

Combating deforestation

Carrefour 2024

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1. Strategy to tackle deforestation and conversion

1.1 Context and challenges

Our planet's forests form the basis of a chain of ecological, economic and social values which humankind enjoys, simply because of the natural way in which they function. Forests are home to 80% of the Earth's biodiversity and support the livelihoods of 1.6 billion people. Yet thirteen million hectares of forest disappear each year, especially in tropical areas. Several types of production have an impact on forests, including that of palm oil, wood and paper, beef and soy. These crops are gaining ground in existing ecosystems and contributing to illegal logging, which can also affect territories belonging to indigenous peoples and encourage the exploitation of workers.

NGOs regularly warn of the social, climate and biodiversity impacts associated with the destruction of our forests.

Retail activity is closely linked to the world's forests. Although this link is not immediately apparent, forest protection is a major challenge for the Carrefour Group. Forest health has a direct impact on the Group's ability to make sustainable use of agricultural and forestry raw materials. To preserve biodiversity, protect the forests and local populations and counter climate change, Carrefour is committed to combating supply-chain-related deforestation.

1.2 Carrefour Group aims and objectives

Carrefour has identified a number of key raw materials used in its supplies, the production of which can have significant consequences for biodiversity (deforestation, risks to species, etc.). They have thus been classified as "sensitive" by the Group and are the focus of particular attention: wood and paper, soy, beef, palm oil and cocoa. In order to reduce the risks and impacts on forests associated with these products, the Group is engaged in the following:

- **ensuring that every raw material and sensitive ingredient used in Carrefour products is not the result of deforestation through traceability and strict production criteria:** the group has defined specific objectives and operational solutions for each of these raw materials with implementation deadlines.
- **providing industry leadership to collectively transform practices and develop new standards:** in 2020, Alexandre Bompard (CEO of the Carrefour Group) took over as co-leader of the Consumer Goods Forum's Forest Coalition¹; Carrefour is also a member of other collective initiatives, in the markets where these raw materials are consumed, as in France (soy, cocoa), in the producer countries, as in Brazil (beef).
- **funding field projects to directly support changes in farming practices:** Carrefour is involved in several field projects involving producers, businesses,

civil society organisations and local governments or authorities. These projects address the causes of deforestation, for all supply chains, by focusing on a territorial approach to transforming practices. The group has thus set up a dedicated fund of €10 million to finance innovative and systemic projects designed to help preserve biodiversity by 2026,

- **assessing the policy of our suppliers and key traders within our supply chains:** tackling deforestation involves completely transforming our supply chains – for more than just the raw materials used by the Group. To avoid a situation whereby two types of supply line coexist – one that ensures no deforestation, and the other that does not – Carrefour assesses its suppliers and key traders across its supply chains according to their overall policy on combatting deforestation. The Group thus combines a "clean supply" approach with a "clean supplier" approach.
- **ensuring transparency regarding our progress and challenges:** the Group sees transparency as an indispensable tool for transforming its supply chains. As such, the Group is committed to publishing detailed reports about its actions, and shares information about its performance within the Carbon Disclosure Project (CDP), which was rated in 2023 as follows:

CDP - Palm oil	CDP - Soy	CDP - Beef	CDP - Wood and paper
B	B	B-	B-

¹ This platform brings together more than 200 companies working to tackle deforestation in their supply chains through concrete actions such as the joint assessment of traders' policies and the extent to which they are implemented

- **handling alerts from our stakeholders to secure our processes:** dialogue with our stakeholders is also key to improving practices. All the alerts received by the Group via its stakeholders are thus investigated so a decision can be made. Depending on the results, actions are taken to modify the Group's sourcing arrangement and improve the monitoring tools in place. The Group reports publicly shared alerts by its stakeholders on a dedicated platform.
- working with experts to identify the most effective solutions: Tackling deforestation is a difficult challenge and requires multiple skills. Carrefour has therefore put in place a dedicated governance system: it has created a high-level Forestry Committee made up of independent experts. Gathered as a priority to combat deforestation linked to beef production in Brazil, these experts challenge the projects and solutions put in place by the Group and propose improvements.

1.3 Summary of objectives

In line with the risks identified across its supply chains, Carrefour has gradually defined a set of operational targets to ensure that no deforestation or conversion are involved in the production of its sensitive commodities. For each of them, Carrefour has defined a relevant scope, one or more concrete solutions to

reduce the risks of deforestation (certification, traceability and non-risk origin, geomonitoring, etc.), a target deadline for implementation, and a reference date for assessing the absence of deforestation (a cut-off date).

Table 1: Deforestation targets in the Group's CSR and Food Transition Index:

Category	Target	Scope	Deadline	Cut-off date
Palm oil	100% of palm and palm kernel oil used as an ingredient in Carrefour brand products to be RSPO Segregated certified.	Carrefour own-brand food products – FMCG and fresh produce (e.g. biscuits, pastries) – and non-food products (e.g. candles, soap) containing palm oil.	ongoing	31 December 2020
Soy	100% of Carrefour Quality Line and key Carrefour own-brand products must use soybeans that are not derived from deforestation for animal feed.	Carrefour Quality Line products and key Carrefour-brand products: frozen and fresh raw products (excluding cold cuts): chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat.	2025	1 January 2020

Category	Target	Scope	Deadline	Cut-off date
Wood and paper	<p>Products: 100% of sales of sustainable Carrefour own-brand products in the 10 priority categories must be from sustainable forests</p>	<p>10 priority categories representing more than 80% of the wood and paper used in Carrefour products (e.g. toilet paper, stationery, garden furniture, etc.).</p>	2020	31 December 2020
	<p>Packaging: 100% of paper and cardboard packaging of controlled products are compliant with the sustainable forests policy</p>	<p>Three areas of application:</p> <ol style="list-style-type: none"> 1. Controlled products. 2. Sales/storeroom packaging (e.g. fruit and vegetable bags, catering trays). Non-retail purchasing. 3. E-commerce sales and delivery packaging. 	2025	
	<p>Textile fibres from wood fibre: 100% of wood-based fibres (viscose, lyocell, modal) in our TEX products to be produced without deforestation.</p>	<p>Carrefour TEX brand products.</p>	2022	
Brazilian beef	<p>100% of tiers 2 Brazilian beef suppliers must be geomonitored and in compliance with the forest policy or committed to ambitious policies to tackle deforestation</p>	<p>Beef suppliers, including Tier 1 suppliers (slaughterhouses) and Tier 2 suppliers' farms for fresh, frozen and processed meat.</p>	2025	<p>cut-off date in 2008 and implemented since 2016 for direct and illegal,</p> <p>cut-off date in 2009 and implemented since 2020 for direct and illegal,</p> <p>cut-off date in 2008 and 2025 deadline for indirect and illegal</p>
	<p>100% of Brazilian beef to be zero deforestation for Carrefour brands by 2026, and for all brands by 2030.</p>	<p>Carrefour Brazil and Atacadão.</p>	2030	<p>cut-off date in 2019 and 2025 deadline for indirect and legal</p> <p>Cerrado: deadline in 2020 and deadline in 2030 for direct and indirect, legal and illegal products.</p>

Category	Target	Scope	Deadline	Cut-off date
Cocoa (G4):	100% of Carrefour own-brand bars to comply with our Sustainable Cocoa Charter ²	France, Belgium, Spain and Italy. Carrefour brand chocolate bars.	2023	1 January 2020, Origin: Ivory Coast: 1 January 2018
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy ³	Joint actions within the framework of the Consumer Goods Forum and the Retailer Cocoa Collaboration implemented by the Group. Food products only.	2025	–

The sustainable forestry policy performance indicators are incorporated into the CSR and Food Transition Index. This index is given a 25% weighting as a criterion in a long-term executive compensation plan and a 20% weighting in compensation for the Chairman and Chief Executive Officer. As part of the Carrefour 2026 Strategic Plan, new targets have been incorporated into the Group's CSR and Food Transition Index.

Remuneration	Beneficiary	Number of persons concerned	CSR Index weighting in earnings
Variable remuneration	Chairman and Chief Executive Officer ⁴	1	20%
	Group senior executives ⁵	1000	10%
	Senior executives in France ⁶	10000	Between 10% and 20%
Long-term Incentive	Managers	680	25%

1.4 Risks and opportunities

● Risk management:

1. Identified in the Group Risk Analysis

The Carrefour Group uses an annual risk analysis methodology that involves all relevant directorates in each country. This analysis highlights the overall priority risks at the Group level and allows assessments to be as precise as possible in each operational area. The 'Responsible sourcing of raw materials' risk is a priority CSR risk, requiring special consideration and management.

Within the framework of the Non-Financial Performance Statement and due diligence, Carrefour has put in place several specific tools for analysing and managing the risks associated with raw materials. These mainly comprise accurate and clear maps, allowing the level of risk assessment to be refined on an ongoing basis.

2. Through raw material analysis

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

² in France, Belgium, Spain and Italy.

³ palm oil, soy, wood and paper, Brazilian beef, cocoa.

⁴ Weight of the CSR Index in variable remuneration.

⁵ Weight of the CSR Index in the collective share of variable remuneration.

⁶ Weight of the CSR Index in the collective share of variable remuneration.

3. Handled within the framework of the duty of care

In 2023, the Carrefour Group developed a new specific map for environmental, social and governance (ESG) issues. The ESG map analyses these issues in terms of their materiality outside the company and their materiality within it.

This ESG map is underpinned by the Carrefour Group’s risk management methodology and includes the specific features associated with the vigilance plan in its scope of observation. This map also factors in any controversies and warnings identified in the media or through dialogue with stakeholders (NGOs, investors, rating agencies, etc.). The ESG risk universe is updated annually to capture these potential new risks and to better reflect the strategic priorities and recent developments that may change over time.

The risk of deforestation and contribution to land use change has emerged as something that is of particular importance for Carrefour. It represents the following risks for the Group:

- the risk of deforestation associated with the supply of sensitive raw materials (cocoa, palm oil, wood and paper, beef in Brazil, etc.)
- the risk of indirect deforestation associated with the production of certain products, in particular animal products using soy for animal feed
- the risk of ecosystem conversion associated with the agricultural production of certain sensitive raw materials, in particular soy used for animal feed.

1.5 Summary of action plans and solutions deployed

● Summary of action plans

Raw materials	Indicators	Progress made with action plans in 2023
Palm oil	Share of palm oil used in certified sustainable and fully traced Carrefour brand products (RSPO Segregated)	95.3%
	Share of palm oil used in RSPO certified or equivalent Carrefour brand products	100%
Wood and paper	Share of sales of Carrefour brand products in ten priority categories sourced from sustainable forests	96.3%
Soy	Share of Carrefour Quality Lines and other key Carrefour brand products using zero deforestation soy for animal feed	21.7%
Cocoa	Share of Carrefour brand chocolate bars that comply with our sustainable cocoa charter	31.6%
Traceability and evolution of traders	Share of key traders assessed	100%
	Share of key traders making progress to comply with our policy	33%
Brazilian beef	100% of Brazilian beef to be zero deforestation for Carrefour brands by 2026, and for all brands by 2030	Methodology under development
	Share of Brazilian beef suppliers geomonitored and compliant with our forest policy or committed to an ambitious policy to tackle deforestation	100%

- summary of solutions deployed

The solutions deployed by the Group are similar to each raw material identified:

	Palm oil	Soy	Wood/ paper	Wood/ paper	Wood/ paper	Brazilian beef	Cocoa
Purchasing policies and rules	X	X	X	X	X	X	X
Supplier engagement	X	X				X	
Employee engagement	X	X	X	X	X	X	X
Trader engagement	X	X					X
Collective engagement / working group			X	X		X	
Certifications	RSPO	ProTerra, RTRS	FSC, PEFC	FSC, PEFC	FSC		
Supplier carter or tracking						X	X
Sustainable investments	X	X				X	
Proposals for more sustainable alternatives	X	X					
Public engagement		X				X	X

1.6 Organisational structure and governance

- **The Group Executive Committee** defines CSR strategy, policies and objectives, and measures CSR performance. Each country's Executive Committee rolls the strategy out at local level;
- **Carrefour's Board of Directors** approves the strategy drawn up by the Group Executive Committee and evaluates its implementation. Operating through the dedicated CSR Committee, in 2023 the Board formulated commitments on monitoring the performance of the CSR and Food Transition Index, on Group strategies relating to biodiversity, on reducing greenhouse gas emissions and on cutting packaging. The Committee reviews the Group's performance annually as part of the Non-Financial Performance Statement and the due diligence plan;
- At Group level, Alexandre Bompard leads a **Food Transition Committee**, which brings together the various stakeholders responsible for implementing the food transition and defines the strategic directions based on the results and consumption trends. The Group Secretary General, the Strategy and Transformation departments and country-based departments coordinate the roll-out of the food transition and CSR programmes in a consistent way across the entire Group;
- **The Secretary General** oversees implementation of the food transition throughout the Group. He is responsible for the Food Transition Steering Committee. The Group's General Secretariat coordinates the roll-out of the food transition, CSR policies and the due diligence plan in a consistent manner across all countries. The CSR Department, Audit and Risk Department, Legal Department and Organic Market Department all report to it;
- **The Engagement Department:** on 1 February 2022, the Group announced the creation and appointment of an Engagement Director. The Engagement Director is the executive director of the Carrefour Foundation and a member of the Group's Executive Committee. The Engagement Department translates the Group's social and environmental commitments into practice and makes a significant contribution to the Group's positive impact on the planet;
- **The Carrefour Group Strategy and Transformation Department** is in charge of defining and rolling out the Carrefour 2022 strategic plan targets. The strategic plan includes, inter alia, the food transition for all targets;
- **The Goods Department** sets the CSR and Food Transition targets for responsible purchasing and products. It is responsible for the Committee on Purchasing Rules for the Food Transition. The Goods and Quality departments then ensure that the targets are rolled out and the purchasing rules for the food transition are implemented in all countries where the Group operates.

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

The **Committee on Purchasing Rules for the Food Transition** analyses the risks and alerts associated with Carrefour supply lines and defines the associated strategies and targets to be implemented. It ensures that the purchasing rules for the food transition across the Group are implemented by the relevant business lines. This committee meets fortnightly, is chaired by the Group's Executive Director for Goods and Formats, and includes representatives from the following key departments: Goods, Quality, CSR,

Strategy, Audits and Risks, Legal, Own Brand, CPI, Communication and Global Sourcing.

The purchasing rules for the food transition are updated annually and sent to all countries. The purchasing rules are defined in a cross-category manner by the Group and disseminated for application in all countries. The various departments represented on the risk and procurement committee are responsible for enforcing the rules in the countries in which the Carrefour Group operates.

1.7 Coalitions, partnerships and stakeholder dialogue

1.7.1 Coalitions and stakeholder dialogue

In 2010, Carrefour made a commitment to zero deforestation as part of the Consumer Goods Forum (CGF). The Coalition's aim is to accelerate efforts to eliminate deforestation in companies' individual supply chains by complementing them with joint solutions. The Coalition seeks to collectively define the strictest requirements, undertake transformational change in key regions and report on progress in a transparent manner. Within the CGF Forest Positive Coalition, Carrefour and the other partner companies jointly set the requirements for their operations to reduce the risk of deforestation.

Carrefour is working at various levels to deploy the various levers at its disposal through:

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

Carrefour is working to identify the ecosystem of relevant stakeholders to co-build its action plans and work collectively to tackle deforestation. The Group has created mechanisms for dialogue and collaboration to address the challenges associated with each type of stakeholder along the entire value chain. The mapping below summarises the dialogue mechanisms which have been implemented.

The **Forestry Committee** set up under the new plan to combat deforestation in Brazil is made up of 7 members, including two members of the Carrefour Executive Committee and 5 experts in climatology, traceability and socio-environmental impact recognised in Brazil. This committee has the following

responsibilities: advise on the effectiveness of the actions implemented, make proposals to Carrefour on priorities for actions, advise on the projects financed and report to the Directorate-General on the progress of the action plan. The Forest Committee met twice in 2023 to address the following topics:

- improving Group traceability processes to ensure procurement compliance,
- the methodology for identifying supplies at risk,
- the investment principles of the €10m fund
- alert procedures,
- advocacy priorities to support the Brazilian government in implementing an ambitious policy to combat deforestation.

Stakeholder mapping and associated challenges

Within the framework of the due diligence law, Carrefour works closely with stakeholders, co-developing its due diligence plan at all stages.

Stakeholder type	Role	Stakeholders examples
Risk mapping		
Scientific organisations and reference standards	Definition of methodologies and frame of reference for risk analyses	Science Based Targets, Task Force for Climate Disclosure
Service providers and experts	Prioritisation and risk assessment	Expert committees on deforestation in Brazil
Regular evaluation procedure		
Stakeholder coalition	Shared evaluations (e.g. traders)	Consumer Goods Forum
Risk prevention and serious damage mitigation actions		
NGOs and associations	Definitions of action plans, implementation of concrete projects	WWF
Stakeholder coalitions	Collective work to align market expectations	Consumer Goods Forum, Lab Capital Naturel, Act for Nature International, Race to Zero
Local stakeholders and partners	Implementation of local projects, consultations with stakeholder out in the field	IDH in Brazil
Suppliers and value chain	Creation of production lines, transformation of production methods	Producer partners
Governments	Stakeholder meeting around common objectives	Soybean manifesto (France), SNDI (France), Cacao manifesto (France)
Regulators and certification authorities	Definition of common requirements, verification, traceability and transparency	RTRS, RSPO, PEFC, FSC, MSC, Max Havelaar
Stakeholder panels	Co-development of policies and action plans	Multi-stakeholder meetings (customers, suppliers, governments, investors, experts, etc.)

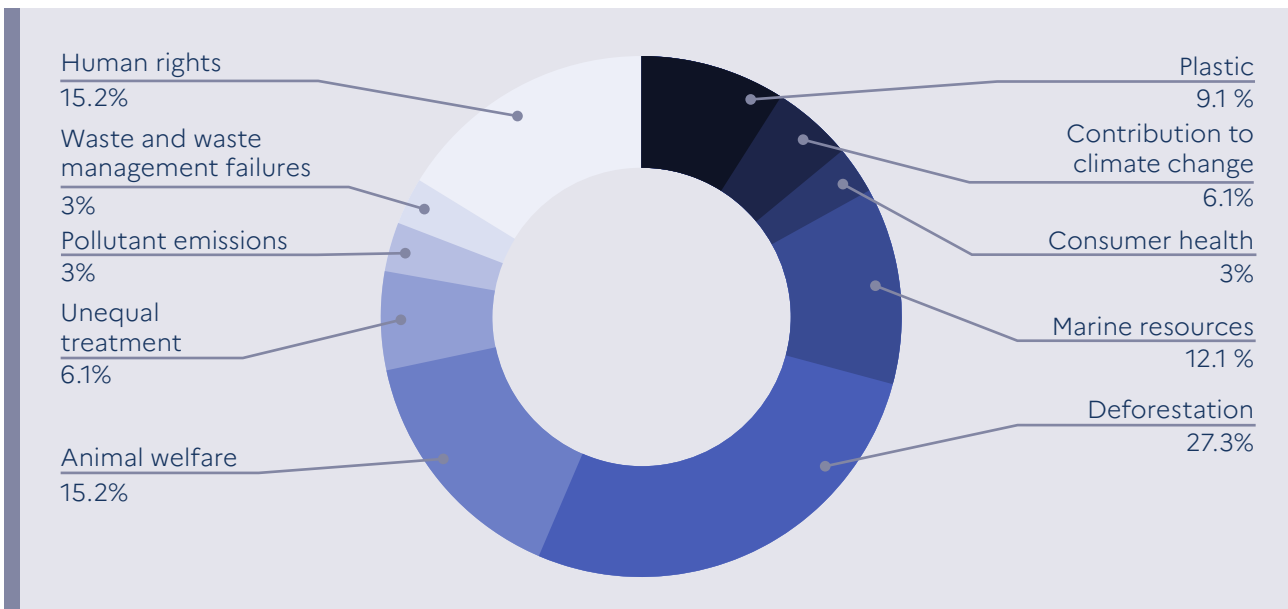
Stakeholder type	Role	Stakeholders examples
Trade unions	Information, consultation and consultation	Social and Economic Committee, European Information and Coordination Committee
Whistleblowing system		
NGOs	Identification of public alerts and inquiries	Mighty Earth, Canopée
Rating agencies:	Informing people of controversies	Moody's ESG (formerly VIGEO), Sustaynalitics, ISS Oekom
Local suppliers and partners	Daily dialogue and alerts from Carrefour teams	Worker Voice, Elevate
System for monitoring the measures implemented and their effectiveness		
NGOs	Response to questionnaires and regular dialogue on progress	Climate Action Network, Greenpeace
Rating agency	Performance measurement and identification of good practices	Carbon Disclosure project
Individual investors and coalitions	Performance assessment and measure monitoring dialogue	Forum for responsible investment (FRI), FAIRR
Regulators and auditors	Publication and verification of performance indicators	Financial Markets Authority, Independent third party verification body

1.7.2 Overview of the Group whistleblowing system

- the forest alert management mechanism the Task force for the committee on the Food Transition rules

The Group has set up a task force to identify and address the various alerts relating to the CSR and the duty of vigilance. The task force is responsible for investigating alerts issued and ensuring that appropriate corrective action plans are implemented if the facts are confirmed. Alerts are identified by the

task force either through stakeholder dialogue or by monitoring publications quoting the Carrefour group (thematic ranking, reports, press articles) and sector alerts. Task force members monitor the evolution of these alerts. Following the identification of an alert, the relevant people are designated to investigate, and then define the appropriate response and any action plans or processes to be put in place to mitigate the risk. Monitoring is carried out regularly within the various duty of vigilance governance bodies.



In 2023, the main themes of the alerts that were most dealt with by the Committee on Rules for the Food Transition were notably related to deforestation (27.3% of the alerts received).

- Forest transparency platform

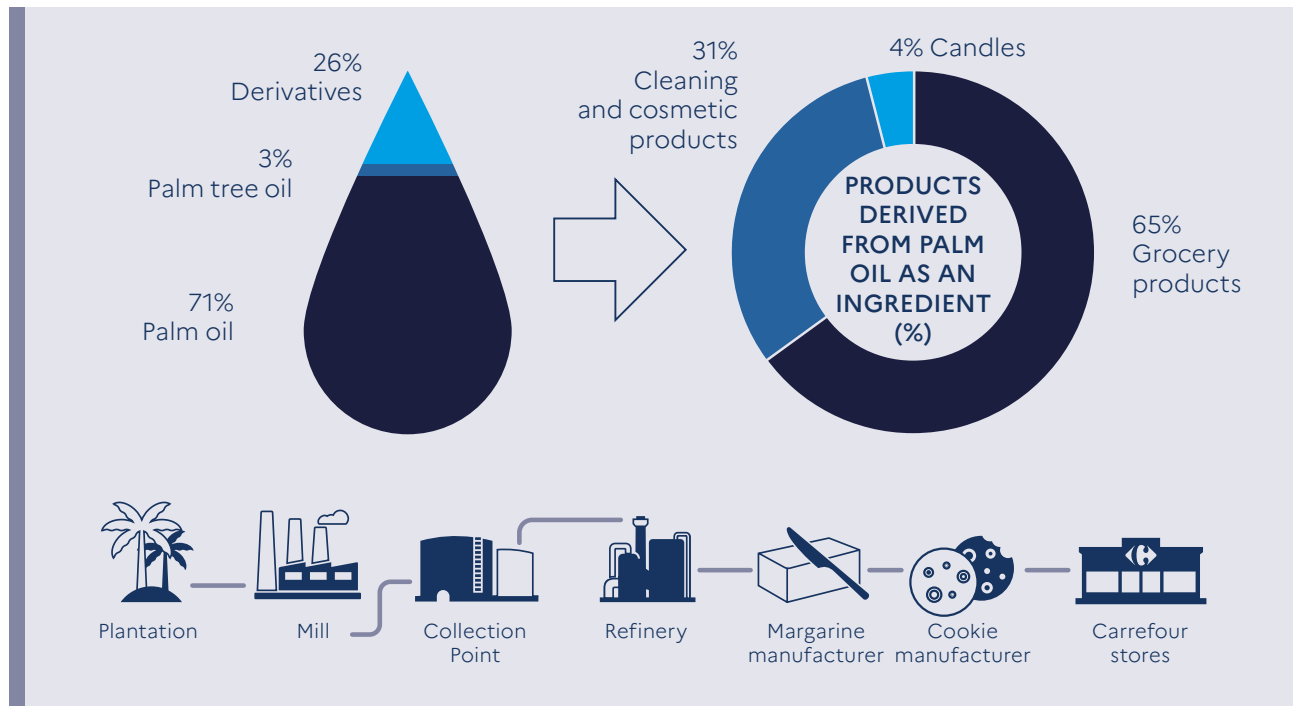
In December 2023, Carrefour created a Transparency platform that aims to collect all NGO reports on non-compliance risks related to raw materials the supply of which carries a risk of deforestation. For each alert, the results of the investigations as well as the immediate actions taken by the Group are detailed. This platform is updated quarterly. All alerts are available at www.carrefour.com/fr/rse/plateforme-transparence-foret.

2. The Group's action plans to combat deforestation

2.1 Palm oil

- Context and challenges

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



Footprint (Group-wide): 9556 tonnes in 2023

Origins: Malaysia, Indonesia, Guinea, Colombia, Guatemala, Côte d'Ivoire, Honduras, Costa Rica, Brazil, Cameroon, Panama, Ecuador, Peru, Solomon Islands, Thailand, Cambodia, Venezuela, Papua New Guinea

- Objectives and performance

Targets:

Carrefour aims to reduce the amount of palm oil in its own-brand products when this has a nutritional benefit or is customer-driven. This is why the group has set a target of replacing the palm oil in its Carrefour Bio products in France, Spain, Italy and Belgium.

Category	Target	Deadline
Palm oil	Replace palm oil in Carrefour Bio products (France, Spain, Italy, Belgium)	-

For Carrefour own-brand products containing palm oil, the Group guarantees that the oil used is produced sustainably by 2022 (minimum of RSPO Segregated).

Category	Target	Deadline
Palm oil	100% of palm and palm kernel oil used as an ingredient in Carrefour brand products to be RSPO Segregated certified	2022

To go further, Carrefour is mobilising upstream stakeholders in its supply chains (palm oil traders) to share its ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy ⁷	2025

Performance:

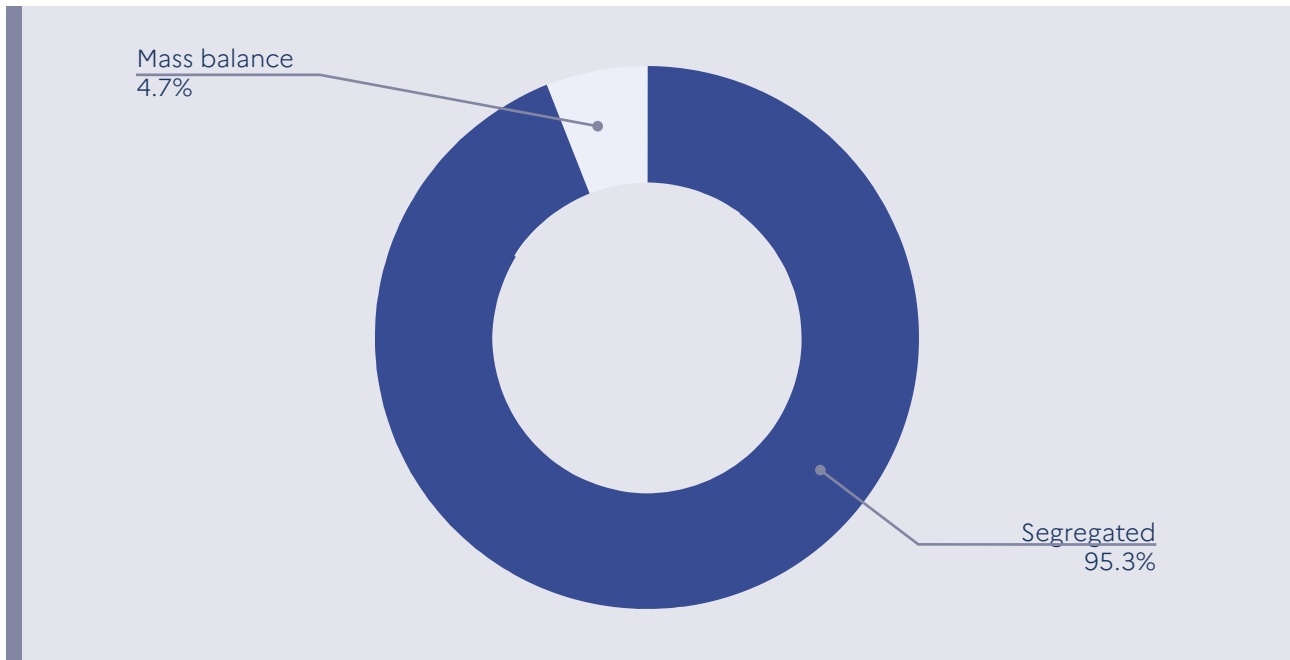
Indicator – Palm oil ⁸	2021 value	2022 value	2023 value	Change	Target
Share of palm oil used in certified sustainable and fully traced products (RSPO Segregated)	82.1%	83.4%	95.3%	11.6 pts	Permanent
Share of palm oil used in RSPO certified or equivalent controlled products	99.9%	99.9%	100%	0.1 pt	-

Substantial efforts have been made since 2021 to ensure RSPO Segregated or Mass Balance certification of all (100%) the palm oil contained in Carrefour brand products.

The breakdown of various certification schemes in 2023 is as follows:

- 0% of palm oil certified RSPO Identity Preserved,
- 95.3% of palm oil certified RSPO Segregated,
- 4.7% of palm oil certified RSPO Mass Balance

Graph showing the breakdown of palm oil certifications in our products in 2023



Finally, 100% of key traders have been assessed and actions are under way to reflect these results in the Group's purchasing decisions.

⁷ palm oil, soy, wood and paper, Brazilian beef, cocoa.

⁸ Calculated based on weight of raw material contained in the products. Scope: 94% of consolidated 2022 revenue, incl. VAT. Non-comparable BUs (IT excl. in 2022).

- **Action plans**

Since 2010, Carrefour's policy has been to replace palm oil in its own-brand products when this improves the product's nutritional quality. For Carrefour own-brand products containing palm oil, the Group guarantees that the oil used will be produced sustainably by 2022.

- **In supply chains:**

Carrefour applies RSPO (Roundtable on Sustainable Palm Oil) certification as a minimum standard for the palm oil used in Carrefour-brand products.

Carrefour also endeavours to ensure that it sources from suppliers capable of providing physically traceable and sustainable palm oil. The Group is working with its main suppliers to map the supply chain through to the relevant guarantee point. This

approach to traceability also enables Carrefour to ensure that its suppliers share its procurement policy.

- **Upstream stakeholder engagement:**

To change upstream practices in its supply chain, Carrefour maintains a dialogue with the main palm oil importers at various levels, through its involvement in joint initiatives and through bilateral exchanges to share its ambition of zero deforestation throughout the supply chain. As part of the CGF Forest Coalition, Carrefour supports the introduction of more stringent requirements for traders. A shared trader performance evaluation system, via the Palm Oil Transparency Coalition, was built to engage with traders and allow each company to focus its procurement on the most virtuous traders. In 2021, all of the key palm oil importers that we use for Carrefour supply chains were assessed and committed via the POTC.

2.2 Coalitions and partnerships

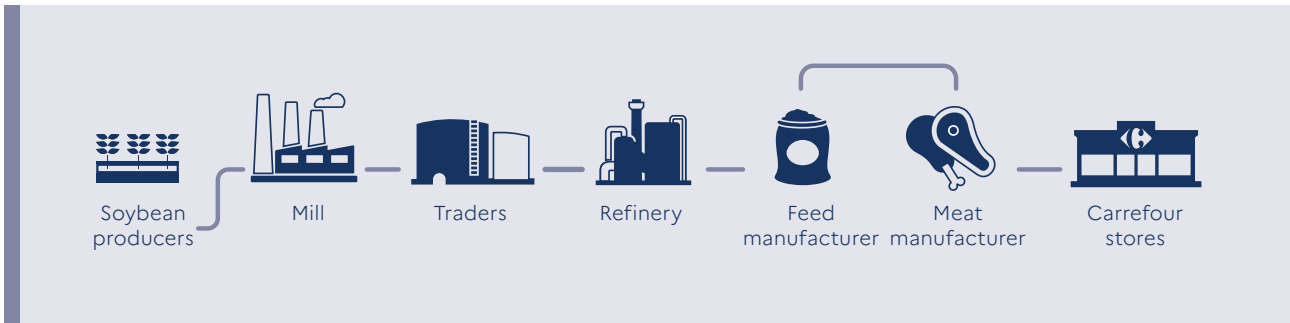
- Palm Oil Coalition of Action Consumer Goods Forum (CGF)
- Roundtable on Sustainable Palm Oil (RSPO)
- Palm Oil Transparency Coalition (POTC)

3. Soy

3.1 Background and transparency

Soy, in all its forms (sprouted soy seeds, beans, soy oil, etc.) is a common ingredient in many foods today. However, nearly three-quarters of the world's soy is used as a source of protein in animal feed. Soy is

therefore used indirectly to produce dairy products, as well as poultry, eggs, pork and beef and farmed fish.

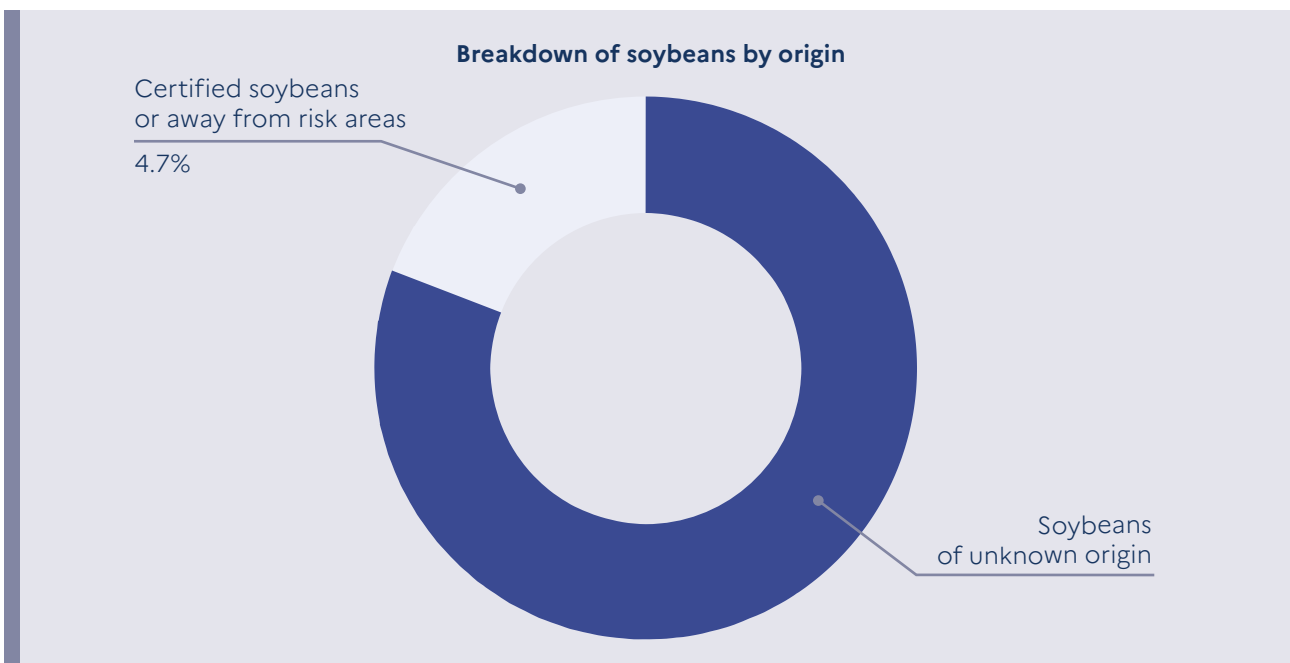


Footprint (France): 106,403 tonnes of soybeans in 2023

France HM/SM/Proxi/Promocash perimeter

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

To improve visibility regarding the origin of soy within its supply chain, Carrefour has conducted surveys of its direct suppliers to obtain more accurate information on the sources of integrated soy and to establish the proportion of traceable soy not linked to deforestation.



Scope: (19) 95% of consolidated sales 2023. non-comparable BUs (BR C excluded in 2023; AR, BR C, IT excluded in 2022)

The proportion of soy of unknown origin is 78.3%.

The areas considered to be high risk for soy are: Brazil (without guarantee), Paraguay, Argentina and Bolivia.

Brazilian soy of guaranteed origin is soy that is physically certified according to the Proterra or RTRS standard and soy from low-risk Brazilian municipalities (according to internal soy mapping).

Soy of moderate or low-risk origin accounts includes soy from: Europe, Canada, the US, India, etc.

3.2 Objectives and performance

Targets:

For Carrefour Quality Line products and Carrefour own-brand products using soy in animal feed, the Group guarantees that the soy will not be linked to deforestation or conversion by 2025.

Category	Target	Deadline
Soy	100% of Carrefour Quality Line and key Carrefour own-brand products must use soybeans that are not derived from deforestation for animal feed	2025

To go further, Carrefour is mobilising upstream stakeholders in its supply chains (soy traders) to share its ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy ⁹	2025

Performance:

Indicator – Soy ¹⁰	2021 value	2022 value	2023 value	Change	Target
Percentage of Carrefour Quality Lines and other key Carrefour own-brand products using zero deforestation soy for animal feed	2.9%	19.7%	21.7%	+2 pts	100% by 2025

In 2022 and 2023, Carrefour increased the share of soybeans with guarantees of no deforestation, in particular for the Carrefour Quality Lines. An action plan

is being implemented to increase guaranteed soy-bean volumes in 2024.

3.3 Action plans

To reduce the impact of soy on forests and ecosystems, Carrefour works at several levels: on its own supply chain, in collaboration with supply chain businesses and key stakeholders to develop market standards.

In supply chains:

To address the deforestation and conversion challenges associated with soy production, the Group

first worked on its Carrefour Quality Lines in each of the countries in which it operates, setting a target of developing at least one zero-deforestation animal product line by 2020. This target was achieved in each country. At the end of 2020, the Group had a total of 20 animal product lines fed on soy not linked to deforestation. This made it possible to set up local product lines in the countries and/or develop alternatives to soy in animal feed. Carrefour is also

⁹ palm oil, soy, wood and paper, Brazilian beef, cocoa.

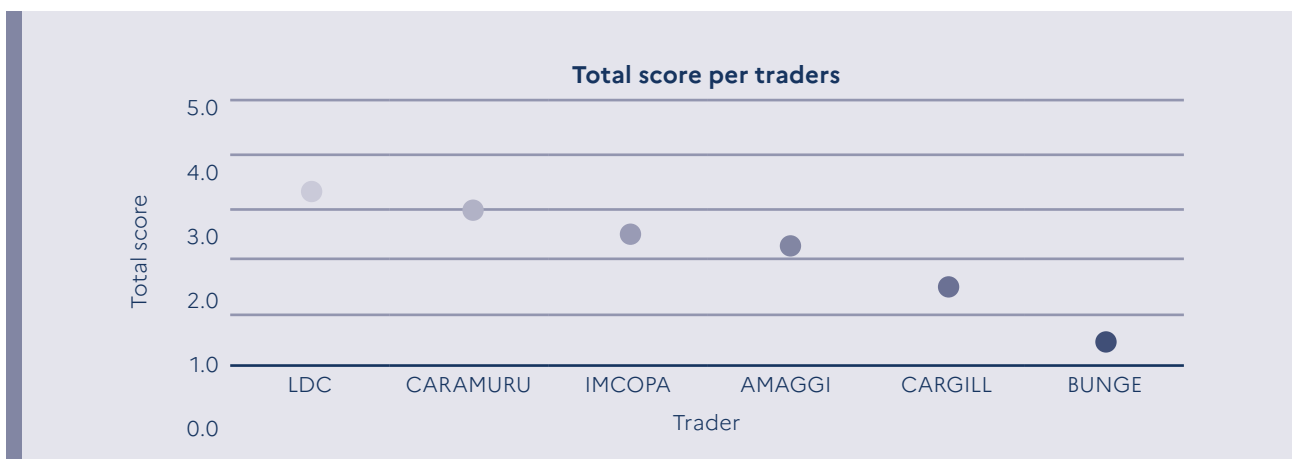
¹⁰ Carrefour Quality Line products and key Carrefour own-brand products (excluding low-price and no-name products): frozen and fresh raw products (excluding cooked meats): chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat. Scope: France only. 54.1% of consolidated 2021 sales, incl. VAT.

developing vegetarian and vegan ranges to offer an alternative to animal protein in all countries.

In 2021, the Group bolstered its ambition by setting itself the following objectives: 100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the Group's policy 100% are to use soy that is not derived from deforestation for animal feed by 2025. The products covered by the undertaking are Carrefour Quality Line products and Carrefour own-brand products for the following fresh and frozen raw products: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat. To fulfil the undertaking, soy contained indirectly in animal feed products must meet one of the following criteria:

- Substitution of alternative proteins for soy
- Soy produced locally and not linked to deforestation
- Soy certified as not being linked to deforestation with full traceability
- From a region without risk of deforestation or conversion
- From a landscape approach project on the ground

The outcome of the evaluation in 2023 is as follows:



Upstream stakeholder engagement:

To change upstream practices in its supply chain, Carrefour maintains a dialogue with the main soy importers at various levels, through its involvement in joint initiatives and through bilateral exchanges to share its ambition of zero deforestation throughout the supply chain. As part of the CGF Forest Coalition, Carrefour supports the introduction of more stringent requirements for traders. A shared trader

Working with stakeholders to develop common rules:

Carrefour is committed to establishing common practices to tackle deforestation with its ecosystem. As a member of the national SNDI platform, the Group has contributed to the Scientific and Technical Forestry Committee for soy. In late 2020, Carrefour and other retailers in France signed a manifesto

In 2023, to improve visibility regarding the origin of soy within its supply chain, Carrefour conducted surveys of its direct suppliers to obtain more accurate information on the sources of integrated soy and to establish the proportion of traceable soy not linked to deforestation.

Carrefour also circulated to suppliers a list of soybean importers ranked on the basis of an assessment of their policies to combat deforestation.

To conduct its assessment, Carrefour has developed its own assessment of key traders using the following methodology involving various criteria:

- The Manifesto evaluation "Involving French stakeholders in tackling imported deforestation linked to soy"
- The SNDI (National Strategy to Combat Imported Deforestation) evaluation
- A consultation of our expert committee against deforestation in Brazil
- Soy Transparency Coalition
- Global Canope Forest 500

performance evaluation system, via the Soy Transparency Coalition, was built to engage with traders and allow each company to focus its procurement on the most virtuous traders. In 2023, 100% of key soybean importers linked to Carrefour supplies were assessed and engaged through STC, webinars and bilateral exchanges.

to combat soy-related deforestation, committing to integrate non-deforestation criteria into the specifications of its own-brand products and to mobilise its suppliers to include these requirements.

Carrefour has involved all its suppliers through webinars and meetings, and has begun signing contracts that include these clauses for chicken and pork product lines. In addition, Carrefour participated in the construction and launch of the new national soy risk management tool in France in collaboration with the SNDI and key stakeholders. This tool assesses the level of supply risk based on the origin of the soybean and the importer.

In Brazil, the Group is involved in joint initiatives to build synergies with all stakeholders (suppliers, competing retailers, commodity traders, regional and national governments, scientists, NGOs and data and service providers), in particular the Working Group on Cerrado Soy (GTC) and the Amazon Soy Moratorium (ASM). In addition, following the increase in forest fires during the summer periods, the CEO of Carrefour Brazil has sent a letter to the CEOs of Cargill, Bunge and the main beef manufacturers to reaffirm the Group's commitment to tackling deforestation. Bilateral discussions are organised regularly, the action plans of each company are tracked by a dedicated committee reporting directly to the Carrefour Brazil Executive Committee.

Support for regional projects:

To complement its efforts to ensure the absence of deforestation and conversion across its entire value chain, Carrefour has committed to supporting regional projects to develop local multi-stakeholder action that addresses the root causes of deforestation and conversion. Details of the projects supported by Carrefour in 2023 on soybeans and beef:

- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

Production of low-carbon regenerative commodities in the Cerrado biome, in partnership with Conservation International, aimed at encouraging sustainable

agricultural practices, empowering farmers and facilitating access to financial resources, promoting more responsible agriculture in six priority municipalities of Tocantins, with a focus on cereal production. The purpose of this programme is to encourage integrated agricultural production systems in the State of Tocantins, in Brazil's Matopiba region. The project sets out to develop sustainable farming regions by bolstering capacity on the basis of a low-carbon emissions regenerative production model for soybeans and beef, using rural extension services to promote the adoption of an integrated farming-livestock-forest production model. Furthermore, it provides financial incentives to support the low-carbon emissions regenerative production model. Project supported in partnership with International Conservation, Brazil. In 2022, Carrefour provided €75,000 of financial support.

- Partnership for the indirect meat production chain

Project in partnership with the National Wildlife Federation (NWF) to encourage the involvement of slaughterhouses in the Amazon and the Cerrado and to promote transparency across the chain, in particular as regards indirect producers/farmers.

- Partnership for sustainable calf production in Brazil

Project in partnership with IDH (The Sustainable Trade Initiative) to guide beef producers starting when the animals are born, making small indirect producers profitable through sustainable practices.

- Encurtando Elos ("Shorten links")

Project implemented in Pará, in collaboration with the Brazilian International Institute of Education (IEB) and Terra Maré, to strengthen artisanal fishing and preserve marine resources through training, participatory management and community empowerment, promoting fair trade, income generation and preference for local products.

3.4 Coalitions and partnerships

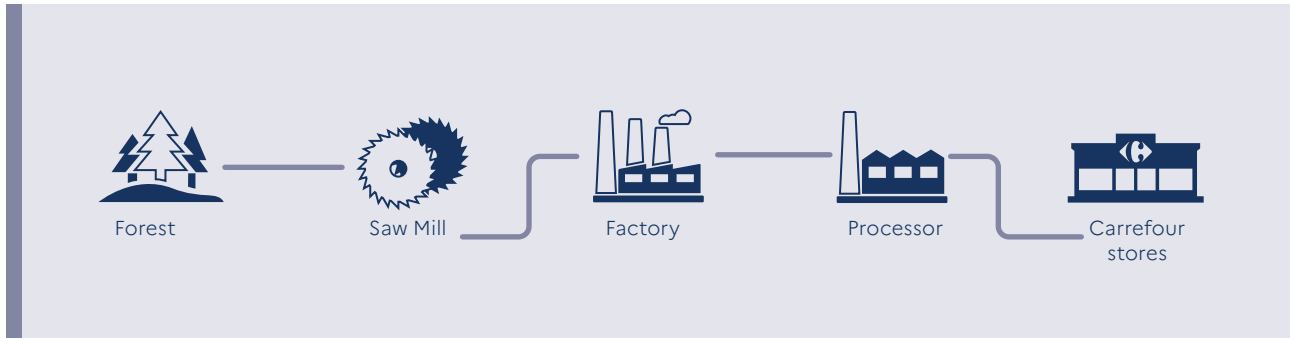
- Consumer Goods Forum (CGF) Soy Coalition
- National strategy to tackle imported deforestation (SNDI)
- Soy Manifesto by French stakeholders to tackle imported deforestation
- French Collaborative Charter for Sustainable Animal Nutrition (Duralim)
- Roundtable on Responsible Soy (RTRS)
- Support for Amazon Soy Moratorium since it was created in 2006
- Grupo de Trabalho da Soja (GTS) and Grupo de Trabalho do Cerrado (GTC)
- Cerrado Manifesto support group (SoS Cerrado Manifesto)
- Soy Transparency Coalition (STC)

4. Wood/paper

4.1 Background and transparency

- Wood and paper

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



Packaging also represents a significant share of our consumption of wood resources.

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

Footprint: (Group-wide): 228,000 tonnes in 2023

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

- Packaging

Footprint: (Group-wide): Methodology under development

- Cellulose fibres (viscose, lyocell, modal)

Footprint: (France, Belgium, Spain, Italy): 1,230 tonnes in 2021

Origins: India, China, Bangladesh

4.2 Objectives and performance

Targets:

For Carrefour own-brand products in the 10 priority categories, Carrefour has had a target of having 100% of these products derived from sustainably managed forests since 2020.

Category	Target	Deadline
Wood and paper	100% of sales of sustainable Carrefour own-brand products in the 10 priority categories must be from sustainable forests	since 2020

To go further, Carrefour has set a new target for paper and cardboard packaging of its controlled products, to ensure that they will meet the same requirements by 2025, as well as for its TEX-branded textile products made from cellulose fibres.

Category	Target	Deadline
Paper and cardboard packaging	100% of paper and cardboard packaging of controlled products are compliant with the sustainable forests policy	2025
Cellulose fibers	100% of wood-based fibres (viscose, lyocell, modal) in our TEX products produced without deforestation	2023

Performance:

Indicator – Wood and paper	2019 value	2020 value	2021 value	2022 value	2023 value	Change	Target
Share of Carrefour-brand products in ten priority categories sourced from sustainable forests (in %) ¹¹	48.8%	70.2%	80.2%	90.7%	96.3%	+5.6 pts	100% by 2025
Share of paper and cardboard packaging used with controlled products in compliance with our zero deforestation forest policy	-	-	Reporting methodology currently being developed			53.8%	100% by 2025
Percentage of wood-based fibres in our TEX products produced without deforestation	-	New	40%	70.9%	96.3%	+25.4 pts	100% by 2023

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

¹¹ Scope: 100% of consolidated 2021 revenue, incl. VAT. Non-comparable BUs (RO incl. in 2021).

4.3 Action plans

In supply chains:

The Group has developed risk analysis tools to assess wood provided by its suppliers against three criteria:

- volume: number of product categories consuming the highest wood equivalent tonnages;
- species: type of wood used, to guarantee the absence of species at high risk or forbidden by the Carrefour charter (such as those appearing on the IUCN red list of threatened species);
- origin: level of risk associated with the country or region of origin of the wood

On the basis of the findings, Carrefour guides its suppliers to help them set up audit and certification measures or opt to source their supplies from a different region. Carrefour uses a number of certifications to ensure that its supplies comply with its policy and promote sustainable forest management: FSC® "100%", "Mixed" or "Recycled" certification for the most at-risk areas, and PEFC® certification for those at lower risk. Carrefour also uses the European Ecolabel to ensure best practices during product manufacture.

Details of the initiative:

- 100% of the wood charcoal sold in France is FSC®-certified or PEFC®-certified or made from wood of French origin;
- 100% of tropical wood (acacia and eucalyptus) garden furniture from Carrefour's international purchasing centre is FSC®-certified;
- "Since 2018, 100% of toilet paper for sale in France, Spain, Italy and Belgium has been certified FSC® "Mixed" or certified FSC® "Recycled"
- Carrefour has launched the EcoPlanet paper range: its products are made from 100% FSC recycled paper;
- 95% of the printing paper used at French head offices is certified and 90% is FSC®- or Blue Angel-certified;
- Since 2014, more than 99% of the paper used by the Carrefour Group for sales and marketing publications has been recycled or certified;
- All cardboard / paper packaging used for TEX textile products is FSC® certified.

4.4 Coalitions and partnerships

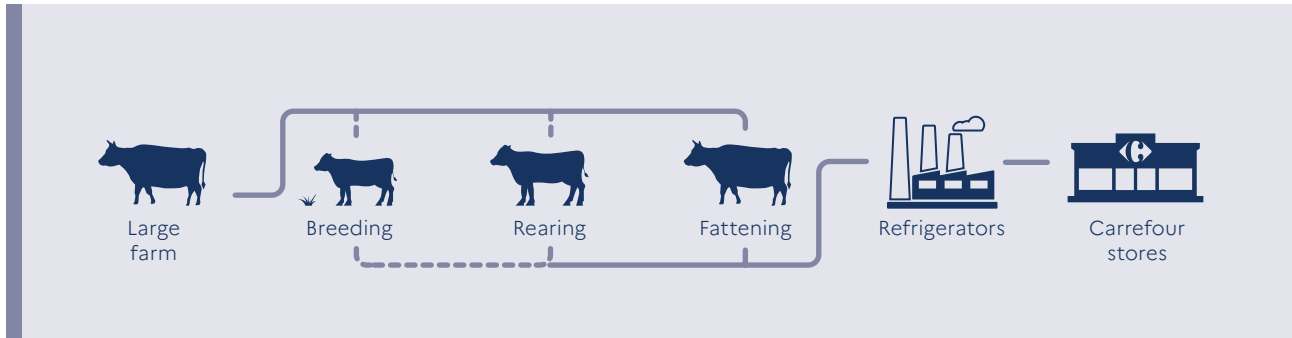
- Consumer Goods Forum (CGF) Wood, Paper and Packaging Coalition
- Forest Stewardship Council (FSC)

5. Brazilian beef

5.1 Background and transparency

Brazilian beef has been identified as a priority raw material in the Group’s policy on tackling deforestation and conversion.

Brazilian beef is sold in our stores in Brazil.



Footprint (Brazil): 56.600T in 2023 (included Atacadao, Sams Club, Carrefour)

Origin: Brazil

5.2 Objectives and performance

Targets:

Carrefour has set itself the goal of making all Brazilian beef (Carrefour own-brand and national brand) sold in its Carrefour stores in Brazil deforestation-free. To go further, Carrefour is mobilising upstream stakeholders in its supply chains (meat traders) to share its ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Beef suppliers in Brazil	100% of Brazilian suppliers of beef are covered by a geo-monitoring scheme to analyse their farms. ¹²	Currently
Beef suppliers in Brazil	100% of current suppliers of butchers follow the group's policies	Currently
Farms supplying Carrefour's supplier slaughterhouses in Brazil	100% of direct farms supplying Carrefour in Brazil are double-checked via Carrefour's satellite monitoring systems	Currently
Areas at risk of deforestation	Reduction in the volume of beef from critical areas by 100%	50% in 2026 100% in 2030
Trader traceability and assessment (several raw materials, including beef)	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy ¹³	2025

¹² Perimeter: suppliers of fresh, frozen, processed meat, retailers and warehouses.

¹³ palm oil, soy, wood and paper, Brazilian beef, cocoa.

Performance:

Indicator – Brazilian beef ¹⁴	2020 value	2021 value	2022 value	2023 value	Change	Target
Percentage of Brazilian beef suppliers geo-monitored and compliant with our forest policy or committed to an ambitious policy to combat deforestation	72%	86.9%	89.7%	100%	+2.8 pts	100% by 2025
100% of key traders assessed to comply with our policy by 2025	-	100%	100%	100%	-	100% by 2025
Share of key traders making progress to comply with our policy by 2025	-	Assessment based on 2022		33%		100% by 2025
Reduction in the volume of beef from critical areas (national brands)	-	-	New	Methodology under development	-	50% by 2026

More information about geomonitoring:

Farms and biomes monitored in 2023

Biomes	Number of farms	Monitored surface area
Amazon	14,753	8,835,683
Cerrado	9,741	11,146,305
Atlantic Forest	3,537	1,902,829
Pantanal	457	2,143,980
Pampas	583	467,299
Caatinga	183	124,075
TOTAL	28,983	24,170,169

5.3 Action plans

Dedicated internal governance:

Carrefour has also implemented a dedicated internal governance system with weekly monitoring of the compliance scorecard by suppliers, involving purchases of the different brands in Brazil and the Group CSR department.

Supplier pre-approval:

Carrefour Brazil has put in place a pre-approval process for its beef suppliers. The group therefore requires all meat suppliers to meet the following conditions:

- suppliers comply with the Boi na Linha protocol,
- they have a geo-monitoring tool, whatever the geographical location of their installations,

- They are signatories to the Conduct Adjusting Commitment - TAC - set up by the Brazilian authorities for beef in the states concerned (Amazonia),
- the plants have been awarded a federal inspection seal (FIS),
- suppliers authorise all farms to be re-analysed by the Carrefour geomonitoring system by providing all necessary data,
- All farms must have an active registration (Federal CAR) and environmental licenses (if applicable).

Non-compliance with these regulations can lead to penalties or supply suspensions depending on the severity of the nonconformities encountered.

¹⁴ Scope: Carrefour Brazil and Atacadao

Geomonitoring of farms supplying Carrefour's supplier slaughterhouses in Brazil

To combat deforestation associated with meat production, Carrefour has established a farm assessment process based on social and environmental criteria approved by the Brazilian Public Prosecutor's Office under the Boi na Linha Protocol (which takes into account criteria such as deforestation, environmental embargoes and the grabbing of indigenous land and conservation units), as well as additional criteria defined by Carrefour (such as the grabbing of quilombolas indigenous land, state embargoes and the ICMBio).

To be sold in the Group's stores in Brazil, beef must not come from farms:

- Affected by deforestation or conversion
- Under an environmental embargo
- Located in protected areas
- On land belonging to indigenous populations or quilombola
- Or that use illegal work (particularly child and forced labour)

To ensure compliance with these various exclusions, Carrefour has implemented a geo-monitoring system to monitor its supplies. Specifically, the farms supplying the slaughterhouses which then supply the Group are analysed weekly by the Group by means of a geospatial analysis carried out by a specialised third party, with verification of compliance with the protocol criteria. This system makes it possible to assess nonconformity risks by cross-referencing farm location data and analysis of public data. The reference deadlines applied are: 05/10/2009 in the Amazon, and 2018 for the Cerrado. Currently, all fresh and frozen meat farms supplying slaughterhouses (Carrefour's direct suppliers) are monitored by Carrefour tools in Brazil – that's nearly 30,000 farms per year. As suppliers are themselves required to have a geomonitoring system, beef traded by Carrefour in

Brazil is therefore verified at two stages of the supply chain.

In the event of suspected non-compliance, the farmer shall be temporarily suspended as a Group supplier until the documentation proving compliance is submitted. If documentation is not accepted or submitted, farms are permanently blocked. Farms whose compliance documents have been accepted are reinstated as suppliers. All consignments of meat purchased are checked, thus covering all meat packers. The management, origin checks and socio-environmental analyses of farms, as well as the sending of this data to the Carrefour Brazil group, all constitute mandatory information requested from all suppliers in the group.

As of 2023, Carrefour Brazil and Atacadão are managing more than 28,983 geo-monitored farms. This increase is in line with the target of 100% of Brazilian beef suppliers being geo-monitored and in line with our forest policy or committed to an ambitious policy to combat deforestation by 2025.

Traceability work is being undertaken to identify stakeholders trading in risky raw materials for the purpose of supplying the Group upstream. In collaboration with the Consumer Goods Forum, Carrefour has developed a methodology for assessing the policy to combat deforestation of traders in its supply chains. In 2023, 41 traders were assessed. The evaluation criteria are being finalised with the aim of measuring the progress made by traders starting in 2023.

The scope includes suppliers of fresh, frozen meat sold by Carrefour stores in Brazil (this scope therefore includes Carrefour, Atacadao and Sams' Club stores, including integrated stores following the acquisition of the BIG group)

Verification of slaughterhouse supplies over test periods

Carrefour undertook to check previous supplies, over a given time periods, before the group's surveillance tools became stronger. This additional level of verification is based on the Group's experience in Rondonia State. It enables all the farms that have supplied a slaughterhouse to be checked, whether the goods are intended for Carrefour or not. It therefore extends surveillance beyond the farms currently supplying Carrefour, and helps strengthen suppliers' compliance beyond what they supply to the Group. Indeed, if a non-compliant farm is detected in a

supplier's store base, the group requires that farm to be delisted for that supplier's entire business (i.e. for all its customers) and for all Carrefour's other suppliers. These checks were carried out on all biomes and all suppliers over the period of 2022. They resulted in 8,687 farms being reanalysed. Thanks to this work, 705 farms were identified as non-compliant and delisted by all Carrefour suppliers for all their customers, it being understood that they were already not being used to supply Carrefour.

Pilot projects for indirect farms

In this context, Carrefour would like to be able to assess the capacity of slaughterhouses to roll out solutions with their indirect suppliers. Carrefour Brazil is for example working with the National Wildlife Federation to initiate traceability work with two of its suppliers in priority states and Pará. For more details on the traceability methodology for indirect suppliers, see the paragraph below on "indirect supplier risk methodology".

Forestry Committee:

Alerts received from NGOs have identified several shortcomings in the Group's geomonitoring procedures. These shortcomings have been shared with the Forest Committee and the fundamental control points have been revised to ensure systematic implementation of the following points:

- Signing of Carrefour's sustainable supply policy by almost all beef suppliers in Brazil;
 - 100% of suppliers now have their own geomonitoring system, in addition to that of Carrefour;
 - Implementation of a level of control of the quantities sold at Carrefour with geomonitoring data (identification of farms) using billing tracking;
 - Tracking of the percentage of farms in compliance and also farms that are repeatedly non-compliant;
- The Carrefour Group, in collaboration with the Forestry Committee, has implemented several measures to improve governance and meat purchasing processes.

1. Governance improvements:

- The Group has introduced a weekly operational monitoring system involving coordination between Corporate Social Responsibility (CSR), Procurement and Food Security teams. This includes tracking supplier performance using a dedicated scorecard.
- Technical monitoring is carried out between the CSR and service providers, while strategic monitoring focuses on the impacts assessed by the forestry committee.

2. Management of complaints and investigations:

- A new process has been introduced for receiving and investigating complaints, with the aim of improving transparency in the way in which breaches are reported across the Group's supply chain.

3. Improvements to Due Diligence and Geomonitoring Procedures:

- The Group has improved its due diligence processes for geomonitoring farms. This includes adopting improved technologies, incorporating additional Group-specific criteria, changing service providers, and conducting near-real-time analysis of deforestation.

4. Implementation of Environmental Monitoring Tools:

- Carrefour has started using Mapbiomas, DETER, and PRODES alerts for all Brazilian biomes. These tools help monitor deforestation and other environmental impacts associated with their supply chain.

These measures reflect Carrefour's commitment to bolstering governance and improving the environmental responsibility of its meat supply processes.

Alert management:

Alert management improves the Group's verification processes. The Group reports on these various alerts and how they are handled via a dedicated platform.

Management of indirect farms and risk areas

In order to achieve the 100% deforestation-free beef commitments for Carrefour-branded products by 2026 and for national brands by 2030, two models have been put in place:

- 1. Closed or Full Cycle:** this model involves sourcing from compliant farms in a closed cycle, where all phases of the animal's life, from birth to fattening, take place on a single property or such that what happened on previous farms can be tracked. In full-cycle farms, there is no involvement of intermediate farms, ensuring a clear and controlled supply chain.

- 2. Risk methodology for Intermediate Farms:** for cases where there is not much information about intermediate farms, a risk methodology has been developed and applied to prioritise indirect traceability. This approach focuses on identifying and managing risks associated with farms. The aim is to improve traceability and ensure compliance zero deforestation commitments.

These models aim to improve the traceability and transparency of the beef supply chain, reduce the risks of deforestation and ensure compliance with sustainability commitments.

Risk Methodology for prioritising indirect traceability to be applied to all brands (own and national brands)

This methodology was developed in 2023 in several stages.

- The first step was to classify those Brazilian municipalities deemed to be exposed to a higher risk of deforestation. Using as public sources assessments of both past deforestation (Alerta MapBiomas, PRODES, Imazon) and future deforestation potential (based on remaining forests),

as well as data on agricultural CO2 emissions and changes in land and forest use, Carrefour mapped municipalities considered to be at high risk.

- The second stage took into account the analysis of slaughterhouses with federal inspection seals which supply beef to the Carrefour Group. These locations, as well as those of the supplier farms, were geolocated. An indirect sourcing shelf of influence was defined for each of these farms.
- These zones of influence were then cross-referenced with map of municipalities at risk of

Support for regional projects:

To complement its efforts to ensure the absence of deforestation and conversion across its entire value chain, Carrefour has committed to supporting

deforestation, and the locations of indigenous lands and conservation units.

- Finally, priority areas were identified by comparing the volume of supply to each slaughterhouse, the number of farms supplying them and the percentage of farms located in the risk areas.
- These priority areas are those for which the Carrefour Group prioritises full traceability, both in relation to its own brands and its national brands.

regional projects to develop local multi-stakeholder action that addresses the root causes of deforestation and conversion.

Floresta faz Bem Project

Project to promote Amazonian communities by selling products made by indigenous people in stores, supported by dedicated communication and in-store promotion. The group has introduced shelves for the "Floresta Faz Bem" programme, the first exclusive national initiative to promote the sale of products made by indigenous peoples and traditional communities such as Uruará, Cacauré de Mocajuba, and communities bordering the Terra do Meio network and the Madeira and Amazon rivers. The shelves are being tested

in two Carrefour hypermarkets in São Paulo - Paseo Alto das Nações and Jardim Pamplona Shopping. The next one will be in Brasília - Brasília Sul. The products available for sale include organic chocolates, coffee, jams, cocoa, cake preparations and even an Amazon rainforest supershake, which combines local ingredients (such as açai, babassu, nuts, mushrooms, tonka beans and cumari pepper, as well as others).

Instituto Amazônia 4.0

In partnership with the Instituto Amazônia 4.0, the Group will support the next phase of the Laboratoire Créatif de l'Amazonie (Creative Amazonia Laboratory), the Biofactory 4.0, aimed at promoting a new bioeconomy for the region and enhancing the value of products made by traditional and local people. This

investment will support research into and development of solutions for the cocoa and cupuaçu value chains. It will also help train small producers on various topics: entrepreneurship, improving technological and sustainable practices and building Biofactory 4.0.

Idesam

Apuí coffee agroforestry project in Amazonas. Through this project, the company will support the restoration of 255 hectares (equivalent to 2.5 million square metres) by 2027 and increase the incomes of small-scale producers through Robusta coffee

production. The funding will be used in three areas: nursery (seed equipment, structure and network), production (producer and team training) and the processing industry (quality and price improvement).

Imaflora partnership

Project to support the indigenous peoples of the Amazon by setting up instruments to promote and market their products. Actions include structuring the rules of these mechanisms, directly remunerating community organisations, raising funds from other

donors and reporting on progress and impact. Map-Biomas will receive an investment to continue to innovate in monitoring changes in land cover and use through remote sensing technology, with information available to all audiences in an open and free manner.

Development of solutions to tackle deforestation in the cattle industry in the Amazon and the Cerrado

Partnership with the Nature Conservancy NGO (Brazil) to enable the development of solutions to combat deforestation in the cattle industry in the Amazon and the Cerrado. This partnership takes the form of

collaboration with public and private stakeholders and indigenous peoples in key states such as Pará and Mato Grosso, as well as Rondônia. The main objectives of this partnership are greater supply chain

transparency, traceability and support for the development of producer solution centres for settlement, sustainable intensification and access to credit. These measures aim not only to halt deforestation, but also to promote the resilience of ecosystems and production areas, water security and human well-being.

Details of projects supported in relation to beef since 2022:

- Production of sustainable veal in the Mato Grosso region, Amazonia

Since 2022, Carrefour has been supporting a sustainable veal production project in the state of Mato Grosso in Amazonia, in collaboration with the IDH Foundation. This project aims to achieve full traceability for beef from the field to the fork, while ensuring compliance with the Group's purchasing policy. It is a way for Carrefour to involve indirect suppliers in changing practices. The project involves 598 producers and covers 361,559.92 hectares. The first slaughter of fully traced beef took place in July 2021, marking a major innovation in Brazil, with Carrefour Quality Line brand beef being sold in São Paulo, fully traceable via QR code. This initiative is intended to demonstrate the feasibility of this type of product line in advance of a larger-scale roll-out.

- Shortening Links, in Pará, in collaboration with the Brazilian International Institute of Education (IEB) and Terra Maré,

This project aims to strengthen artisanal fishing and preserve marine resources through the training, participatory management and strengthening of four local communities, promoting fair marketing, income generation and appreciation of local products for the benefit of 150 people

- Traceability of "indirect suppliers" of meat packers in Brazil, using the Visipec system.

The main source of deforestation in Brazil is indirect suppliers, which are not bound by current monitoring systems. To address this, the Visipec system was developed to improve traceability, focusing on these indirect suppliers. Carrefour is supporting the project's expansion to include indirect suppliers. The system can be used to map supply chains and measure deforestation, and detect forced labour, protected areas and smallholder farmer involvement. In 2022, Carrefour provided €75,000 of financial support for this project.

The project led to the analysis of 2,701 direct and 14,036 indirect farms, covering 117 municipalities in Pará State and involving 5 slaughterhouses.

The project ended in 2024 with the following results: analysis of direct farms: 2701, analysis of indirect

farms: 14036, in the state of Para, 117 municipalities, 5 suppliers

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

The purpose of this programme is to encourage integrated agricultural production systems in the State of Tocantins, in Brazil's Matopiba region. The project sets out to develop sustainable farming regions by bolstering capacity on the basis of a low-carbon emissions regenerative production model for soybeans and beef, using rural extension services to promote the adoption of an integrated farming-livestock-forest production model. Furthermore, it provides financial incentives to support the low-carbon emissions regenerative production model. Project supported in partnership with International Conservation, Brazil. In 2022, Carrefour provided €75,000 of financial support.

This programme has enabled the recovery of 57,619 hectares, the involvement of 148 producers, the impact of best practices on 89,762 hectares, and the integration of systems over 32,143 hectares.

Plant-based food:

Encouraging people to adopt a more plant-based diet is a major issue for Carrefour. This is consistent with strong societal expectation which sits at the crossroads of major climate issues, the safeguarding of biodiversity, the sharing of resources at global level and major public health issues.

As the first French retailer to launch its own vegetarian range in 2015, the Group now has 115 products – the widest vegetarian range available in supermarkets and smaller retail outlets.

Since 2021, Carrefour has continued to speed up its growth on the imitation-meat segment by launching more than 10 innovations, thus meeting consumers' growing desire to "Eat better" and "Consume better". These products are available in all countries with Group operations, and in all formats.

In early 2022, Carrefour opened the first vegan "butcher's" shop in France and now offers its customers a range of meat-free products including mince, chicken-style nuggets and vegan burgers. Then in March, Carrefour kicked off its new international Plant-based Contest, aimed at the most innovative start-ups involved in producing plant-based food.

In the same year, Carrefour teamed up with Danone and the WWF for the "Monday is veggie day, but also Tuesday, Wednesday..." campaign. The purpose of the initiative to promote the consumption of plant-based protein and to get us all onto a more vegetable-based diet.

For more information: see the thematic “Carrefour Group Climate Plan” report in the CSR library: <https://www.carrefour.com/fr/rse/bibliotheque-rse>

5.4 Coalitions and partnerships

- Consumer Goods Forum (CGF) Beef Coalition
- National strategy to tackle imported deforestation (SNDI)
- CFA (Collaboration for Forests and Agriculture): this initiative is a collaborative effort involving the World Wildlife Fund (WWF®), The Nature Conservancy (TNC) and the National Wildlife Federation (NWF), funded by the Gordon & Betty Moore Foundation. Via the CFA, Carrefour Brazil is involved in applying the CFA Operational Guidance, which helps companies implement deforestation and free conversion commitments (DCF) for beef and soy in the Amazon, Cerrado and Chaco biomes
- Coalizão Brasil Florestas
- GTPS (working group on sustainable cattle) since its creation in 2007
- Indirect Suppliers Working Group (GTFI) since 2017
- Boi na Linha Protocol
- Group of Cerrado Protocol

6. Cocoa

6.1 Background and transparency

Carrefour uses cocoa in many product categories, including grocery counters (chocolate bars, biscuits, etc.), pastries, ice cream, and fresh produce such as milk-based desserts. Cocoa has been identified as a priority raw material in the Group’s policy on tackling deforestation. Carrefour has focused its actions on chocolate bars, the products with the highest cocoa footprint.



Chocolate bar footprint (France, Belgium, Spain, Italy): 3,047 tonnes in 2019

Origins (cocoa paste): Côte d’Ivoire, Ghana, Dominican Republic, Peru, Brazil

6.2 Objectives and performance

Targets:

Carrefour has set itself the goal of making all of its own-brand chocolate bars sustainable and traceable

from the planter to the consumer, thereby tackling deforestation, eliminating child labour at cocoa plantations and providing better remuneration for planters.

Category	Target	Deadline
Cocoa	100% of Carrefour own-brand bars to comply with our Sustainable Cocoa Charter ¹⁵	2023

To go further, Carrefour is mobilising upstream stakeholders in its supply chains (cocoa traders) to share its ambition to tackle deforestation as close as possible to production areas.

Category	Target	Deadline
Trader traceability and assessment	100% of key traders (upstream stakeholders trading agricultural raw materials) to be assessed and working towards compliance with the forest policy ¹⁶	2025

¹⁵ In France, Belgium, Spain and Italy.

¹⁶ Palm oil, soy, wood and paper, Brazilian beef, cocoa.

Performance:

Indicator – Cocoa	2020 value	2021 value	2022 value	2023 value	Change	Target
Percentage of Carrefour own-brand chocolate bars that comply with our sustainable cocoa charter	New	30.8%	31.4%	31.6	+0.3 pts	100% by 2023
100% of key traders assessed to comply with our policy by 2025	-	100%	100%	100%	-	100% by 2025
Share of key traders making progress to comply with our policy by 2025	-	Assessment based on 2022		33%		100% by 2025

Following the creation of a sustainable cocoa charter for its chocolate bars, in 2021 the Group reported for the first time the proportion of cocoa paste that is in compliance with this charter for bars sold in Belgium, Spain, France and Italy. As of 2022, the increase in the share of sustainable cocoa pulp is behind target.

6.3 Action plans

In supply chains:

Carrefour is supporting all of its suppliers to achieve its targets by establishing a Cocoa Commitment Charter. This describes requirements around:

- tackling deforestation (2018 reference deadline)
- tackling child labour
- fairer remuneration for planters
- traceability and transparency

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

In addition, the Carrefour Group has been a partner of the CÉMOI Transparence Cacao programme since it was created. It has now been applied to 27 Carrefour own-brand bars, including 8 products sold under the Bio brand. This programme contributes to combatting deforestation and improving the living and working conditions of farmers involved in growing cocoa. The cocoa paste produced from cocoa beans can be completely traced from the planter to the consumer.

Upstream stakeholder engagement:

Carrefour is also mobilising stakeholders further upstream in the supply chains through the Retailer

Cocoa Collaboration (RCC). Since 2019, this retailers platform has aimed to initiate a dialogue between cocoa retailers and traders to promote transparency and progress towards sustainable cocoa production. Implementation of this annual evaluation programme will make it possible to:

- Measure the progress of cocoa traders with respect to the eight core principles of the Cocoa and Forests Initiative (CFI);
- Ensure that retailers all use the same evaluation method;
- Make more informed decisions in relation to cocoa sourcing.

Working with stakeholders to develop common rules:

In 2021, Carrefour joined the French Initiative on Sustainable Cocoa (IFCD), which covers chocolate produced, consumed or marketed in France. The French Initiative on Sustainable Cocoa covers cocoa from the main supply countries of the French cocoa and chocolate industry, first and foremost Côte d'Ivoire, Ghana, Nigeria and Cameroon, but also countries in Latin America and Asia. This partnership includes international stakeholders from both the private and public sectors, starting with states and government agencies, as well as cocoa growers' organisations, local traders and other partners in the sector in cocoa-producing countries, which have to collaborate effectively.

6.4 Coalitions and partnerships

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

7. APPENDIX

Stakeholder	Associated challenges	Relationships maintained and levers of engagement	Example of initiative and main stakeholders
Indirect producers	Traceability for stakeholders in supply chains beyond tier 1 Integration of sustainability criteria and roll-out of best practices within production chains	Establishment of lines with full traceability Implementation of regional approaches	Inclusion of criteria for zero-deforestation soy in the specifications for producers of key own-brand products Regional project in partnership with IDH for regional monitoring of calf production in Brazil (Mato Grosso)
Direct suppliers (manufacturers, slaughterhouses, etc.) and national brand suppliers	Supplier commitment to implementing ambitious policies on tackling deforestation Supply monitoring, compliance with Carrefour Group sustainability criteria and exclusion of products linked to deforestation Engagement of national brands in efforts to tackle deforestation	Integration of requirements through the business relationship for own-brand suppliers (product specifications) Evaluation and monitoring to exclude products linked to deforestation Voluntary commitment within the Food Transition Pacts at Group and country level and through the CGF	Definition of supply criteria, CSR and food transition purchasing rules and ambitious targets for own-brand products Geomonitoring of beef suppliers in Brazil Joint evaluation within the CGF involving national brands in defining joint requirements
Traders	Commitment by traders to implement ambitious policies to tackle deforestation Supply monitoring, compliance with Carrefour Group sustainability criteria and exclusion of products linked to deforestation	Evaluation of policies to tackle deforestation under the CGF and the RCC Engagement of key traders identified through meetings, letters, webinars, etc.	100% of key traders assessed via STC, POTC, RCC and CGF Beef Coalition
Regulators and certification authorities	Full traceability of certified products Reduction in the gap between premium certified products and conventional products linked to deforestation	Participation in standards review committees Support for local initiatives (RTRS in Brazil) Regular dialogue (bilateral or within platforms)	RTRS, RSPO, FSC, Rainforest Alliance/UTZ, Proterra, Max Havelaar Executive Director of Carrefour Spain appointed FSC National Ambassador for Forests
Governments and ministries	Collaboration to define common requirements to improve market standards	Participation in joint initiatives such as SNDI, CST on Soy, IFCD (French Initiative on Sustainable Cocoa), GTPS (working group on sustainable cattle) on beef in Brazil etc.	Soy and cocoa manifestos launched with the French government.

Stakeholder	Associated challenges	Relationships maintained and levers of engagement	Example of initiative and main stakeholders
Retailers	<p>Collaboration to define common requirements to improve market standards</p> <p>Joint initiatives to facilitate large-scale implementation of the solutions identified</p>	<p>Collaboration as part of joint initiatives</p>	<p>CGF, co-lead of the Forest Positive Coalition, joint evaluation of soy traders via the Soy Transparency Coalition and palm oil traders via the Palm Oil Transparency Coalition, development of a single beef evaluation system.</p> <p>Joint evaluation of cocoa traders via the Retailer Cocoa Collaboration.</p> <p>Working group of French retailers on the Soy Manifesto.</p>
Ratings agencies and investors	<p>Carrefour transparency with regard to its action plans and targets, enabling performance to be assessed in a comparable manner</p> <p>Carrefour involvement in the definition of and compliance with international standards and benchmarks to accelerate market transformation</p>	<p>Regular bilateral dialogue</p> <p>Response to questionnaires</p> <p>Reaction to controversies</p>	<p>CDP Forest, Vigeo Eiris, ISS Oekom, Sustainalytics, etc.</p> <p>Individual investors (e.g. BNP-PAM)</p>
NGOs	<p>Reconciliation of Carrefour's objectives with civil society expectations</p>	<p>Regular bilateral dialogue</p> <p>Inclusion in multi-stakeholder panels</p>	<p>WWF, Mighty Earth, Canopy, Global Canopy, Earthworm Foundation, NWF, Imaflo- ra, Greenpeace, Proforest, Tropical Forest Alliance, Rainforest Foundation Norway, etc.</p>
Employees	<p>Internal mobilisation on forest issues</p> <p>Leadership of goods teams</p>	<p>Mobilisation of departments through the Committee on CSR and Food Transition Purchasing Rules</p> <p>Mobilisation of teams via webinars, country committees, and CSR and food transition rules</p> <p>Engagement of countries where Carrefour operates via the Forest Committee with one forest ambassador per country nominated</p>	<p>Club of committed ambassadors to encourage internal mobilisation on food transition issues</p> <p>Roll-out of CSR and food transition policies integrated into the training process for teams</p> <p>Forest targets included in the CSR and Food Transition Index, impacting variable remuneration for executives</p>

Stakeholder	Associated challenges	Relationships maintained and levers of engagement	Example of initiative and main stakeholders
Customers	<p>Mobilisation of consumers on forest issues</p> <p>Making efforts to tackle deforestation and the food transition a reality for customers</p> <p>Free deforestation products affordable for all</p>	<p>Communications events on forest issues in stores and via online webinars with committed consumers</p> <p>Roll-out of solutions to tackle deforestation without impacting the final price</p>	<p>Club of committed consumers aims to raise customer awareness of food transition topics such as forest preservation</p> <p>Regional project in Brazil with an affordable, 100% traced veal</p> <p>Pooling of tools between retailers to provide safe products for customers</p>



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