



Environmental Management Policy

The Carrefour Group CSR Strategy

Convinced that a company's performance is also measured by its contribution to society, Carrefour has made Corporate Social Responsibility (CSR) an integral part of its strategy. Its CSR performance is the result of a continuous improvement process that involves all of the Group's business lines in every country and covers environmental social and economic impacts.

Carrefour implements material initiatives in its countries that contribute to the Group's sustainable, responsible performance.

Today, Carrefour's CSR Strategy is based on four main objectives:

- limiting the use of resources by combating all forms of waste;
- fostering the preservation of resources and protecting biodiversity;
- providing support to the Group's partners;
- providing support for social dynamics and fostering diversity.

This strategy is managed by the Group CSR Department together with the operating teams in charge of leading the corresponding operational aspects of the CSR Strategy.

The environmental policy

Included in the CSR strategy the environmental commitments are built on the shared conviction that resources are limited and should therefore not be wasted and that they should be preserved for a sustainable future and reduced environmental footprint. The policy, which features a bee as its symbol, combats all types of waste throughout the entire product lifecycle, from when the products are farmed or manufactured, through to sale in store, consumption and end of life. It also covers the production methodology through the agro-ecological approach and the commodities sustainable approach.

Carrefour's environmental approach covers the environmental impacts of its activity through its products, its stores and its operational activity. Its formalization is part of the overall CSR strategy and is the result of the analysis of the materiality of Carrefour's impact through a detailed analysis of its different activities.

The environmental policy is therefore transversal to the pillars of the CSR Strategy, encompassing anti-waste plan, biodiversity protection and support to the Group's partners together with the collaboration and training of Carrefour's employees.

The fight against climate change and for environmental protection is a collective challenge. With its customers, suppliers and partners, Carrefour is implementing solutions in order to reduce its impact

on climate change and ease the transition to a low-carbon economy. These are specified in the form of several commitments:

- As a member of the Consumer Goods Forum (CGF) which comprises more than 400 members from the consumer goods industry, Carrefour is committed to reducing the carbon footprint caused by deforestation, refrigerants and food waste;
- As a signatory to the French Business Climate Pledge Carrefour, along with 88 other French companies, is committed to investing in the low-carbon transition and the fight against climate change.
- Carrefour adheres to the Caring for Climate (C4C) initiative underpinned by the UN Global Compact. Alongside 450 other companies, Carrefour has promised to reduce its greenhouse gas (GHG) emissions by setting targets, outlining strategies, putting them into practice, and reporting the results;
- Carrefour is participating in the Science Based Targets initiative, a partnership between the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the WWF®. Along with more than 190 other companies, Carrefour is committed to setting CO2 reduction targets in line with climate science to keep the global temperature increase below 2°C by 2100 compared to pre-industrial temperatures.

The environmental policy is constituted of the following areas of commitment. Each area bears an objective, definition of the objective, coverage of the objective, responsibility of its implementation and follow up and reporting.

A. Food Waste

Objective: reduce food waste by 50% by 2025 compared with 2016.

To reach this goal, Carrefour is implementing a comprehensive food waste reduction policy that involves a number of measures:

- Adopt a more professional approach to manage food loss and waste at stores by offering Antigaspi coaching, matching stock levels to demand flows, running special offers as use-by dates approach, devising ways to give products a second-life, recycling waste, and making donations to food aid charities or subsidized grocery stores;
- Develop solutions with suppliers by extending the shelf life of Carrefour's own-brand products, conducting surveys on production waste, and selling visually defective products that are as good as non-defective ones;
- Run charity operations: establish contracts with food aid charities on distribution of the stores unsold products, and work with the Carrefour Foundation which is actively involved in emergency humanitarian aid and food provision ;
- Promote waste reduction among customers by developing innovative solutions, raising awareness and offering support to make progress in this area.

Coverage: Stores and warehouses, suppliers and products, logistic, Consumers, NGOs and partners

Responsibility: Antiwaste committee (Group investment committee, financial consolidation, Strategy, Risk & compliance and CSR)

Reporting: Data collected in the CSR Reporting and audited by a third-party
Targets and results included in the Carrefour Group CSR Index published annually

B. Waste Management

Objective: minimizing waste production and recovering 100% of hypermarket and supermarket waste by 2025.

To pursue this goal, Carrefour is implementing a comprehensive policy that involves a number of measures:

- Work with suppliers to cut down stores' production of waste from packaging and point-of-sale advertising materials;
- Develop waste sorting and recovery at stores by working with partners on the implementation of innovative solutions (joint collection rounds...)
- Take part in the development of sorting and recovery processes in countries where these are covered by regulations, thereby transforming waste management from a constraint into a financial opportunity, in partnership with organizations specializing in recovery of cardboard, plastic, organic waste and wood; develop innovative business models (biomethane, compost...)
- Contribute to the organization of waste sorting and recovery processes where such processes are not governed by official regulations.

Two complementary programs on waste reduction and recovery:

.A program to combat food waste (see combating food waste) limits the production of organic waste;

.A program to limit packaging (see packaging) reduces the amount of plastic and cardboard packaging produced.

Coverage: Stores and warehouses, suppliers and products, logistic, NGOs and partners

Responsibility: Antiwaste committee (Group investment committee, financial consolidation, Strategy, Risk & compliance and CSR)

Reporting: Data collected in the CSR Reporting and audited by a third-party

Targets and results included in the Carrefour Group CSR Index published annually

C. Climate change

Objective: 40% reduction in its CO₂ emissions by 2025, and a 70% reduction by 2050, with respect to base year 2010.

This target breaks down into several sub-targets:

- 30% reduction in energy consumption by 2025 with respect to 2010,
- 40% reduction in refrigerant-related CO₂ emissions by 2025 with respect to 2010, through natural refrigerants usage and limitation of refrigerant leakage;
- 30% reduction in transport-related CO₂ emissions by 2025 with respect to 2010, through optimisation of logistics models and development of alternatives to diesel fuel;
- Increased proportion of renewable energies in power consumed;
- Encourage Carrefour suppliers to outline quantified commitments to reduce CO₂ in their direct scope and upstream.

To pursue this goal, implementation of Carrefour implements the following measures:

- Roll out key low-carbon technologies in stores
- Internal carbon price used in new investment proposals;
- Provide customers and employees with information on good energy saving practices in stores;
- Development of new responsible transport solutions, for city-centre deliveries in particular;

- Implementation a plan to adapt to the risk posed by climate change

Coverage: Head-offices, stores and warehouses, service providers, investments, logistic, contractors, and suppliers

Responsibility: Antiwaste committee (Group investment committee, financial consolidation, Strategy, Risk & compliance and CSR)

Reporting: Data collected in the CSR Reporting and audited by a third-party
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D. Packaging

Objective: 10,000-tonne reduction in packaging by 2025 with respect to base year 2016.

The packaging reduction policy involves the following measures:

- Optimise packaging, by adapting shapes, reducing size, weight and colours, and using vegetable-based inks where possible (included in the eco-design process);
- Cut out secondary packaging;
- Use renewable and recycled materials where possible;
- Offer customers packaging collection solutions, in partnership with local authorities and suppliers.

To sustain these initiatives and achieve the Group's packaging reduction targets, each Carrefour country teams have committed to running five projects a year in this area.

All new developments must satisfy criteria on material reduction, optimised fill rate and printing methods, simplified opening and closing, etc. To avoid increasing food waste, product conservation must not be compromised. To limit waste, the boxes and crates used for carrying fruit and vegetables are being replaced by reusable plastic trays. Retail-ready packaging (secondary packaging used for display) is being developed to reduce the amount of primary packaging used.

Coverage: Stores and warehouses, service providers, suppliers and products, contractors

Responsibility: CSR Department with Product development department, financial department

Reporting: Data collected in the CSR Reporting and audited by a third-party
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E. Water Management

Objective: Reduction of water use by sqm of sales area

- Reduce water consumption of its stores through: tighter monitoring (only monitoring, dedicated meters) and developing new water-saving solutions (rainwater recovery and water-saving taps).
- Water use in the supply chain (factories): Clean Water Project with suppliers (production process, chemical use, water treatment)
- Agricultural production: agro-ecological practices, organic production and anti-waste practices

Coverage: Stores and warehouses, service providers, suppliers and products

Responsibility: CSR Department with operational department and sourcing department

Reporting: Data collected in the CSR Reporting and audited by a third-party

F. Biodiversity protection

Carrefour's commitment extends to ten key focuses areas for the development of agroecological principles for its Carrefour Quality Lines and the retail sale of organic and fair trade products, the aim being to field a long-term offer of quality products with full respect for the environment by protecting biodiversity.

a. Agroecological and organic farming, fair trade products

Objective: 5 billion Euros in sales of organic products by 2022

Promoting agroecology and organic farming involves the following measures:

- Development of Carrefour quality lines: cooperative approach, first launched in 1992, to encourage partners to manufacture goods using innovative practices that protect the environment and biodiversity. Carrefour Quality Lines producers use integrated pest control and crop rotation, and abstain from spreading sludge from waste treatment plants, using soil-less crop production and applying post-harvest chemical treatment on fruit and vegetables. Specific criteria for different product families complete these principles.
- Development of organically sourced fresh produce, grocery products and cosmetics with recognized certification
- Development of product imports from small producers with both fair trade (such as MaxHavelaar®) and organic farming certification.

Coverage: Suppliers and products

Responsibility: Purchase and sourcing department,

Reporting: Data collected in the CSR Reporting and audited by a third-party
Targets and results included in the Carrefour Group CSR Index published annually

b. Seafood products

Objective: 1 in every 2 Carrefour seafood products recorded as responsibly fished product by 2020

Responsibly sourced products include:

- Carrefour's Quality Lines specially selected with traceability back to the boat or farm basin;
- Certified products: Aquaculture Stewardship Council (ASC), Marine Stewardship Council (MSC), organic products;
- Fishing technique and stocks approach.

To achieve this target, Carrefour works with producers and industry players by:

- Favouring more abundant species, certified products and fishing techniques having the least impact on ecosystems;
- Ceasing the sale of 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);
- Supporting local sustainable fishing through local partnerships;
- Highlighting a broad range of sustainably sourced seafood products in-store, identified by a seagull logo;
- Promoting the combat against illegal fishing.

Coverage: Stores and warehouses, suppliers and products

Responsibility: Purchase and sourcing department, and CSR department

Reporting: Data collected in the CSR Reporting and audited by a third-party
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c. Apiculture

Objective: all countries covered by the Group to have a bee-conservation plan by 2020

The four priorities of this plan are:

1. Install beehives on store roofs to raise customer awareness of the role played by bees in protecting the environment, and to develop apiculture in suburban areas;
2. Encourage the sale of locally- and nationally-produced honey in Carrefour stores to support the work of beekeepers;
3. Develop a Carrefour Quality Line honey in each country through direct partnerships with beekeepers guaranteeing traceability;
4. Add a section on protecting pollinators to the Carrefour Quality Lines specifications for fruit and vegetables.

Coverage: Head offices, stores and warehouses, suppliers and products,

Responsibility: Purchase department, operating department, CSR department

Reporting: Data collected in the CSR Reporting and audited by a third-party
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d. Products that do not contribute to deforestation

Objective: Zero deforestation by 2020

To reach this target, Carrefour is implementing measures such as:

- Implementing compliance rules on purchasing of forestry products;
- Setting up stakeholder panels to adapt purchasing compliance rules to local situations and plan joint communication operations with partners to address store customers (explanation of labels, product identification, etc.);
- Running promotional events with partner NGOs to promote products made under sustainable forestry programmes.

These measures are primarily directed at the four types of supplies having the highest forestry impact:

1. Wood/paper

Objective: 100% of sales of the top 10 wood, wood pulp and paper products families sourced from responsible suppliers.

Carrefour promotes sustainable forest management for its audited wood products and derivatives including own-brand writing paper, furniture, wooden articles and charcoal.

- For the highest-impact priority product families, accounting for close to 80% of the consumption of components derived from wood or paper, Carrefour is committed to sourcing 100% of supplies from sustainably managed forests by 2020;
- Request all suppliers to systematically sign the Carrefour Wood Charter appended to contracts;
- All suppliers undergo a technical audit which includes a wood traceability check;
- Sustainability criteria are the FSC (Forest Stewardship Council) 100%, FSC Mix and PEFC (Pan European Forest Certification) Europe labels;
- Discontinuing supplies of timbers from tropical forests by 2020.

2. Brazilian beef

Objective: 100% of Brazilian cattle suppliers geo-referenced with zero deforestation by 2020;

In certain regions, including Amazonia, beef production is a cause of deforestation. To counter this risk, Carrefour Brazil implements an active policy with the following aims:

- Set up a responsible beef supply chain (Working Group on Sustainable Beef - GTPS);
- Meat products certified by the Rainforest Alliance NGO in Brazil;
- Encourage suppliers to develop traceability for its Brazilian beef suppliers including satellite surveillance of breeding pastures.

3. Soy

Objective: develop a Carrefour Quality line for animals fed with zero-deforestation vegetable proteins in each country by 2020

Carrefour is committed to combating deforestation related to soy crop farming and supports non-GMO soy crops through the following means:

- Development of non-GMO meat products mainly through Carrefour Quality Lines (ProTerra Certification).
- Support of the soy moratorium in the Amazon.
- Promote the use of locally-grown soy (ex. pigs fed with 100% French soy).

4. Palm oil

Objective: 100% of palm oil supplies must comply with sustainable procurement commitments: certified RSPO 'segregated' (fully traced), RSPO mass balance, RSPO Next, POIG or similar by 2020.

Palm oil procurement policy based on production criteria, including the RSPO standard and additional requirements to protect natural forests and peat bogs.

- Commitment to 100% RSPO certified palm oil procurement;
- Development of the share of segregated palm oil with traceability for sustainability throughout the supply chain, starting with the refiner.

Coverage: Head offices, stores and warehouses, suppliers and products,

Responsibility: Purchase and sourcing department, and CSR department

Reporting: Data collected in the CSR Reporting and audited by a third-party
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G. Building construction and renovations

Objective: 100% of new shopping mall construction and expansions BREEAM Construction certified and extension of the BREAM In-Use certified sites in France

Coverage: Stores and shopping malls

Responsibility: Carrefour Property

Reporting: Data collected in the CSR Reporting and audited by a third-party