



## **EU Code of Conduct on Responsible Food Business and Marketing practices**

### **Carrefour's support of leading action to transform food systems**

Carrefour, as part of its mission to lead on the Food Transition for all, remains committed to transforming food systems. The food transition involves a transition from current practices to methods that are better for the environment and for biodiversity. Carrefour's position as a leading global retailer gives it a unique ability to pursue transformative change across the supply chain and lead industry-wide action to tackle some of the biggest social and environmental challenges facing us today.

Carrefour commits to supporting the **EU Code of Conduct on Responsible Food Business and Marketing practices** committing to the following objectives:

#### **1. Carrefour's commitment to support healthy balanced and sustainable diets for all European consumers (existing commitment)**

Carrefour is improving the composition of its own-brand products to optimise its nutritional profile in all of its countries of operation. Since 2018, a large number of controversial substances have also been withdrawn to safeguard consumer health. In France, for example, 100 controversial substances have been eliminated from Carrefour-brand products, and the use of pesticides has been reduced for Carrefour Quality Lines. Carrefour was also the first retailer to commit to providing a large majority of its Carrefour Quality Lines with blockchain technology by 2022 to ensure the traceability of the associated products through all stages of their production.

As part of its Act for Food programme, Carrefour also provides its customers with detailed additional information about the nutritional profiles of its products, including per serving data, fibre content and suggested frequency of consumption. Carrefour has been extending the use of the Nutri-Score labelling system – which classifies products according to their nutritional quality – across its product portfolio since October 2019.

Carrefour's commitment to the food transition for all is also a commitment to bridging the food divide. Carrefour seeks to include all populations on the progress being made in nutritional quality. The first step in bridging the food divide is the development of the Group's own-brand products, which serve as the foundation of its new sales promise, to provide healthy, sustainable food at an affordable price. This is accompanied by a rigorous pricing policy and the launch of attractive new formats in all regions.



## Targets:

- The Nutri-Score label to be used on 7,000 Carrefour-brand products available in stores or online, in France and Europe, by 2022, including the Carrefour Bio and Carrefour Veggie ranges. (new engagement)
- 80% of our customers believe that Carrefour helps them to have healthier and more responsible food, while remaining accessible in price by 2022. (new engagement)
- 6,000 products with revised recipes to reduce sugar, fat or salt, and to remove controversial substances or additives by 2022 (vs 2018) (new engagement)
- 15% of fresh food sales are from organic farming or agroecology by 2025 (new engagement)
- Improvement of +15 points in our client satisfaction barometer which gauges customer satisfaction around our local and organic products and our actions to reduce food waste, improve health and nutrition by 2025.<sup>1</sup> (new engagement)
- 25% of processed food products sold contribute to the food transition by 2025. (new engagement)

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<sup>1</sup>Carrefour's client satisfaction barometer measures consumers' perception of in-store activities to promote health and nutrition and local and organic products.



## **2. Carrefour's commitment to support prevention and reduction of food loss and waste (existing commitment)**

Carrefour teams also strive to combat food waste and reduce food waste. In addition to implementing measures to improve inventory management at its stores, Carrefour also takes steps to limit the volume of unsold food products: spotlighting items that are approaching their use-by date, transforming damaged fruits and vegetables to give them a second life and partnering with start-ups to sell products made from unsold foods. In 2020, the partnership with the Too Good To Go app was rolled out in Spain and Italy. To avoid products being thrown out unnecessarily, the Group has launched a joint initiative with its suppliers to review or extend use-by and minimum durability dates. It also optimises its donations of unsold food products by partnering with food banks in most of its host countries. The food donated by Carrefour in 2020 represented the equivalent of 77 million meals. Unsold foods that cannot be donated are used as biowaste for the production of biomethane. In 2020, Carrefour reduced its food waste by 29% compared with 2019.

### **Targets:**

- Carrefour confirms its objective of halving food waste by 2025 (vs 2016) (existing engagement)



### **3. Carrefour's commitment to support a transition to a low-carbon economy (existing commitment)**

Carrefour is committed to fighting climate change by reducing the Group's GHG emissions and minimizing the climate risks to which its business is subject. The climate change risks for Carrefour are integrated into the company's risk management process.

Carrefour's CSR strategy responds to societal challenges related to climate change such as the implementation of a general policy of supplier referencing and responsible purchasing, reducing energy consumption in stores and warehouses, reducing refrigerant gas emissions, improving energy efficiency and reducing transport-related CO2 emissions.

Target:

- Reducing its GHG emissions (scope 1 and 2) by 30% by 2030, and 55% by 2040, compared to 2019 (existing engagement)
- 29% reduction in Scope 3 GHG emissions by 2030, including a 30% reduction in GHG emissions from the purchase of goods and services (20 megatonnes), compared to 2019 (existing engagement)



#### **4. Carrefour's commitment to support an optimised circular and resource-efficient food chain (existing commitment)**

Carrefour's policy 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. Thus, Carrefour's policy is based on two levers of action:

1. Reduce the amount of packaging placed on the market: Carrefour wants to reduce at source the amount of packaging placed on the market by, as a priority, eliminating the packaging that customers find the most irritating and by offering packaging-free sales models. The challenge for Carrefour is to make it easier for customers to adopt zero waste solutions.
2. Developing reusable, recyclable or compostable packaging: when it is impossible to remove packaging or reuse it, Carrefour wishes to guarantee the effective recyclability or compostability of product packaging, in line with national recycling processes.

##### Targets:

- Reduce packaging waste by 20,000 tons by 2025 (since 2017) 15,000 of which is plastic packaging (new engagement)
- 100% reusable, recyclable or compostable packaging for own brand products by 2025 (existing commitment)
- Integrate 30% of recycled plastic in our Carrefour packaging by 2025 (new engagement)
- 1,000 reusable packaging solutions available in stores and 500 stores equipped with a collection system by 2025 (new engagement)



## **5. Carrefour's commitment to support sustained, inclusive and sustainable economic growth, employment and decent work for all (existing commitment)**

Carrefour intends to capitalise on its numerous strengths: its ability to raise awareness and mobilise its employees; its capacity to reinvent its business model and organisation to enhance agility and efficiency; its commitment to supporting the transition to new production methods in partnership with the agricultural sector and the various players in the circular economy; and lastly, its strong geographic footprint, which makes the Group's stores a central part of life in both urban and non-urban communities. Coupled with the development of e-commerce, this combination of assets enables the Group to deploy a business model based on creating shared value for all stakeholders, while aligning its approach with the 17 Sustainable Development Goals set by the United Nations for 2030.

### **Target:**

- At least 50% of employees have access to training every year (new engagement)
- 35% of women in management positions by 2025 (new engagement)
- At least 4% of employees with disabilities in the Group by 2025 (existing engagement)



## **6. Carrefour's commitment to support sustainable value creation in the European food supply chain through partnership (existing commitment)**

Carrefour is helping the agricultural industry to transform its production model by stepping up sustainable sourcing. The Group facilitates the implementation of more responsible agricultural practices, such as organic farming and agroecology, by offering its CQL and organic producers secure contracts with preferential conditions.

To achieve that objective, the Group enters into long-term contracts with organic farmers that set future volumes and purchase prices in advance. Carrefour also supports producers that are converting to organic farming practices by signing three to five-year contracts and offering them favourable prices. This initiative is in place in France, Belgium, Romania and Taiwan. In France, Carrefour supported more than 250 new French organic farmers in 2020, bringing the total to 2,150, including 200 in conversion.

In addition 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. 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 addition, Carrefour's crowdfunding platform [JeParticipe.carrefour.com](https://jeparticipe.carrefour.com), launched in partnership with MiiMOSA, agricultural food transition projects are being financed by ordinary citizens through donation matching or interest-bearing loans.

In addition, the Carrefour Foundation supports sector-based and local stakeholders who are committed to sustainable agricultural practices.

### Targets:

- 30,000 partners that are producers in organic, local and agroecology by 2025
- Includes 3,000 producers in France that Carrefour supports with long terms contracts to facilitate the transition to organic production, by 2022. (new engagement)
- 10% penetration of Carrefour Quality lines products within fresh products and 100% CQL products carrying an agroecological claim by 2025 (existing engagement)



## **7. Carrefour's commitment to support sustainable sourcing in food supply chains (existing commitment)**

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. Carrefour has established social and environmental compliance guidelines for its retail and non-retail purchases. The Group has identified 22 sensitive raw materials that are covered by a programme to prepare action plans by 2025. In 2018 and 2019, a number of raw materials were the focus of specific action plans, i.e., palm oil, wood and paper, fish and seafood, Brazilian beef, soy, cocoa, cotton, chicken and eggs. Specific raw materials purchasing rules were drawn up in concertation with the stakeholders (i.e., experts, NGOs, customers, suppliers, public authorities, etc.). Comprehensive objectives and action plans have been developed, 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 2020 and shared in all countries of operation.

### **Targets:**

- Seafood products: 50% of fish and aquaculture products, both own-brand and national brand, are derived from a responsible approach by 2025 (new engagement)
- Deforestation: 100% of priority raw materials are committed in a risk reduction plan by 2025 (new engagement)
  - palm oil: 100% of palm oil and palm kernel oil used as an ingredient in Carrefour-brand products must be RSPO-certified "Segregated" by 2022; (new engagement)
  - soy: 100% of Carrefour Quality Lines and key Carrefour-brand products must use deforestation-free soy for livestock feed by 2025; (new engagement)
  - wood and paper: 100% of paper and cardboard packaging for all certified products must comply with the sustainable forests policy by 2025; (new engagement)
  - beef: 100% of suppliers are geo-monitored and compliant with the forest policy or committed to ambitious policies to combat deforestation by 2025. (new engagement)
  - cocoa: 100% of Carrefour-brand chocolate bars must comply with our Sustainable Cocoa Charter by 2023 (in France, Belgium, Spain and Italy);(new engagement)





- 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, beef, cocoa) by 2025; (new engagement)
- Textile: 100% of wood fibres (i.e., viscose, modal and lyocell fibres) used in our TEX products must be deforestation-free by 2022. (new engagement)