwide and changes to the scope of consolidation.

Several new banners entered Carrefour's scope of consolidation in 2021, including Supersol in Spain, Makro in Brazil and Bio c' Bon in France. This increase was partly offset by the transition of certain stores to franchised status.

BREAKDOWN BY STORE FORMAT

The employee breakdown by store format changed slightly during 2021. However, hypermarkets still represent the majority of the workforce, with over half of the total (71%) – 225,481 employees – working in this well-established Carrefour format.

Format	2021	2020	Change
Total hypermarkets	71%	70%	+1 pt
Supermarkets	15%	16%	+1 pt
Total other formats and businesses	14%	14%	-

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Workforce by region

A pioneer in countries such as Brazil, Carrefour has operations in Europe, Latin America and Asia. It is one of the largest private employers in several countries, including France, where the Group has its roots, but also Brazil, Argentina and Italy. Atacadão (Brazil) and Spain increased their workforces in 2021 (by 13% and 9%, respectively).

Region	2021	2020	Change	% change
Latin America	115,310	111,031	4,279	4%
Europe	191,707	197,978	(6,271)	3%
Asia	12,548	13,155	(607)	5%
REGIONS TOTAL	319,565	322,164	(2,599)	0.8%

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Type of employment contract

The majority of Carrefour's personnel works full time (73.6%) on permanent contracts (91.5%).

Contract	2021	2020	Change
Permanent contracts	91.5%	91.9%	+0.4 pts
Fixed-term contracts	8.5%	8.1%	+0.4 pts
% of part-time employees	26.4%	27.1%	-0.7 pts

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Type of new hires

Employees are hired on permanent and fixed-term contracts. The use of fixed-term contracts helps deal with increased workloads during busy seasons with high footfall.

Number of new hires	2021	2020	Change
Permanent contracts	68,358	65,415	+4.5%
Fixed-term contracts	75,425	76,269	-1.1%
TOTAL	143,783	141,684	1.5%

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Departures

Departures of employees on permanent contracts fell sharply in 2020 (down 17.9% versus 2019), due in part to the more static job market caused by the global health crisis. In 2021, this effect wore off and the number of departures of employees on permanent contracts returned to the level recorded by Carrefour before the crisis (74,853 departures in 2019).

Category	2021	2020	Change
Executive Directors	0.04%	0.11%	
Senior Directors	0.07%	0.11%	
Directors	0.5%	0.6%	-0.1 pts
Managers	10%	10.1%	-0.1 pts
Employees	89.4%	89.2%	+0.1 pts
TOTAL	100%	100%	-

Scope: Comparable BUs (100% of 2021 consolidated net sales).

2. Act for Change programme

To support the transformation of its corporate culture, in 2019 Carrefour introduced the Employee Net Promoter Score® (E-NPS), an indicator of employee commitment measured via an online survey sent to a representative sample of 20,000 employees from across the Group's nine countries. Structured around five questions, a general question and one for each Act for Change pillar, the survey provides insight into the progress made on the programme.

The fourth campaign of the survey was carried out between May 10 and June 4, 2021, and its results reflect the transformation taking place within the Group.

Response rate	63%
Total number of respondents	16,496
Group score in the last survey	73
Group score in 2021	80
Don't know	4
Don't agree	16

3. Driving transformation

Carrefour's goal was to identify 2,000 employees as food transition "superheroes" by the end of 2020. This goal was not only achieved but exceeded. As a result, the Group had over 2,000 food transition "superhero" employees in 2021.

4. A culture of social dialogue

Social dialogue is governed by local collective bargaining agreements in the Group's host countries.

Performance indicators	2021	2020	2019
% of employees covered by a collective bargaining agreement	91%	(1)	-
Number of agreements signed	453	87	

(1) New indicator.

Our action plans

Act for Change programme

The Act for Change programme covers the managerial and cultural aspects of the "Carrefour 2022" transformation plan. Action plans have been developed for the programme's four pillars, resulting in training opportunities, communication initiatives and annual objectives for employees. Managers, both at stores and warehouses, are responsible for ensuring that the programme is effectively implemented across all the Group's operational sites.

"Growing and moving forward together". The first pillar of the programme is about developing talent, fostering diversity and encouraging cooperation among the Group's various departments and store formats. The internal promotion and management training programmes in each country and the Carrefour University programmes have all been updated and restructured with this commitment in mind.

"Serving the customer with passion". To support the second pillar of the Act for Change programme, in 2021 Carrefour continued its roll-out, in all Group host countries, of the 5/5/5 customer method, a simple solution for improving customer satisfaction that has been implemented in Taiwan, Argentina and Spain since 2018. The 5/5/5 method is based on three principles – trust, service and experience – and is broken down into 15 concrete commitments that make customers central to stores' concerns again.

"Acting with simplicity". The third pillar corresponds to three objectives: using resources appropriately and efficiently; acting quickly and simply; and empowering yourself and others. Carrefour is particularly committed to organising a variety of initiatives to improve quality of life in the workplace, establishing constructive and regular social dialogue, and implementing a shared workplace health policy across all countries.

The **"Taking pride in transforming our profession"** pillar aims to bring the Group's strategy to life within teams, stimulate innovation and experimentation, and open Carrefour employees up to the outside world. Carrefour puts a particular focus on the development of the skills of its managers, for whom innovative programmes are now in place.

Employees' key role in the transformation process

Carrefour teams, in all of the Group's host countries, work hard every day to support the food transition. For example, the Purchasing teams support partner farmers in their conversion to organic farming; the digital teams develop blockchain technology to ensure the traceability of products from Carrefour Quality Lines; and the store-based teams advise customers, promote local and organic ranges, and ensure the quality of products prepared directly on site. Carrefour has a proactive training policy, which is designed to enable employees to develop in a stimulating environment and pursue diverse career paths. It has also set an objective of training all employees in the key issues related to the food transition.

Driving transformation

INVOLVING AND INSPIRING EMPLOYEES

Food transition "superheroes"

Carrefour launched the food transition "superheroes" programme back in 2018 to rally employees around the challenges relating to its "Carrefour 2022" transformation plan. Rolled out in all Group host countries, the programme recognises the contribution of committed store employees who champion the food transition among colleagues and customers. The aim is to showcase their initiatives in each country in order to inspire the entire employee population. This thriving community of food transition ambassadors grew in 2020 to more than 2,200 employees.

Internal and stakeholder panels

Several times a year, Carrefour arranges meetings in order to issue functional recommendations on a specific CSR issue. These meetings are attended by around 50 people representing the Group, NGOs, governments, customers, investors and suppliers, who come together to share their expertise or point of view. Several of the Group's host countries also conduct in-store communication or engagement campaigns on a range of CSR topics, such as energy efficiency, sustainable fishing, biodiversity, organic products, socially responsible recycling and waste.

Training employees in line with the Group's transformation

Carrefour is committed to providing managers with the skills necessary to become ambassadors of the Group's transformation. **Carrefour University's** role in this regard is to create an open, disruptive learning ecosystem that encourages experimentation, networking and knowledge sharing, thereby giving all Carrefour managers the opportunity to develop both individually and as a team. Through the "Manage for Change" and "Manage for Lead" programmes, for example, managers learn to guide their teams' performance in accordance with Carrefour's strategic priorities.

Digital innovation is also a core focus of the Group's strategy, which is why Carrefour entered into a partnership with Google in 2018 to speed up the development of its digital culture.

Since 2018, the Group's **Leaders School**, an internal training school for high-potential employees, has given structure to its commitment – upheld since its founding – to be a driving force for social mobility. Initially launched in Argentina and Spain, it was rolled out to several other countries in 2021, such as France early in the year, where the first intake, known as the "Marcel Fournier" class, was mentored by Alexandre Bompard. Roll-out of the initiative then continued in Poland, Italy, Romania, Belgium – with its own version, "Carrefour Academy" – and lastly Taiwan in late 2021. The multi-format programme is open to anyone who wants to take part, from non-management employees to Executive Directors, whether they work in hypermarkets and supermarkets or at the Group's head offices.

To support the roll-out of Act for Food, Carrefour is devoting significant resources to training its employees in fresh produce and the food transition. Employees are notably taught the fundamentals of the food transition so they can embody Carrefour's *raison d'être* in their interactions with customers. In Italy and Argentina, for example, "trade schools" support employees from Traditional Fresh Products departments in their efforts to continuously improve service quality through certification training, sharing of best practices, experimentation and the testing of innovative projects.

A culture of social dialogue

INTERNATIONAL SOCIAL DIALOGUE

Carrefour and international union federation UNI Global Union renewed their global framework agreement in October 2018. The agreement aims to promote and encourage:

- continuous, constructive social dialogue;
- diversity and equal opportunity in the workplace via joint initiatives, mainly relating to gender balance, discrimination and violence against women;
- defence of and respect for the basic human rights of workers – freedom of association and collective bargaining – along with their safety and working conditions at Carrefour and at supplier and franchise sites.

In addition, Carrefour representatives are invited to meet annually with trade unions in the countries where the Group operates during Global Alliance meetings organised by UNI Global Union. Thanks to its participation in the Global Deal with the French Ministry of Labour, Employment and Economic Inclusion since 2017, Carrefour has been identified as one of France's most

active companies in terms of international agreements, helping to protect the fundamental rights of employees around the world.

EUROPEAN SOCIAL DIALOGUE

In 1996, Carrefour created its European Works Council, the European Consultation and Information Committee (ECIC), by way of an agreement signed with the FIET (part of the UNI). This agreement was renewed and added to in 2011 with the international union federation UNI Global Union. Thanks to the quality of its work and of the dialogue between management and employee representatives, the ECIC is now one of the most recognised works councils in Europe. The main topics covered are the organisation of work, promoting diversity, professional training and employer health and safety policy, together with CSR and basic rights. A plenary meeting is held annually. An annual information and training seminar focuses on a specific theme selected by the members of its Steering Committee, which changes each year. Special committees also meet to discuss issues relating to corporate social responsibility, diversity and new technologies.

The ECIC joint declaration for a European Health Pact was signed in 2020. The text was discussed and negotiated with the ECIC Steering Committee in the midst of the Covid-19 health crisis and was unanimously approved by its members. It provides a common set of measures and commitments that have been circulated for implementation in each of the Group's European countries.

The number of ECIC meetings in 2021 returned to its normal rhythm compared with 2020, which was particularly affected by the health crisis. An Employment and Training Monitoring Group was created within the ECIC and met for the first time in 2021.

Carrefour also plays an active role in sector-wide social dialogue meetings as part of European trade organisation Eurocommerce, alongside the trade union delegation from UNI Europa.

LOCAL SOCIAL DIALOGUE

In each Group country, social dialogue is governed by local collective bargaining agreements. These play a major part in the Group's economic performance but also in employees' working conditions and, more broadly, in quality of life in the workplace.

Carrefour is engaged in regular negotiations with employee representatives in all of the countries where it operates. These negotiations have resulted in numerous agreements that address

various topics and cover a range of issues, including labour rights and the organisation of work. In 2021, Carrefour France signed a new agreement on remote working. In addition, the Social Transformation Monitoring Group and the Jobs and Skills Monitoring Group merged in 2021 to form the Jobs, Skills and Social Transformation Monitoring Group, which met for the first time mid-year. Inflation issues in Argentina resulted in several revisions being made to the annual wage agreement between the national workers federation and the organisation representing employers. In Romania, a trade union was officially and legally established for the Artima banner. Italy extended its collective bargaining agreement, which notably provides for a special Gender Equality Committee. In Brazil, numerous collective bargaining agreements have been signed for both Carrefour Brazil and Atacadão. Carrefour Spain signed several collective bargaining agreements following the integration of the Supersol employees into its workforce in order to align their working conditions with those of other Group employees.

RESPONSIBLE REORGANISATION

Since 2018, Carrefour has cut back its workforce, particularly in its head offices, and sold or converted into franchises certain stores in several countries, including France, Poland and Italy. Workforce reduction plans have been supported by a sustained social dialogue process and a set of measures aimed at helping employees relocate or find another job within or outside the Group. These measures were notably put in place pursuant to agreements negotiated and signed with employee representatives. In France, two amendments were signed in 2021. One related to the agreement on anticipating and supporting social transformation and creating the Jobs, Skills and Social Transformation Monitoring Group. The other related to adapting GPEC tools to the challenges of transforming the Group's headquarters and support functions. Social dialogue also led to the adoption of a new agreement that introduces early retirement leave for employees who work at a supermarket or hypermarket to be brought under a franchise or management lease.

+ Find out more

- [Carrefour.com: Employment at Carrefour and managerial transformation/CSR](#) (see the Employees section)

2.1.6.3 Attracting, supporting and developing talent

Context and definition

The world of work is changing in the wake of societal, technological and commercial developments, and the demands of the new generations joining the corporate world are evolving. Younger employees want to take advantage of new management and work methods. These upheavals represent key challenges for Carrefour, which has developed its approach to attracting, developing and retaining talent accordingly.

To strengthen its customer-centric culture, the Group is focusing its training and recruitment efforts on the skills

required in the strategic areas of digital transformation, the food transition and management. Carrefour puts particular emphasis on developing the skills of its managers, for whom innovative programmes are now in place.

The Group is also committed to promoting mobility within its teams in order to prepare as effectively as possible for the future of the retail sector, which is undergoing rapid and wide-reaching change. This objective is central to the "Growing and moving forward together" commitment, the first of the four pillars of the Act for Change programme.

Carrefour's policy

In line with the "Growing and moving forward together" commitment, Carrefour's policy is designed to:

- **attract talent** by strengthening its recruitment and development programmes, its promotion of work-study and work experience initiatives, and its partnerships with schools and universities;
- **retain talent** through a motivating career management and compensation system;

- **develop employees' skills** by making training a key priority, notably through new multi-format and multi-business development programmes, and by investing heavily to prepare its employees for the changes taking place in the retail industry. Since 2019, Carrefour's training policy has been structured around the four key topics that underpin in its *raison d'être* and strategy: the food transition, customer-oriented culture, people management and the digital transformation.

Carrefour's performance

1. Attracting talent

Employees are the ones who put the Group's strategy into action, so Carrefour has always taken great care to attract the right profiles for the right positions.

Performance indicators	2021	2020	Change
Number of new hires	143,783	141,684	+1%

2. Retaining talent

Employee turnover and length of service

Performance indicators	2021	2020	Change
Attrition rate among Senior Directors and Executive Directors ⁽¹⁾ (in %)	4.6	4.1	+0.5 pts
Turnover ⁽²⁾ (in %)	22.9	19.7	+3.2 pts
Voluntary turnover ⁽³⁾ (in %)	12.7	9.9	+2.8 pts
Average seniority of employees	9	9	-

(1) New indicator in 2020 to measure the number of employee resignations at Director and Senior Director level as a proportion of the population.

(2) Turnover of employees on permanent contracts, including new hires during the year, redundancies, resignations and completed trial periods, and calculated based on the workforce at December 31, 2020.

(3) Voluntary turnover of employees on permanent contracts including resignations.

Internal mobility and promotion

Thanks to all the Group's programmes and initiatives, employees' average length of service is stable and 2,941 employees were promoted in 2021 (versus 2,073 in 2020).

In total, 49% of new managers, 60% of new Directors, 44% of new Senior Directors and 44% of new Executive Directors were promoted internally in 2021.

Indicators	2021	2020	Change
Rate of internal promotion: total	50%	44%	+6 pts
Rate of internal promotion: manager	49%	43%	+6 pts
Rate of internal promotion: Director	60%	68%	-8 pts
Rate of internal promotion: Senior Director	44%	32%	+12 pts
Rate of internal promotion: Executive Director ⁽¹⁾	44%		

(1) New job category created in 2021 from among Senior Directors.

3. Developing employees' skills

A personalised career management process has been introduced for key talent to ensure that these employees continue to enhance their skills and pursue appropriate career paths. Carrefour's objective for 2025 is to ensure that at least 50% of its employees receive at least four hours of training each year, regardless of format. This objective has been included in the Group's CSR and Food Transition Index since 2020. Due to a catch-up effect in relation to 2020, it

was amply exceeded in 2021; the health crisis had a major impact on the organisation and delivery of training at Carrefour in 2020 and some training had to be postponed to 2021. In addition, to support its strategy of improving customer satisfaction, an exceptional volume of training was provided to Carrefour France employees during the year to strengthen the customer-oriented culture (50,000 employees benefited from this training in 2021).

Indicators	2021	2020	Change
% of employees trained during the year (at least 4 hours of training) ⁽¹⁾	81%		
Average number of training hours per employee	13.25	8.04	5.21
Total number of training hours over the year (in millions)	4.2	2.5	+1.7

(1) New indicator created in 2021.

13.25 training hours on average per employee and **271 euros** spent on average per FTE on training and development (Scope: France. Excluding wages and ancillary costs).

Action plans

1. Attracting talent

1.1. KEY RECRUITMENT-RELATED OBJECTIVES

In line with its transformation and to keep up with developments in the retail industry, one of Carrefour's key objectives is to strengthen its skills base, especially in digital technology, areas associated with the food transition and specific professions, such as those relating to food. To achieve this objective, all of the Group's host countries are taking initiatives aimed at:

- **improving Carrefour's recruitment strategies** and modernising practices by **better identifying recruitment needs and issues**, diversifying distribution channels according to profiles, professions and locations, and widening the candidate pool. In France, for example, more than 26,350 jobs offers were relayed on the websites of institutional partners and associations in 2021. Recruitment teams are also using innovative software solutions that for example use videos or text messaging to carry out the entire recruitment process;
- **strengthening the visibility of the Group's professions** through a strong employer brand and by regularly producing targeted content showcasing the expertise of its employees. The Group's host countries make active use of LinkedIn, Instagram, Facebook and Twitter to promote the Group's professions and relay information about jobs at Carrefour;
- **forging numerous partnerships with key schools**, such as business, engineering and IT schools. Carrefour pursued this strategy remotely in 2021 with major target schools in France. It notably signed a partnership agreement with Paris-Dauphine University and its Foundation. This enables Carrefour to support the university's "equal opportunities" and "student housing" programmes, in particular by presenting opportunities, coaching students and handing over of keys to the beneficiaries of the "student housing" programme. As part of the Group's partnership of the Equal Opportunity Programme (EOP) run by Sciences Po Paris, several EOP students have benefited from the support of Carrefour mentors;
- **stepping up work-study and work experience initiatives** in all countries to enhance the Group's visibility and facilitate recruitment in specialised areas where Carrefour lacks resources, such as food-related professions and IT and digital technology. In France, a sponsored recruitment campaign was carried out to enhance the Group's attractiveness to younger

generations, focusing on professions where more workers are needed;

- **taking various specific steps to attract digital talent**, such as investing in a Codingame licence that allows tests to be taken online; establishing contact and organising events with schools that specialise in IT training, such as "École 42" in Paris; and participating in the "Next Gen Retail" international chair dedicated to data science in association with École Polytechnique;
- **renewing the Executive Management, Finance and Hypermarket Graduates Programmes**, which are designed to attract and develop high-level profiles internally. These two-year programmes are based on a rigorous selection process targeting leading business schools. The primary objective is succession planning for key Executive Management and Finance positions at headquarters or for the Group's hypermarkets. The programmes were enhanced in 2021, notably via a revision of the training plan. In addition, new graduates will be sponsored by an Executive Committee member and will have the opportunity to acquire international experience towards the end of their two-year stint. The launch of the new *Tremplin* programme in late 2021 has opened up a new pathway to these Graduates Programmes. Among the 15,000 young people from priority urban areas recruited in 2021, a group will be selected to take part in this innovative and inclusive work-study programme. They will benefit from training (with a strong focus on the Carrefour leadership model), immersion sessions and coaching from former graduates, with the aim of joining a Graduates Programme later on.

1.2. KEY TALENT STRATEGIC PLANNING

In 2021, Carrefour strengthened its strategy for identifying and tracking key talent, which includes Executive Directors, participants from Executive Management Graduates Programmes, and high-potential employees with skills that are essential to the Group. A study was carried out to establish an inventory of the skills available among key management staff and those missing. The map of key positions was updated in order to identify all management positions with a significant impact on strategy at Group, country and business unit level and to ensure that each of them exists in the Group's main host countries. The HRIS system introduced in late 2021 enables accurate analyses of the gaps between available skills and those required as a result of market trends. All of these elements guide the Group's internal and external recruitment processes.

2. Retaining talent

2.1. CARREFOUR'S CAREER MANAGEMENT SYSTEM

Carrefour's career management system is based on the initiatives implemented by human resources teams, such as the systematisation of annual performance reviews, the possibility of internal mobility or promotion, and the training programmes made available to employees. Twelve management practices were defined in 2019 to enhance the annual performance review process and inspire specific development plans. These practices reflect the Group's strategic commitments in relation to the four pillars of its Act for Change programme. In addition to the traditional performance review process, career development meetings are also organised in all of the Group's host countries.

A specific career management system has been set up for key talent to ensure that the compensation packages, career prospects and mobility opportunities offered to these employees are in line with their aspirations. As a result, every Carrefour employee identified as a key talent receives personalised support, resulting in a customised career plan that includes both training needs and mobility opportunities within the Group.

2.2. INTERNAL PROMOTION AND MOBILITY, A CORE ASPECT OF THE CARREFOUR DEVELOPMENT MODEL

Carrefour is committed to developing internal promotion and professional development programmes. In Italy, for example, it has set up a Masters Retail for Talents programme to train store directors in new retail trends. Thanks to the Group's policy of enhancing versatility, employees can discover other professions by changing jobs or taking on new responsibilities. In addition, Carrefour's work-based learning programmes enable young employees to gain expertise in all areas of the Group's business. Priority is given to internal promotion, notably thanks to the Leaders School, an in-house training institute that has gradually been deployed in several countries and serves as a powerful springboard for social advancement.

Carrefour also provides professional experiences that allow employees to show initiative, enabling them to achieve personal fulfilment while also contributing to the Group's performance. Some countries have also launched non-professional skills development programmes to support employees in their internal mobility. In France, skills sponsorship opportunities are offered to employees to meet their desire for purpose and commitment while enhancing their skills.

2.3. LONG-TERM INCENTIVE SYSTEM

In 2019, Carrefour revived its long-term retention programmes for key contributors to the Group's transformation. The programmes are based on the allocation of free shares subject to presence and performance conditions, with the CSR and Food Transition Index accounting for 25% of the performance criteria. Initially restricted to the top two levels of management, the plans' scope was expanded in 2021 to include all key contributors to the Group's transformation. As a result, of the almost 700 employees who benefited from the plan in 2021, nearly 80% were from outside the Group's senior management community.

2.4. LISTENING TO EMPLOYEES

In 2021, Carrefour initiated the deployment of a permanent listening platform at Group level, in order to be able to more easily gather feedback from employees on internal issues and increase its responsiveness regarding the actions to be implemented. Thanks to this platform, a second round of the **internal "all managers" survey** has been carried out, providing insight into the priorities to be addressed within the teams.

3. Developing employees' skills

3.1. MANAGEMENT TRAINING PLANS

In the digital age, the approach to creating value is changing radically and management needs to be agile in this respect. With this in mind, Carrefour has deployed innovative programmes to help its managers acquire the necessary skills.

Carrefour University has expanded its training offer – aligning it with the "Carrefour 2022" transformation plan – so that managers can better understand technological and societal changes and their impact on the retail industry and on the Group and more fully grasp Carrefour's strategy so they can integrate it effectively into their scope of action. Carrefour University provides a stimulating, international environment for sharing ideas and practices with leaders from all of the Group's host countries.

New programmes have been introduced to develop Carrefour's managers, including:

- **senior executive programmes** for high-potential managers, like the Next Generation programme, which is designed to help future leaders develop strong leadership skills;
- **the multi-format management courses, Manage for Change and Manage for Lead**, which provide first-time and experienced managers with the skills necessary to oversee their teams' performance;
- **individual coaching and mentoring programmes**, available in the employee's own language;
- **best practice webinars**, an international initiative that involves bringing together senior executives from different countries once a month to share best practices.

3.2. TRAINING TO SUPPORT THE DIGITAL TRANSFORMATION

The Group's ambition is to be a world leader in digital retail with a strategy based on a "data-centric, digital first" approach. All countries where Carrefour operates are therefore developing programmes and tools to help employees better understand digital environment and culture. In 2019, the Group overhauled its learning management system to ensure a multi-format approach. The content of e-learning modules was completely reworked to align employee training with the Group's strategy, the digital transformation and the food transition for all.

In 2024, all Carrefour employees will be able to receive dedicated digital training via the Digital Retail Academy, corresponding to around 100,000 employees trained per year. In addition, to facilitate interaction and encourage innovation, Carrefour will give all its employees access to Workplace, the communication and collaboration tool developed by Meta (formerly Facebook).

3.3. TRAINING RELATING TO THE FOOD TRANSITION AND FRESH PRODUCTS

Fresh products and the food transition are key topics in the Group's training strategy. Specific training modules on fresh products has therefore been introduced in every country. In Brazil, around 40 expert employees provide training all year round to anyone handling fresh produce at a dedicated vocational school. The Fresh Goods School – an in-house institute for training food service industry professionals – continued to grow in 2021. Argentina launched its third round of training sessions and France created its own Fresh Goods School with five programmes leading to certification. Carrefour Spain also has a regional training facility dedicated to fresh products and meat-cutting training for butchers, and continues to participate on the Chair of Food and Nutrition of CEU San Pablo University.

Strong emphasis is also placed on strengthening skills that relate to the food transition. Poland, for example, has organised training sessions and webinars on organic products. In Spain, e-learning modules on nutrition have been added to the training catalogue available to employees for them to learn the principles of healthy eating. In Italy, an academy set up with suppliers gives employees a better understanding of the products they sell and the associated production processes, particularly in relation to the Terre d'Italia quality line. In France, employees have access to numerous e-learning modules on a variety of topics, including Carrefour Quality Lines, hygiene and quality, and sustainable fishing. Romania also offers training, on food quality and security. In 2021, 11.6% of Group employees participated in training programmes relating to the food transition, versus 4% in 2020.

3.4. TRAINING TO FOSTER A CUSTOMER-ORIENTED CULTURE

Carrefour's customer strategy is built on the three cornerstones of trust, service and convenience. It is supported by the rigorous monitoring of Key Performance Indicators (KPIs), including the Net Promoter Score® (NPS®), a tool for gauging customer satisfaction that was widely deployed across the Group in 2019. With customer satisfaction in mind, Carrefour has implemented action plans to enhance the flexibility of its in-store teams and reduce the out-of-stock rate. It has also introduced procedures for the detection, monitoring and rapid resolution of customer complaints. As part of this approach, Carrefour has set up a platform that allows all Group employees from integrated stores and head offices to consult their NPS® and the associated comments. The number of logins to the platform has increased six-fold in two years, a demonstration of Carrefour teams' commitment to customer satisfaction. In addition, the NPS® was incorporated into the variable compensation criteria for all Carrefour senior executives in 2019 and for all managers in France in 2020.

Listening to and better understanding customers are also the basis of other training programmes, including the 5/5/5 approach, adopted in all Group countries since 2020. Designed to meet customers' expectations on a practical level, it sets out 15 commitments to provide employees with a checklist to ensure customer satisfaction, and that can be consulted at any time.

In 2021, 50,000 employees in France took the "Being a Carrefour Ambassador" training course and 9,014 additional employees received training on other customer relations topics (up from 8,559 in 2020). Customer satisfaction, as measured by the NPS®, has improved in all the Group's locations.

Joint initiatives and partnerships

- Partnership with the International Labour Organization (ILO)
- ILO Charter since 2015
- CEASE
- Orange Day with UN Women France, for the past six years
- International agreement between Carrefour and UNI Global Union signed in October 2018
- Diversity Charter
- OneInThreeWomen Charter

+ Find out more

- ILO Charter
- OneInThreeWomen Charter
- *Carrefour.com*: [Attracting, retaining and developing talent/CSR](#) (see the Employees section)

2.1.6.4 Encouraging diversity and inclusion and battling all forms of harassment and discrimination

Context and definition

Carrefour employs 319,565 people worldwide, of which 177,611 or 55.6% are women and 3.41% are disabled.

Since its creation, Carrefour has been committed to reflecting and integrating the social diversity of the areas where it operates. The Group firmly believes that

representing all its customers, in all their cultural diversity, represents a key competitive advantage improving customer service and consequently performance. Social and cultural diversity also help to retain employees, which is why diversity naturally forms part of the Group's human resources strategy.

Carrefour's policy

"Promoting diversity" is one of the three objectives of "Growing and moving forward together", the first pillar of Carrefour's Act for Change programme. Carrefour was very quick to commit to promoting diversity: it signed the Diversity Charter in 2004, in which it pledges to give everyone, in all countries, the same opportunities in terms of career development and recruitment. It also makes sure that

the composition of its Board of Directors reflects the Group's diversity.

Carrefour has been actively promoting gender equality in the workplace for many years. Equal career opportunities for every employee, equal pay and equal access to management positions for women are all key Group commitments.

Committed to disability inclusion for over 20 years, Carrefour makes every effort to keep employees with disabilities in its workforce. It also has an ambitious disability training and awareness policy and is working to change the way people view disabilities.

Carrefour's performance

1. Gender equality in the workplace

The commitments made by the Group in this regard relate primarily to:

- combating violence against women;
- promoting gender equality within the Company, in particular by: strengthening internal development programmes;

Inclusion and battling all forms of harassment and discrimination are also key commitments. In all its host countries, Carrefour aims to promote equal opportunity for all and foster a culture of respect, acceptance and inclusion that is not only valued but also expressed through real-world initiatives.

- implementing training and awareness initiatives for employees;
- obtaining and maintaining Gender Equality European & International Standard (GEEIS) certification in all countries;
- incorporating into the CSR and Food Transition Index the new target of at least 35% women Executive Directors by 2025.

Indicators	2021	2020	Change
% of women appointed to key positions	28.5%	23.2%	+5.3 pts
% of women on the Board of Directors	46%	43%	+3 pts
% of women on the Group Executive Committee ⁽¹⁾	21%	15%	+6 pts
% of women among Executive Directors ⁽²⁾	24.7%	22.4%	+2.3 pts
% of women among Senior Directors	19.4%	19.3%	+0.1 pts
% of women among Directors	25.2%	23.9%	+1.3 pts
% of women among managers	43.7%	42.7%	+1 pt
% of women among employees	57.1%	57.1%	-
GROUP TOTAL – % OF WOMEN IN THE WORKFORCE	55.6%	55.4%	+0.3 pts
% of management positions held by women	42.5%	41.5%	+1 pt

(1) At December 31, 2021.

(2) New job category created from among Senior Directors. Indicator incorporated into the CSR and Food Transition Index.

2. Employees and customers with disabilities

Carrefour is firmly committed to integrating people with disabilities into its workforce and keeping them in its employment. This commitment is integrated into the Group's governance, by entering into the composition of Carrefour's CSR and Food Transition index, with the objective of employing 4% of people with disabilities throughout the Group by 2025, either directly or via specialised structures.

The Group has 10,902 employees with disabilities; they make up 3.4% of its workforce. Both the number and the percentage of employees with disabilities declined during 2021. This can be explained in particular by very strong dynamics in Latin America, where the employment rate is lower than that of Europe: the growing weight of this zone in the workforce is lowering the average rate. To support this commitment, best practice exchange workshops involving HR departments from nine countries were organised to identify and circulate the best initiatives within the Group.

Key Performance Indicators	2021	2020	Change
% of employees recognised as having a disability	3.4%	3.6%	-0.2 pts
Number of employees with a disability	10,902	11,306	-3.6%

3. Inclusion and equal opportunity

One of France's leading employers, Carrefour has fulfilled the commitment made at the end of 2020 to recruit 15,000 young people in 2021, offering them either a permanent contract (7,000 in total) or a work-study contract (8,000 in total).

Key Performance Indicators	2021	2020	Change
% of employees under 30	34%	34%	-
% of employees between 30 and 50	48%	49%	-1 pt
% of employees over 50	18%	17%	+1 pt

4. Battling all forms of harassment and discrimination

In 2021, 5,024 alerts were received through the ethics hotline, which is available in all Group countries. Alerts concerning discrimination and harassment accounted for

6% of total alerts received. These alerts help the Group fine-tune its action plan and initiatives to battle all forms of harassment and discrimination.

Action plans

1. Promoting diversity and gender equality

1.1. HELPING WOMEN TAKE UP LEADERSHIP POSITIONS

Worldwide, 177,611 women are employed by the Group, representing 55.6% of the total headcount. Carrefour has made it a priority to support and train all women, whether employees or managers, by offering them specific leadership programmes. The goal is to increase the percentage of women among Executive Directors from 22% to 35% by 2025. The Group develops individual coaching and mentoring programmes designed for women so as to increase the number of high-potential female employees, including:

- in-house programmes at Group level, such as Empowering Women Leaders and *Carrefour Elles* for women Directors. Many initiatives have also been implemented at country level to improve gender diversity in management and in certain job families. In Spain, for example, Carrefour has partnered with an innovative coaching programme for high-potential female employees. Every year, the participants compete in an inter-company regatta. The aim is to get them to know themselves better and encourage them to seek out new challenges. Specific career committees are in place, particularly in Belgium, to foster the promotion and visibility of women;
- the EVE programme initiated by Danone;
- the international Women Leaders programme, which reflects several Group commitments and led to the signature in 2013 of the UN Women's Empowerment Principles (WEP) by the Chairman and Chief Executive Officer and the Executive Directors for Spain, Argentina, Brazil and Belgium;
- in all Group training programmes designed to facilitate internal promotion, particular attention is paid to ensuring gender diversity among graduating classes. The Leaders School plays a key role in promoting gender equality at Carrefour, as illustrated by the diversity of its graduating classes, as does the Next Gen programme, in which 60% of participants are women.

The Group also offers its employees numerous opportunities for networking and sharing best practices, notably via its partnership with the LEAD Network, a professional network dedicated to gender equality in the retail and consumer goods industry in Europe. A wide variety of initiatives have been carried out in the Group's host countries in relation to this partnership. Carrefour role models have spoken at LEAD Network events, Carrefour Belgium participated in the launch of the local chapter and Carrefour Romania organised a webinar to present the network to employees.

Carrefour's commitment is also reflected in the Group's CSR and Food Transition Index, which tracks progress over time in two key areas:

- **Gender Equality European & International Standard (GEEIS) certification:** to have external assurance about the effective implementation of its gender equality policies while also enhancing the visibility of its initiatives, Carrefour wanted to adopt a standard that would be recognised worldwide. The decision to use GEEIS was motivated by the Group's desire to

have a single, external, auditable reference system, adapted to our global presence and to the diversity of our social legislation. GEEIS assessments – both qualitative and quantitative – allow for clear reporting to management on the progress made. In 2020, in keeping with the commitment announced publicly in 2017, Carrefour achieved its objective of obtaining GEEIS certification in all its host countries. Campaigns to audit our entities against the GEEIS continued during 2021, with maturity levels maintained or improved in all countries and an extension of the certification scope in Carrefour Brazil to GEEIS Diversity;

- **increasing the number of women on governing bodies:** In 2021, Carrefour's Board of Directors made a new commitment, which was incorporated into the CSR and Food Transition Index – to have "35% women Executive Directors by 2025". This has led to targets, by year and by country, which are monitored at Group level. At end-2021, this indicator was 24.7% at Group level, an increase of 2.3% on 2020.

Thanks to Carrefour's policy, the portion of women increased in all management categories in 2021 (43% versus 41.5% in 2020) and more specifically to 44% of managers (42.7% in 2020), 25% of Directors (23.9% in 2020) and 19.4% of Senior Directors (19.3% in 2020).

At the end of 2021, the Executive Committee had 14 members, including three women, i.e., 21.4% in 2021 compared with 7% in 2017. Two new appointments in January 2022 raised membership to 16, of whom 5 are women, and the percentage of women on the Executive Committee is now 31%. 46% of members on the Board of Directors are women.

1.2. COLLECTIVE AGREEMENTS ON PROFESSIONAL AND PAY EQUALITY

In 2020, Carrefour's management signed a new gender equality agreement with trade unions that aims to facilitate career advancement for women and allow men to play a larger role in family life, with no judgement or worry about their careers. The agreement covers recruitment, training, promotion, generous compensation, working conditions and work-life balance. Together with the trade unions, the Group has defined objectives and committed to implementing practical initiatives in each of these areas.

Equal pay policies are also being implemented across the Group. In France, for example, the new gender equality agreement signed by Carrefour hypermarkets on March 9, 2020 includes a system for monitoring pay equality at both the individual and collective level.

In 2021, 88 new agreements (or amendments) were signed.

1.3. PROTECTING WORK-LIFE BALANCE AND SUPPORTING PARENTS

Carrefour is strongly committed to promoting work-life balance, one of the four focus areas of the Women Leaders programme. Measures benefiting both women and men have been implemented. Indeed, employees can benefit from childcare facilities. In France, for example, employees can use the *crèche* at head office or receive financial assistance in the form of CESU employer vouchers to which Carrefour contributes 50%.

At the same time, there are numerous initiatives in all the Group's host countries to help employees at every stage of parenthood. In France and Romania, additional leave is granted to employees involved in an assisted reproduction programme. In Brazil, special medical check-ups are offered to pregnant employees. Specific measures have also been introduced at Carrefour Argentina, which grants maternity and paternity leave that is more advantageous than that required by local law, and where women leaders benefit from a specific support programme on their return to work, which includes flexible hours. Dedicated breastfeeding areas are available, for example, at Carrefour's head offices in Brazil, Taiwan and Argentina, and in all Carrefour Spain hypermarkets. In addition, employees in most countries can take leave when their children are unwell.

2. Employees and customers with disabilities

2.1. RECRUITING, INTEGRATING AND RETAINING PEOPLE WITH DISABILITIES

Carrefour has made its approach to hiring and integrating people with disabilities, and keeping them in employment, a fundamental part of its human resources policy. The first agreement on the employment of people with disabilities was signed in 1999 for the French hypermarkets. It has since been renewed eight times, most recently in 2020. The purpose of the agreement is secure the career paths of people with health problems and keep them in employment. It also promotes the recruitment of people with disabilities on work-study contracts. Carrefour is very committed to this issue and works closely with the employees concerned throughout their careers, with the help of disability liaison officers appointed for each format.

2.2. CHANGING THE WAY PEOPLE VIEW DISABILITIES

In its efforts to drive lasting change, Carrefour supports and participates in several events to raise awareness about disabilities and differences within its teams. For example, in 2021, France and Belgium took part in Duo Day, a European initiative that involves pairing up employees in the public or private sector and people with disabilities. The "duos" spend a work day together, either in person or online. To mark the 25th edition of European Week for the Employment of People with Disabilities, Carrefour supported *Le Grand Pitch*, France's first public speaking contest for people with disabilities, organised from November 15 to 26, 2021 by our partner association *Pépites Emploi*. In Spain, the INCLUYE programme aims to promote the inclusion and visibility of employees with disabilities through meetings, tutors and initiatives organised by the human resources teams and the employees themselves. Another programme gives Carrefour employees the chance to volunteer their services to provide training to people with intellectual disabilities. In Brazil, September 21 is National Day of Support for People with Disabilities. In 2021, various disability inclusion initiatives were organised throughout the week, for both managers and employees. Conversation circles were also organised to discuss issues relating to inclusion and the careers of people with disabilities.

3. Inclusion and equal opportunity

Establishing an inclusive corporate culture that promotes equal opportunity within its organisation is a key priority for Carrefour. Inclusion and equal opportunity have therefore been integrated into the strategy for listening to employees. In the last survey, carried out in the first half of 2021, all of the Group's managers (over 16,000 respondents) were asked about their feeling of belonging to the Group and their opinion on the level of acceptance, authenticity and equal opportunity at Carrefour. The

results showed that a culture of inclusion and equal opportunity is seen as one of the Group's key strengths.

3.1. INCLUSION OF YOUNG PEOPLE

A proactive proponent of youth recruitment and training for many years, Carrefour stepped up its efforts in support of youth employment with the December 8, 2020 announcement that it would hire 15,000 young people on permanent contracts or work-study programmes, with a target of 50% from disadvantaged neighbourhoods. The objective was met by the end of November 2021, with more than 7,000 young people hired on permanent contracts and 8,000 under work-study programmes. Significant resources have been invested to offer them high-quality courses earning them certificates or diplomas, with Carrefour France in particular opening its own in-house training centre. The Group also offered job-shadowing work experience to 3,000 secondary school students aged 14 to 15 from these districts to introduce them to retail industry professions. As a result, Carrefour was awarded the Employer Brand and Recruitment Trophy at the eighth edition of France's Human Capital Leaders Awards. These various initiatives are a testimony to the Group's commitment to promoting equal opportunity at a time when younger generations are reeling from the effects of a crisis that makes it more difficult for them to find sustainable job opportunities.

3.2. INCLUSION FOR ALL

Carrefour regularly organises events aimed at facilitating the recruitment, integration and inclusion of diverse profiles. Every year, a whole day is dedicated to diversity at Carrefour in order to promote the acceptance of others among employees. For International Diversity Day 2021, an animated infographic about diversity at Carrefour was produced and shared with all Group host countries, both internally (head offices and stores) and externally (network).

Also in 2021, Carrefour Brazil organised a "Trans Visibility Day", dedicated exclusively to the recruitment of transgender people. By implementing initiatives like this throughout the year, Carrefour is helping to promote the integration of people from minority groups and stepping up its commitment to foster diversity and inclusion in its ecosystem. Action is also being taken to promote the employment of older people. One example is the Group's partnership with "Hire 45+", a non-profit organisation in Romania that aims to encourage the recruitment of people over 45.

3.3. PROMOTING EQUAL OPPORTUNITY THROUGH THE LEADERS SCHOOL

An in-house training school, the Leaders School is designed to facilitate internal promotion, which plays a key role in supporting diversity and equality at Carrefour. This is illustrated both by the gender diversity of the graduating classes (49% women in the "Jérôme Nanty" class and 50% in the third cycle of the Leaders School in Argentina), and by the inclusion of specific modules dedicated to diversity and equal opportunity.

4. Battling all forms of harassment and discrimination

4.1. INITIATIVES TO COMBAT DISCRIMINATION

Carrefour stores and entities promote diversity within their teams and the Carrefour Code of Professional Conduct is sent to all suppliers, who must pledge to adhere to the Group's ten Principles of Ethics. Since 2016, these principles relate to respecting diversity, contributing to a safe and healthy working environment, promoting social dialogue, banning all forms of harassment and ensuring the safety of people and property.

4.2. INITIATIVES TO COMBAT VIOLENCE AND HARASSMENT

The Group's various host countries are firmly committed to combating sexual harassment and casual sexism. On March 8, International Women's Day, various awareness-raising initiatives were organised for employees. Brazil communicated internally, asking people to reflect on sexist behaviour and how to change mentalities. It also took part in the initiative to support employability organised by the Women's Secretariat of the São Paulo Trade Union. In France, the Group has had sexual harassment and sexism liaison officers since 2019 (around 300 drawn from the Works Council and 300 Carrefour employees). These liaison officers have received training that enables them to apply regulations to real-life situations of sexism or harassment, detect risky situations and identify means of prevention. E-learning modules on sexism and harassment have also been made available to both managers and employees.

Carrefour is also actively engaged in the fight against all forms of discrimination and racial violence. Carrefour Brazil has taken firm action and performed a comprehensive review of training policies for employees and subcontractors in terms of safety, respect for diversity and values of tolerance. An action plan was developed to strengthen the measures Carrefour Brazil has implemented for many years to combat racism. These include in-house awareness-raising and training initiatives (Diversity Day, workshops to discuss unconscious prejudice, and diversity and inclusion guidelines for suppliers), as well as initiatives aimed at society at large (signing of the Coalition of businesses for racial and gender equality, institutional partnerships and sponsorship of pro-diversity forums). The importance of these initiatives was recognised in 2021 by the GEEIS Diversity certification awarded to Carrefour Brazil.

Joint initiatives and partnerships

- Partnership with the International Labour Organization (ILO)
- ILO Charter since 2015
- CEASE project (FACE)
- Orange Day with UN Women France, for the past six years
- International agreement between Carrefour and UNI Global Union signed in October 2018
- AFMD (French Association of Diversity Managers)
- ARBORUS (GEEIS)
- ORSE (French Observatory of Companies' Societal Responsibility)
- Participation in working groups to discuss non-sexist education (GLORIA)
- Quality of Life at Work Observatory (formerly OPE)

+ Find out more

- [Carrefour.com: Encouraging diversity and inclusion and battling all forms of harassment and discrimination/CSR](#) (see the Employees section)

2.1.6.5 Protecting employee health, safety and quality of life

Context and definition

As part of the third commitment of its Act for Change programme, "Acting with simplicity", Carrefour allows its 319,565 employees to enjoy a secure and positive professional environment. The Group pays particular attention to protecting employees' health and their quality of life at work. It has notably taken resolute action to prevent musculoskeletal disorders (MSD), which are the cause of 45% of workplace accidents and occupational illnesses, as well as to prevent stress and psychosocial risks and more generally to protect employees' mental health. Carrefour strives to improve quality of life at work by implementing initiatives that encourage employees to exercise, roll out remote working arrangements and enhance work-life balance.

Carrefour's policy

The "Acting with simplicity" pillar of the Act for Change programme is built around three objectives: using resources appropriately and efficiently; acting quickly and simply; and empowering yourself and others. In practical terms, Carrefour is committed to protecting employee health, reducing the risk of workplace accidents in all its locations and implementing innovative initiatives to improve quality of life at work.

On the front line during the Covid-19 pandemic since the first half of 2020, the food retail industry has continued to operate, ensuring the supply of necessities to communities in lockdown while also protecting its workers. Carrefour employees put in an exceptional effort once again in 2021. Thanks to their commitment, people were able to access food and basic necessities in compliance with the public authorities' recommendations. Protecting the health and safety of employees – who make service continuity possible – is clearly a key priority for the Group.

Since end-2020, all of the Group's host countries have an action plan on health, safety and quality of life in the workplace. Integrated local teams are responsible for setting targets, particularly in relation to workplace accident frequency and severity, and for structuring an action plan. This should cover topics such as the prevention of accidents in the workplace and at home; occupational illnesses; work-related stress; improving work-life balance; and training on conflict management in the workplace.

Performance

1. Protecting employee health and preventing workplace accidents

Key Performance Indicators	2021 ⁽²⁾	2021 ⁽¹⁾	2020	Change
Workplace accident frequency rate (<i>number of accidents/millions of hours worked</i>)	-	25.33	27.87	-2.54 pts
Workplace accident severity rate (<i>number of days absent due to workplace accident/1,000 work hours</i>)	0.71	0.90	0.85	+0.05 pts

(1) Scope: Comparable BUs – Excluding AT.

(2) Scope: 100% of 2021 consolidated net sales.

Indicators ⁽¹⁾	2021	2020	Change
Rate of absence due to workplace and travel-related accidents	0.66%	0.63%	+0.3 pts
Absenteeism rate: illness	5.17%	5.71%	-0.54 pts
Absenteeism rate: workplace accident	0.61%	0.57%	+0.04 pts
Absenteeism rate: travel-related accident	0.05%	0.05%	-

(1) Hours absent (depending on the reason) as percentage of hours worked. Scope: excluding AT.

2. Offering psychological support to employees

Carrefour France employees have had access to round-the-clock psychological support since 2015, either remotely or on-site, in partnership with a specialised practice.

Since 2020, in light of the Covid-19 health crisis, the vast majority of the Group's host countries have also set up free hotlines and psychological support for employees who feel the need to talk.

Extraordinary indicator	2021	2020	Change
Number of countries deploying a psychological support system	8	8	-

3. Listening to employees to ensure quality of life in the workplace

To support the transformation of its corporate culture, Carrefour introduced an employee commitment indicator in 2019: the Employee Net Promoter Score® (E-NPS). After being suspended for several months due to the health crisis, the fourth "Act for Change" survey round was carried out between May 10 and June 4, 2021 to follow up on the surveys conducted in June and October 2019 and September 2020. Five questions were asked to a representative sample of 26,000 employees in the Group's

nine countries, one on "employer recommendation" level (or E-reco) and one relating to each of the four Act for Change pillars.

In addition to a sharp increase in the response rate, the results of this survey showed an improvement on the previous round, with an average E-reco score of 83/100 for the Group. This indicator has also been integrated into the CSR and Food Transition Index. The objective of achieving and maintaining a Group average score of at least 75/100 up to 2025 has therefore been achieved for 2021.

Action plans

1. Protecting employee health and safety

1.1. ASSESSING RISKS TO FACILITATE PREVENTION

To reduce the number and severity of workplace accidents, Carrefour puts risk assessment and prevention at the heart of its health and safety management system. The Group's prevention teams have identified the safety hazards of around 60 workstations, as well as appropriate preventive measures, so that each site can devise, implement and update their own action plans. Carrefour's health and safety risks primarily concern employees who work in its stores and warehouses. The main causes of accidents in stores relate to the use of machines, such as ham slicers, bone saws and kneading machines. For the logistics side of operations, the main risks are associated with access to loading docks.

Workplace accident prevention begins on day one of the employee orientation process. In all Group's host countries, new hires receive training as soon as they arrive so that they know what professional risks are associated with their work environment, how to protect themselves against these risks and who to notify in the event of a malfunction or a hazardous situation.

Workplace health and safety remains a top training priority throughout the careers of Carrefour employees, who participate regularly in sessions on first aid, the prevention of risks related to manual handling and the prevention of work-related accidents.

1.2. ELIMINATING MUSCULOSKELETAL DISORDERS

Musculoskeletal disorders are a major cause of workplace accidents and occupational illnesses. Carrefour invests continuously to ensure that its employees have access to suitable handling assistance equipment, such as electric pallet trucks, shelving tables and pallet destackers. The Group's various host countries seek to innovate and offer technical solutions adapted to employees' work environments and suited to the specificities of their businesses (reduced shelving depth to limit postural constraints, warm-ups before starting work, installation of mechanical gripping devices for lifting certain items, etc.).

In France, Carrefour has invested heavily in handling assistance equipment, such as automatic pallet wrapping machines, stocking carts and lift devices, and conducted studies on workstation ergonomics to improve store design in the future. In Poland, employees involved in manual and mechanical handling activities in stores and warehouses receive training on the appropriate posture and movements required when working, particularly when carrying and moving heavy loads. At Carrefour Argentina, a specialist in ergonomics and workplace health and

safety was brought on board in 2021 to update the ergonomics programme already in place.

1.3. PREVENTING STRESS AND MANAGING PSYCHOSOCIAL RISKS

The Carrefour group's preventive approach aims to assess the main psychosocial risk factors and develop appropriate action plans. Many initiatives designed to prevent stress and psychosocial risks are adopted locally, at the initiative of a single country or entity. Examples include stress management training and free hotlines and psychological support.

In France, psychosocial risk prevention training has been offered to managers for a number of formats. A tool is also being tested that aims to help identify risk factors and enable employees to suggest initiatives to be included in the Group's action plans. Tested at the head office in France, the tool will be rolled out to stores and for logistics operations during 2022.

In addition, since the onset of the health crisis in 2020, most of the Group's host countries have set up hotlines and, where necessary, psychological support for employees⁽¹⁾.

1.4. ENSURING AN APPROPRIATE WORK ENVIRONMENT AND WORKING HOURS

Carrefour is committed to ensuring that the Group's entities and its franchisees fully comply with local and regional legislation and regulations, as well as with sectoral collective bargaining agreements on working hours, overtime, rest periods and leave. Since end-2020, all of the Group's host countries have an action plan on health, safety and quality of life in the workplace that includes initiatives related to working hours. To support employees required to work remotely during the health crisis, the countries have conducted awareness-raising programmes on the best practices to follow to preserve work-life balance, including such materials as webinars, guides and managerial support.

1.5. ENSURING ADEQUATE SOCIAL PROTECTION FOR EMPLOYEES

Carrefour France harmonised all its death & disability and healthcare insurance schemes via an agreement signed with trade unions on June 30, 2014. A responsible employer, Carrefour France has decided to offer all employees the same high level of social protection regardless of contract type (permanent, fixed-term, apprenticeship or professional training) and after just three months of service for non-management employees. Aligned with the Group's HR policies, this commitment enables Carrefour France employees and their families to benefit from a high level of social protection by pooling the needs of a large population. In 2021, new medical cover arrangements were introduced in other Group countries, such as Poland and Romania.

(1) Taiwan does not provide a special help line, but offers help on a case-by-case basis.

1.6. PROTECTING THE HEALTH AND SAFETY OF FRANCHISEES AND TEMPORARY WORKERS

The French franchisee network benefits from a number of initiatives implemented by Carrefour to reduce workplace accidents, such as workplace health and safety assessments and a special crisis unit. In France, for example, since the onset of the health crisis, all the Group's procedures are communicated to franchisees. They also have access to the internal Carrefour hotline, and their orders for protective equipment (hand sanitiser, gloves, masks) were pooled with those of other Carrefour stores at the beginning of the pandemic, when there was a shortage of supplies. In addition, in order to minimise the risk of accidents among temporary workers, Carrefour France has invested heavily to improve their safety training.

2. Innovating to enhance quality of life in the workplace

2.1. OFFERING FLEXIBLE WORK ARRANGEMENTS

Before the health crisis began, plans were already in place to support the cultural transformation required by the organisation of work. The vast majority of the Group's countries already offered employees in compatible jobs the opportunity to work from home or remotely some of the time. After the first lockdown, there were opportunities to accelerate this transformation and bring new dimensions to the working model in place within the Group – "smart ways of working" – by capitalising on the lessons learned during this period. In France, the agreement on remote working arrangements was renewed and extended and comprehensive support was provided to managers to facilitate its implementation. A dedicated website gives employees access to a wide range of resources to help them adapt to the new organisation of work, including working patterns, information and reference documents. Training and webinars were also organised for this purpose. The Group also encourages the use of technology to increase flexibility and limit travel. Since 2018, employees have had access to the new G Suite solutions, which ensure flexibility by facilitating sharing, collaboration and remote working through tools such as Google Drive, video conferencing and shared calendars.

2.2. TAKING STEPS TO PROTECT EMPLOYEES' WORK-LIFE BALANCE

To ensure that all employees thrive in their work, Carrefour is committed to promoting work-life balance. Carrefour France is a signatory to the Parenting Charter, which upholds a healthy work-life balance for employees with children and encourages the Group to take concrete action in this regard. It is also a signatory of the Quality of Life at Work Observatory's 15 commitments on work-life balance, which stipulate in particular that employers must avoid contacting their employees at the weekend, in the evenings and during leave periods, except under exceptional circumstances, and take action to limit the emails sent outside office hours and on weekends. In the same vein, the agreement signed in 2017 and renewed in 2021 reaffirms employees' right to disconnect outside working hours and the need to be vigilant about the risk of overload. The new agreement on remote working signed in France in 2021 specifically extends this "right to disconnect" to include remote working arrangements. Lastly, on October 6, 2021, the Quality of Life at Work Observatory launched the new Parenting Charter, which reinforces the inclusive approach of the original 2008 version.

2.3. DEVELOPING EXERCISE PROGRAMMES TO IMPROVE EMPLOYEE HEALTH

Carrefour's Act for Food transformation project features a new tag line: "We are all entitled to the best". Going forward with that philosophy, programmes to promote employee health focusing on healthy lifestyle and eating habits – particularly by promoting exercise – have been rolled out in the Group's host countries. Argentina, Belgium, Brazil, Italy, Poland, Romania and Taiwan have all established exercise programmes, in partnership with professionals. Programmes to discourage smoking, excess weight and sun exposure are also available to employees.

3. Supporting employees during the Covid-19 crisis

On April 9, 2020, in light of the Covid-19 pandemic, Carrefour signed a joint declaration with the international trade unions federation UNI Global Union and Auchan Retail concerning the sharing, study and deployment of good practices to prevent, reduce or eliminate the risks of contagion for employees and customers. The Group also issued health guidelines and updated its Business Continuity Plans.

Right from the outset of the crisis, Carrefour implemented rigorous measures to protect employee and customer health, in most cases anticipating and going beyond the health measures recommended by governments in each host country. The Group notably stepped up disinfection and hygiene protocols, installed plexiglass screens at checkouts, ensured the regular supply of hand sanitiser, marked floors to facilitate social distancing and developed specific disinfection and quarantine protocols for suspected cases of infection.

The strict application of health, hygiene and safety rules is regularly and strictly controlled during audits. Working conditions have continually been revised to protect employees as effectively as possible, depending on the state of the health crisis at a given time. This includes adapting store opening hours, for example, and widespread adoption of remote working arrangements for head office employees. Measures have been devised in each of the Group's integrated countries to reward store and warehouse employees, who worked so hard during the crisis.

Joint initiatives and partnerships

- Global framework agreement with UNI Global Union
- World Alliance – UNI Global Union
- Group Global Deal with the French Ministry of Labour
- Agreement establishing the European Works Council with the FIET
- European social dialogue meetings, Eurocommerce

+ Find out more

- [Carrefour.com: Protecting employee health, safety and quality of life in the workplace/CSR](#) (see the Employees section)
- The Group's Principles of Ethics
- Ethics hotline

2.1.6.6 Case studies in 2021

Supporting the fight against breast cancer

Carrefour Belgium has been supporting the international breast cancer awareness non-profit organisation Pink Ribbon for seven years, notably by bringing the non-profit's various initiatives to customers in its stores throughout the year but also thanks to the commitment of its employees. In February 2021, during a major breast cancer fundraising campaign, *Le cancer du sein? Réglez-lui son compte* (Breast cancer: settle the score), Carrefour's charity rounding up scheme raised 447,025 euros, which was donated to Pink Ribbon to support its centres dedicated to the psychosocial care of breast cancer patients. From May 1 to 31, Pink Ribbon's Belgian branch organised the third edition of its Pink Ribbon Walk initiative to promote healthy living. With 687 participants, Carrefour Belgium was the company with the most employees participating in the challenge, which involved taking 10,000 steps per day. By the end of the month, the 31,000-plus people taking part in the challenge accumulated a total of 5,468,567 kilometres, or 135.7 times the circumference of the Earth, and raised 239,295 euros for Pink Ribbon.

Combating food insecurity among students

Since the onset of the health crisis, the Carrefour Foundation has been helping to ensure that students continue to have access to basic necessities. In late March 2021, the Foundation issued a call for projects to support and encourage initiatives designed to combat food insecurity among students in France. The call for projects was aimed at non-profit organisations implementing public interest projects in this area, such as student catering facilities, subsidised grocery stores and food-related social innovation initiatives. After examining 70 different projects, the Foundation selected ten organisations, which each received 30,000 euros in funding to continue their work. Among other initiatives, Alter'Nature, a non-profit organisation created by students from Sorbonne Paris Nord University, manages two grocery stores based on solidarity and participation. Les Amis de la Coop'Cot has set up a cooperative, participation-based grocery store in Créteil, giving students access to its products at cost in exchange for three hours of volunteer work per week. The Federation of Student Associations in Saint-Étienne runs the AGORAé project, which includes a living space and a solidarity-based grocery store used by more than 200 students. Les Ateliers de la Citoyenneté has a kitchen located in the heart of Calais' working-class neighbourhoods and aims to create an additional food distribution day for young people facing considerable hardship. RECHO distributes 500 meals per week in the Greater Paris region, ESS Club creates solidarity-based living and working spaces, including one at UPEC University in Créteil, and Les Amis de la Presqu'île de Giens is developing a shared garden project for at-risk young people in its local area in southeastern France. National mutual aid network L'Équipage Solidaire runs the food aid platform *Delivr'aide* and Secours Populaire Roubaix has set up an innovative food distribution method: "Click and co-help". Lastly, Unis-Cité Auvergne-Rhône-Alpes takes action to promote an inclusive food transition. The Carrefour Foundation is supporting these organisations through the various phases of development of their respective projects.

Another year supporting French food charity Restos du Cœur/Long-standing partner of Restos du Cœur

For the fourteenth year running, during a period of particularly high food insecurity, Carrefour France reaffirmed its commitment to French food charity Restos du Cœur in 2021 and participated

in its national food drive held from March 5 to 7, 2021. A total of 1,224 Carrefour stores took part in the initiative, giving their customers the opportunity to make donations of non-perishable food products and hygiene essentials. Thanks to the efforts made by volunteers, customers and Carrefour employees, 1,624 tonnes of non-perishable goods were collected in the Group's participating stores in 2021, the equivalent of 3 million meals. In collaboration with Danone, another long-standing partner of Restos du Cœur, Carrefour offers nearly one million additional meals each year for those in need thanks to the "2 Danone products purchased = 1 meal offered" campaign running in Carrefour stores.

Creating an inclusive environment for people with disabilities

In France, around one in seven adults, or 4.3 million people, live with a functional disorder and/or a perceived disability. Offering them the best possible customer experience is one of Carrefour's key priorities. As part of its disability inclusion plan, Carrefour has joined forces with Autisme France to improve access to its stores for all customers. To mark World Autism Awareness Day, Carrefour announced on April 2, 2021 that it was introducing a "quiet hour" in more than 1,240 hypermarkets and supermarkets to allow people with autism spectrum disorders to shop in peace. For one hour per week, from 2 to 3 p.m. on Mondays, store lights are dimmed, music and announcement systems are switched off and the use of cleaning appliances is prohibited. The Group is also taking action to support customers who are deaf or have a hearing impairment: since 2018, 79 Carrefour stores in Spain have had a video interpreting system for customers who use sign language. In France, an action plan was launched in autumn 2021 to help Carrefour store employees learn sign language so that they can communicate more effectively with deaf and hearing-impaired customers.

Employing people with disabilities has been one of the Group's key human resources policies for more than 20 years. Carrefour teams in France and Belgium have also taken up the cause. On November 18, 2021, they participated in Duo Day, a European initiative that gives employees the opportunity to pair up with someone with a disability to share and explain their work day. To mark the 25th edition of European Week for the Employment of People with Disabilities, Carrefour supported *Le Grand Pitch*, France's first public speaking contest for people with disabilities, held from November 15 to 26, 2021. Lastly, in Brazil, Carrefour organised a recruitment week in September dedicated exclusively to hiring people with disabilities.

Combating child labour and violence against women

Carrefour actively supports efforts to eliminate violence against women. On the weekend before International Day for the Elimination of Violence against Women (November 25), Carrefour participated in the Orange Day campaign. For every 2-euro bag of oranges purchased by customers in its hypermarkets and supermarkets, Carrefour donated 50 cents to France's National Committee for UN Women, which implements initiatives to combat violence against women. The Group also signed a three-year partnership agreement with Fédération Nationale Solidarité Femmes to raise awareness of the issue of domestic violence among employees and create in-house resources for supporting those affected. In October 2021, Carrefour signed a landmark agreement with Argentina's Labour Ministry aimed at promoting diversity and combating child labour and violence against women. Carrefour Argentina is the first private-sector company in the country to make such commitments on this issue.

Promoting transgender inclusion in Brazil

As part of its Diversity Days initiatives to facilitate access to employment for minority groups, Carrefour Brazil organised a Trans Visibility Day on January 29, 2021. Aware that transgender people still struggle to find jobs and remain a highly marginalised community, the Group decided to dedicate a day entirely to their employment. "We uphold the principle of diversity without exception," said Carrefour Brazil's Diversity & Inclusion Manager Kaleb Machado. "We support the employment of minority groups because we believe that having a job is a key step towards social inclusion". Carrefour Brazil also organises initiatives in the lead up to the Diversity Days. In partnership with NGO Rede Cidadã, Carrefour Brazil trained more than 240 transgender people between 2015 and 2020, improving their chances of finding work in the food retail industry and ultimately leading to jobs for some of them with the Company. The Group also supports the *Cozinha e Voz* project, which helps trans people train as kitchen assistants, and the *Agora Vai* initiative, which promotes the inclusion of trans people in the labour market.

Digitising the employee experience

At its Digital Day on November 9, 2021, Carrefour set itself the goal of transforming into a "digital retail company" by 2026, placing digital technology and data at the heart of all its business operations and its value creation model. To support this strategy, Carrefour intends to update and enhance its employees' digital skills. By 2024, all Group employees will receive digital training via the Digital Retail University set up in partnership with Google. In addition, in order to facilitate interaction and encourage innovation, Carrefour will provide all 319,565 of its employees in its nine integrated countries with access to Workplace from Meta, the communication and collaboration tool developed by the company formerly known as Facebook. The aim is to enable employees to build work-related communities and capitalise on the familiar features of social networks in their daily working lives. By removing silos and promoting direct communication between all employees, regardless of their position in the Group, their entity or their host country, Workplace will help free up time to enable Carrefour teams to be more present in the field, serving customers.

1

2

3

4

5

6

7

8

9