

Health, Nutrition and Product Quality



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1. Background

A study carried out by market research and consulting firm IPSOS in 2021 highlighted the existence of a food divide in France. For example, 78% of respondents believe that plant nutrition is necessary for health. However, only 33% of respondents found this diet affordable¹. In line with its mission statement, it is Carrefour's aim to offer quality services, products and food that are accessible to all. Accordingly, as part of its mission to "become the leader of the food

transition for everyone", Carrefour wishes to meet its customers' expectations in terms of quality and safety, and make healthy, high-quality food available to as many people as possible. Consumers are looking for a diet that is both good for their health and good for producers and the planet. Understanding and adapting to their new behaviours and demands for fair and equitable prices is fundamental.

Carrefour has therefore identified three major trends that underline its approach:

- **new eating behaviours:** the food transition is one of the major challenges of the 21st century. At a global level, the dual aim is to meet strong growth in demand, while providing the world population with access to a healthy diet. People have become highly aware of this imbalance and it has brought about new behaviours and a change in diet in developed countries that emphasises quality over quantity, organic products, taste and authenticity.
- **A duty to provide affordable healthy food:** Reconciling the demand for healthier food with affordability is a global issue. Affordability is a decisive factor for many consumers, but the demand for proximity is strong and meets the desire for regional growth, whether in the suburbs or in the metropolises.
- **Consumption patterns transformed by digital technology:** the deployment of new technologies creates new promises for consumers: save time, fluidity, transparency and customization. Omni-channel strategies are being implemented, as boundaries are blurred between online and offline options: in-store orders with home delivery, drive pick-up points, Click & Collect, e-reservations and voice command all launched in 2020 to simplify the customer experience. The rise of digital technology is finally accompanying the demand for transparency on purchased products and the deployment of *Blockchain* technology offers enhanced guarantees in terms of food safety and traceability.

¹ IPSOS, Food Divides in France, 19 October, 2021, Fabienne Simon: https://www.ipsos.com/sites/default/files/ct/news/documents/2021-10/Ipsos%20pour%20GBFoods_Fractures%20alimentaires.pdf

2. Our aim

"Our mission is to provide our customers with quality services, products and food accessible to all across all distribution channels. Thanks to the competence of our employees, to a responsible and multicultural approach, to our broad territorial presence and to our ability to adapt to different modes of production and consumption, our ambition is to be the leader of the food transition for all"².

Carrefour has put in place processes for ensuring the **high quality, compliance and safety** of its products, in order to meet three goals:

- **Carrefour product quality and food safety:** product quality and food safety throughout the production and distribution chain is ensured by Carrefour's product specifications, quality control plans, in-store quality checks and alert and recall systems. Carrefour also seeks to get its customers involved in the continuous improvement of product and process quality (external focus groups, Consumer Service department, etc.).
- **Ensuring the transparency and traceability of Carrefour products:** Carrefour pioneered the use of *blockchain* technology for complete traceability of food products. In 2020, the technology was extended to textiles. The digital traceability system is operational for consumers who can access the data traced by a QR Code, and consult it via an interface created by the Group. *Blockchain* technology ensures that the data contained in records is tamper-proof. This way, information about the line's products can be guaranteed over time. More broadly, Carrefour also uses third-party certification to provide consumers with guarantees in relation to product quality and traceability. Finally, in a bid to go even further, the Group is testing new innovative traceability solutions, in collaboration with its supply chain stakeholders.

And this is why, in January 2018, driven by the goal of meeting consumers' expectations wherever possible, the Group, launched a five-year transformation plan, "Carrefour 2022" under the leadership of Alexandre Bompardin. This transformation will enable the Group to effectively meet customers' expectations and support them during the food transition, while also helping producers transition to virtuous farming methods and contributing to the preservation of the world's natural resources.

- **Removing substances that are controversial for health and the environment:** Carrefour monitors the situation on an ongoing basis to identify any controversial ingredients that may be in its products. Initiatives are under way in the Group's various countries to eliminate controversial substances, reduce the use of pesticides and exclude GMOs.

In all the countries in which the Group is based, an "Eat better" action plan has been in place since 2020. This programme must address customer expectations, enabling healthier eating and promoting food-related well-being on a worldwide scale. It includes measures related to making nutritional information available to everyone, communicating with customers, training employees and developing a product offer.



² Carrefour Group Reason for Being

3. Our goals and our performance

All countries in which the Group operates have had an “Eat Better” action plan since 2020. This programme must address customer expectations, enabling healthier eating and promoting food-related

well-being on a worldwide scale. It includes measures related to making nutritional information available to everyone, communicating with customers, training employees and developing a product offer.

3.1 Our goals

Themes	Goals	Scope	Deadline
Composition of products	Guarantee optimised nutritional profiles for Carrefour's product offering:		Permanent
	100 additives and controversial substances removed	Europe	2022
	Remove controversial substances from our Carrefour-brand products within the Group ³ .		Permanent
Consumer information	Provide consumers with clear and transparent nutritional information.		Permanent
	Guarantee optimised nutritional profiles for Carrefour's product offering:		Permanent
	Nutri-score on 7,000 products	Europe	2022
Product Quality/ Safety	Have a quality audit on 100% of supplier store bases		Permanent
Traceability/ blockchain	Deployment of <i>blockchain</i> technology across hundreds of Carrefour Quality Line (CQL) channels		2023
Organic farming/ Agro-ecology	15% of fresh food sales to be for products made using organic or agroecological farming methods		2025
	Achieve a 10% market penetration rate for CQL products in fresh produce by 2025		2025
	All CQL products have a differentiating agri-ecological claim.		2025

3.2 Our performance

3.2.1 Performance related to the safety of our customers and the quality of our products

Carrefour has implemented a series of requirements and procedures to guarantee the quality and compliance of the products it sells. 100% of Carrefour brand manufacturing sites are certified by International Featured Standard and British Retail Consortium (89% in 2021) or audited by Carrefour (11% in 2021).

Carrefour's quality control plans also include consumer panels and analyses of the freshness and origin of products in warehouses and stores.

³ The List of Controversial Substances is the result of continuous monitoring, which allows the initial list to be constantly renewed with new controversial substances.

In 2021, the number of recalls was significantly affected by the discovery of traces of ethylene oxide in several food additives by the European public au-

thorities. This situation is in the process of returning to normal, with the sources and origins of this contamination now clearly established.

Key Performances Indicators	2021	2020	2019	Change (2020/2021)
Number of suppliers – sites	3,040	2,670	2,606	13.9%
Number of inspections performed – analyses	49,002	44,727	45,815	9.6%
Number of inspections performed – external panels	4,084	3,265	3,140	25.1%
Percentage of IFS or BRC certified sites	89%	89%	83%	0 pt
Percentage of sites audited by Carrefour including:	11%	11%	17%	0 pt
● Percentage of audit scores between A and B	95%	93%	95.2%	2 pts
● Percentage of audit scores between C and D	4.3%	6.3%	4.8%	2 pts
Number of recalls	533	546	522	- 8.6%
Percentage of recalls for Carrefour branded products	53%	58%	52%	5 pts
Number of recalls	452	334**	183	35.3%
Percentage of Carrefour brand product recalls	18%	24%	21%	- 6 pts

* Scope: suppliers of Carrefour-brand products purchased by the European purchasing centre.

** 145 recalls due to sesame problem.

The Group ensures the transparency and traceability of its Carrefour Quality Lines by deploying *blockchain* technology which should cover about one hundred products by 2023, representing the majority of the Carrefour Quality Line 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 organ-

ic farming by setting a target of 15% of fresh food product sales from organic farming or agro-ecology by 2025, and 3,000 French farmers supported with organic farming and in the process of conversion to organic. Carrefour is also aiming to increase the penetration rate of its Carrefour Quality Lines to 10% for fresh produce by 2025.

Key Performances Indicators	2021	2020	2019	Change
Number of products equipped with <i>blockchain</i> with visible QR Code	478	-	-	-
Number of equipped lines from the <i>blockchain</i> **	55	34	-	62%
Turnover from sales of organic products (billion euros)***	2.73	2.72	2.3	0.03%
Penetration rate of Carrefour Quality Lines in fresh products (expressed as a percentage)	7.2%	7.4%	6.6%	- 0.2 pts

* Scope: suppliers of Carrefour-brand products purchased by the European purchasing centre.

** Perimeter: Carrefour branded products (Carrefour Quality Line, Carrefour Bio) and domestic branded products

*** Sales in the food, drug, perfume and hygiene sections.

3.2.2 Consumer health and nutrition-related performance

NUMBER OF COUNTRIES RUNNING AN EAT BETTER ACTION PLAN



9

out of 9 countries in 2020

Target
100%

achieved by end-2020

Key Performances Indicators	2021	2020	2019	Change (2020/2021)	Target
Number of products with nutri-score	2,763	1,035	-	-	7,000 in 2022
Number of lines equipped with <i>blockchain</i> **	55	34	-	62%	
Number of employees having received in-person training in the food transition and organic production.	8,483	8,123	-	4.4%	
Number of employees having received <i>e-learning</i> training in the food transition and organic production.	2,806	1,650	-	70.1%	

4. Our action plans

4.1 Product quality

4.1.1 Ensure the quality and safety of products

The Group's Quality Department has developed numerous standards and tools, including quality charters, which are deployed in all Group countries. The Country Quality Departments are networked through the Quality product "line", with regular meetings and

discussions held so as to promote the sharing of best practice and ensure a unified approach. The Group also deploys a major training programme for employees and implements regular communication initiatives targeting consumers in relation to food safety.

Quality procedures and policies

Carrefour works constantly with stakeholders to ensure the quality and safety of its own-brand products, implementing a five-part policy in all countries in which the Group operates that covers the following:

supplier compliance with product quality standards, product specifications, quality control plans and customer opinion surveys, in-house expertise, and traceability and data tracking.

Axes	Carrefour Process
1. Supplier compliance with product quality standards	<p>Inclusion on Carrefour’s suppliers list requires a full assessment of compliance with quality, health and safety standards (IFS, BRC), and with Carrefour requirements. In high-risk countries, a specific social audit is carried out.</p> <p>After inclusion, regular audits are performed on the suppliers’ premises. If non-compliances are observed, these audits result in corrective action plans or supplier delisting (depending on the type and severity of the non-compliance).</p>
2. Individual sets of specifications for each product	<p>Carrefour own-brand products are made according to specifications drawn up by its Quality department. Specifications are shared with suppliers: they detail the origins of the raw materials, the recipe, etc.</p> <p>The substances contained in products are monitored on an ongoing basis. Based on established scientific evidence, this monitoring results in detailed risk mapping on a per-category and per-level of criticality basis.</p> <p>Stakeholder input is taken into account: maintaining informal contact with independent scientific experts on certain subjects, monitoring the food industry, conducting interviews with administrations in high-risk countries, monitoring laboratory publications and communicating with health authorities.</p>
3. Quality control and customers’ opinions	<p>Quality control plans include:</p> <ul style="list-style-type: none"> ● Audits of manufacturing sites all sites manufacturing Carrefour-brand products are either certified to international standards by intermediary bodies such as the International Featured Standard British Retail Consortium (89% in 2021), or by Carrefour (11% in 2021); ● Warehouse and store controls of compliance with quality procedures: good hygiene practices, quality of preparation/transport of orders, compliance with traceability, conformity and completeness of information on product labels/taggings, quality/freshness of products, etc. ; ● Product analyses: given the number of production sites in Carrefour, more than 49,000 analyses were conducted in 2021. Quality data is recorded and processed by Carrefour technical experts; ● Recall processes: in the case of the proven nonconformity of a product. In 2021, recalls fell by more than eight points. <p>To leverage consumer feedback and get customers on board, input, discussion and awareness-raising channels have been set up:</p> <ul style="list-style-type: none"> ● External panels: over 4,000 external panels were conducted in 2021 to test the recipes. ● Consumer service: each year, the consumer service department has an independent body check the quality of the way in which customer requests are handled and identifies any corrective actions needed; ● Information and awareness-raising campaigns on product quality and nutrition are made available online, on Carrefour product packaging and in guides on responsible consumption and recycling.
4. In-house expertise	<p>Quality management and control by Carrefour experts (health and nutrition experts, animal welfare and agriculture, packaging, etc.).</p> <p>Training in food safety and Carrefour quality procedures.</p> <p>In-house inspections to check that the quality policy is implemented and understood in each country.</p>
5. Traceability and monitoring of product data	<p>All data is recorded, processed and tracked using business tools (TraceOne, product quality scoreboard, sales tracking, logistics tracking, etc.).</p> <p>Implementation of innovative traceability tools such as <i>blockchain</i> technology.</p>

Carrefour is attentive to stakeholder feedback and all other relevant input in its ongoing drive to improve product quality and safety at every stage of the product lifecycle and store operations. For example:

- producers and manufacturers: Carrefour supports its suppliers to meet production criteria in terms of quality, social practices, health and safety. Collaboration with suppliers implies a long-term relationship and trust.
- experts, associations, scientific organisations, NGOs, consumer rights bodies, official services: Carrefour works with civil society to take its expectations into account. Carrefour is regularly informed or questioned on the latest scientific or regulatory advances in the food industry.

Crisis management, alerts and product recalls

The quality scheme includes a procedure for the rapid removal of non-compliant or potentially dangerous products from stocks and counters. This procedure is evolving to provide additional and automated solutions to further increase the level of security. In order to guarantee that a non-compliant product is no longer accessible to the end consumer, websites have been set up, for example, to make it easier for the manufacturers concerned to fill in the data needed for the product in question to be withdrawn. They can also target and warn any warehouses and stores likely to have received batches of non-compliant products so they can be sure to withdraw them. The blocking of recalled products at the checkout is bolstered by EAN barcode identification.

Carrefour's AlertNet international alert system is used to notify all stores promptly about product withdrawals and recalls. The system is available online 24/7 and access is free for suppliers. In the event of an alert, Carrefour immediately withdraws the products concerned, confirms within 24 hours that the withdrawal has taken place and provides feedback as to the product quantities concerned within three working days of the withdrawal order.

Carrefour France has recently reviewed all relevant in-store processes to strengthen product withdrawal and recall procedures. Carrefour has modified certain procedures relating to the management of customer returns to stores, delays during deliveries to warehouses and stores and blocking at checkouts in the event of a withdrawal concerning all batches of a product.

4.1.2 Ensure Product Transparency and Traceability

Blockchain technology

Eating habits are changing and customers are beginning to take back control over how they eat. They want clear quality standards and easy access to information throughout the value chain and production process. A recent study by Bitkom revealed that 84% of consumers are willing to pay more for a high-quality food product but are waiting for detailed information on the composition of the products and how they are produced⁴. Traceability offers reassurance about product safety and quality. It also guarantees reliable information on the origin of products and the farming and production practices. Carrefour is the first European retailer to implement *blockchain* technology in order to offer full traceability and transparency to its customers.

Blockchain technology ensures transparent, tamper-proof data storage and transmission, and operates without the need for a central control system. Carrefour's secure digital *blockchain* database provides all those involved in the value chain (in production, processing and retail) with reliable information on the traceability of any given product batch. It improves reliability across the entire production chain and makes product recall operations easier in crisis situations. Carrefour's *Blockchain* programme was designed for sharing traceability information between the operator performing the action, the other partners in the line and Carrefour, as well as consumer – a first in Europe. Besides addressing the growing need for consumer-oriented transparency, it also highlights the work and know-how of livestock and crop farmers. By simply 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.

⁴ Bitkom, Confidence in Food Labelling, 13 February 2020: <https://www.webermarking.fr/blog/les-consommateurs-attendent-plus-de-transparence-dans-letiquetage-des-aliments/#:~:text=la%20confiance%20en%20l'%C3%A9tiquetage,dont%20il%20a%20%C3%A9t%C3%A9%20produit.>

Carrefour is developing the *blockchain* system within its lines and working to accelerate implementation of this technology around the world, in all lines and all countries. This involves both a Carrefour-specific programme and a wider collective commitment:

- to start with, Carrefour is rolling out *blockchain* technology across all the Carrefour Quality Lines. Carrefour France launched Europe's first food *blockchain* with Carrefour Quality Line Auvergne farmhouse chickens in 2018, and has since extended it to several other lines. At the end of 2021, the *blockchain* was deployed on 55 Carrefour Quality Lines, 21 more than at the end of 2020. These lines represent 478 different products sold in stores. The latest product line announced in December 2020 is organic cotton used for bed linen and baby bodysuits, sold under Carrefour's Tex brands. In food, the two most recent product lines to benefit from *blockchain* technology are smoked salmon in Belgium and pork in Taiwan. In 2021, all Carrefour countries had access to the *blockchain*: Romania finalised its first product (FQC eggs) and Argentina developed its beef FQC.
- Carrefour is also promoting food traceability worldwide as a member of the IBM Food Trust platform. The aim is to set up a world standard for food traceability covering all the links in the chain from the producer to the store shelf. The IBM Food Trust platform will also help to speed up implementation of *blockchain* technology in all of the countries in which Carrefour operates. In 2019, it helped to extend the scope of *blockchain* product traceability with manufacturers such as Nestlé and Unilever joining the programme. In 2021, Majid Al Futtaim, the leading shopping center, community, retail and leisure establishment in the Middle East, Africa and Asia, called on IBM Food Trust to provide *Blockchain* technology to ensure food traceability in Carrefour shops. Carrefour has become the first retailer in the region to offer its customers a new level of information and transparency on where their food comes from. By providing end-to-end product visibility throughout the supply chain, Carrefour is helping to increase quality, credibility and safety for its customers. This cooperative platform linking manufacturers and retailers will make it easier to share essential product safety information with consumers (traceability with regard to product origin, quality, nutritional composition and the potential presence of allergens or controversial substances, end-to-end information in the event of a product recall, health warning or non-compliance with specifications or label requirements).

Certifications, labels and claims

To provide our consumers with guarantees regarding the quality of our products from an environmental and social point of view, Carrefour also uses third-party certifications. In particular, these certifications provide guarantees covering complex supply chains for which complete traceability of raw materials is not always possible. To be able to display the logo on its product, the manufacturer must meet a set of specifications defined by the label. These will be checked and approved by a third-party body before the certification can be awarded. Products that have been certified in this way are then guaranteed to be of superior quality and consumers are informed about their differentiating characteristics.

Carrefour ensures that the certifications chosen are reliable, recognised and have been approved by its stakeholders: experts, NGOs, customers, etc. In some cases, the specifications defined by the label are not demanding enough in terms of Carrefour's sourcing policy, in which case the Group ensures that it evolves with its partners and/or defines additional criteria.

In 2020, hypermarket formats in France and Market supermarkets in France, as well as warehouses, were awarded the "Covid-19 sanitary measures" label issued by AFNOR CERTIFICATION. It attests to the implementation of strict measures in store, both in terms of safety and hygiene: reminder of barrier precautions, compulsory wearing of masks, provision of hydro-alcoholic gel and virucidal disinfectants, installation of Plexiglas walls, markings on the ground to indicate safety distances, and increased cleaning and disinfection of equipment (basket handles, trolley bars, scanners, checkouts, etc.) and the premises.

In Spain, Carrefour was the first company to obtain AENOR certification in June. In September, Carrefour Brazil became the first company in the retail sector in Brazil to be awarded the international My Care label. This label attests to the effectiveness and safety of the measures adopted by the company to protect its customers and employees in all its production units. All Carrefour store formats, as well as the Atacadão units, pharmacies and shopping centers, have been rigorously verified to ensure that all processes and protocols are in line with national and international best practices to combat COVID19.

And in October, our subsidiary in Romania was awarded the SAFE Asset Group certificate.

Geomonitoring and regional surveillance

In order to ensure that its supplies of beef distributed in Brazil do not contribute to deforestation, Carrefour uses a geomonitoring tool. Satellite surveillance of plots of land used for livestock farming reduce the risk of the Amazonian forest being destroyed or of damage to the planet's biodiversity. It also prevents indigenous lands from being used. This country-wide

Certification can also be a means of reducing the environmental and social impact associated with sourcing high-risk raw materials. However, it acknowledges that it does have limitations in terms of its ability to transform the market. This is why Carrefour is seeking to diversify the possible solutions for improving the traceability of raw materials.

surveillance means that beef supply lines sold in Brazil can be monitored. Carrefour is investigating the use of these tools for other types of commodity. In situations where certification gives rise to a posteriori guarantees, geomonitoring checks compliance with the specifications drawn up by Carrefour in real time.

4.1.3 Removal of substances that are controversial for health and the environment

Removal of controversial food additives from Carrefour brands

Ahead of legislative and regulatory changes, Carrefour has embarked upon a worldwide programme to eliminate controversial substances from its products. Carrefour teams are working with stakeholders to adapt this programme locally.

In Belgium, Spain, France and Italy, food additives have been analysed in light of:

- Whether or not they are authorised by the European Union;
- The opinions of national and international nutrition specialists;
- The Guide to Food Additives by Maria Denil and Paul Lannoye, and the New Guide to Additives by Anne-Laure Denans of the La Nutrition collective;
- Scientific and media watches relating to controversial substances.

This list of identified additives is constantly being updated. Substances are classified into four categories:

- Black: a substance that is now absent from all Carrefour-branded product categories;
- Red: substance authorised only in certain categories of products, such as certain colourants in alcohols;
- Orange: a substance that is authorised, but to be replaced if possible;
- Green: a substance that can be used with no restrictions.

For each black-rated additive, Carrefour analyses the product range concerned and works with suppliers to find a replacement solution that will retain the same qualities of taste, appearance, preservation and consistency. For example, titanium dioxide (E171) was downgraded from orange to black in 2017, and removed from all Carrefour own-brand products in 2018. As doubts arose regarding the safety of this additive, Carrefour anticipated regulatory changes by banning its use in its products. Carrefour has put in place an action plan to eliminate all controversial substances likely to be classified as "black" in the coming years by 2022.

If no replacement solutions are available for certain black-rated substances, Carrefour takes the short-term measure of reducing concentrations pending identification of a satisfactory solution.

To go further, in 2020, Carrefour launched the Carrefour Classic' OUI AU BON! brand, for products on sale at the lowest possible prices. Products in this range have had an even longer list of undesirable substances and ingredients excluded from them, such as polyphosphates, carmines and artificial flavourings. In line with consumer expectations, Carrefour Classic' OUI AU BON! products are also GMO-free, derived from animals fed without GMOs, additives, preservatives, colourants or pesticides.

Reducing pesticide use

To promote a less pesticide-consuming form of agriculture and so protect consumers' health and safeguard the environment, Carrefour invests in both organic and integrated farming by implementing agro-ecological practices (see Biodiversity sheet).

Carrefour aims to ensure that 15% of its fresh food sales come from organic farming or agroecological practices by 2025. For Carrefour, helping farmers convert to organic farming is a social responsibility characterised by a contractual commitment of five to seven years. The brand wants to support hundreds of producers as they make this profound change in their production or livestock rearing methods. More than 3,400 producers and breeders are already partners.

In France, Carrefour had the goal of supporting 3,000 French farmers with their organic farming practices and in switching over to organic farming practices by 2022.

This objective was achieved one year early, as Carrefour had 3,400 partner farmers by the end of 2021.

Carrefour has also decided to cut out some of the chemical pesticides it uses by increasing use of agro-ecological methods in the manufacture of its Carrefour Quality Line and Reflets de France products. Carrefour has made a commitment with its partner producers: by 2025, 100% of its Carrefour Quality Lines products will be made using agro-ecological methods. In addition, Carrefour CQL aims to ensure that its FQC products account for 10% of its fresh produce offering. Specifically in store: all CQL fruits and vegetables are untreated after harvest (except CQL bananas, treated naturally). It is also possible to find strawberries grown without synthetic pesticides once they have flowered, kiwifruit grown without insecticides and frozen broccoli without insecticides, as well as pasta and lentils.

Excluding GMOs

In 1998, Carrefour adopted 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. Carrefour supports the production of GMO-free soy. The Group developed an initial GMO-free animal feed soy line for Carrefour Quality Line products in Brazil in 2000, followed by a French line in 2017.

4.2 Nutrition

As Carrefour aims to become a global leader in the food transition, in 2018, the Group launched the ACT FOR FOOD programme to promote healthier eating and better taste and quality. To achieve this aim, the Group has three objectives:

- Engaging in food quality,
- Making quality available at fair prices.
- Becoming collectively involved in the food transition.

4.2.1 Developing a healthy product offering to make it easier for everybody to eat well, particularly people with specific dietary requirements.

Reformulation and optimisation of Carrefour products' nutritional profile

The food transition involves transforming the products that Carrefour sells, speeding up the development of products that meet customers' new requirements for high quality and a balanced diet, and bolstering the existing ranges.

All of Carrefour's own brands have been revamped to reflect the food transition. Since 2018, the Group has stepped up efforts to reformulate and optimise the nutritional profile of its products in all of the countries in which it operates: amongst other things, it has focused on reducing the levels of sugar in its soft drinks, reducing the salt in its tinned vegetables and removing numerous substances (colourants, artificial flavours, disruptors, etc.). Since 2019, 373 recipes have been reformulated to improve their nutritional profiles or their ingredients.

Creating high nutritional value ranges

In all countries, Carrefour has created ranges of products with high nutritional values, as well as ranges designed to meet specific requirements (lactose-free, gluten-free, salt-free, etc.).

Since 2019, Carrefour has removed 432 tonnes of sugar and 40 tonnes of salt from its own-brand products.

Carrefour also offers 100% vegan or vegetarian recipes via its Carrefour Veggie brand (for more information, see the fact sheet "Fighting global warming").

4.2.2 Supporting the transition of people's dietary habits over to ones that are healthier and better for the environment.

4.2.2.1 Providing customers with additional nutritional information about products

Customers are provided with additional nutritional information thanks to the introduction of Nutri-Scores on the packaging of Carrefour own-brand products in France and on the Carrefour.fr website. This five-colour logo ranks products from A to E based on their nutritional properties, and will be required to feature on 7000 products in Europe by 2022. The Nutri-Score is already in use in France, Belgium, Poland and Spain.

Designed in close collaboration with Carrefour's producers and suppliers so that they can share necessary information, the Nutri-Score will be rolled out across its entire range of food products. Carrefour seeks to encourage all of its partners and stakeholders in the chain to join this initiative and to adopt the Nutri-Score to make packaging more meaningful through a single system. Carrefour is using this approach to support the food education efforts of the French government by providing all its customers with clear and concrete solutions that facilitate a better understanding and effective use of the Nutri-Score system.

Illustration:

Launch of a range of balanced prepared dishes in Belgium

Carrefour is expanding its offering and launching a brand new range of balanced prepared dishes Carrefour The Market. This selection consists of 10 recipes of healthy dishes sold in recyclable trays. Rich in vegetables, gourmet products, cooked in Belgium and served in an environment friendly packaging, these recipes are perfectly in line with Act For Food and Carrefour's desire to guarantee consumers access to healthy, quality and tasty food. These meals are Nutri-score A and are packaged in 100% recyclable vegetable pulp packaging.

4.2.2.2 Communicate and bring customers on board with the “Healthier Eating” programme

Carrefour’s Act For Food programme is key to the food transformation. Indeed, in 2020, the Group created a documentary series exploring our food, in order to understand all facets of our food system, from its history to future developments. What we eat and how we eat it is the result of decades of progress of all kinds. The farmer, the consumer, the agribusiness and of course we retailers have all evolved. Over six episodes, Carrefour presents the many facets of our food system, while identifying solutions for healthier eating (biotechnology, the transition to farming without livestock, etc.).

Further information: <https://www.carrefour.fr/engagements/act-for-food/on-change-tout>

In France, Carrefour offers recipes with high nutritional value on its website carrefour.fr and has a dedicated section for specific diets (gluten-free, lactose-free, sugar-free, low-salt, vegetarian and plant-based).

In Belgium, customers in hypermarkets are offered dietary coaching.

Illustration:

Launch of the Nutri Escolha tool in Brazil designed to help consumers choose their products on the basis of their nutritional quality.

In 2021, Carrefour Brazil introduced an intuitive tool that allows for the selection of nutritionally more balanced and cheaper foods. Nutri Escolha uses a two-step algorithm. The first, based on the independent Nutri Score methodology, translates the Nutrition Facts table into an easy-to-understand score, which ranks products from A to E. The second step takes into account the prices of products in Carrefour physical stores or e-commerce. This allows the tool to cross-reference the data, suggesting items in the same category with a higher or equivalent nutritional score and better prices. For customers who are already registered on Meu Carrefour and who make purchases in store or online, when the application is used, Nutri Escolha will display a feature called Suggestions List, containing the history of recent purchases made by the customer and offering cheaper alternatives with an equivalent or higher nutritional score. In addition, this list will also indicate the percentage discount possible, considering only the products eligible by Nutri Escolha and it is up to the consumer to decide how much they want to save.

For this launch, more than 16 thousand products are available in the tool, divided among 70 categories of perishable and fast moving consumer goods (FMCG). Gluten-free and lactose-free products have also been highlighted, with an illustrative label next to the item. More features and products will be added in the future.

4.2.2.3 Providing quality food that is accessible to all

Carrefour intends to mobilise its teams in order to make a healthier, quality product offering accessible to as many people as possible, at fair prices, in all its locations and in all circumstances. The food transition for all is also Carrefour’s commitment to bridging the food divide. Carrefour refuses to let part of the population, or certain communities, be excluded from the progress being made in nutritional quality, simply because of price or physical accessibility. The development of Quality Lines that offer customers accessible, quality core market products, is a spearhead of this democratisation.

Carrefour products are central to this commitment through work not only on the quality, provenance, composition and durability of products but also through work on price. It is this commitment that the healthy prices campaign aims to highlight, because Carrefour products combine low prices with high principles.

Also, the dedicated page of the healthy eating programme initiated by Carrefour gives some tips to follow for eating on a low budget. Own-brand Organic line offers quality organic produce at the lowest prices. In fact, with prices that are on average 20% less expensive than the sector's big brands, Carrefour own-brand products help make organic products more widely available – products that are on average 60% more expensive than other categories. The products themselves meet the specifications of the organic labels that have certified them.

Finally, the boundaries between physical commerce and e-commerce are disappearing. The food transition also means taking these changes into account in the way we access our products by purchasing in store, collecting them from drive pick-up points and having them delivered, everywhere and at any time. Carrefour offers its customers one-day home delivery, one-hour express delivery, click&collect, etc.

Illustrations:

Launch of a new “Healthy Prices” campaign in Belgium

In 2021, Carrefour Belgium made the best accessible to all with the “Healthy Prices” campaign. Healthy Prices is the result of work on price, quality, provenance, composition and sustainability of the products. For example, they are certified organic, contain no preservatives, no palm oil, are reduced salt, produced in Belgium, fair trade, contain no colourants or have recyclable packaging.

Healthy Bundle from Carrefour, creating balanced, affordable recipes in partnership with leading national brands

To meet the expectations of consumers who want to enjoy a better diet, Carrefour has teamed up with five major companies (Barilla, Bel, Danone, Savencia and Unilever) and their iconic brands to create balanced, gourmet recipes, all with a Nutri-score rating of “A” or “B”. The recipes can be made from products sold by the five national brands, as well as Carrefour-brand products. Most of the products needed to make them will be available on special offer – the aim being for everybody to be able to prepare balanced meals at affordable prices.

Focus on the health crisis

In 2021, in order to respond to the difficulties faced by customers due to the health crisis, the Group took action to enhance purchasing power in a number of countries. From 31 May, Carrefour Belgium relaunched its “Healthy Prices” campaign, bringing the number of quality products marketed at very competitive prices from 340 to 470, in all its stores: hypermarkets, Carrefour Market, Carrefour Express and on its website [carrefour.be](https://www.carrefour.be). Healthy Prices is the result of work on price, quality, provenance, composition and sustainability of the products. For example, they are certified organic, contain no preservatives, no palm oil, are reduced salt, produced in Belgium, fair trade, contain no colourants or have recyclable packaging.

4.2.3 Introducing awareness-raising and training activities for employees

“Eat Better” Action Plan

Countries are required to implement the following initiatives:

- Training and awareness-raising for employees:
 - Conferences and events,
 - Training plans for all staff (especially store staff);
- Supporting employees and getting them to adopt healthier eating habits.

Training is a priority for Carrefour. In 2021, employees in all host countries received an average 13 hours of training (compared with eight hours in 2020) with a 4.2 million hours of training being given in total (compared with 2.5 million in 2020). Part of this success is due to the catching up of some of the training courses cancelled in 2020 due to the pandemic. In addition, major training programmes have been launched, in particular, the “Being an Carrefour Ambassador” programme in France, which has involved more than 50,000 employees.

The strategic areas of training mirror the main priorities of the Carrefour 2022 transformation plan: promoting the food transition and sharing best practice for better nutrition are key areas in which training is given. In 2021, 8,483 employees received face-to-face training and 2,806 undertook e-learning on key topics such as the organic market or fresh produce.

In China, the Carrefour China Fresh School trains more than 10,000 food security and nutrition employees annually.

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 practice. This programme calls on Carrefour employees to get motivated and involved in the food transition. It is part of a new managerial strategy developed by “Act for Change” which strengthens employee leadership skills.

In a spirit of intrapreneurship, everyone can implement a project or an initiative to help the Group deliver on its mission. By the end of 2021, 2,102 food transition superheroes had been singled out across the Group. The programme is being deployed in all countries in which the Group operates. The solutions are highly diverse: promoting healthy products, events focusing on healthier eating and cooking, initiatives to reduce waste, etc. In Romania, the #dinGRIJA initiative was launched to make daily meals for the medical teams looking after Covid patients at the Colentina Hospital in Bucharest, involving a number of entities (EY, Gault Millau, more than 20 restaurants, etc.). The “Act for Food Superheroes” programme enables teams to bring the food transition into their stores and make it meaningful to customers.



5. Organisation

5.1 Scope

The Carrefour Group's quality, compliance and safety policies are applied in all the countries in which Carrefour operates:

- To all products tested for product specifications;
- In all consolidated and franchised stores for applicable in-store policies and procedures (controls, withdrawals, etc.).

Implementation of the "Eat better" action plans is an objective that is applicable to all the Group's host countries. These measures apply to all products, formats and employees.

5.2 Governance

The Food Advisory Committee was created in September 2018, and comprises seven public figures from outside the Group who are known for their activities in the area of the food transition and who share our strong belief that we need to eat better for the sake of our health and that of our planet.

5.3 Joint initiatives and partnerships

Collaboration for Healthier Lives (CHL) - On s'y met: this collaborative project, led by Carrefour and Danone, brings together retailers and manufacturers, scientists, associations and restaurant owners to help customers adopt healthier eating habits in the Lyon metropolitan area. The project was set up within the framework of the Consumer Goods Forum.

During the Covid crisis, "On s'y met" went digital, offering two operations at the drive pick-up points of

stores in the Lyon metropolitan area (16 hyper- and superstores) "eating better is easy and cheaper". The idea behind these campaigns is to get customers to try out healthy recipes (Nutriscore A or B) using everyday products and fruit and vegetables. The campaign was rolled out in May 2021 through the Food Transition Pact and its "Together for Tomorrow" programme.

5.4 Supporting Documents

Act 2 of Act For Food - Exclude 100 controversial substances: <https://www.carrefour.com/fr/groupe/la-transition-alimentaire/substances-controversees>

Nutriscore: <https://www.carrefour.com/fr/newsroom/carrefour-va-afficher-le-nutri-score-sur-ses-produits>

Collaboration for healthier lives: <https://www.theconsumergoodsforum.com/health-wellness/healthier-lives/>

Nutri Eschola: <https://www.carrefour.com/fr/actuality/bresilapplicationnutritionnel>

Eat Better: <https://www.carrefour.com/fr/magazine/mieux-manger>



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