

2012
Registration Document
Annual Financial Report



2012 REGISTRATION DOCUMENT

Annual Financial Report



This registration document has been filed with the *Autorité des Marchés Financiers* (AMF) on April 4, 2013, in accordance with article 212-13 of the General Regulations of the AMF. It may be used to endorse a financial operation in conjunction with a prospectus certified by the AMF. This document has been established by the Issuer, and is binding on its signatories.

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2.1 CSR's governance

2012 was characterised by a change in the governance of Corporate Social Responsibility ⁽¹⁾ (CSR) instigated by Georges Plassat after he stepped into the role of Group Chairman and Chief Executive Officer. This reworking of its sustainable development strategy against a background of organisational change within the Group confirms Carrefour's increased commitment to this issue. In practical terms, it has resulted in a number of key management actions in 2012, including:

- the creation of a dedicated Quality and Sustainable Development Committee;
- the launch of a plan to combat waste;
- use of the ISO 26000 standard as a benchmark for our CSR approach's content;
- the inclusion of a CSR target in the variable portion of Executive directors' remuneration .

2.1.1 AN APPROACH FRAMED BY BROAD FUNDAMENTAL PRINCIPLES

The Carrefour Group's governance methods are described in pages 84-133 of the Registration Document/management report.

2.1.1.1 PRACTICES GUIDED BY FUNDAMENTAL TEXTS

The Carrefour Group is committed to operating within a framework that respects human rights, and bases its actions on the adoption and promotion of fundamental international principles, including, amongst others:

- the Universal Declaration of Human Rights;
- the main Conventions of the International Labour Organization (ILO) with regard to fundamental rights;
- the OECD's guiding principles;
- the principles of the Global Compact, of which the Group has been a member since 2001 .

Carrefour is committed to compliance with all of these principles, taking into account the local context and the regulations of the countries in which it operates. It also ensures that its suppliers comply with these same principles.

2.1.1.2 MANAGING ETHICS WITHIN THE BUSINESS

In response to stakeholders' increasing expectations regarding transparency and ethics, the business's ethical system was reviewed in detail in 2009, based on a **Code of Professional Conduct and on Ethics Committees** at Group and Country level.

This approach is also involved in boosting internal control within Carrefour as formalised in the framework of Group rules, which makes explicit reference to the Code of Professional Conduct and the Ethics Committees.

(1) CSR: Corporate social responsibility (CSR) is the contribution made by businesses to Sustainable Development issues. For businesses, the approach involves taking the social and environmental impact of their activities into consideration so as to adopt the best practices possible and to thus help improve society and boost environmental protection.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.1.1.3 CODE OF PROFESSIONAL CONDUCT

The Carrefour Code of Professional Conduct, which was produced following a benchmarking exercise on best practices, is based on a series of consultation sessions with various internal stakeholders. It provides a simple, consistent joint frame of reference that sets out the Group's values and commitments, set out in a concise, dedicated document featuring 10 principles that are applicable to all employees: *strictly comply with the law, contribute to a safe, healthy working environment, make a commitment to diversity and working conditions that respect everyone's needs, protect the business's assets and resources, guarantee the confidentiality of the business's data, avoid conflicts of interest, reject any form of corruption, develop fair and transparent commercial practices, ensure reliable and accurate reporting and be an ambassador for Carrefour.*

Its goal is to formalise both a framework within which the Carrefour Group can carry out its business activities and ethical rules according to which all Group employees must perform their professional activities on a daily basis.

All Carrefour Group employees commit themselves to abiding by the Code and the principles it sets out with regard to actions and behaviour. Executive directors are responsible for disseminating the Code and ensuring its implementation within their area of responsibility. It is backed by a series of questions that individuals should ask themselves so as to ensure Code compliance in their day-to-day activities.

Several aids have been developed and disseminated within the Group as part of the roll-out of the Code of Professional Conduct, including a booklet, posters, an implementation kit for managers and an area on the Carrefour intranet.

The Code of Professional Conduct has also been translated into the local languages of the various countries in which we operate.

An e-learning course has been produced and initially rolled out to all Group directors to support employees' dissemination and assimilation of the Code of Professional Conduct's principles.

2.1.1.4 ETHICS COMMITTEES

The Group Ethics Committee functions as the body responsible for overseeing and assessing application of the principles set out in the Carrefour Code of Professional Conduct.

It is chaired by the Chief Human Resources and Organisation Officer. Other members include the Secretary General, the Group Legal director, the Executive director for Convenience Stores and Promocash and the Risks and Compliance director. This committee ensures the dissemination and understanding of and compliance with the Code of Professional Conduct throughout the Group. It reviews and issues opinions on all ethical matters related to the way in which Carrefour's activities are managed. It monitors the proper functioning of the Country Ethics Committees and alert systems, while guaranteeing the necessary conditions for their independence.

The organisation, principles, roles and responsibilities of the Group Ethics Committee are defined in a Charter. The minutes of each meeting are sent to the Chairman and Chief Executive Officer.

The Group has set up an Ethics Committee in each country in which it operates in order to ensure a coherent, consistent approach across the business.

The Country Ethics Committees are the local bodies in charge of monitoring compliance with the Group's Code of Professional Conduct's principles. They adapt the policies and broad guidelines approved by the Group Ethics Committee. The composition of the Country Ethics Committees is defined by the Group Ethics Committee and must be strictly adhered to in all countries. Each Country Ethics Committee is composed of four members appointed by the Country Executive director:

- Chief Human Resources and Organisation Officer;
- the Legal Affairs director, who also acts as secretary;
- the Risk Prevention director/manager;
- an Operations director.

A single Ethics Committee handles the entire geographic and operational scope of the "vertical" operations (Carrefour Property and financial services). Like the Country Ethics Committees, it is also composed of four members who are appointed by the director in charge of operations, with roles and responsibilities, principles and governance identical to those of the Country Ethics Committees. They are responsible for issuing opinions on ethical questions within their entity.

The organisation, composition, principles, roles and responsibilities of the Country Ethics Committees are defined in a Charter, and the minutes of each meeting are sent to the Risks & Compliance director.

The Country Ethics Committees rely on professional misconduct/malpractice alert systems set up in most Group countries, in accordance with local regulations.

These systems operate both internally and externally to inform the Country Ethics Committee of any behaviour or situation that runs counter to Carrefour's ethical principles. If such a situation does arise, the Ethics Committee launches a detailed investigation and a remedial action plan.

2.1.1.5 COMBATING CORRUPTION

The rejection of corruption in any form is one of the 10 principles set out in Carrefour's Code of Professional Conduct, and, on this basis, it is included in the Group's various aids and tools, such as its e-learning courses.

Carrefour joined the United Nations Global Compact in 2001 and is committed to compliance with the guiding principles of the OECD. These texts cover corporate ethics, including combating corruption.

As part of its efforts to strengthen its ethics commitments and to share best practices, the Carrefour Group is also involved in the work of the Business in Society Commission in the French section of



the International Chamber of Commerce (ICC France), with a specific focus on anti-corruption efforts. Carrefour has also belonged to Transparency International (France) since 2009.

Furthermore, rejecting any form of corruption is one of the commitments signed by Carrefour Group suppliers through the Social and Ethical Charter, which is aimed at suppliers of Carrefour products, and the Ethical Charter, which is aimed at all other suppliers.

In a further step, in 2012 the Group Ethics Committee launched the introduction of statements of independence for those involved in the purchasing process .

2.1.2 VISION OF CSR

2.1.2.1 VISION

The Carrefour Group's vision of a responsible business is one that boosts its own success while taking a commonsense approach that benefits everyone, from customers to local communities, neighbours, employees, investors and, more generally, society as a whole. Within this broad framework, Carrefour listens to whatever its customers have to say so as to offer them high-quality products while gradually moving toward across-the-board sustainable development.

To ensure that this vision of social responsibility provides our customers with tangible benefits, the Group carried out a fundamental review of its social-responsibility governance in 2012. The Executive Management teams have been tasked with gaining an increasingly detailed understanding of their customers' expectations and with working together at local level to implement an action plan. These short-term actions form part of a long-term vision defined by General Management at the highest level. Going forward, our short-term actions and long-term vision will complement each other, with the former creating immediate value in line with its environment and the other setting our actions in a meaningful context.

2.1.2.2 A CSR STRATEGY UNDERPINNED BY THE ISO 26000 STANDARD

In July 2012, an assessment of the Carrefour Group's responsibilities was carried out on the basis of the seven central questions laid down in the ISO 26000 standard . The Group opted to use an international standard to ensure that its strategy was clear, transparent and easily comparable.

The assessment is presented in the form of a diagram with seven branches, one for each of the seven central questions, and identifies all areas relating to the protection of human rights, environmental

protection, ethics, local integration and the range of products and services on offer. Based on this assessment, the Carrefour Group is now working on developing a comprehensive vision of the retailing business. The Group is working in conjunction with a panel of expert advisers and its stakeholders to define an ambitious, long-term position for each sustainable development issue it faces, which will be expressed in tangible terms through short-term local actions.

The issues and challenges the Carrefour Group is working on are numerous, and include the social and environmental conditions under which products are manufactured; Carrefour's relationship with its suppliers; reducing its environmental footprint and the nuisances associated with its transport activities and store operations; working conditions for employees, along with fair compensation that motivates their performance; promotion of responsible consumption; promotion of local employment; integration into the local economic fabric; and sponsorship to support the communities in which we operate.

2.1.2.3 PLAN TO COMBAT WASTE

Reducing waste, a major social issue, should help cut the consumption of non-renewable resources and contribute to protecting the quality of life for the nine billion inhabitants that the world will have to support by 2050. In order to achieve this, Carrefour drew up an ambitious waste-reduction plan in September 2012.

The plan aims not only to cut expenditure, but also to involve the Group's customers and partners. Based on the principle of subsidiarity, which underpins Carrefour's organisational structure, Country Executive Management teams have produced their own action plans for 2013 within the general framework of the overall plan. They are also responsible for involving all managers and, through them, all Group employees. All Carrefour business functions are affected.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.1.3 CSR GOVERNANCE TOOLS

2.1.3.1 DEDICATED SUSTAINABLE DEVELOPMENT DEPARTMENT

Carrefour's sustainable development policy is a core part of the highest level of the Group's business and is supported by an organisational structure that serves all business functions, countries and banners. This ensures that it is rolled out to all employees.

Organisation and mission

The Carrefour Group created its Sustainable Development department in 2000. Since 2011, a Quality and Sustainable Development department has been responsible for both the Sustainable Development department and the Quality department. Corporate Social Responsibility is managed by Carrefour's General Secretary. He works in conjunction with the Sustainable Development, Quality and Public Affairs departments and with the Carrefour Foundation to implement policy within the Executive Management teams. The Human Resources department has an Employee Relations department to deal with employee-related CSR topics, in close cooperation with the General Secretary.

The Sustainable Development department defines the Group's social responsibility strategy, leads its deployment, initiates projects and therefore deals with matters at the business's highest level. Its role is to define long-term goals, consolidate results from the Executive Management teams and disseminate best practices both internally and externally. It maintains contact with the country management teams to ensure that actions agreed locally are aligned with Carrefour's goals.

2.1.3.2 CSR'S INTEGRATION INTO ALL BUSINESS FUNCTIONS

The Group's Quality and Sustainable Development department works in close collaboration with the Group's country-level operational and cross-functional departments: European Public Affairs, Quality/Merchandise, Purchasing, Human Resources, Marketing, Communications, Assets and Logistics. All business lines are involved in implementing the Group's Sustainable Development approach. The Group also calls on the support of scientists and outside experts to carry out its mission.

2.1.3.3 IMPLEMENTATION IN COUNTRIES AND BANNERS

The Sustainable Development department has local coordinators in the various countries to promote the Carrefour Group's strategy internationally. In cooperation with the Business Units' operational and cross-functional departments (Quality, Assets, Logistics and

Human Resources), these coordinators are responsible for the operational roll-out of the sustainable development policy to reflect the local situation. They are also responsible for reporting on the actions implemented within the BU. The Group Sustainable Development department coordinates this network of contacts through regular meetings with representatives in European countries and videoconferences with international coordinators (Latin America and Asia). These meetings enable discussions about policies established by the Group, major topical issues, best practices and indicators, most of which are reported on a quarterly basis.

2.1.3.4 QUALITY AND SUSTAINABLE DEVELOPMENT COMMITTEE

A Quality and Sustainable Development Committee was created in November 2012 at the instigation of the Chairman and Chief Executive Officer . Its aim is to develop a vision of Carrefour's role within society and to ensure that everyone respects its fundamental positions. The Quality and Sustainable Development Committee is chaired by Carrefour's Chairman and Chief Executive Officer and comprises the General Secretary, Group Communications director, Group Human Resources director, Group Merchandise director, Group Quality director and the director for Belgium. It represents an essential means of integrating Corporate Social Responsibility into the Group's management.

The agenda for the committee's first meeting included three major topics: social responsibility in the supply chain, combating waste and crisis management.

2.1.3.5 A CSR TARGET IN VARIABLE REMUNERATION

A CSR target has been included in the variable portion of managers' remuneration since 2012. Last year's assessment was based on employee commitment and reduced energy consumption. A CSR element will again be included in individual objectives in 2013. These objectives will include a criterion on human resources management, which will be used to assess the extent to which managers are involved in their employees' development and training, commitment and promotion of diversity.

2.1.3.6 CSR TRAINING FOR COMMITTED EMPLOYEES

To encourage employee involvement, programmes aimed at raising awareness of sustainable development are offered on a regular basis.



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In 2012, Carrefour Property added three training courses to its catalogue, designed to improve its employees' skills in environmental areas: the environmental approach's fundamental principles, improving buildings' energy performance and new environmental regulations .

A special one-day training module was developed in 2009 for all Supply Chain France teams to raise awareness and inform employees of our sustainable development objectives and the actions to be taken in their business area to achieve them. Some 85% of employees who have taken this training course said they were "very satisfied" with it .

In Italy, the in-house journal *Noi Carrefour (We Are Carrefour)* deals with CSR-related topics on a regular basis. A story in the form of a cartoon strip also illustrates CSR topics as they are experienced by employees in their day-to-day work.

Italy continued its APE "We Like to Protect the Environment" programme in 2012, following on from its launch in 2009. Aimed at employees in Carrefour Italy's head office, the programme raises awareness amongst all employees about respecting and protecting the environment through individual and collective actions. Everyone can participate by taking the environmental actions suggested, such as turning off lights, electrical devices and office equipment,

recycling waste, saving water and more, thus jointly saving energy and cutting costs at head office.

Working in partnership with the Akatu Institute, the main NGO for responsible consumption, Carrefour Brazil has introduced a training programme aimed at store employees. The two main subjects addressed are rational consumption of natural resources and the importance of sorting waste.

In Argentina, the national corporate social responsibility programme *Sumando Voluntades* has aimed to raise awareness and motivate all employees at head office and in the stores to take action on environmental protection, nutrition and social integration since 2009.

The Sustainable Development Awards organised in France since 2009 have rewarded the best actions relating to sustainable development taken by stores and support teams. Participants include not only teams from various stores (hypermarkets, supermarkets and convenience stores), but also from support functions (Supply Chain, Carrefour Property, Merchandise and Promocash) and head offices. Four awards are presented – for Waste Management, Saving Resources, Responsible Consumption and Citizenship – following a vote by customers and consumers.

2.1.4 A SHARED GOAL WITH OUR STAKEHOLDERS

Carrefour engages in on-going dialogue with its stakeholders through its Sustainable Development department at Group level and through the Business Units and stores at local level. Conducted both upstream and downstream, this consultation identifies and anticipates stakeholders' expectations to prevent risks, defuse conflicts and exchange views, in order to identify pragmatic and effective solutions.

2.1.4.1 CONSULTATION SESSIONS WITH CARREFOUR STAKEHOLDERS

As part of the assessment carried out in accordance with the ISO 26000 standard in July 2012, Carrefour updated its stakeholders' map and decided to set up a joint consultation body to ensure that it listened to them effectively and engaged in more meaningful discussions. Since January 2013, consultation sessions with

Carrefour's stakeholders have been organised on a regular basis, with attendees including NGOs, customers, representatives of the French Ministry of the Environment and Ministry of Agriculture, agricultural (Carrefour Quality Line) producers, processed food suppliers and the rating agencies. The first consultation session, on biodiversity, took place on January 25, 2013. The event gave Carrefour's teams the opportunity to share a number of social-issue achievements, such as developing the offer and promoting the range of responsible products, responsible consumption amongst consumers and the Group's commitment to protecting biodiversity. The consultations also help to support the emergence of new ways of taking action in partnership with the stakeholders concerned.

They are also an opportunity for stakeholder representatives to put their questions directly to Carrefour's main senior managers and experts.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.1.4.2 TRANSPARENCY WITH REGARD TO THE FINANCIAL COMMUNITY

Today, the assessment of a company's performance by investors almost always includes an extra-financial aspect. Indeed, an assessment of the Company's intangible value makes it possible to measure its ability to develop over the long term by taking into consideration regulatory changes, consumers' expectations, image risk, resource availability, company governance and more.

Although many investment firms have created Socially Responsible Investment (SRI) funds comprised only of companies that meet the criteria defined for such funds, most investment schemes, even if

they are not strictly considered SRI funds, include environmental, social or governance information in addition to purely financial data.

Working closely with the Group's Financial Communications department, the Sustainable Development department responds to requests for interviews as well as occasional requests for information concerning policies and initiatives launched by the Group's various businesses. They also respond to questionnaires from the main rating agencies.

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2.1.4.3 SHARING VALUE

INCOME

Customers	Partners	Financial income
Carrefour's sales excluding tax reached €76,789 million (excluding customer loyalty programmes – €662 million) in 2012.	€2,333 million Other miscellaneous income for Carrefour: income from financial companies, leasing revenues and various other incomes.	Carrefour earned €81 million from its financial and strategic investments in the form of interest and dividends.

EXPENSES

Trade payables	Employees	Government and local communities	Financial institutions	Shareholders
Carrefour spent €66,701 million on goods and services from suppliers.	The Carrefour Group spent almost €7,566 million on its 364,969 employees in 12 countries. This amount includes gross salaries, social security charges and benefits.	Carrefour paid a total of €1,058 million in taxes, including €543 million in corporate income tax.	Charges – mainly linked to financial transactions – were €964 million.	The Carrefour Group paid: <ul style="list-style-type: none"> • €137 million in dividends to parent-company shareholders. • €121 million to minority shareholders in other Group companies.

2.1.4.4 SPECIAL PARTNERSHIPS WITH NGOS

For over a decade, Carrefour has built long-term partnerships with organisations that enable it to combine its own specialists' skills with those of outside experts in order to work more effectively and constructively. Far from being a mere joint reflection exercise, this cooperation has an operational impact: experts from NGOs contribute, alongside Carrefour employees, to developing and implementing the Group's sustainable development policy.

Initially established in 1997 to protect forests, the partnership between Carrefour and WWF France has gradually expanded to include environmental issues related to the exploitation of natural

resources, based on two main pillars: developing responsible supply chains for such products as timber, paper, soya, palm oil, pesticides, seafood and gold, and supporting and promoting responsible consumption amongst consumers. Since 2010, the WWF has helped Carrefour to formally establish its responsible supply policy for forestry products, with a commitment charter that has been distributed to suppliers (see page 44). The partnership with the WWF has also resulted in numerous initiatives to raise awareness amongst consumers, using various media including the Carrefour website, the "100% Committed" newsletter and such magazines as *Kid's Mag* and *Carrefour Kids*.



The partnership of almost 20 years between Carrefour and the international trade-union federation Union Network International (UNI) resulted in the May 2001 signing of an international agreement on respect for fundamental rights and the recommendations laid down in the guidelines produced by the International Labour Organization (ILO), in particular in relation to trade-union freedoms and the right to collective negotiation. The agreement was renewed in 2011 and applies in all countries where the Group operates.

Carrefour has also worked in partnership with the International Federation of Human Rights (FIDH) since 1997 as part of its commitment to respect the basic rights laid down by the International Labour Organization. This cooperation has been formalised through the creation of a joint association: INFANS. In 2000, it was expressed in tangible terms through the development of a Social Charter binding Carrefour suppliers. Since 2002, INFANS has supported Carrefour's prescriptive approach by participating in the establishment of a system to ensure respect for the ILO's fundamental principles and human rights in the supply chain, primarily through the introduction of a social-audit programme for Carrefour suppliers, carried out by firms of independent experts. To ensure that labour relations practices do actually change, Carrefour and the IFHR have also developed training courses as part of a long-term programme of support for suppliers to help them implement a socially responsible approach. INFANS regularly carries out investigative assignments in the countries from which Carrefour sources products to assess working conditions and how they have changed.

2.1.4.5 ACTIVE PARTICIPATION IN PUBLIC DEBATE

Signing the European agreement on waste

Carrefour signed the REAP Forum commitments to combat waste in December 2012 following a European consultation session; over 20 European companies in the sector have signed the agreement to date.

The Group has made a commitment to conducting at least two awareness-raising initiatives on food waste at European level by 2014. These initiatives will focus primarily on:

- conducting at least two awareness-raising initiatives on food waste at national level by the end of June 2014;
- their main initiative will be to offer consumers:
 - advice on ways of reducing the food waste they generate: for example, how to manage, store and use food more efficiently,
 - information on the real meaning of use-by and best-before dates, in line with the messages conveyed in information campaigns run by the European Commission and the French Ministry of Agriculture and Food Processing, and, if appropriate, using the tools made available in this context,
 - marketing tools designed to reduce consumer food waste, such as shopping lists aimed at consumers and information on prevention.



2.2 Social responsibility

Inspired by the Group's goal of being "the employer of choice" everywhere it operates, the Carrefour Group's Human Resources department has set itself the task of boosting its customer-service culture and improving its employees' performance. As part of this, the Group continued to develop two priority strategic areas in 2012:

- acting as a responsible employer;
- developing the potential of Carrefour's men and women and rewarding them .

ACTING AS A RESPONSIBLE EMPLOYER

Promoting diversity, prioritising rich, positive social dialogue, promoting well-being in the workplace and establishing the relationship between operational excellence and employee fulfilment are all areas where the Group has emphasised its actions in order to be recognised as a benchmark company and to act as a responsible employer.

DEVELOPING AND REWARDING THE GROUP'S MEN AND WOMEN

From training to development and fair remuneration that motivates employees to perform well, the Group has prioritised the production of straightforward operational policies and programmes based on the conviction that career management, training and recognition of its men and women are key elements in the Group's performance.

The key figures, principles and priorities of these strategic areas are described and illustrated by policies and practices at Group and local levels.

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2.2.1 CARREFOUR'S MEN AND WOMEN

At year-end 2012, Carrefour had 364,969 employees in 12 countries. This section sets out details of the Carrefour Group's workforce in 2012 and like-for-like changes.

2.2.1.1 WORKFORCE PRESENTATION

Breakdown of workforce by geographic region

Workforce by geographic region	12/31/2012	12/31/2011	Change 2011/2012
Europe region	206,580	216,354	(4.5)%
Latin America region	86,672	86,028	0.7%
Asia region	71,717	68,621	4.5%
TOTAL GROUP	364,969 <input checked="" type="checkbox"/>	371,003	(1.6)%

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Breakdown of workforce by format

Employees by format	12/31/2012	12/31/2011
Hypermarkets	64.9%	64.9%
Supermarkets	18.2%	18.0%
Others	16.9%	17.1%
TOTAL	100%	100%

Workforce by age group

Workforce by age group	12/31/2012	12/31/2011
> Age 65	0.1%	0.1%
Age 65 ≥ age > 60	0.6%	0.5%
Age 60 ≥ age > 55	3.3%	2.8%
Age 55 ≥ age > 50	6.2%	5.6%
Age 50 ≥ age > 45	9.5%	8.8%
age 45 ≥ age > 40	12.9%	11.9%
Age 40 ≥ age > 35	14.7%	14.3%
Age 35 ≥ age > 30	16.3%	15.8%
Age 30 ≥ age > 25	16.5%	17.5%
Age 25 ≥ age > 18	18.5%	22.2%
< Age 18	1.4%	0.5%

Breakdown by gender (male-female)

The Carrefour Group had 57% women in the workforce at the end of 2012. The Group's active policy of promoting equal treatment of men and women is described on page 26.

Proportion of women by category	12/31/2012	12/31/2011
Senior Directors	11.2%	10.8%
Directors	20.9%	19.8%
Managers	36.7%	35.5%
Employees	59.7%	59.5%
TOTAL GROUP	57.0%	56.7%

Breakdown of workforce by category and type of contract

Workforce by category	12/31/2012	12/31/2011
Senior Directors	0.1%	0.1%
Directors	0.5%	0.5%
Managers	10.7%	10.3%
Employees	88.7%	89.1%

Workforce by type of contract	12/31/2012	12/31/2011
Permanent contact	93.6%	92.4%
Fixed-term contract	6.4%	7.6%



New hires and departures

Number of new hires	2012	2011
Permanent contract	96,786 <input checked="" type="checkbox"/>	94,406
Fixed-term contract	69,664 <input checked="" type="checkbox"/>	56,380

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Departures by reason	2012	2011
Dismissal	22,408	28,128
Resignation	55,116	52,206
End of probation period	23,640	28,873

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2.2.2 ACTING AS A RESPONSIBLE EMPLOYER

2.2.2.1 A PROACTIVE POLICY

Diversity is an integral part of Carrefour's economic model. Since its creation, the Group has been committed to reflecting the diversity of society and the communities in which it operates. With some 100 nationalities represented, diversity is a reality at Carrefour: its teams are made up of men and women of all ages, all backgrounds and varied career paths.

Promoting diversity and equal opportunity

Since its creation, the Group has pursued a proactive policy of promoting diversity and equal opportunity, starting with recruitment and continuing throughout its employees' careers. Carrefour ensures fair treatment of its employees' careers and implements best practices designed to encourage equality between men and women, local employment and the recruitment of young people (regardless of whether or not they have qualifications), people excluded from the workforce and the disabled, as well as maintaining older workers in employment.

This key Group commitment is the responsibility of the Executive director for Human Resources and Group Organisation, while Human Resources directors in each country are tasked with the mission of promoting diversity.

In France, this commitment resulted in the 2004 signing of the Corporate Diversity Charter, the Code of Professional Conduct and the Parenting Charter, and the 2008 signing of a diversity and social cohesion agreement for the hypermarkets and an agreement on employment for the disabled in hypermarkets, supermarkets and logistics. In other Group countries, promoting diversity primarily takes the form of action plans and agreements with local associations to support the recruitment of people from a

wide range of backgrounds. In particular, the Group works in close partnership with Ekon in Poland and Once in Spain on recruiting the disabled .

Raising awareness of non-discrimination

Combating discrimination is primarily a question of providing training and raising awareness amongst all Group employees, with particular attention paid to management training, especially in relation to recruitment. In 2012, Carrefour's various entities developed or continued to pursue actions that reflected their local context.

Various actions were taken in Brazil in 2012, including the approval of Carrefour's policy on promoting diversity, making non-discrimination a topic in the induction programme, specific training for in-store ambassadors and the launch of a wide-ranging awareness-raising campaign, "We are the face of diversity."

Spain has developed a special training programme on equal treatment, harassment and gender-based violence for managers and employees.

In France in 2012, managers in 40 hypermarkets, primarily in the Ile-de-France region, attended a training course on professionalising recruitment, during which each delegate had the opportunity to review the rules of objective evaluation and the legal framework surrounding non-discrimination . The training course will be rolled out to new stores in the first quarter of 2013. An experimental study of hypermarket employees from all backgrounds on work/study contracts is currently underway, meant to identify the impact of potentially discriminatory behaviour on employees' performance.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Special programmes targeting respect for equal treatment of men and women

The Group has developed ways of organising work that enable people to reconcile their working and family lives (including work schedules organised in blocks and job versatility; see page 33) and are of particular benefit to women.

Several countries have also launched special programmes and/or signed workplace gender-equality agreements in order to encourage greater diversity amongst management employees. This is the case in France, where agreements were renewed for hypermarkets and supermarkets in 2012 . Spain has also implemented equality plans since 2010. Women represent over 57% of Carrefour's total workforce, but are not as well represented at the highest management levels. In 2012, 35.7% of the Group's managers were women.

	2012	2011	2010	2009	% vs. 09
Percentage of women in management ⁽¹⁾	35.7% <input checked="" type="checkbox"/>	34.6%	34.0%	33.8%	5.6%

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

In addition to local initiatives, the Women Leaders programme was launched at Carrefour in 2011 . The Group Human Resources department has developed a comprehensive action plan and set up a Steering Committee to monitor its implementation as well as to obtain feedback on the countries' best practices. Four focus areas have been defined, resulting in measures that can be adapted to each country:

- each country's definition of its own objectives;
- making women more visible within the business by promoting their achievements;
- career development decisions focused on gender equality; and
- the work/life balance.

Based primarily on identifying and establishing ambassadors in all countries, the project was launched and organised in 2011 and expanded in 2012. Numerous initiatives have been launched, including communications and awareness-raising activities in all countries; definition of a process to identify women with high potential in France; proactive recruitment of women managers in Argentina; highlighting women's careers within the Group (Argentina, Spain, France and Romania); the launch of the Women Leaders intranet site; dissemination of a brochure to Senior directors in all countries and directors in France; and establishment of a day dedicated to the role of women in business for members of the Carrefour European Committee (European Information and Consultation Committee).

In France a study was carried out in supermarkets to assess the difference in remuneration between men and women with the same profile at the level of Regional director, Store director and Store manager. The results, which were presented to the committee responsible for monitoring the agreement on equal treatment of men and women in September 2012, revealed discrepancies of less than 2.5%. (1) Population: Supermarket Store directors .

Concrete actions for integrating disabled workers and keeping them employed

At the end of 2011, Carrefour entered into a partnership agreement with the Disability Network of the International Labour Organization (ILO) in order to work on promoting, alongside community organisations and other institutions, the disabled's employment around the world . In 2012, the partnership resulted in the Executive director for Human Resources and Group Organisation participating in the official launch of the Disability Network at the ILO in Geneva in June 2012, welcoming members of the network's Executive Committee to Carrefour's head office and meeting disabled workers at the Carrefour store in Montesson. A "Disability at Carrefour" video was produced and disseminated around the world.

Various countries have continued numerous programmes to help integrate and support disabled employees.

In Spain, Carrefour has pursued a proactive policy in this area by signing an agreement in 2005 and following it up with an approach to integrate the disabled in 2009. The Group is now working with the Inserta foundation on recruiting the disabled, and takes part in forums on employment for those with disabilities in its catchment area.

In Poland, Carrefour achieved an employment rate of 5.24% for the disabled in 2012 with the support of the Carrefour Foundation and Poland's Ekon association. Training in all stores helps employees to cooperate more effectively with the disabled. In addition, recruitment of the disabled is one of the criteria used to determine the remuneration of directors, Store directors and Regional directors.

(1) Methodology developed by the APEC (Agence Pour l'Emploi des Cadres) in France.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



In France, Carrefour remained one of the leading employers of the disabled in the mass-market retail sector in 2012, reaching a level of 6.03% in its hypermarkets (as at the end of 2012, excluding suspended contracts). Employees in charge of recruitment at Carrefour in France have been specifically trained to identify where the disabled could be matched to store vacancies.

Brazil has launched the “I practise inclusion” programme, the aim of which is to offer the disabled the right to equality within the organisation, both when they are recruited and throughout their career. The focus is on the person’s skills and assets rather than his or her limitations.

	2012	2011	2010	2009	% vs. 09
Percentage of employees deemed disabled ⁽¹⁾	2.8%	2.6%	2.4%	2.6%	7.5%

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).

	2012	2011	2010	2009	% vs. 09
Number of disabled people ⁽¹⁾	10,095 <input checked="" type="checkbox"/>	9,452	9,092	9,758	3.4%

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

A special focus on older workers’ employment and working conditions

Carrefour pays particular attention to employing older workers and ensuring they enjoy good working conditions in the later stages of their careers. Agreements have therefore been negotiated and signed within the various entities in France, in particular to implement action plans in relation to managing older workers’ careers effectively.

Information sessions and training on retirement issues with the main welfare insurance groups have been rolled out in hypermarkets in France since 2010. By June 30, 2012, 146 information sessions had been deployed and 541 people had taken part in the programme.

A guide for older workers was also sent to the home address of all supermarket employees over age 45 and those over 55 at Carrefour Banque. It provides information and advice on working in a career’s later stages and on planning for retirement.

2.2.2.2 DIALOGUE AS A TOOL TO DRIVE SOCIAL PROGRESS

The Carrefour Group is committed to consultation and internal and external social dialogue in support of individual and collective development.

As a means of measuring labour relations internally, for example, Carrefour carries out a detailed survey of its employees’ expectations. Discussions take place on this basis at every level of the business and help to develop the Group’s culture and boost its employees’ commitment.

Identifying employee expectations

Surveys have been carried out with employees across the Group for the last 20 years to identify their expectations, including the Listening to Employees survey, focus groups, internet-based surveys in France and Italy and Encuesta Compromiso in Argentina . These surveys, conducted with a representative sample of store and head-office employees, are used to gather views on such key topics as corporate image, training, career development, working conditions, management and commitment levels. The results are analysed in detail and fed into targeted action plans for each entity.

To take the process a step further, Carrefour disseminated a comprehensive opinion poll to all Group employees in May 2011, with a twofold aim:

- to gather employees’ opinions on such key topics as career opportunities and development, quality of working life, interpersonal relationships, internal rules, policies and management functions within the business;
- to measure the extent to which employees understand and support the Carrefour Group’s strategy and objectives .

Following the survey, each country implemented a 2012 action plan; for example:

Belgium has been targeting four areas, all identified as improvement goals: communication, career opportunities, the Company’s recognition of its employees and the Company’s reputation. One action plan produced by Carrefour Belgium in 2012 involved the implementation of HR Fundamentals (cf. Part 2.3.4), plus training for 85 Store directors on how to use these tools.



In Romania, the improvement goals identified in the comprehensive survey were cross-referenced with results from self-assessments on HR processes carried out by all Store directors as part of introducing the Group HR Fundamentals programme. Action plans were implemented, and 25 commitments were made and communicated through posters in each store. Romania also trained its 75 Store directors on the HR processes and tools recommended as part of the HR Fundamentals programme.

In Poland, detailed surveys were carried out with 300 people in 10 stores.

In France, 115 groups of 10-12 people were surveyed in hypermarkets, while over 12,500 supermarket employees in France responded to the “all store employees” surveys conducted *via* the Internet.

Organisation of social dialogue

At Group level, in the mid-1990s Carrefour created one of the first European works committees: the European Consultation and Information Committee (*Comité d'Information et de Concertation Européen* – CICE). The CICE provides an opportunity for Carrefour's social partners to speak freely and transparently with General Management on an extremely wide range of topics, including sustainable development and corporate social responsibility since 2008. Carrefour's signing of an agreement with UNI (Union Network International) in May 2001 has contributed to the development of a real culture of social dialogue.

At European level, 2012 saw the tangible implementation of a new Carrefour European Consultation and Information Committee agreement, signed in 2011 . In addition to the Carrefour European Consultation and Information Committee's ordinary meetings, General Management organised a two-day training and information seminar in May 2012 for social partners and members of the committee; one day was devoted to equal treatment of men and women. A meeting of the CICE's Executive Committee devoted to new technologies was also set up. The agreement has improved communication between members of the European Committee: the CICE newsletter and website, launched in 2012, provide comprehensive, detailed information on meetings, best practices and official Group communications. These ensure that members are kept informed throughout the year.

Social dialogue steadily grew in 2012, both in countries where it is an established practice and in those where the process is at an early stage.

In Turkey, for example, a collective agreement on salary increases was negotiated and signed in 2012. In France, annual compulsory negotiations resulted in new benefits for hypermarket, supermarket and logistics employees (e.g. the CESU ⁽¹⁾ in hypermarkets). In Poland, 138 open-door meetings were organised for trade-union representatives to meet Carrefour employees. In Belgium, three new collective bargaining agreements were signed regarding work organisation, the price discounts granted to employees and payment of one-off, performance-related benefits.

(1) *Chèque Emploi Service Universel*, a flexible service voucher for employees.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Overview of collective bargaining agreements

The following table supplements the overview of collective bargaining agreements described above. It shows the main agreements signed in 2012. Clauses added to previously-signed agreements in 2012 are not listed.

Country	Agreements signed
Belgium	Agreement on work organisation in hypermarkets to support job versatility. Agreement on computerisation of promotional vouchers. Agreement on the redeployment of certain individuals. Definition of joint annual targets for calculating management bonuses.
China	Signing of three types of agreement for a total of nine in 2012. ■ Standard agreements to fulfil legal obligations that had just come into effect (all stores); ■ Standard agreements amended to include a commitment for a higher minimum salary than the required local legal minimum (10 stores); ■ Standard agreement amended to include a salary increase compared with 2011 (six stores).
Spain	Agreement on work organisation.
France/hypermarkets	Company-wide agreement on equal treatment of men and women in the workplace <input checked="" type="checkbox"/> Agreement on change of membership in top-up pension organisations <input checked="" type="checkbox"/> Agreement on management of career development for certain individuals <input checked="" type="checkbox"/> Profit-sharing <input checked="" type="checkbox"/> Agreement on workplace health <input checked="" type="checkbox"/> .
France/supermarkets	Agreement on workplace health <input checked="" type="checkbox"/> Profit-sharing <input checked="" type="checkbox"/> Incentive scheme <input checked="" type="checkbox"/> .
Poland	Definition of Inspectors' function. Definition of consultation rules in the case of employees on permanent contracts being made redundant. Definitions of redundancy terms regarding the closure of four hypermarkets.
Romania	2012-2013 collective bargaining agreement on pension payments made to employees leaving the business when they reach retirement age.
Turkey	New collective bargaining agreement for a three-year period.
Brazil	Collective bargaining agreement for the São Paulo region.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

An overview of the health and safety agreements signed is shown on page 32.

2.2.2.3 INCREASED HEALTH AND SAFETY VIGILANCE AT WORK

The health and safety of both employees and customers are key priorities for Carrefour.

The Group made a commitment at a very early stage to a proactive policy of improving its employees' working conditions in terms of both safety and physical and psychological health. From the outset, this approach has been characterised by respect for the operational teams and listening to their needs, introducing flexible working practices and a commitment to work/life balance. Countries without specific safety regulations base their practices on stricter French safety standards. Differences in legislation and the principle of subsidiarity regarding Carrefour's various countries and entities justify the diversity of health and safety actions taken across the Group.

Prevention of workplace accidents

In addition to regulatory requirements, the Group ensures that its employees understand health and safety regulations, runs preventive training and awareness-raising campaigns, establishes procedures in the countries where it operates and performs regular on-site audits. To reduce the number and seriousness of workplace accidents, the Carrefour Group also puts risk assessment and prevention at the heart of its employee health and safety management system. Many countries have set up dedicated organisational structures in the past few years .

Regular training courses are provided to disseminate best practices and ensure that they are applied consistently, covering in-store safety as well as health, movement and working posture. Supermarkets in France trained over 2,500 people in movement and working posture in 2012.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



France also developed risk assessment software in 2009. This is designed to reflect the activities of each banner and is now deployed in all hypermarkets and 224 supermarkets. This allows each store to carry out risk analyses for all its workstations and to implement annual action plans.

The Carrefour *market* store in Suresnes (France) stood out for its exemplary actions in the area of workplace risk prevention by conducting a prototype study and introducing equipment to improve working conditions when employees are putting goods on display. As a result, the banner was awarded a Cramif (*Caisse régionale d'assurance maladie d'Île-de-France*) Award from the Île-de-France health insurance fund.

Carrefour France created a dedicated body for workplace health and safety in 2012. Several major projects have been launched, including those aimed at preventing psychosocial risks, appointing a Company medical officer for France and preventing workplace risks associated with the "drive-in" format; these resulted in the signing of two partnership agreements with the Île-de-France health insurance fund on January 25, 2013, the first on "drive-in" collection points and the second on workplace risk prevention officers' training for Carrefour France.

Spain has identified a list of equipment needed to ensure that employees are properly protected for each workstation. Employees can also take a dedicated training course on preventing risk in their day-to-day work *via* the Online Campus site.

In Poland, a dedicated health and safety department is responsible for the risk prevention system and checks that procedures are applied and updated as necessary. It sets up and runs a programme of regular audits and monitors the corrective actions expected. A risk assessment is carried out for each workstation at each store opening.

In Brazil, accident analysis carried out in 2012 resulted in the production of a preventive action plan. Training on the use of equipment and machinery has been intensified.

Romania has introduced a risk identification procedure, and quarterly meetings run by the Health and Safety Committee establish whether any action plans are required.

Rate of work absences and accident frequency and seriousness

	2012	2011	2010	2009	% vs. 09
Rate of absence due to workplace and travel-related accidents ⁽¹⁾	0.57%	0.58%	0.59%	0.58%	(0.8)%

(1) Like-for-like BU figures (83% of 2012 consolidated sales) – excluding: HM: BR/SM: BR.

	2012	2011
Workplace accident frequency rate ⁽¹⁾ (number of accidents/millions of theoretical work hours)	21.9 <input checked="" type="checkbox"/>	28.0
Workplace accidents' seriousness level ⁽¹⁾ (number of days absent due to workplace accident/1,000 work hours).	0.52	0.61

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Prevention of occupational illnesses

Workplace ergonomics and combating musculoskeletal problems

The main occupational illnesses identified by the Carrefour Group are musculo-skeletal problems. Numerous preventive actions are taken across the Group to avoid them.

Carrefour stores have been given ergonomic equipment designed to limit handling operations. French supermarkets and hypermarkets, for example, are equipped with high-lift pallet trucks or manual trucks in smaller stores. Platforms have been specially created in supermarkets to allow employees to reach the top shelves easily.

In 2012, France's logistics entity limited the height of pallets, and significantly reduced the number of 1.80-metre pallets leaving the warehouse. Building on these initiatives, a three-year action plan was instigated in 2012 on preventing strenuous working conditions and psychosocial risks. An information/consultation phase began in December 2012.

Preventing stress and psychosocial risks

Over the past 15 years, stress has emerged as a major psychosocial risk faced by companies. The Carrefour Group instigated an approach to preventing psychosocial risks in the workplace several years ago. It aims to assess the main risk factors and support the development of appropriate action plans. Numerous actions have been taken at local level at the instigation of countries and entities.



Carrefour Banque carried out a study involving all employees in 2012, conducted by a firm specialising in assessment and prevention of psychosocial risks and workplace stress

In Carrefour stores in France, training courses on stress management and “SOS Conflict” courses continued in 2012 to help employees manage sometimes difficult relationships with customers (from basic dissatisfaction to verbal or physical aggression or the threat of violence):

- some 43 managers and 1,385 hypermarket employees and store managers were trained in stress management, with the aim of identifying stress linked to workplace activities and managing and adapting working methods to optimise performance and improve the quality of working life;
- 1,310 employees took part in the “SOS Conflict” course in hypermarkets and 248 in supermarkets. A total of 25,266 have benefited from the programme since 2004.

The supermarkets also took the initiative and launched a questionnaire in early 2012, with the help of an outside firm, on evaluating and preventing psychosocial risks.

A remote listening and psychological support system has also been set up for all employees in France. Available free-of-charge and 24/7, this personalised, anonymous, confidential service gives employees access to an outside psychological clinician to discuss any work-related or personal issues that may be causing them unhappiness or even psychological problems, such as bereavement, conflict or stress.

Spain has carried out psychosocial risk assessments in over 20 stores. Despite the low level of psychosocial risks identified in the research, action plans have been agreed upon and implemented so as to prevent their appearance.

In Poland, a module on psychosocial risks and stress management has been introduced into the training programme delivered as part of the induction process for new recruits. They are also told about the most frequent causes of occupational illness.

Promoting employee well-being

To ensure that all employees flourish in their work, Carrefour focuses its actions on promoting work/life balance and supports the introduction of programmes to improve working conditions.

Work/life balance

Carrefour was one of the first businesses to make a commitment to respecting its employees’ work/life balance. As a member of the *Observatoire de la parentalité en entreprise* (a charitable organisation), the Group signed a parenting charter in 2008 and made a commitment toward implementing tangible initiatives in this area.

In France and Spain, agreements on the equal treatment of men and women ensure that employees have more opportunity to reconcile their working and family life. In tangible terms, employees in Spain now have the option of adding annual leave to their paternity leave. In France, various measures have also been taken in relation to parenting, including adjustments to working hours, a pilot scheme for inter-company daycare centres in towns with several Carrefour *market* stores, funding of childcare for parents attending training courses and offering CESU flexible service vouchers with a 50% employer contribution. The CESU voucher scheme already existed in the supermarkets, but was renewed and extended to hypermarkets for the first time as part of the 2012 annual compulsory negotiations.

Poland ran a time-management course in 2012 to help people organise, plan and complete tasks more effectively, thus aiding them in maintaining a better balance between their work and personal lives.

Work-schedule pooling (see page 33) also helps them to achieve a better work/life balance.

Programmes to improve working conditions

Since the issue of improved working life is at the heart of current social thinking, Carrefour has implemented programmes on management and interpersonal relations intended to improve working conditions.

In Spain, the Carrefour Life programme, an ambitious social project aimed at employees and their families, offers a range of benefits, courses and group activities designed to help people combine their private and working lives. The programme includes summer holiday camps, the chance to take part in sporting competitions, cultural events aimed at children, such as cinema and show tickets, and more. The programme has been a tremendous success since it was launched in 2009. It had over 22,000 members in 2012.

Hypermarkets in France introduced a well-being programme for check-out employees in 2010. The popularity of the initiative, which attracted over 12,000 participants, encouraged Carrefour to repeat it, with 11 new ideas for events such as cookery competitions and introductory courses.

Numerous initiatives that go beyond legal requirements are run within the Group, such as courses designed to improve employees’ diets, which are offered in France as part of an e-learning programme and are also available in Argentina, Brazil, Poland and Taiwan. In Taiwan, for example, the Employee Caring Mechanism programme, launched in all stores and at head office in June 2011, aims to improve employees’ well-being at work through a range of initiatives, including birthday celebrations, rest areas, yoga and dance classes after work, information sessions on insurance and tax schemes, and so on.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Absenteeism rate by reason

Absenteeism rate	2012	2011
Illness ⁽¹⁾	3.76%	3.87%
Workplace accidents	0.42% <input checked="" type="checkbox"/>	0.42%
Accident while travelling	0.04%	0.04%

(1) Illness only for employees on permanent contracts.

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Overview of agreements signed regarding health and safety at work

The table below shows some of the agreements and supplementary agreements signed with trade unions or employee representatives on workplace health and safety in 2012. This list is not exhaustive. Clauses added to previously-signed agreements are not included.

Country/Format	New for 2012
France/supermarkets	Renewal of an agreement signed in May 2009 for a three-year period. Part of the initial agreement relates to psychosocial risks and workplace stress (prevention of sexual and psychological abuse, support for risks of antisocial behaviour, support for employees who are victims of aggression and prevention of workplace stress). The new agreement now includes commitments on reducing workplace strenuousness <input checked="" type="checkbox"/> .
France/hypermarkets	Three-year agreement signed in hypermarkets in July 2012. Three major prevention areas, involving physical risks, psychosocial risks and workplace strenuousness <input checked="" type="checkbox"/> .
Brazil	Agreement on medical assistance and insurance coverage.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

2.2.2.4 EFFECTIVE WORK ORGANISATION THAT RESPECTS EMPLOYEES' NEEDS

Innovative organisational and working-time models

Carrefour is committed to implementing effective organisational models that respond to the constraints inherent in the business and

the changes it faces, while continuing to pay attention to employees' expectations and to comply with local regulations.

There are several ways of improving work organisation in stores while ensuring the efficiency levels required for growth, including reducing part-time work through job versatility, developing work-schedule pooling and experimenting with remote working.

Reducing part-time employment

Wherever possible, Carrefour seeks to boost the hourly basis of its part-time employees.

	12/31/2012	12/31/2011
Proportion of part-time employees	23.5% <input checked="" type="checkbox"/>	23.4%

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

In France, actual working time for all full-time employees is 35 hours, except for managers, who work a fixed number of days per year. In hypermarkets, actual working time for part-time employees is a minimum of 30 hours (except for student contracts) . Hypermarkets offer their part-time employees a full-time contract whenever possible.

In Spain, an agreement on reorganising working hours was signed in 2012: it defines the minimum and maximum number of working hours per day and an annual calculation of working hours. Going forward, employees who work every day of the week are guaranteed two consecutive days off on a Saturday and Sunday five times per year.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Part-time work is an option that enables the Group to adapt its store-based activities to suit customer flows. However, the employees affected have not always favoured this alternative. Carrefour has developed a job versatility option – first in France and then in other countries – which offers employees the opportunity to do some of their work in a different department within the store or to do a different job. This enables them to increase their number of working hours and therefore their remuneration, diversify their workplace experience and explore new business functions.

Since 2009, job versatility has enabled any hypermarket employee in France to work under a full-time contract where possible, if they so wish. This means that they can work an additional five hours and see a 17% increase in their remuneration. Most logistics sites in France also offer job versatility. Some 1,284 people had taken advantage of job versatility in hypermarkets as at the end of 2012, 92% of whom were women, including 150 new beneficiaries.

Job versatility has existed in Poland's supermarkets for several years.

Work-schedule pooling

Introduced in France in 1998 and managed *via* a computerised tool, pooling of work schedules allows check-out employees to plan their working time in accordance with their wishes and the level of store activity.

Two pilot schemes are underway in three stores in Belgium:

- work-schedule pooling based on the scheme used in France;
- a “free-time management” pilot, which gives check-out employees the option of indicating two to five periods during the week when they are not available.

Over 200 stores in France used the work-schedule pooling system in 2012, which can be implemented in any store with sufficient employee numbers.

Remote working

Remote working is designed to enable employees to work flexibly while helping them to be more efficient. Working from home for some of the time can be especially useful in certain functions, in particular because it avoids employees having to travel to their usual workplace.

Carrefour tested remote working in Italy and Belgium in 2012 with some 20 employees from each head office. The scheme allows people to work remotely for one day per week in Belgium and up to two days per week in Italy. The business provides the necessary tools – computer, mobile phone and Internet access – and ensures that it meets legal requirements with regard to accidents or illnesses at an external workplace.

The pilot in Belgium was conclusive and will be extended to all central services in 2013 (while the pilot in Italy is currently being analysed).

Adapting the social model to economic challenges

The demanding economic environment, structural changes in consumption patterns and increased competition in the mass merchandise sector have had an impact on Carrefour's business in western Europe, particularly in France.

Against this background, Carrefour France launched a voluntary redundancy scheme at various head offices in early 2013 .

It was decided to reduce the size of central services and support functions to simplify organisation of the Group's head office and other head offices in France and therefore help to boost the business's competitiveness over the next few years while building a closer relationship with our in-store clientele.

2.2.3 DEVELOPPING AND REWARDING CARREFOUR'S MEN AND WOMEN

Career management, training and recognition of its men and women are key elements in the Group's operational performance. Carrefour has a firm commitment to all these areas and focuses its activities on three priority areas:

- ensuring dynamic, equitable career management;
- providing opportunities for all employees – whatever they do, throughout the world – to take part in training and increase their employability throughout their working lives;

- offering fair remuneration and employee benefits that motivate employees, in line with the market and employees' needs.

The 2011 implementation of the Carrefour People Model and an HR Fundamentals scheme was designed to strengthen the underlying principle by creating the conditions for responsible management and effective human resources management.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.2.3.1 PROACTIVE TALENT AND CAREER MANAGEMENT

With over 120 different business functions and a presence in 12 countries, Carrefour offers some highly varied career paths and real mobility opportunities. The Group prioritises internal promotion and is committed to employees' development being based on their actual performance and their ability to take on new responsibilities, combined with the business's needs. To accomplish this, the Group has equipped itself with effective management tools and processes, including:

- **career committees.** Career committees exist at every organisational level. Their aim is to identify talent and ensure that the business has the right people, in the right place, at the right time, now and for the future. This results in joint and individual development areas based on rigorous succession planning;
- the introduction of **career management meetings** designed to encourage the mutual exchange of views and the development of internal mobility between various countries and regions; and
- **annual performance appraisals.** As Senior Directors and most directors have been trained in the new Carrefour People Model (see below), their performance has been assessed on the basis of new methodology that takes account of both individual objectives (the "what") and key skills (the "how") in order to strengthen the Group's performance-based culture. The appraisal is an opportunity for the employee and his or her manager to discuss the employee's performance over the year, how they would like their career to develop and their training needs;
- the **commitment** the Carrefour Group has made to **promoting women's development** and supporting them so that they might reach positions at the highest level of responsibility, primarily thanks to Carrefour's Women Leaders project.

In Romania, an employment exchange has been set up in order to create a transparent internal recruitment system so that all vacant positions are visible to all employees. Following the 2011 reorganisation, support has been provided to help encourage managers in overstuffed hypermarkets to move over to supermarkets.

Spain has developed a career tracking tool to assess the performance of all employees and produce career plans.

In **France**, the "enviedebouger" intranet site supports internal mobility by publishing details of new challenges.

Carrefour also decided to show its commitment by signing an agreement with its social partners on career development paths in December 2011. The intention is for the new agreement to provide ways of encouraging voluntary functional and/or geographical mobility for all Group employees in France. It is about providing the resources to build a career path for employees through:

- links between various occupations;
- a training policy designed to make it easier for employees to adapt and develop their professional skills;
- job mobility, mainly internally;
- ways of managing job mobility that align with each company's human resources management policy.

A Young Talents path has also been formalised in hypermarkets in France to help identify the managers of the future and support internal promotion: a questionnaire has been sent to all young Group employee members who have been in a business management position for a minimum of two years. This identifies potential among existing employees members and means that they can be offered a career that meets their expectations and aligns with Group needs.

Rate of internal promotion	2012	2011
Promotions to Senior Director	52.2%	30.5%
Promotions to director	43.9%	45.0%
Promotions to manager	51.6%	49.1%
TOTAL	51.2%	48.5%

2.2.3.2 TRAINING TO SUPPORT PROFESSIONAL AND PERSONAL EFFECTIVENESS

The Carrefour Group's training policy

The Carrefour Group's training policy promotes employees' skills development and sustains them throughout their career. It also supports organisational change based on simplicity and effectiveness. Shared between the Group and country or entity

levels, the Group Training department is responsible for carrying out this policy.

The Group provides leadership training for Senior Directors and certain high potentials. Each country and business unit is also responsible for implementing its own training plan to meet its particular needs, especially where this relates to specific business functions.



The policy is structured to follow the employee’s career path, breaking down as follows:

- training prior to and when starting a position, including an induction course for new arrivals involving business-related, customer-relations and corporate-culture elements;
- training for better job performance;
- development programmes to prepare for and support career progression.

Targeted training is offered for each of the 120 business functions represented at Carrefour in order to ensure excellence in the basics, with a goal of 100% of the target groups receiving compulsory training ✓.

In total, nearly 5.0 million hours of training were provided in 2012, an average of 17.1 hours of training per person ✓.

Hypermarkets in France organise numerous open houses to provide information and raise awareness of the training available amongst employees. A total of 141 open houses were organised in 2012, and 181 stores ran open houses between 2010 and 2012.

Romania introduced a training policy to encourage employees to adopt a proactive approach on the basis of the development needs expressed during their annual performance appraisal. Some 20 courses are now on offer, and 515 attendees have benefited from the new system.

In Spain, an e-learning platform is being developed and several new programmes have been created, including “Fresh Products School,” a check-out simulator, Carrefour Spain Master, business and language training, and more.

In China, in addition to individual development plans, Carrefour has introduced a programme designed to assess store managers’ level of business knowledge in the form of a so-called “driving licence” assessment system.

	2012	2011	2010	2009	% vs. 09
Average number of training hours per employee ⁽¹⁾	17.1	17.6	17.4	17.8	(4.3)%

(1) Like-for-like BUs (scope: 84% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.

	2012	2011	2010	2009	% vs. 09
Total number of training hours delivered over the year (in millions) ⁽¹⁾	5.0 ✓	5.3	5.4	5.5	(10.0)%

(1) Like-for-like BUs (scope: 84% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.

✓ 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

The Group’s 2012 training priority involved the roll-out of the Carrefour People Model. The goal is to have a leadership model that clarifies the key skills that all Carrefour employees should have, regardless of their function, in order to improve the Group’s results through better individual and collective performance and to make the Carrefour attitude (committed, caring and positive) a reality.

Training on the Carrefour People Model was launched in 2011 and delivered to Senior Director (Senior Directors and directors) in all countries in 2012. Several countries, including Belgium, Poland, Italy and Turkey, have also rolled out training to managers. As a result, over 6,000 employees have been trained on the model.

An e-learning platform (E-Campus Carrefour) was created at Group level to help share initiatives and support the model’s roll-out. Key training topics to be included in training catalogues so as to ensure the development of key skills have been identified and communicated to all countries.

Accredited training

The Carrefour Group makes full use of the continuing education programmes provided within the legislative framework in France, and makes every effort to extend these to other countries where possible.

Carrefour supports two accredited training programmes in France:

- the CQP (*Certificat de qualification professionnelle* – Certificate of Professional Qualification) is aimed at employees without any other qualifications and gives them the opportunity to obtain professionally-recognised certification. The CQP scheme is already implemented in supermarkets so as to recognise existing employees’ skills and has been introduced in hypermarkets with the aim of supporting integration. In 2012, 1,604 people on work/study contracts completed training to obtain a Retail Employee Certificate of Professional Qualification. A total of 654 employees attended a three-day mentoring course. The introduction of the CQP Logistics Professional qualification in 2012 was piloted in the Logistics department and is scheduled to be rolled out to all logistics sites in 2013;

✓ Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



- APL (Accreditation of Prior Learning) offers employees the chance to gain formal accreditation for their experience in the workplace. The first pilot scheme, launched in supermarkets in 2011, was continued in 2012 (with 30 people involved that year). Internal trainers in supermarkets are also awarded skills certificates by the Sorbonne. The trainers concerned this year were those working in the non-food segment and at check-outs.

In addition, Promocash, the Group's cash & carry banner, has introduced a professionalisation programme for two intakes of departmental managers with a view to promoting them to deputy positions.

Romania, Belgium, Italy and Poland have also had accredited training programmes since 2012.

Knowledge transfer and mentoring

The aim of so-called "referral" stores and business trainers all over France and within each banner is to ensure that know-how and business best practices are passed on to the next generation. Learners alternate between theory and practice while working in-store.

In addition, under the GPEC Agreement (job and skills forecast management system) of February 6, 2009 and the "older workers" agreement settled with social partners, the Group's various French entities negotiated and made commitments to promote senior employment. As part of this initiative, senior-employee volunteers can pass on knowledge to less experienced employees, provide training and mentor young people on work/study programmes, and support the integration of new employees.

In France and Spain, Carrefour has also put in place an internal recruitment scheme for franchisees based on passing on know-how and providing on-going technical and commercial support. A total of 333 people have been trained in France (including the 2011-2012 intake) in the convenience store format.

Promoting equal opportunities through training

Each year, the Carrefour Group hires many people without professional qualifications and offers them a wide range of jobs along with numerous opportunities for development through training. Today, more than 50% of new Group managers have risen through the ranks by means of internal promotion . With its wealth of cultural and social diversity, the Group maintains a proactive policy that offers opportunities for those from all backgrounds. Training has been introduced for employees with reading and writing difficulties, based on the EvoluPro programme; the course is run by Carrefour supermarkets in France and provides store employees with an opportunity to learn or improve their French on a voluntary basis. Since 2010, 665 people have benefited from the programme. It was renewed and extended to 70 stores during the annual compulsory negotiations in 2012. A pilot scheme is set to be launched for Logistics starting in 2013.

2.2.3.3 MOTIVATING, APPROPRIATE, COMPETITIVE EMPLOYEE REMUNERATION AND BENEFITS

Carrefour ensures that Group employees benefit from attractive remuneration and benefit plans in line with local practices in each market and in accordance with legal obligations and Group rules.

Motivating employees

Carrefour wants all employees to be aware of their own objectives and for the latter to be defined in line with Group priorities.

This means paying special attention to managing skills and performance. All managers are therefore asked to support members of their team to develop their skills and assess their performance regularly over the course of the year.

Recognising employees

Fair remuneration within the organisation

Fixed and variable remuneration levels are set while taking into account the specific nature of each function and the skills required.

The annual remuneration review is designed to verify the consistency and fairness of internal remuneration levels: proposals for remuneration changes are analysed by each entity to ensure that they are consistent with responsibilities and the performance of each employee, and that they are based on a principle of fairness.

Remuneration levels reflecting market practices

Countries assess their positioning each year in relation to their local market based on dedicated remuneration surveys, in order to ensure that salaries are in line with the Group's employment catchment areas.

Linking employees to Carrefour's performance

Each entity within the Group has simple, motivating remuneration plans. These aim to link employees to the business's results and in particular to recognise employees who have made a decisive contribution to the results achieved .

To accomplish this, managers are eligible for variable individual remuneration, the amount of which varies in line with the economic results of the entity to which they belong and their individual performance. In addition, special initiatives for in-store employees were launched in several countries in 2012.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



A number of collective variable-remuneration schemes have thus been developed:

- China has announced the launch of a profit-sharing scheme in 2013 for which all employees in the country will be eligible;
- in a similar vein, all employees in France are eligible for a profit-sharing and incentive scheme that is more generous than the legal requirement. The amounts paid can be invested in a Group savings plan within six employee savings funds, offering a range of investment possibilities. The Carrefour Group supplements some of these payments with a top-up contribution;
- Carrefour supports employee share ownership by offering a Carrefour Shares fund as one of the six on offer. As of December 31, 2012, Group employees held 1.17% of the Group's capital through the Group savings plan;
- in Brazil, a dedicated incentive scheme linked to store and merchandise results has been launched to recognise those employees who have made a decisive contribution to performance.

Offering appropriate benefits

Benefit schemes in line with local practices have been implemented in each country where the Carrefour Group has a presence. Carrefour therefore contributes to improving the day-to-day lives of its employees and their families, for example through healthcare schemes top-up insurance schemes and purchase discounts ✓.

In 2012, the Group also instigated an inventory of employee benefit schemes worldwide ✓. The inventory is designed to check that schemes comply with local obligations and to assess Carrefour's position in each country, along with the risks and opportunities inherent in each scheme.

This approach is part of the Group's desire to respond to its employees' changing social-protection needs. It also translates into various initiatives in relation to communications on the various Group benefit schemes.

In France and Spain, for example, a brochure distributed to employees describes the various elements that comprise their remuneration and benefits. In addition, all hypermarket employees in France received a remuneration "passport" for the first time

in 2012. This is an individual, personalised document that details the elements that make up the employee's remuneration and benefits. Following a survey carried out with recipients, this remuneration "passport" will be updated and improved in 2013.

Ensuring compliance with legal obligations and Group rules

Given the associated challenges, particularly in financial and governance-related terms, the Group Human Resources department has been keen to pay particular attention to the issue of remuneration and employee benefits, for which specific rules have been communicated to the various Group entities.

2.2.3.4 MANAGEMENT TOOLS AT GROUP LEVEL

HR tools, known as HR Fundamentals, have been developed to apply in all countries where Carrefour operates. Used in conjunction with the Carrefour People Model, these will contribute to improving commercial results by increasing our employees' commitment and satisfaction across the Group.

The eight HR Fundamentals were implemented in all Group stores in 2012 (excluding China and Brazil, where they are scheduled for implementation in the first half of 2013), giving the countries tools to help Store directors and their managers to excel in recruitment, induction, objective-setting, remuneration and employee benefits, employee recognition, communications, training and career management ✓.

The eight HR Fundamentals are part of an approach toward ongoing HR-process improvement. An intranet site was developed in 2012 and has been translated into all Group languages to make it easier for managers to access tools and to encourage them to share best practices.





2.3 Sustainable supplier relationships

Since 1997, the Carrefour Group has been committed to oversight of working conditions at its own-brand product suppliers, and stands as one of the pioneering companies in this area.

While the Group believes social audits are necessary it does not feel that they are sufficient, and is therefore going further by boosting supplier support so as to contribute to improving employee working

conditions. Carrefour also works toward harmonising social standards from an international standpoint and, in the context of its commercial relationships, contributes to its suppliers' training and economic development.

2.3.1 ENSURING OUR SUPPLIERS' RESPECT FOR HUMAN RIGHTS

2.3.1.1 THE SOCIAL AND ETHICAL CHARTER FOR CARREFOUR PRODUCT SUPPLIERS

For more than 15 years, the Carrefour Group has implemented a proactive policy designed to ensure respect for human rights by all Carrefour product suppliers. This involves monitoring compliance with the main Conventions of the International Labour Organization (ILO). This commitment was formalised through its cooperative work with the IFHR (International Federation of Human Rights), which began in 1997 through a joint association known as INFANS. In 2000, this partnership led to the drafting of a Social and Ethical Charter, which is appended to contracts signed by Carrefour's own-brand product suppliers.

In its Social and Ethical Charter, Carrefour notes, amongst other things, that its commitment to retailing that complies with ethical standards, operates within the law and respects human rights is in line with the 10 principles of the United Nations Global Compact and the 10 principles of its Code of Professional Conduct.

By signing the Charter, suppliers commit, at every stage of their commercial relationship, to operating strictly within the law, undertaking not to impede competition law in any way, avoiding conflict-of-interest situations, disallowing any form of corruption and guaranteeing confidentiality.

In terms of employment rights, suppliers must undertake to comply with seven fundamental principles:

1. Prohibiting forced or compulsory labour;
2. Prohibiting child labour;
3. Respecting freedom of association and recognising the right to collective bargaining;
4. Prohibiting any form of discrimination, harassment or physical or psychological violence;
5. Guaranteeing that necessary health and safety measures are taken;
6. Offering workers decent salaries, benefits and working conditions;
7. Guaranteeing working hours in line with international standards. These principles, set out in the contractual document signed by suppliers, are based on the Reference Code produced by the GSCP (1) (see below) according to best practices identified in the various existing Codes .

To date, 100% of Carrefour-brand product suppliers have signed the Social and Ethical Charter.

(1) www.gscpnet.com.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Key figures

1,044 social audits conducted at Group level in 2012
of which 55% were listing audits and 45% follow up audits.

Suppliers of national-brand products are also required to sign an Ethical Charter, through which they undertake to maintain a relationship with Carrefour based on ethical practices.

2.3.1.2 RESPECT FOR THE SOCIAL AND ETHICAL CHARTER

To support the Social and Ethical Charter, Carrefour and the FIDH have developed a methodology designed to monitor compliance with the Charter, *via* social audits carried out by firms of independent experts, as well as to provide long-term supplier support. This methodology is based on the following steps:

- presentation to suppliers of the conditions of their commercial relationship with Carrefour, a commitment by suppliers to the principles of the Charter and on-site inspections carried out by Carrefour teams;
- external, unannounced on-site inspections carried out by professional audit firms selected by Carrefour;
- random, external, on-site inspections carried out during FIDH missions under the INFANS scheme;
- implementation of a corrective action plan following the audit, co-signed by the supplier, and the recommendation of additional measures by the FIDH if necessary;

- monitoring of corrective actions by Carrefour teams, and follow-up audits.

At the same time, Carrefour is continuing to train its own teams in France and Asia with regard to social responsibility and monitoring its implementation on-site.

Listing and follow-up social audits commissioned by the Group obey strict rules, and the last few years have been devoted to boosting these requirements:

- the geographical scope of systematic social audits has been redefined with the FIDH in light of current country risks;
- any new supplier located in an at-risk country must subject their manufacturing sites to an external social audit in order to be listed, and listing is only possible if the results of this audit comply with Carrefour's requirements;
- where examples of non-compliance are observed, the time frame for carrying out follow-up audits will depend on the nature and gravity of the non-compliance issue.

In addition, audits are scrupulously made unannounced, regardless of the supplier or activity sector. This type of audit has proven essential to determining actual working conditions.

All Carrefour product suppliers located in sensitive countries are audited prior to listing.

Key figure

In 2012, 75% of the 1,044 sites where social audits were carried out were in China .

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.3.2 SUPPORTING CONTINUOUS IMPROVEMENT FOR CARREFOUR PRODUCT SUPPLIERS

2.3.2.1 IMPLEMENTING AN INNOVATIVE SUPPORT APPROACH IN ADDITION TO AUDITS

In 2012 as in previous years, the types of non-compliance most often observed related to working hours that exceeded ILO conventions and local legislation and respect for minimum wages, plus an increase during the year in instances of non-compliance relating to safety, in particular associated with more stringent requirements. This observation highlights the limitations of the audit process, which is necessary but no longer sufficient, and affirms Carrefour's policy of supporting suppliers *via* a progressive approach based on three main areas:

- Carrefour is increasing the countries' direct involvement in the conduct of social audits while maintaining coordinated actions at Group level to produce a comprehensive risk map and to share a common framework, methodology and resources;
- to ensure that the actions taken to remedy instances of non-compliance are effective and of benefit to the workers concerned, Carrefour has enlisted the expertise of the FIDH, both in terms of strategy development and action on the ground (see page 22 of the FIDH partnership agreement), and works in conjunction with its competitors to harmonise standards and share best practices;
- in mature countries, audits are gradually being transformed into an overall approach to the supplier's social performance. Suppliers themselves are involved in their evaluation, since they carry out a self-assessment using a framework based on the ISO 26000 standard. The topics covered by the audit, such as social and environmental questions, are weighted according to the risks associated with the country or sector. Audits are no longer simply about sanctioning compliance with regulations, but rather a form of support, including best practices, which helps the supplier to improve.

In 2012, systematic environmental audits of non-food product factories were boosted as part of the listing process. The goal is to monitor suppliers' environmental compliance so as to support them in more effectively managing their activities' main environmental impacts. To achieve this, Carrefour has instigated an extensive training programme for non-food quality managers on the environment and local regulations. Eight training courses have been run in eight Group countries. These are led by external specialists and are followed up in the field by experienced auditors.

2.3.2.2 CONTRIBUTING TO HARMONISING INTERNATIONAL WORKPLACE STANDARDS

Contributing to the implementation of stringent, harmonised standards is an integral part of the Carrefour Group's continuous improvement approach.

Since 1998, the Carrefour Group has played a leading role in creating the Social Clause Initiative (*l'Initiative clause sociale* - ICS), which brings together 19 mainly French retail banners. The ICS enables members to share a common Code, methodology and database. Each member enters data by incorporating results from social audits carried out at their suppliers' sites. Carrefour has contributed about 50% of the audit volume since the initiative was launched.

Faced with a major increase in the number of audit standards, in 2006 the Group decided to extend its approach worldwide by helping to launch, alongside three other international banners, the Global Social Compliance Programme (GSCP). Bringing together 34 major players in the retail and industrial sectors, this programme promotes the continuous improvement of workers' conditions based on the worldwide harmonisation of standards and tools. Carrefour wanted support for its ambitious approach from its long-term partners, the FIDH and UNI-Commerce, which sit on this platform's Advisory Board.

The GSCP has developed a standard Code based on best practices identified by its members, an audit methodology, the selection criteria used by auditors, an environmental benchmark and an equivalence process.

This process helps to reduce duplication of social audits carried out at production sites. Carrefour went through the equivalence process, which consists of two phases, in 2012:

- a self-assessment of the Group's process for checking the social compliance of its production sites;
- an evaluation based on evidence from the self-assessment by a panel of three international experts, resulting in a score for Carrefour's processes.

Carrefour will publish its results in 2013 so that its management system for social compliance can be compared with those of other buyers.



2.3.2.3 PREVENTION PROCEDURES FOR AT-RISK COUNTRIES

Corrective and preventive actions are taken in at-risk countries, again with a view to supporting suppliers in improving working conditions in their factories. These actions may be taken at the instigation of Carrefour teams in the country, with or without assistance from the Group or the INFANS association (FIDH), or jointly with other buyers and/or social partners facing the same non-compliance issues. They may be specific to a supplier, geographical area or identified issue.

Today, they are mainly carried out on a country or regional basis.

Over the last few years, a number of fires have broken out in textile factories in Bangladesh. In 2011, 19 international groups, including Carrefour, came together to launch a national plan to raise awareness of fire safety standards in factories. Two films have been made, one to inform workers of safety practices and the other detailing the security measures managers need to implement to protect everyone's safety. Training sessions have been run for suppliers in Bangladesh by associations in the country's textile sector. The fatal fires that occurred in late 2012, however, confirm the need for a comprehensive, multi-party approach, including the administrative authorities, associations, suppliers, workers and their representatives, to improve Bangladeshi factory quality and practices across the board. Carrefour is currently working on a joint approach of this kind.

In conjunction with the International Finance Corporation (IFC), a subsidiary of the World Bank, Carrefour has drafted procedures for the effective operation and formation of workers' representation committees (Workers' Participative Committees – WPC), whose actions will supplement those of the trade unions. These procedures were sent to suppliers in May 2012, with a deadline for integration into their system. In late 2012, the INFANS association worked in factories to ensure that the WPCs were up and running and to identify any necessary improvements. The association will provide support to Carrefour as it now implements these procedures operationally across the board.

Five films have been produced jointly with four other buyers and an NGO on the rights and responsibilities of factory workers in southern India. The films will be distributed to factories in 2013. Training courses have already been run for those in charge of factories' social compliance. The goal is to ensure that suppliers systematically incorporate workers' rights and responsibilities into their employee information and training programme. In 2013, an independent NGO will measure the effectiveness of this training based on predefined criteria. Once the results have been analysed, the approach may be extended to other suppliers.

In China, where there are still numerous and recurrent instances of non-compliance, research into the causes of factory non-compliance is underway in order to draw up a targeted action plan.

2.3.2.4 PROMOTING THE SUSTAINABLE DEVELOPMENT SELF-ASSESSMENT TOOL FOR SUPPLIERS

By helping its suppliers to adopt a sustainable development approach and by highlighting best practices, Carrefour boosts their social performance as well as its own.

Carrefour provides a self-assessment tool for its product suppliers

Launched in France in 2006, the sustainable development self-assessment tool is a detailed self-evaluation framework designed in conjunction with the WWF and ADEME, the French Environment and Energy Management Agency . It is accessible to suppliers online and includes 49 assessment criteria, based on four central pillars:

- sustainable development management and policy;
- environmental performance;
- workplace performance;
- economic performance.

Carrefour's aim is to ensure that all of its suppliers answer all questions and implement practical sustainable development initiatives. Carrefour provides them with support to achieve this goal using the tool. The sustainable development self-assessment provides them with some 20 advice sheets and best-practice examples, and allows them to compare their average with that of other suppliers in their activity area. Carrefour also arranges for consultants to visit some businesses to identify their best practices, help them to pinpoint improvement goals and draw up action plans.

Based on feedback from its suppliers, Carrefour regularly optimises its self-assessment tool to more effectively meet their needs. In 2010, the Group added an introductory module on carbon assessment and included more sophisticated sorting criteria to compare the supplier's performance according to activity sector.

In 2012, Carrefour worked on harmonising the sustainable development self-assessment with the ISO 26000 standard on corporate social responsibility.

Carrefour provides the tool in 15 languages in all of the Group's consolidated countries .



Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Key figures

6,940 suppliers had access to a self-assessment tool as at the end of 2012 .

57% of them answered 100% of the questions .

Carrefour highlights exemplary approaches

In France, Carrefour has been promoting its suppliers' CSR approaches since 2009 through the Sustainable Development Awards. The businesses that achieve the best results in the self-assessment exercise are visited by an independent auditing firm. Following the audits, the winners are selected by a panel of experts from the ADEME and WWF France, specialist journalists and Carrefour Group representatives.

The awards recognise exemplary approaches that encourage others to take similar actions. Each year, the Carrefour Sustainable Development Awards are given to four businesses. In 2012, the winners were:

- Château de Nages (fruit);
- Biscuiterie de l'Abbaye;
- Arc International (tableware);
- Bodin (Carrefour organic chickens).

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.4 A product range for everyone

The Carrefour Group is committed to offering its millions of customers freedom of choice.

To achieve this, the banner implements a product-mix policy that meets everyone's tastes and expectations every day. Its wide, varied range is based on products from the major national brands, regional products and Carrefour own-brand products.

Carrefour's 10,000 listed products represent a customer offer aimed at three goals:

- offering high-quality Carrefour products at the best value for money;

- putting a balanced, varied diet within everyone's reach;
- promoting responsible consumption by offering Carrefour products that offer greater biodiversity protection.

These values are part of the Group's DNA. Carrefour uses a range of tools for expressing its values through its products in practical terms, from its specifications to the development of special brands *via* certification and collaboration with stakeholders.

2

2.4.1 TRANSLATING THE GROUP'S COMMITMENTS INTO SPECIFICATIONS

2.4.1.1 DEFINING AND MONITORING REQUIREMENTS FOR SAFE, HIGH-QUALITY PRODUCTS

Carrefour produces an own-brand range that guarantees its customers access to safe, high-quality products.

As a result, all of Carrefour's ranges comply with concrete, demanding quality standards. Carrefour's suppliers have committed to complying with strict specifications that define the product's basic characteristics, covering customer expectations, particularly in terms of taste, price positioning, compliance with regulations and Carrefour standards, the origin of raw materials, the recipe used and production methods for food items.

To guarantee maximum safety for consumers and to anticipate risks, Carrefour has introduced procedures and tools (periodic analyses, monitoring and traceability) designed to manage any non-compliance that may be detected. In the event of non-compliance requiring a product withdrawal, the Group also uses an alert system to immediately inform all stores that they must take action.

Carrefour also takes all the necessary precautions in selecting products' composition when formulating its non-food ranges. This approach allows the Group to be proactive and anticipate new regulations, in particular Europe's REACH (Registration, Evaluation, Authorisation and Restriction of Chemical Substances) regulation. In many cases, Carrefour imposes stricter requirements than those laid down in the regulations. For toys, for example, the REACH regulations demand control of six phthalates. Carrefour, however, prohibits the use of these six phthalates in its toys .

An independent laboratory is responsible for producing a safety data sheet for all own-brand chemical products, and a toxicological assessment is carried out by an expert.

2.4.1.2 PROMOTING A BALANCED DIET FOR EVERYONE

As a major retailer in the mass merchandise sector, and given the public health challenges represented by overweight and obesity rates, Carrefour is developing, in addition to basic quality and safety criteria, a proactive policy designed to promote a balanced diet for everyone. Specifications require that suppliers improve their recipes on a continuous basis, particularly by reducing levels of salt, sugar, lipids, saturated fatty acids, partially hydrogenated fats and trans fats. For several years, the Group has also been developing targeted ranges to respond to the nutritional needs of certain consumer groups, such as newborns, children, the gluten-intolerant, those who must limit their salt consumption and more.

2.4.1.3 BETTER BIODIVERSITY PROTECTION THROUGH PRODUCT CHARACTERISTICS

Carrefour also designs its specifications and supply chains so that its own-brand products respect the environment, biodiversity and local communities. Depending on the product family concerned, Carrefour defines criteria to avoid depleting natural resources and to promote the use of formulations that provide greater ecosystem protection.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Developing more responsible supplies of marine resources

Carrefour includes sustainability criteria in the specifications for its fish-product supplies and optimises its range to reduce sales of more-threatened species. The sale of red Mediterranean tuna was suspended in Europe's Carrefour stores in 2008. In France, Carrefour has also suspended the sale of deep-sea perch and blue ling cod. In addition, sales of grenadier and cutlass fish have been cut back since 2008. In 2012, Carrefour continued the same approach by suspending the sale of new wild species in danger of extinction, namely shark (except spotted dogfish), red sea bream, sturgeon and wild eel. These actions were the result of discussions with the Group's stakeholders, in particular WWF France and the Seafood Choice Alliance NGO, as well as all key players in the sector. In China, the Group has followed Carrefour France's example by promoting a range of non-endangered fish and stopping the sale of certain listings, such as shark (and shark fin, except for spotted dogfish).

Developing a credible alternative to GMOs

In light of the controversy surrounding the issue and the lack of long-term data on the impact of cultivating genetically-modified organisms (GMOs) on biodiversity, Carrefour has implemented a proactive policy in this area for over 15 years. In 1996, the Group was the first and only retailer to adopt the precautionary principle and offer its customers a credible alternative to GMOs. In the European Union, no own-brand products in any of our ranges have contained GMOs for over a decade . Outside the European Union, the Group has taken steps to offer an alternative to GMOs whenever possible, while adapting to local regulatory requirements.

Reducing the environmental footprint of forestry supplies

Carrefour made a commitment to sustainable forest management so as to control its supplies of timber and associated products at a very early stage. In 2011, the Group raised the bar even higher by bringing more of its European Purchasing Office suppliers within the scope of its responsible sourcing strategy. To do so, it drew up a Wood Charter for Suppliers. By signing the charter, suppliers using wood, pulp, paper and products derived from these materials commit themselves to ensuring:

- the legality of their supplies;
- respect for local populations;
- no sourcing from High Conservation Value (HCV) forests;
- no sourcing of species included on the IUCN (International Union for Conservation of Nature) red list of threatened species or species protected under the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) agreement.

The Wood Charter is supported by a questionnaire that helps us to work with suppliers in examining how to improve their sourcing to comply with the charter (species, production regions etc.).

Carrefour is now extending its continuous improvement approach to countries outside Europe. In Argentina, for example, 90% of Carrefour's own-brand outdoor furniture and decorative products use FSC-certified timber, and in 2012 Carrefour was the first retailer in Argentina to offer firewood from local, sustainably managed forests. Thanks to its partnership with a local firm, Carrefour can ensure complete traceability of its timber products.

The Group is also developing stationery and personal hygiene (paper tissues, wipes etc.) products and packaging based on FSC, PEFC and recycled materials, mainly under its ECOplanet brand.

Key figure

Carrefour France ranks no. 1 on the WWF France 2012 Timber Barometer (WWF Scorecard) .

Using sustainable palm oil

Palm oil production is still too often associated with deforestation. As part of its forestry protection policy, Carrefour has committed to using only sustainable palm oil in its own-brand products between now and 2015. At the end of 2012, over 120 listings containing palm oil certified according to the Roundtable on Sustainable Palm Oil (RSPO) framework were available in stores in France. Over 400 listings covered by Green Palm certificates were also for sale .

In **Indonesia**, Carrefour launched the first product certified under the RSPO standard for the domestic market in 2012: a Carrefour ECOplanet-branded palm oil for cooking.

Depending on local eating habits and conditions, replacing palm oil with another oil may offer our customers nutritional benefits, in particular by reducing the product's saturated fatty-acid content. This change should not affect quality or have a detrimental effect on the taste, texture or shelf-life of the product. In France, palm oil was replaced with another oil in some 320 Carrefour products in 2012 , the equivalent of reducing palm oil consumption by 7,000 tonnes.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.




2.4.1.4 OFFERING MORE ENVIRONMENTALLY FRIENDLY PRODUCTS THROUGH ECO-DESIGNED PACKAGING

Product packaging fulfils numerous functions, from protection to transport, storage, information, promotion, making the product easier to use and even reducing waste. But packaging involves consuming materials such as paper, cardboard, plastic and timber, which then become waste. Carrefour is committed to reducing packaging at source and designing innovative packaging that helps protect the environment and is safe and simple for consumers to use.

The Group believes that innovative packaging always has an eco-friendly design, including the following criteria:

- reduction at source and elimination of outer wrapping;
- preference for single-material solutions to facilitate sorting and recycling;
- the use of certified materials from renewable, responsibly managed resources;
- preference for recycled materials;
- using environment-friendly inks and varnishes to print paper and cardboard.

Carrefour is also exploring the possibilities of biosourced materials such as bioplastics (produced from agricultural waste).

The Carrefour design teams work to develop innovative, industrialisable packaging that takes environmental impact into consideration throughout the product's lifecycle. The packaging must be recyclable as far as possible at the end of its lifecycle. In this regard, Carrefour is training its product managers and quality engineers in Europe on packaging eco-design and product lifecycles .

At the same time, Carrefour has been participating in outside working groups, including:

- since 2009, the Global Packaging Project of the Consumer Goods Forum (an international network of manufacturers and retailers) to develop a set of common indicators for evaluating packaging's environmental performance. Carrefour aims to make the most effective packaging its priority, taking environmental criteria into account;
- the National Packaging Council (*Conseil National de l'Emballage* – CNE), a discussion forum for multiple players designed to promote best practices and a responsible eco-design policy for consumer products, involving retailers, manufacturers and Society.

2

2.4.2 PROMOTING THE EMERGENCE OF RESPONSIBLE SECTORS

Many supply networks – involving seafood, wood products, soya, beef and palm oil – now have a major impact on the environment, biodiversity and fish and wood resources. They also represent economic sectors that many populations around the world depend on for their livelihoods. For optimum effectiveness, retailers must bear responsibility for their entire supply chain; Carrefour therefore actively participates in the various platforms, round tables and working groups dedicated to developing responsible sectors.

To preserve fish stocks:

- Carrefour has been working with WWF France since 2007 to identify the fishing areas and species that need priority attention;
- the Group also uses the guide published by **Seafood Choice Alliance**, an NGO working with the entire sector (fishermen, fish-farmers, distributors and retailers), which helps the latter to make the best procurement choices possible given certain species' endangerment;
- to help improve practices in **fish-farming**, which is an acceptable alternative to fishing if the environmental impact is limited, Carrefour has been participating in the WWF's **international dialogues**, which are aimed at defining sustainability criteria, in particular regarding breeding densities, food-distribution optimisation, the monitoring of waste disposal for sea cages and land-basin water quality;

- in May 2012, Carrefour participated in a round table organised by the WWF that brought together European Parliament members to support ambitious reform of the **Common Fisheries Policy**;
- in France, Carrefour also represents the Federation of Retail and Distribution Companies (*Fédération du commerce et de la distribution* – FCD) before the **Sustainable Fishing Ecolabel Commission**.

Aware of the important role forests play in ensuring ecosystem balance, Carrefour became involved early on in efforts to fight climate change, gradually developing a comprehensive strategy comprising initiatives in those of its sectors connected to forestry use and in association with NGOs and dedicated working groups:

- as part of its membership in the **Consumer Goods Forum**, the Carrefour Group supported the adoption of a far-reaching objective: **zero deforestation by 2020**;
- since 2009, Carrefour has been sitting on the Executive Committee of the **Roundtable on Sustainable Palm Oil (RSPO)**. This round table is a platform for 650 palm-oil producers, agri-food manufacturers, retailers and NGOs. Its mission is to foster sustainable practices in the palm oil sector by developing a production certification system and ensuring traceability in the supply chain;

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- since 2009, Carrefour Brazil has been participating in the Sustainable Cattle Working Group (*Grupo de Trabalho da Pecuaria Sustentavel – GTPS*), which aims to create a responsible cattle supply sector;
- the Group is a member of the Round Table on Responsible Soya (RTRS), an international organisation that brings together soya producers, manufacturing representatives, mass-retailing representatives and NGOs since 2006. In 2010, it published a certification standard for responsible soya production, which verifies that a product was grown without requiring the

conversion of high-conservation-value areas. It also promotes more responsible management practices, and ensures fair working conditions in compliance with ILO standards and respect for local communities. Carrefour also went to considerable lengths to ensure that the RTRS standard included an appendix on non-GMO crops;

- since 2006, Carrefour has been supporting the Soya Moratorium. This initiative, engaged in by sector professionals, the Brazilian authorities and Society, involves fighting the Amazon's deforestation for soya crops.

2.4.3 CARREFOUR QUALITY LINES: AGRICULTURAL PRODUCTS THAT UPHOLD VALUES

Emblematic of Carrefour's sustainable development approach, the Carrefour Quality Line fresh products networks (meat, fish, cheese and produce) put responsible consumption within reach of all customers and consumers. In 2012, the Group celebrated the 20th anniversary of its Carrefour Quality Lines, of which there were 430 in Group countries this year. All such lines meet the socioeconomic principles set forth at the very beginning with a view to achieving sustainable development:

- Make quality products available to consumers at the best price;
- Use local suppliers who are rewarded for their approach to quality and to whom Carrefour guarantees long-term markets (see pages 65-66, part 2.6);
- Contribute to local economic growth;
- promote local products and expertise.

Responsible agriculture criteria are also included in product specifications:

- mandatory crop rotation;
- a ban on spreading sludge from water treatment plants;
- no chemical soil treatments after harvest;
- prohibition of soil-free plant production;
- development of fish farming with limited environmental impact;
- integrated approach to fruit and vegetables.

Along with environmental protection, animal welfare is included in the specifications for animal-raising operations:

- no preventive antibiotic treatments used;
- prohibition of products made from animals whose feed consisted of more than 0.9% GMOs;
- limitations on animal density to reduce pollution and improve animal comfort;
- rules guaranteeing comfortable conditions for animals while being transported to slaughterhouses.

Carrefour pays special attention to animal welfare because this ethical principle contributes to the quality of the final product. In 2008, the Group boosted its commitment by entering into partnership with France's International Society for the Protection of Farm Animals (*Protection mondiale des animaux de ferme – PMAF*), and launched several innovative projects in 2010 and 2011.

In 1998, Carrefour France extended its commitments to include upstream operations, in particular aiming to develop traceable, GMO-free soya-meal networks. Anticipating the French government's decree related to the labelling of GMO-free food (eventually published in January 2012), as early as 2010 Carrefour was able to meet French transparency requirements on animal feed; more than 300 listed Carrefour and Carrefour Quality Line products sold in France now display the "Reared without GMOs" label.



The Group has also launched research aimed at eliminating preventive antibiotics for poultry with the goal of better fighting the emergence of antibiotic-resistant bacteria, which are caused in part by animal-raising operations' overuse of medications. In partnership with a group of producers from Auvergne, Carrefour is testing plant therapy, an innovative natural solution for boosting birds' immune systems. Since November 2012, Carrefour hypermarkets and supermarkets have been offering their customers and consumers poultry raised without antibiotics.

The Carrefour Quality Lines thus represent a unique approach, due to their scope and the collaboration they make possible with the agricultural sphere. Since their creation, they have allowed Carrefour to develop innovations that promote the Group's values and set the groundwork for tomorrow's agriculture.

For the past 20 years, the Group has been creating Carrefour Quality Line seafood products so as to guarantee that a marketed species is not endangered or comes from sustainably managed stocks and is caught *via* fishing techniques that have a controlled environmental impact.

**Key figures**

At the end of 2012, Brazil had 51 Carrefour Quality Lines (CQLs) and 152 products, eight of them launched in 2012.

In Turkey, the CQLs offer 17 products.

Group	2012	2011	2010
Sales (incl. VAT) of Carrefour Quality Line products <i>(in millions of euros)</i>	940	927	907
Number of Carrefour Quality Line products <i>(number of products)</i>	430 <input checked="" type="checkbox"/>	422	422

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

2.4.4 MEETING THE EXPECTATIONS OF ALL CUSTOMERS AND CONSUMERS

In contact with thousands of suppliers and millions of customers, Carrefour has long taken up its various responsibilities as the European market's leader and the second-leading retailer worldwide. The Group has gradually developed a high-quality, safe, eco-friendly food product offer that makes a balanced diet available to all. This comprehensive approach takes the shape of various initiatives that cover all these criteria and put into play Carrefour's social responsibility contributions.

2.4.4.1 FAIR TRADE

In 2012, the Group had over 1,700 fair trade listings (own-brand and national brands) throughout the world. In 1998, Carrefour became the first French banner to market a fair trade product: Malongo coffee under the Max Havelaar label.

Carrefour Solidaire products come from some 50 small-producer cooperatives located mainly in South America plus Asia and Africa. The Fairtrade label guarantees such producers a higher income and a long-term partnership, and certifies that their production incorporates eco-friendly practices (GMO-free products, optimised natural-resource management etc.). In Spain, a range of textile products made in India by disadvantaged women is sold in partnership with the Creative Handicraft association.



Key figure

In France, Carrefour is amongst the leading players in this market with over 548 items, including 17 with the Fairtrade label under its Carrefour Solidaire brand.

Group	2012	2011	2010
Sales (incl. VAT) of Carrefour fair trade products <i>(in millions of euros)</i>	26	32	30
Number of Carrefour-brand fair trade products <i>(number of listings)</i>	115 <input checked="" type="checkbox"/>	100	77

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

2.4.4.2 PROMOTING ORGANIC AGRICULTURE: THE CARREFOUR BIO RANGE

The Group has developed a particularly wide selection of organic products that use eco-friendly production methods. The Carrefour BIO range offers a broad range of food products, textiles and cosmetics, and the number of listings expands year after year. In 2012, Carrefour hypermarkets sold nearly 2,000 Carrefour BIO food listings worldwide.

In 2012, Carrefour extended its “Guaranteed Lowest Price” pledge to 100 organic products from leading brands, selected from the most frequently-purchased everyday products. Carrefour recently celebrated the 20th anniversary of its BIO organic range in France by organising a number of events at its stores and launching a wide-reaching campaign to promote Carrefour BIO products in-store, *via* catalogues and online (http://www.c-laterre.fr/carrefour_et_le_bio/produit-bio-magasins). Italy launched six Carrefour BIO products to encourage the consumption of soya, plant protein and other products by offering customers such alternatives as wheat, soya and quinoa, bringing the country’s number of BIO listings to over 200.

Key figure

825 Carrefour BIO food listings and 565 textile listings in France.

All formats	2012	2011	2010
Number of controlled organic-food product listings <i>(in units)</i>	2,004 <input checked="" type="checkbox"/>	1,998	1,201
Sales (incl. VAT) of controlled organic-food products <i>(in millions of euros)</i>	321	329	331

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.4.4.3 MSC-CERTIFIED SEAFOOD

Since 2008, the Carrefour Group has developed a wide range of own-brand products certified by the Marine Stewardship Council (MSC), a globally recognised programme for certifying products obtained *via* responsible fishing practices. With 23 MSC listings , Carrefour offers one of the largest ranges in France, all brands combined.

2.4.4.4 CARREFOUR ECOPLANET: A RANGE THAT HELPS PROTECT BOTH THE ENVIRONMENT AND BIODIVERSITY

In 2006, the Group launched the Carrefour ECOplanet brand, which now has 124 listings (35 household and personal-care products, plus 80 non-food and nine food products). In particular, this range provides the Group with an opportunity to demonstrate its commitment to preserving biodiversity and natural resources. ECOplanet-range products are certified under such well-respected names as the European, FSC, MSC and Nordic Swan ecolabels or backed by an external guarantee.

In France, Carrefour offers 34 labelled Carrefour ECOplanet products made from materials produced in sustainably managed forests. Since 2010, this offer has included toys made from FSC wood, Carrefour ECOplanet nappies made from agricultural materials and chlorine-free cellulose. The Carrefour ECOplanet range also offers a growing number of products made from recycled materials. Finally, certain listings are very innovative in that biotechnology is integrated into their design. This is the case, for example, with cleaning products designed with a natural surface-active substance produced by bacteria.

2.4.4.5 CARREFOUR DEVELOPS SPECIAL PRODUCT RANGES DESIGNED TO MEET SPECIFIC NUTRITIONAL NEEDS

In response to the world's increasing obesity crisis, the Carrefour Group, as the second-leading retailer worldwide, has a responsibility to provide affordable products that allow all consumers to achieve a balanced diet. Carrefour's nutritional strategy is founded on four main action spheres:

- guaranteeing Carrefour products' nutritional quality;
- offering healthy, affordable products;

- helping to inform consumers and boost their awareness (see page 51);
- developing targeted product ranges designed to meet certain customers' specific nutritional needs.

Carrefour Baby

Carrefour worked with paediatricians and dieticians to design this range of food products for children up to three years of age. It offers quality products made from simple recipes and adapted to the needs of little ones. In France, the Carrefour Baby range had 50 listings, 36 of them organic, in 2011.

Carrefour Kids

These fun, varied products, offered at affordable prices, were developed in partnership with Disney to meet specific nutritional standards: they have suitable calorie content and limited amounts of fat, sugar and salt, and do not use artificial sweeteners.

Carrefour No Gluten

This range, specifically developed for the gluten-intolerant, is available in Europe and Argentina. These products can easily be recognised by the wheat-head symbol with a cross through it, the logo of the French Gluten Intolerance Association and of the Spanish Celiac Association (FACE). At the end of 2012, Spain's offer of 150 gluten-free products included over 90 traditional fresh products listings (meat products) and a chocolate dessert. In Italy, 12 gluten-free products are offered at Carrefour stores. In Argentina, where the percentage of people with gluten allergies is relatively high, Carrefour stores in the Salta region have a special area dedicated to gluten-free items. This initiative got its start through a partnership between Carrefour and the municipality of Salta dedicated to serving those with celiac disease. Mothers of coeliac children came together and formed a cooperative to develop gluten-free "home-made" products. These products are now sold at Carrefour stores.

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2.4.5 PROMOTING RESPONSIBLE CONSUMPTION

2.4.5.1 EDUCATING CUSTOMERS ABOUT RESPONSIBLE CONSUMPTION

Since mass-market retailers can play a major role in modifying consumption patterns and changing behaviour, Carrefour is thus redoubling its efforts to guide customers toward responsible consumption. Products with environmental and social added value are representative of more responsible consumption. They are promoted during national and local events. In France for example, during the Organic Spring campaign, hypermarkets and supermarkets promoted the Group's commitment to biodiversity and protecting the environment in their catalogues, in-store and online. The stores set up sampling stands hosted by local suppliers, such as producers of organic fruit, vegetables and meat.

In Argentina, China, France and Brazil, Carrefour used the WWF's Earth Hour campaign to rally stores and customers around the issue of climate change. During this operation, the Group promoted energy-efficient products in stores.

Carrefour Spain, in partnership with Fapas (the Fund for the Protection of Wild Animals), supports projects to safeguard bears and tetra cockerels in the Cantabrian cordillera. It encourages its customers to get involved in its "More Bears, Less CO₂" programme by planting trees, participating in pollination initiatives and visiting protected areas.

In 2012 in France, 225 hypermarkets and 937 supermarkets participated in the third Blue Days, an event promoting the catalogue's MSC-labelled products over one week. A special promotional campaign was launched in the hypermarkets, while information on sustainable fishing was promoted in the customer magazine and on the homepage (www.carrefour.fr).

Also in France, types of fish classified by Carrefour as being from "well-managed, abundant fish stocks" are highly visible and easily identifiable on shelves. In-store, customers are given a list of "fish to take note of" and the address of a dedicated website. This initiative was carried out with support from WWF France.

2.4.5.2 INFORMING CONSUMERS ABOUT WASTE SORTING

To both raise consumer awareness of waste-sorting's importance and answer sometimes-complex sorting questions, Carrefour has included pictograms on its Carrefour BIO and Carrefour ECOplanet product packaging. Available in four European countries (France, Belgium, Italy and Spain), these pictograms designate each component of the packaging and how it should be disposed of (in general garbage or a recycling bin).

In 2012, the Group carried out a real-life test of the pictograms' effectiveness as applied to 300 organic-range products. Given the success of this initiative, the Group plans to expand it to all Carrefour products in 2013.

Encourage customers to opt for reusable bags

In some countries, such as Argentina and Brazil, discontinuing the distribution of free disposable plastic check-out bags is a pioneering initiative that has been supported by a major campaign to boost customer awareness. As part of its efforts, Carrefour Brazil has taken part in a huge "No more plastic bags" awareness-raising campaign in partnership with local communities and associations. Customers have been supported by store employees and offered a wide range of reusable bags and boxes, available free of charge.

An identical initiative was run by Carrefour in Turkey to mark World Environment Day.

In France, to boost the reusable-bag offer, organic cotton bags produced in the Vosges region were made available in several colours at hypermarkets and supermarkets.



2.4.5.3 INFORMING CONSUMERS ABOUT THE IMPORTANCE OF A VARIED, BALANCED DIET

Simple and transparent information

Since 2005, Carrefour has also been labelling its products with nutritional information developed in collaboration with the CLCV (Confederation for consumption, housing and lifestyle) consumer association. To provide customers with clear information so that they can compare products more easily, in 2009 Carrefour decided to adopt the Guideline Daily Amounts (GDA) system for its own-brand products in Europe. Grids on products' front labels indicate the amounts of calories, sugar, fat (including saturated fat) and salt, expressed as a percentage of daily recommended amounts. On products for children, the GDAs are provided for each product's targeted age range.

The packaging always includes the phrase, "Eat a varied, balanced diet and get regular exercise!" – a recommendation in line with the basic principles of the PNNS (*Plan National Nutrition Santé*, or National Nutrition and Health Plan), launched in 2001 by the French authorities. Depending on the packaging's available space, this phrase may be followed by nutritional advice to help consumers put together balanced, varied meals. For example, a pizza's packaging is labelled with the following suggestion: "For a complete meal, enjoy this pizza with crudités or vegetables and have yogurt or a piece of fruit for dessert. And don't forget to drink plenty of water."

Awareness-raising campaigns in Group countries

In all the countries in which it operates, the Carrefour Group is increasing its efforts to promote a balanced diet and healthier lifestyle, especially among young people. To reach as many people as possible, Carrefour spreads the message in a range of ways, including websites, magazines, participation in awareness campaigns, sponsorships and promotional efforts aimed at assembling affordable, balanced meals.

In 2012 in France, for example, Carrefour *market* stores participated in Taste Week for the ninth year in a row, promoting seasonal fruit through tastings and informational workshops for over 1,000 children from nearby schools.

Similarly, in Spain in 2012, over 3,100 children from 70 middle schools participated in Carrefour's "Bocata Sano" ("Healthy Sandwich") initiative, aimed at preventing childhood obesity and spreading information on the importance of a healthy, balanced diet. In Poland, a new website – www.klubmarkicarrefour.pl – is dedicated to promoting food products and consumption habits that help make a balanced diet possible.

In collaboration with nutrition experts, Carrefour Brazil now offers a set of over 80 menus featuring optimum calorie, protein, sugar and fat content. These menus, available online and in stores, were adopted by over 100,000 customers in 2012.



2.5 Optimising our business operations' environmental performance

Fighting climate change and preserving natural resources are major Carrefour commitments. Using resources effectively contributes to the Group's financial performance and longevity in the long term. Moreover, fighting climate change also helps maintain the quality of the ecosystems we depend on for our business.

In response to this challenge, for more than a decade the Carrefour Group has resolutely invested in improving its retail operations' environmental performance.

Carrefour takes action in two main ways: it moves toward energy-efficient stores that produce small amounts of waste and CO₂, and limits the environmental impact throughout the logistics chain. Carrefour's approach is based on implementing innovative technology, sharing best practices with other market players and informing employees at all levels.

2.5.1 MANAGING ENVIRONMENTAL RISKS

Environmental risks are covered on pages 117-118.

2.5.1.1 ORGANISING THE COMPANY TO ADDRESS ENVIRONMENTAL ISSUES

Environmental risks are evaluated and then a prevention programme is implemented in various countries where the Group has retail outlets . In keeping with the principle of subsidiarity, which prevails in the Carrefour Group's management methods, each country introduces the organisation best suited to its situation in terms of environmental goals and achieving the objectives set forth by the Group, in particular concerning efforts to reduce energy consumption. Analysis, regulatory monitoring, development of action plans and investment therefore take place locally at the initiative of country management or of store managers, with the cooperation of maintenance employees and all other employees.

At hypermarkets in France, for example, the variable pay for technical managers includes a qualitative goal for waste-sorting. Many countries have also introduced an energy-efficiency objective into store managers' compensation .

2.5.1.2 ENVIRONMENTAL EVALUATION AND CERTIFICATION APPROACHES

Environment, hygiene, health and safety management systems are being gradually rolled out in Group countries. They are supported by a Group reporting tool and store environmental performance measurement systems (energy and water consumption, waste production etc.), which make precise monitoring and management of facilities and audit programmes possible, providing insight into the stores' situation with regard to local environmental regulations as well as allowing users to anticipate environmental risks and roll out appropriate preventive measures. All countries have defined environmental performance goals in such key areas as energy, greenhouse gas emissions and reducing waste and water consumption, and they have a scorecard for monitoring purposes.

Locally, certain countries can choose ISO 14001 certification for some of their activities, as Spain has done for its service stations.

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2.5.2 STORES THAT ARE MORE ECONOMICAL AND SUSTAINABLE

Each year, Carrefour continues its growth and opens new retail outlets with the goal of reducing and managing the impact of its retail centres.

To this end, the Group works toward the following goals:

- integrating environmental criteria into the construction and renovation of stores, since the choices made when the store is designed will have an impact throughout the entire operational period;
- reducing stores' carbon footprint and energy consumption;
- managing its sites' water consumption;
- increasing the percentage of waste recycled at stores.

2.5.2.1 INTEGRATING ENVIRONMENTAL CONSIDERATIONS INTO THE DESIGN AND CONSTRUCTION OF STORES

Designing energy-efficient stores

In constructing, expanding and renovating commercial spaces, each project gives the Carrefour Group an opportunity to apply the principles of sustainable construction. Carrefour Property, the real-estate company that manages the commercial real-estate assets of the Carrefour Group in France, Italy and Spain, involves local communities, prime contractors parties and service providers in its eco-design approach, and works to implement innovative solutions to protect the environment:

To reach the Group's energy efficiency goal (see p. 54-56) **Designing store architecture to optimise energy consumption**. Renovated and new buildings use natural lighting as much as possible, are constructed from materials offering high thermal inertia and have glass façades oriented in a way that reduces the need for air-conditioning. These best practices have been developed in France, as well as in India, Taiwan and China, among others. Some stores also have a planted roof, which plays the role of insulation, or a white roof with high solar reflectivity, which limits the need for air-conditioning, such as at the Assago hypermarket in Italy.

In 2011, Carrefour expanded its Eco-Construction Charter to include renewable energy sources in projects, so that these options (solar water-heaters, heat pumps, wind turbines etc.) are more systematically taken into consideration.

Special attention is also paid to the selection of materials. Stores favour natural materials that are more respectful of the environment. Wood, brick, and paints are all chosen according to eco-responsible criteria. In keeping with its commitment to responsible procurement (see pages 43-46), the wood comes in large part from sustainably managed forests. Glues, paints, stains and varnishes bearing the NF Environment label, European Ecolabel or other such equivalent are used at all the sites in France. Carrefour Property also uses materials that require low levels of energy for their production or are made using abundant natural materials.

Carrefour Property involves the banners operating in its French shopping centres in its approach. Environmental criteria are included in the rental agreements and specifications for outfitting boutiques to encourage the use of energy-efficient equipment, the choice of eco-friendly materials and the sorting of waste.

New sites are designed for optimal suitability within their local environment. Launched in 2006, Carrefour's Landscaping Charter includes management of green spaces with respect for local biodiversity . Each project is designed to integrate seamlessly into the natural or urban landscape and to minimise environmental impact.

To strengthen its commitment to biodiversity and the preservation of natural resources, Carrefour Property developed a new Biodiversity Charter in 2012 . Its goal is to spread the best practices that protect biodiversity, from the design phase to the works and onward to the operational phase. A prerequisite for any land-use project, this charter makes it possible to evaluate the ecological and urban context of the project. Next, it covers the following three areas:

- the orientation of green-space design (according to the metropolitan area's main zones of ecological consistency);
- the orientation of the worksite's implementation;
- the orientation of green-space management.

Carrefour also works to facilitate its stores' accessibility. For example, at the l'Escapade shopping centre, opened in November 2012 in La Chapelle-Saint-Luc near Troyes, the integration of the project into its environment required safe pedestrian access paths, the creation of a bicycle path and parking spaces for families, electric vehicles and carpool vehicles. The car park has recharging stations for electric vehicles. In Mondeville, the future business zone will be served by a central bus stop. The future Quetigny business zone will be served by two tram lines.

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To optimally promote this comprehensive environmental approach and get its stores involved in on-going improvement, Carrefour Property studies the possibilities of HEQ (*Haute Qualité Environnementale*, a French standard) certification or BREEAM (Building Research Establishment Environmental Assessment Method, a British standard) certification for each project in France. The Carrefour *market* supermarket in Mondonville, opened in 2010, was the Group's first store to receive HEQ certification. These innovative standards and technologies are also used outside the scope of Carrefour Property: Turkey, for example, is expecting to obtain LEED certification for its new head office, scheduled for delivery in 2013.

Carrefour's approach is also embodied in other projects, such as the HEQ-certified l'Escapade shopping centre, which is also in the process of obtaining BREEAM certification; the Carrefour Lyon Confluence store, which is also HEQ certified, as is the shopping centre it is part of; the expansion of the Argeles-Gazost Carrefour *market*; and the new Audenge Carrefour *market*, which aims to obtain HEQ certification. These on-going and completed projects use all of the measures detailed above to activate all possible means of promoting environmental protection.

Creating clean worksites

Beginning with the design phase, Carrefour works to limit its impact. In France, the companies that worked on construction sites for Carrefour stores in 2012 signed the Green Worksite Charter , which in particular recommends worksite waste-sorting, the cleaning of earth-moving machinery's wheels to avoid spreading

mud on public roads and the limitation of noise disturbances by planning loud works for time periods that will be the most comfortable for area residents.

In 2012, the Green Worksite Charter concerned 13 projects, in particular involving:

- the construction and expansion of hypermarkets and shopping centres;
- the construction of supermarkets.

In 2013, Carrefour Property aims to apply the Green Worksite Charter to all of its construction and expansion works.

2.5.2.2 REDUCING THE ENVIRONMENT FOOTPRINT OF STORE OPERATIONS

Reducing stores' energy consumption and carbon footprint

The Group has set itself an ambitious objective: reducing its CO₂ emissions by 40% compared to 2009 levels in four European countries – France, Spain, Italy and Belgium – by 2020 .

The greenhouse gas emissions generated by store operations come mainly from the energy they use and the refrigerants needed to produce food refrigeration. Carrefour has therefore made these two sources its priorities.

The Carrefour Group's carbon footprint

GHG EMISSIONS BY SOURCE (IN T. CO₂ EQ.)

Scope 1	Refrigerants <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	42%
	Gas <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	3%
	Fuel <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	1%
Scope 2	Electrical power <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	44%
Scope 3	Logistics <input checked="" type="checkbox"/>	10%

Excluding: Argentina HM and SM.

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

2012 figures verified by Statutory Auditors KPMG Audit, with a result of reasonable assurance.

GHG EMISSIONS BY REGION (IN T. CO₂ EQ.)

France	20%
Europe (excluding France)	44%
Asia	11%
Latin America	25%

Excluding: Argentina HM and SM.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



To measure its carbon footprint, in 2007 the Group implemented a greenhouse gas (GHG) emissions reporting system based on the guidelines of the GHG Protocol, an international GHG accounting standard . In 2012, the direct emissions (scope 1 of the protocol: refrigerants, gas and fuel) were 1.6 million t. of CO₂ eq. and indirect emissions (scope 2: electricity, and scope 3: goods transport) were 1.9 million t. of CO₂ eq.

The energy efficiency programme

Since store energy expenditure comes to over 500 million euros per year, reducing energy consumption is also a cornerstone of the Group's efforts to stop wastage and a major factor in lowering Carrefour's energy dependence.

AVERAGE STORE ENERGY CONSUMPTION

Electrical power	87%
Gas	11%
Fuel	2%

STORE ENERGY CONSUMPTION

Food refrigeration	35%
Air conditioning	25%
Lighting	24%
Food preparation and other areas	16%

In 2012, the energy consumption (electricity, fuel and gas) of the Group's stores dropped by 24.6% (compared to 2004 levels, per sq. m. of sales area). Carrefour's goal is to reduce energy consumption by 30% per sq. m. of store sales area by 2020 (compared to 2004 levels).

To achieve this result, the Group launched an energy efficiency programme at all stores. This multi-year investment plan, worth some thirty million euros a year, allows Carrefour to roll out energy efficiency technology at its stores. The stores are also equipped with a centralised technical management (CTM) system that automatically regulates heating, air conditioning and lighting according to need, and monitors consumption.

They are all also gradually adopting low-consumption lighting, and adding glass doors to frozen and refrigerated product units. Some stores also recover the heat energy generated by their cooling facilities and reuse it for heating or for domestic hot-water production, while others gradually replace their compressors with more effective units and still others develop organic-waste methanisation, install insulating walls and use heat pumps when geothermal energy makes it possible.

In France, thanks to the combination of these solutions, the Carrefour *market* supermarkets in Mondonville, Auterive, Sarlat and Mauriac not only consume less energy than other stores on a like-for-like basis in terms of sales area, but they also no longer use fossil fuels for heating.

In Turkey, 15 projects were created during the 2011-2012 period to promote the roll-out of this type of initiative. The total investment represents nearly 7 million euros and will save up to 12 million kilowatts. Achieving the energy efficiency goals established is a major factor in managers' evaluations.

Similarly, Taiwan, China, India and Poland are introducing more effective equipment in their stores and increasing their energy-consumption monitoring. Carrefour China won the Green Chinese Store award for its Hangzhou Yongjin site.

In Spain, the Edificios Eco-sostenibles energy-efficiency programme was launched in 2007. Thanks to this programme, for the third year in a row Carrefour Spain came out on top of the mass merchandising sector in the evaluation carried out by the Piensa en Clima NGO, which promotes approaches in favour of responsible consumption and the fight against climate change.

In 2012, Carrefour Brazil launched an inventory of the main improvement goals to reduce energy consumption, and plans to roll out an action plan in the next few years aimed at closing freezer units, installing energy meters in 400 stores and shopping areas and replacing lighting systems.

- 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.
- 2012 figures verified by Statutory Auditors KPMG Audit, with a result of reasonable assurance.
- Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



	2012	2011	2010	2009	% vs. 09
Energy consumption – electricity, Gas and fuel (kWh/sq. m. of sales area)	573	596	619	628	(8.7)%

Like-for-like BUs (scope: 83% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.

	2012	2011	2010	2009	% vs. 09
Greenhouse gas (GHG) emissions linked to energy consumption (in kg CO ₂ /sq. m. of sales area)	187	192	205	208	(10.3)%

Like-for-like BUs (scope: 83% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.

Key figures

A 24.6% decrease in energy consumption in kWh/sq. m. of sales area since 2004 across the Group.

A 10.3% reduction in greenhouse gas emissions linked to energy consumption at stores consolidated within the Group since 2009.

Promoting renewable energy sources

Depending on local contexts, the Carrefour Group takes every opportunity to develop its use of renewable energy sources. Certain countries like Belgium already use 100% renewable energy, by selecting their electricity supplier.

There are many examples throughout the Group of stores equipped to produce heat or electricity using renewable sources.

In **Turkey**, certain hypermarkets and supermarkets located in sunny regions are equipped with solar water-heaters.

In **France**, six wind turbines were installed at the Perpignan Clairia site, and the Salaise shopping centre extension uses geothermal energy to heat and air-condition the mall and shops.

In **Spain**, Carrefour has installed over 109,000 kWh/year in photovoltaic cells at eight hypermarkets and rolled out over 11,000 solar panels at the Alovera warehouse, thus creating the largest array of this type in Europe. With this installation, Carrefour Spain reduced its emissions by over 500 t. of CO₂ equivalent.

In **Italy**, 12 hypermarkets are equipped with heat pumps for heating, bringing renewable energy's share of their consumption to 40%. The three warehouses in Massalengo, Pombia and Casella use solar energy.

Finally, in **Poland**, the rental of hypermarket roofs for the installation of solar panels is being studied.

Reducing refrigerant consumption

Refrigerants used to run the refrigeration systems represent the second largest source of greenhouse gas emissions generated by the stores' activity. To reduce greenhouse gas emissions caused by leaking refrigerants, the Carrefour Group launched a strategy composed of two phases:

- to identify leaks, with the goal of limiting them to 10% of the gas used in its facilities;
- to prioritise the use of alternative or natural fluids with a lower environmental impact; Carrefour also pledged to stop using hydrofluorocarbons (HFCs) in its new cooling facilities as of 2015.

In most of the countries where it operates, the Group has carried out a diagnostic analysis aimed at measuring fluid leak rates and identifying their causes, with a view to introducing corrective measures. Between 2009 and 2012, the quantity of refrigerant gas refilled in cooling facilities following leaks dropped by 34.3% per sq. m. of sales area.

Several types of gas may be used in refrigerator and freezer units. Their use is subject to increasing regulatory constraints.

At Carrefour stores in Europe, all food-chilling facilities that use hydrochlorofluorocarbons (HCFCs) will soon be phased out. Since January 1, 2010, the European Union has prohibited the use of virgin HCFCs to refill existing cooling facilities.

The use of HFCs (hydrofluorocarbons) will also be reduced, as legislation in this regard has been made considerably stricter.



Carrefour is thus testing various alternatives to traditional fluids, such as natural fluids like carbon dioxide (CO₂), which have a lower impact on climate change and ozone layer destruction . Moreover, the CO₂ requires very tightly-sealed refrigeration facilities, which significantly reduce leak risks. The next-generation equipment also consumes less fluid and 10-20% less electricity, which limits greenhouse gas emissions as well.

After the first conclusive experiments carried out in 2011, in which carbon dioxide was tested for freezer units, various pilot operations were launched in 2012, including those for refrigeration. The Group is considering the possibility of converting those of its facilities operating on fluorinated fluids to the use of scalable mixed CO₂ solutions, or to 100% CO₂ solutions for facilities reaching their end-of-life, or for complete or partial renovation of certain sites. From this point on in new stores, completely renovated stores or stores whose cooling facilities are reaching their end-of-life, the Group will therefore use CO₂ for both freezing and refrigeration.

In 2012, Turkey took a series of measures to reduce the impact of refrigerant systems: the last facilities operating with HCFCs were replaced, certain facilities were removed or reduced in size and the compressors and capacitors at 49 supermarkets were replaced by equipment with anti-leak guarantees.

Leak monitoring has been included in maintenance contracts for the facilities. In addition, carbon dioxide facilities are being tested at three stores.

Stores in Taiwan are gradually migrating toward the use of fluids with lower environmental impact and have all been equipped with leak-detection devices.

China improved its leak detection procedure, which is now carried out bimonthly with more reliable equipment.

Poland expects to replace the last of its equipment using HCFCs by 2013 at the latest. CO₂ refrigerant systems were tested at two hypermarkets and a supermarket in Poland in 2012; a decision was taken to gradually expand this practice.

Since 2012, India has been using gas that does not harm the ozone layer.

At the end of 2012, Italy had three CO₂ plants. This fluid is used systematically for all new store openings and renovations.

In Brazil, Carrefour has launched on-going improvement approaches. In 2012, for example, a map of refrigerant gas leaks was created and an action plan was developed to reduce them (equipment replacements and preventive maintenance).

	2012	2011	2010	2009	% vs. 09
Quantity of refrigerant refilled due to leakage <i>(in kg/1,000 sq. m. of sales area)</i>	38.1	40.0	47.4	58.6	(35.0)%

Like-for-like BUs (scope: 76% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR, AR, TW/SM: BR, AR, TR.

Key figures

A 35.0% reduction in the quantity of refrigerant fluid in cold-production facilities per sq. m. of sales area since 2009.

A 24.9% reduction in CO₂ emissions linked to refrigerant and energy consumption by stores in France, Spain, Belgium and Italy compared to 2009 levels (goal: 40% less by 2020).

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Reducing water consumption

Sources of water consumption vary with the size and operations of the different stores. The operations that use the most water are the food-preparation areas (meat, fish, bread, pastries and deli), the cleaning of equipment and floors, the production of ice for the fish displays, hand-washing and employee restrooms, and the watering of interior plants and outdoor green spaces.

From 2009 to 2012, water consumption dropped by 6.8% at Group level. This progress is the result of a long awareness-raising process.

In 2003, the Group adopted related management measures, including regular reporting and identification of consumption sources and stores that consume the most . This monitoring and analysis work included a number of water-savings assessments. The stores have raised their employees' awareness of this issue and optimised equipment maintenance, in particular to prevent leaks. In Turkey, for example, water metres at hypermarkets are monitored daily.

Stores around the world are gradually adopting solutions designed to limit their consumption, such as water-saving taps, motion-detection taps and water-free urinals, systems for collecting and recycling rainwater for usages not requiring drinking water – a solution that could reduce a hypermarket's consumption by 10%. In India, for example, certain stores have set up rainwater collection schemes.

In France, Italy, China, Taiwan and India, Carrefour and cash & carry stores are equipped with a water recycling system that collects and treats wastewater for bacteriological pollution so that it can be reused in toilets, for car-washing and for watering green spaces. All stores in China are equipped with dry toilets, which save an average of 170,000 litres of water per year and per store.

	2012	2011	2010	2009	% vs. 09
Water consumed (in cu.m/sq. m. of sales area)	1.72	1.77	1.82	1.85	(6.8)%

Like-for-like BUs (scope: 92% of 2012 consolidated sales, excl. VAT) – excluding: HM: BE, AR/SM: BE, AR.

Key figures

A 6,8 % reduction in water consumption per sq. m. of sales area Group wide since 2009.

16.7 million cu.m consumed at Group stores in 2012.

Reducing waste production and promoting recovery

Store waste primarily consists of secondary packaging (such as packing boxes for product shipment) and, to a lesser extent, plastic, metal and organic waste from non-consumable food products. Reducing waste from operations is entirely in line with anti-wastage efforts launched by Carrefour at the end of 2012. The Group has long been implementing a strategy with two parts: reducing waste at the source and recovering waste, whether in financial or physical form or as energy .

Reducing waste from operations

To limit its waste, the Group is, in particular, replacing the boxes and crates used for goods transport with reusable plastic trays, and is rolling out "ready-to-sell" units, which involve designing secondary packaging in such a way that it can be used to display the products

on store shelves. If the packaging is well designed, this innovative method offers several environmental benefits. The packaging is smaller and lighter, which limits the volume and weight of the goods transported, fuel consumption and waste amounts. In France, the ready-to-sell method is used for 80% of hypermarket products and 72% of supermarket goods.

In Turkey in 2012, nearly 50% of single-use transport cases were replaced with reusable cases, and a new partnership was set up to test the use of pallets with a longer life span. Since 2009, Spain has been using 100% recyclable corrugated cardboard trays for fruit and vegetables that also help to save room during transport. France opted to give priority to reusable packaging, mainly made of plastic, for produce, meat and textiles.

Warehouses also actively participate in reducing waste at source. See page 63.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



In most of its countries, Carrefour stores work in partnership with charitable organisations, to which they donate food products and textiles (see pages 68-69).

Recycling and recovering waste from operations

Everywhere that it operates, the Group has also adopted a structured waste-management system to ensure that waste is recycled . Cardboard, the primary source of waste in stores, is sorted in all countries.

Other types of waste (plastic, scrap metal, glass, organic waste etc.) are sorted according to the available local waste-recovery systems, which are becoming more common year-by-year. In all countries, Group stores have been increasing their efforts to find networks able to recycle their waste.

Recovery of organic waste has been underway for many years now. In **Belgium**, all stores sort waste from their grocery, bakery, fruit and vegetable sections and transform it into biomethane. In **France**, 11,131 tonnes of biowaste collected at Carrefour hypermarkets and supermarkets were treated in 2012 . In **Spain**, an organic-waste management system is now in operation at 172 hypermarkets. Over the past year, 6,002 tonnes of organic waste were collected and recycled.

In 2007, Carrefour Spain introduced an ambitious programme, the Integrated Waste Management Plan, and opted to centralise waste management and entrust the collection and recycling of waste to two service suppliers. In 2012, this optimisation programme was still a success: 65% of hypermarkets' waste was recycled. Carrefour Spain is also a member of the Sigaus integrated manufacturing-oil management system and the Ambilamp integrated management system designed to facilitate the recovery and recycling of oils and lighting consumables – neon tubing, bulbs, glass, metal fragments and more.

At the same time, French hypermarkets sorted and recycled 81% of their waste (including *via* food donations).

In 2012, special efforts were made to step up waste collection at all stores in **Italy** (paper, cardboard, wood, food waste, oils, batteries, and electric and electronic equipment).

Significant progress was also made in **Argentina**, where Carrefour actively participated in the integrated recycling management programme (PGIR) of the municipality of Buenos Aires. This programme offers environmental, social and financial benefits, since it aims to reduce the overall amount of waste produced, develop recycling networks and professionalise the players already in the sector. In this framework, Argentina's Carrefour stores have set up a sorting and recovery system that covers organic waste, packaging waste (cardboard, plastic etc.), oils, fluorescent tubes, paint, freon cylinders, batteries and more, and have trained employees in sorting methods (a total of 542 employees trained in 2012).

In the same spirit, Carrefour **Brazil** intensified its waste management programmes to bring them up to national policy standards, in particular for the appropriate elimination of organic waste and recyclables. Employees in Brazil also actively participate in working groups that bring together the mass merchandise sector, government representatives and manufacturing decision-makers, with the goal of setting up sector-wide waste management agreements.

Encouraging customers to collect and recycle waste

Throughout the Group, stores offer bins to collect waste brought in by customers. Whether or not local waste legislation exists, waste flows are diverse and becoming more numerous each year; depending on local habits, flows may include batteries, electric and electronic waste, printer cartridges, light bulbs and other lighting consumables.

Carrefour has also launched many awareness campaigns targeting customers to encourage them to sort their waste.

RECYCLED WASTE BY REGION AND TYPE, INCLUDING DONATIONS TO CHARITABLE ORGANISATIONS (IN KG/SQ. M. OF SALES AREA)

Region	France	Europe (excluding France)	Latin America	Asia
Cardboard/paper waste	72%	72%	91%	93%
Donations	18%	1%	1%	0%
Organic waste	1%	11%	1%	1%
Other waste (including plastic)	9%	16%	7%	6%

	2012	2011	2010	% vs. 10
Proportion of waste recycled – including donations <i>(% of waste)</i>	63.9	61.5	60.5	5.5%

Like-for-like BUs (scope: 79% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR, AR, TR/SM: BR, AR.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Reducing the impact of consumables

Limiting the environmental impact of commercial publications

Since 2005, the Carrefour Group has been implementing a comprehensive strategy involving all its commercial publications, in line with its responsible procurement approach (see pages 43-46). In particular, the Group committed to using only FSC- or PEFC-certified paper or recycled paper for its European commercial consumer publications by the end of 2012.

In 2012, 99% of the paper used Group-wide for its commercial publications was recycled or certified; for Europe, the figure was 100%. At the same time, Carrefour has been reducing the quantity of paper used for its publications by:

- reducing the grammage or size of catalogues;

- developing new technologies: electronic brochures and e-mail, loyalty-programme cheques and catalogues available on Carrefour's websites and on smartphones in Europe;
- optimising the distribution of its catalogues: Carrefour reduced its paper use by 20% in Spain, for example, by adjusting the number of catalogues distributed to the population density per neighbourhood and ensuring that only one catalogue is placed in each mailbox. A similar approach is underway in France. Carrefour hypermarkets began offering three catalogues per month rather than four, which saves 10,000 tonnes of paper per year.

Carrefour is also working with printers to reduce the impact of its commercial publications. All of Carrefour's printers are committed to an eco-friendly approach (Imprim'Vert, FSC, PEFC, ISO 14001 etc.).

	2012	2011	2010	2009	% vs. 09
Quantity of paper purchased for commercial publications (in kg/sq. m. of sales area)	17.8	19.9	19.7	20.1	(11.1)%

Like-for-like BUs (scope: 100% of 2012 consolidated sales, excl. VAT).

Phasing out disposable check-out bags

In all countries where it operates, the Group has committed to phasing out the free distribution of disposable plastic check-out bags by the end of 2012. In 2003, the Group carried out its first life-cycle analysis on different types of biodegradable and reusable plastic and paper check-out bags. Updated in 2010, the analysis showed that, past the fifth use, the reusable carrier bag was the most eco-friendly of all the solutions studied. The Group therefore decided to launch an ambitious strategy of eliminating disposable plastic check-out bags and promoting reusable bags.

As a result, the number of disposable plastic bags distributed free of charge at check-outs dropped by 50% (per sq. m. of sales area) from 2009 to 2012. Now, only Argentina, Brazil and Turkey still give out such bags. In these countries, Carrefour is committed to a progressive approach to raise customers' awareness on this point. Certain Carrefour stores in Brazil (Piracicaba, Jundiai and Belo Horizonte) have already stopped distributing disposable bags.

Carrefour has saved over 1,400 million free disposable plastic check-out bags at Group level since 2009.

	2012	2011	2010	2009	% vs. 09
Number of free disposable plastic check-out bags purchased for stores (in kg/sq. m. of sales area)	103	122	141	206	(50.0)%

Like-for-like BUs (scope: 100% of 2012 consolidated sales, excl. VAT).

Air, water and soil pollution

The Carrefour Group's commercial and retail operations release low levels of emissions into the air, water and soil, apart from greenhouse gas emissions. The initiatives aimed at reducing greenhouse gas emissions are described on the previous pages.

Equipment operating on fossil fuels that generate emissions into the air (dust or smoke) such as generators, compressors and condensers are equipped with recovery systems or filters.

Thanks to store efforts, the wastewater leaving sites is not laden with major pollutants. In certain countries, wastewater treatment and recycling systems have been introduced .

Carrefour-managed service stations in France and Spain, for example, are equipped with facilities designed to prevent environmental risks and unpleasant odours, including:

- double-bottom tanks and concrete storage tanks;
- systems designed to recover vapour from gas storage tanks and deposits when tanks are completely filled;

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- a braking system and fill valves to avoid overfilling and leaks, which contaminate soil;
- tight seals on the hose between tank and gas pump to avoid ground contamination;
- adaptors on gas hoses and leak-detection equipment on tanks;
- hard pavement around the filling area to avoid fuel infiltration into the ground;
- decanting systems to avoid contamination of the sanitation network, and a system designed to detect water contamination by hydrocarbons.

Preventing noise pollution

Carrefour store operations generate little to no major noise disturbances. Generators or compressors that cannot be installed underground are covered with anti-noise equipment or placed behind insulating walls. In all countries, maintenance teams ensure respect for noise regulations. In 2012, for example, Carrefour Poland took a number of measures to combat noise disturbances, including soundproof doors for technical rooms (compressors, coolers), noise-filter installation, repairs to compressors, replacement with quieter compressors and use of soundproofing materials.

However, operations linked to goods transport may generate noise disturbances, particularly for local residents during delivery periods. In 2012, Carrefour intensified its noise-reduction strategy, an approach for which Supply Chain France won the Gold Decibels award in December 2011. This award recognises companies that have made significant progress in this area. In 2012, in the context of its membership in the Demeter Club and together with the Certibruit organisation, Carrefour also participated in the development of a new "Respect for local residents during night deliveries" label which recognises shippers and retailers that significantly reduce the noise disturbances they generate, opening the way for the development of night deliveries. This label covers obligations regarding means and outcome: delivery points and roads designed to reduce disturbances, training and awareness-raising for employees and follow-up on complaints to ensure respect for local residents' comfort.

In concrete terms, Carrefour France has also doubled its number of silent lorries since 2010. At the end of 2012, its fleet included 140 vehicles that meet the PIEK standard, a label guaranteeing sound levels of under 60 decibels .

2.5.3 A MORE ECO-FRIENDLY LOGISTICS CHAIN

In 2012, the Group continued to optimise its logistics chain to limit its impact on the environment and reduce its carbon footprint. As a part of an approach aimed at continuous, sustainable improvement of goods transport, Carrefour developed innovative initiatives together with its partners and continued its efforts to reduce and optimise the number of kilometres travelled in favour of more eco-friendly transport modes and improving warehouses' environmental performance.

2.5.3.1 REDUCING AND OPTIMISING THE NUMBER OF KILOMETRES TRAVELLED

Adapting logistics networks

Everywhere that it improves its efficiency, Carrefour redesigns or adapts its logistics network. The Group has rolled out consolidation

centres for its European suppliers. By pooling inventories, these centres make it possible to save an average of 15-20% in distance travelled. Suppliers, mainly SMEs, deliver to a single point that is close to their production site. Full multi-supplier lorries supply Carrefour's regional delivery warehouses from this point. Over 400 suppliers in France supply these platforms. In Turkey, for example, the construction of a new warehouse will make it possible to serve the entire Black Sea region, reducing distances travelled by nearly 2 million kilometres. Taiwan ramped up negotiations with certain suppliers to avoid direct factory-store deliveries and achieve centralisation through the warehouse.

In a further effort to reduce empty kilometres, Carrefour also introduced an optimised return-logistics system in France: eight regional centres now accept returns of packaging and cultural products from hypermarkets. This new organisation saved 4.8 million empty kilometres and 4,100 tonnes of carbon emissions in 2012 (scope: French hypermarkets, from October 2011 to the end of September 2012) .

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Optimised lorry loading

At the same time, Carrefour is optimising lorry loading, with the goal of increasing the number of pallets per lorry and boxes per pallet. In France, 26 twin-deck lorries make it possible to double the volumes loaded into the trailers. In 2012, this represented 9,700 fewer lorries on the roads and 1,440 fewer tonnes of CO₂ emitted. Moreover, testing is underway on stackable shipping packaging to optimise lorry loading volumes. A twin-deck lorry is also in use in Poland. After a diagnostic phase in 2011, Argentina implemented a wide-reaching plan aimed at optimising the loading of its lorries. Over 2012, lorry-filling was optimised by 18%, 14% of which was accomplished by increasing the average size of pallets and 4% through better lorry filling. Other actions, such as optimising delivery frequency to 110 stores and improving suppliers' pallet preparation, also contribute to overall shipping optimisation.

The Group also encourages backhauling, wherein lorries that have delivered merchandise to stores are loaded at nearby suppliers to re-supply Carrefour warehouses. In France in 2012, nearly 400,000 pallets were transported using this method, or five times more than in 2010. Several collaborative projects have been developed, including a very innovative platform initiated in France in partnership with Danone Eaux France and ID Logistics. This project

has created a regional industrial inventory for Danone Eaux France at Carrefour's Grans Miramas site, which has the advantage of being connected to a railway. This site supplies over 120 Carrefour stores in the southeast, as well as the warehouses of other retailers operating in this region. With the volumes pooled in this way, the objective is to send trains fully loaded with goods from Danone Eaux France's plants. This pooling has already saved 415 tonnes of carbon emissions per year (with 1,000 fewer lorries on the roads).

Backhauling initiatives were also introduced in Italy, where an agreement promoting this practice was signed with some 30 suppliers. In Argentina, Carrefour also introduced backhauling in three provinces – La Pampa, Buenos Aires and Mendoza – in partnership with 45 suppliers. In Belgium, Carrefour continued its efforts, and uses backhauling for 10% of its upstream flows, in particular for beer products. Taiwan is also developing backhauling operations.

To support its optimisation efforts, Carrefour has invested in high-performance tools. A Transport Management System (TMS) aimed at better management of data and optimised delivery rounds is being implemented in France. Other countries, such as Argentina, Italy and Poland, also rolled out the TMS in 2012.

	2012	2011	2010	2009	% vs. 09
CO ₂ emissions per shipping unit (in kg CO ₂ /pallet)	6.9	7.0	7.0	7.8	(12.5)%

Like-for-like BUs (scope: 82% of 2012 consolidated sales, excl. VAT) – excluding: HM/SM: BR/IN.

2.5.3.2 PROMOTING AND DEVELOPING MORE ECO-FRIENDLY TRANSPORT

Warehouse and store deliveries: multimodal solutions on the rise

In terms of alternative transport – waterway, rail and multimodal solutions combining rail/road or barge/road – Carrefour continued its efforts in the countries where the infrastructures made it possible.

In France, over 9.5 million kilometres were saved in 2012 by using multimodal transport, or the equivalent of 17,000 fewer lorries for a savings of 7,200 tonnes of carbon emissions. Upstream (deliveries from suppliers to warehouses), 43% of non-food import products were routed using a multimodal solution.

Downstream (deliveries from warehouses to stores), multimodal transport represented 12% of all trans-France flows, or 4.5 million kilometres of road transport saved.

In Spain, Carrefour continues to put its focus on rail transport; in 2011, 80% of its containers were routed by train.

In Belgium, Carrefour is strongly encouraging waterway transport. The routing of import containers between Antwerp and Vilvoorde is therefore handled by barge. In Italy, Carrefour uses a daily train to route some goods from its warehouse in northern Italy to the Rome area for delivery to stores in the centre and south of the country. This rail line is operated in collaboration with one of Carrefour's main suppliers. With some 3,000 trips per year, this line made it possible to achieve CO₂ emissions savings of 26%. In Milan, Carrefour is also developing the use of clean transport for home grocery deliveries using vans operating on LPG or zero-emissions electric vehicles. In Brazil, Carrefour launched a combined waterway/sea transport initiative *via* the Itapevi platform in Manaus for fresh and frozen products as a replacement for road transport.



Innovating for a more eco-friendly fleet that respects local residents

These efforts to optimise the fleet with cleaner, quieter lorries is a mechanism for progress and a key area for Carrefour's environmental approach. The Group favours the use of cleaner lorries:

- in Belgium, 100% of lorries are Euro 5-compliant;
- in France, 93% of the fleet meets Euro 4 and 5 standards (compared with 80% in 2010).

Compliant with the EEV (Enhanced Environmentally-Friendly Vehicles) standard – the strictest to date – France's fleet has now increased to 35 vehicles (*versus* 27 in 2011).

In France, Carrefour signed the CO₂ Objective Charter, covering its own fleet, with the ADEME. Moreover, Carrefour's shippers also commit to the efforts by signing this Charter: 127 service providers, who handle 67% of the transport, have already signed it. Through this charter, shippers commit to a concrete action plan over three years to reduce their fuel consumption and associated emissions. Specifically, this commitment involves installing accessories to improve vehicles' aerodynamics, choosing a highly energy-efficient system for refrigerated vehicles, improving consumption monitoring, carrying out eco-friendly driving training for drivers and raising awareness amongst shippers.

The Group also tests and promotes innovative solutions, particularly in terms of engines: in France, Carrefour acquired six hybrid delivery lorries (electric and silent), improving energy use by nearly 10%. In a world premier in Lyon, thanks to a technological partnership with Renault Trucks and the carrier Stef-TFE, the Group also launched the world's biggest electric lorry, a 16-tonne 100% electric Renault Midlum. This vehicle makes it possible to reduce CO₂ emissions by 89% in the Lyon region (third quarter of 2012).

Also in France, Carrefour is experimenting with a bio-ethanol lorry in collaboration with the manufacturer Scania and the carrier STAF. Since the beginning of 2013, Carrefour has been testing three lorries fueled by biomethane, which is generated by recycling organic waste from its hypermarkets. This scheme makes it possible to make deliveries to some 15 stores in the Lille area with a neutral carbon assessment. In addition to the reduction in greenhouse gas emissions, this goods transport solution emits no fine particles, reduces noise disturbances by half and represents a concrete experiment in energy independence for store deliveries.

Turkey uses lorries that meet the latest standards and is examining the possibility of introducing electric lorries into its fleet. Employees in Taiwan work continually toward the goal of reducing the number of lorries travelling between warehouses and stores.

2.5.3.3 ACTIONS TO IMPROVE THE ENVIRONMENTAL EFFICIENCY OF WAREHOUSES

Warehouses' environmental performance is steadily improving.

In France, in 2008, Carrefour introduced a set of sustainable development indicators, initially for consolidated warehouses and then for warehouses managed by service providers. Since 2005, an outside firm has been carrying out sustainable development audits of French warehouses to identify best practices and encourage improvements. These audits cover environmental and social criteria (energy consumption, CO₂ emissions and waste production).

56 audits were performed in 2012 in France, with an average 94.7% compliance with the reference system, compared to 91% in 2010.

In 2012, French warehouses continued to reduce their energy consumption by improving the energy efficiency of their heating facilities, refrigeration equipment and lighting systems (such as low-consumption lights and motion detectors that make it possible to activate lights only when needed). The result: electricity consumption has been reduced by 8% compared with 2010 levels.

In Taiwan, a warehouse roof was equipped with photovoltaic cells that supply part of the building's electricity needs.

In France, certain warehouses have begun using 100%-recyclable cardboard pallets. Weighing only 3.3 kg compared to the 20 kg of a wooden pallet, this recyclable cardboard version reduces waste quantities while improving handling conditions and significantly reducing the tonnages transported. In 2012, 2,410 tonnes in weight were saved in this way.

Logistics organises the collection of cardboard and plastic packaging for Group stores, in particular supermarkets and convenience stores, which do not have high-enough volumes for removal by a service provider. Over the entire logistics network, the waste-recovery rate is 55%.



2.6 Carrefour: a local financial player serving its communities

Although it operates in 12 countries, as it expands its operations the Carrefour Group never forgets the communities where its stores are located, where its employees live and where it connects with its

financial partners, together with which it promotes the on-going creation of value for the benefit of all.

2.6.1 PLAYING A DYNAMIC ROLE IN EMPLOYMENT AND THE LOCAL ECONOMY

2.6.1.1 STORES DRIVING EMPLOYMENT

With nearly 10,000 stores, Carrefour is a major player in the socioeconomic development of the places in which it operates. Carrefour stores are significant centres of direct and indirect employment. In each Carrefour country and each district/region where it has a store, the banner follows a local recruitment policy . In France, with over 106,000 employees, Carrefour represents one of the biggest private employers in the country.

Carrefour hypermarkets in France, for example, employ an average of 300 people. Every new store creates jobs, which mainly benefit people who live in its geographical area. In France, the Lyon Confluence and La Chapelle-Saint-Luc hypermarkets and the Audenge supermarket, all of which opened in 2012, are excellent examples. When the Lyon Confluence hypermarket opened, it hired 140 employees, 85% of them on permanent contracts. The opening of the La Chapelle-Saint-Luc hypermarket created 200 direct and 250 indirect jobs. As for the Audenge Carrefour market, 25 jobs were created in partnership with city hall and the local employment office; all these employees live in Audenge or neighbouring communities.

Its emphasis on local employment and recruitment has enabled Carrefour to play a key role in the professional integration of those in its employment pools, in particular with the 2004 signing of the Workplace Diversity Charter and by taking very concrete action to promote employment for young people and integration into the workforce for people experiencing employment difficulties.

Promoting youth employment

The Carrefour Group is committed to contributing to the local development of the communities in which it operates and has always focused on recruiting local young people through work-based learning schemes and/or by providing mentoring for new recruits. Carrefour retained its role as a key player in youth employment in 2012.

In France, the banner was the leading recruiter for work-based learning schemes in 2012, with 3,000 new recruits employed under a work/study contract. Working in partnership with local organisations, the Group has also signed a Commitment Charter for employment and work-based learning for young people with the Ministry for Apprenticeship and Vocational Training. In another exemplary initiative, Carrefour sponsored some 150 young people in 2012 in partnership with the *Nos Quartiers ont du Talent* association. One illustration of the success of the initiative was the forum on youth employment held at the end of the year, which attracted 700 applicants. Other countries have also launched wide-reaching programmes dedicated to helping young people integrate into society and the workplace. For example, Brazil's *Jeunes Apprentis* programme provided 1,400 young people with training in a store business line in 2011.

France's *École Carrefour* was created to promote the recruitment and qualification of young people as well as training and skills development for non-executive employees. Each year, it accepts candidates under professionalisation and apprenticeship contracts.

Carrefour also encourages business start-ups and a spirit of entrepreneurship by facilitating access to franchising. Becoming a young entrepreneur in business is an easy and realistic option thanks to the management rental scheme offered by Carrefour, the only banner that currently puts forward such a proposal in France. Since 2003, Carrefour convenience has been running a two-year training programme for the assistant store managers of certain stores with a view to helping them open a store under a lease management scheme without having to make a significant investment.

As a major player in franchising in France and the rest of Europe, Carrefour aims to expand the franchising concept in consolidated countries. It receives support for this concept from a network of partners, and creates financial value that brings benefits for all, including companies, zones, countries and cities.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Promoting access to employment for those who have difficulty finding work

In 2012, the Group continued its partnerships with key players in employment and social integration, in France in particular, including local organisations, the PLIE (*Plan Local pour l'Insertion et l'Emploi*), Cap Emploi, École de la Deuxième Chance and IMS-Entreprendre. In partnership with Pôle emploi, the French government employment service, Carrefour has continued to recruit employees for new stores using the MRS method, which aims to measure applicants' skills *via* a simulation model.

Carrefour has also recruited employees through the *Préparation Opérationnelle à l'Emploi* (POE – Getting Ready for Work) programme, again in partnership with Pôle emploi. Objective: To support new employees through training to get them ready for starting work. At the Lyon Confluence store, 72 employees took advantage of the programme offered by *École Carrefour*.

A similar success story can be found in Spain, where Carrefour continued its partnership with the Integra Foundation, which awarded it a special commendation for its efforts to support people who have difficulty finding work. Six such people were recruited for new stores in Brescia and Principe de Vergara. Iso in Spain, Carrefour joined forces with the Red Cross and the regional employment service for Greater Madrid to hire unemployed people from the northern part of the city.

2.6.1.2 CARREFOUR AS A PARTNER IN LOCAL LIFE

The result of constructive cooperation with elected officials and local players, a Carrefour store is a centre of neighbourhood life, creating social ties and responding effectively to residents' everyday needs. The Chapelle-Saint-Luc hypermarket is a good example of Carrefour's dedication to coordinating its efforts with representatives of the communities where it operates. Completed in November 2012, the creation of a commercial area was carried out in conjunction with financial backers and on-going consultation with residents and users. The project is one of the largest in France and was undertaken by the city authorities in Troyes and the French National Urban Redevelopment Agency, which made economic growth and trade the dual focus of the challenge. It aims to reintegrate vulnerable neighbourhoods by creating new housing and public services. The dynamic needed for such a project was made possible by on-going committed dialogue amongst all stakeholders: the residents, the various communities, the private partners, the State and the economic development participants.

As another example of cooperation amongst the private sector, associations and town council, Carrefour Argentina, along with other businesses and the town council of Zarate (a Buenos Aires district) organised a discussion forum this year, for the second year running, as part of the AcercarRSE (Get Closer to CSR) programme.

The aim was to boost ties amongst 35 local associations, the town council and businesses in the region to develop joint projects designed to support the community's economic and social development.

The cash & carry stores are designed to offer restaurant industry professionals, administrations and small local businesses a convenient place to shop. These stores play an active role in making Group regions dynamic. In India, for example, Carrefour has opened two new stores, and in Argentina it has introduced the Carrefour Maxi concept.

Similarly, Carrefour's neighbourhood stores are particularly beneficial for rural areas. In France, for example, the Group has entered into a partnership with La Poste (the French postal service): 79 Relais Poste (postal outlets) in Carrefour shopping centres have replaced local post offices that have permanently closed . Customers can therefore continue to carry out everyday transactions (dropping off and fetching mail, buying stamps and ready-stamped envelopes and withdrawing money from post office accounts) and take advantage of longer opening hours (8 am to 8 pm).

2.6.1.3 STIMULATING THE LOCAL ECONOMY

Since the very beginning, the Group has given priority to local procurement of products, particularly food products, which is to say items produced in the same country where they are sold. In Turkey, Argentina and Brazil, the share of Carrefour's food products sourced from local suppliers is close to 100%. Carrefour thus supports the growth of thousands of SMEs and small producers in all the countries where it operates, while helping to lower CO₂ emissions created by the transport of imported goods. Carrefour develops long-term relationships with local businesses that improve their production quality and boost their growth.

In Spain, Carrefour invited over 720 SMEs to promote their products in its stores in 2012.

In China, the Direct Purchase programme launched in 2007 aims for intermediary-free procurement at national level, which is to say from one province to another, and at local level within a given province. This makes it possible to offer customers low prices for fruit and vegetables and to guarantee optimum revenues for farmers. To support this approach, Carrefour China launched an initiative that allowed customers to use their mobile telephones to access information on the traceability of these products, the origin of production and the date they were delivered to the stores. At the end of 2012, the Direct Purchase programme made it possible to buy over 300,000 tonnes of fruit and vegetables from over 500,000 farmers .

In Belgium, Carrefour teams select regional products from artisans located within 50 km of the stores, and promote them in a dedicated store area and *via* special events.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



At the same time, in Taiwan, Carrefour features local products by stamping them with “MIT: Made in Taiwan.” The development of local products being advertised within the stores draws upon the culture of quality and trust created by Carrefour, as well as the market knowledge acquired by store managers.

A number of local initiatives are also underpinning the Group's commitment. In June 2012, for example, customers at the Lucques hypermarket in Italy had the opportunity to take part in a free guided tour of the 50 local fruit and vegetable producers who supply this store with fresh products on a daily basis.

Carrefour Argentina supports micro-entrepreneurs in the city of Tigre by distributing and promoting their products at three hypermarkets in Buenos Aires province. Since 2007, Carrefour has also been participating in the organisation of a fair in the municipality of Malvinas Argentinas, during which 30 micro-entrepreneurs are invited to promote their products.

Also in Argentina, through its Foundation and in collaboration with Planet Finance Argentina and the Pro Yungas organisation, Carrefour supports a programme aimed at preserving the Yungas region by providing technical and operational assistance to small, indigenous producers of such items as wool and honey. To this end,

it helps market the products and facilitates access to loans to support the investment in and development of such micro-businesses. This pilot project has benefited a total of 2,600 people living in three communities since 2011.

The Carrefour Quality Lines: partnerships to promote participating suppliers

The 1992 launch of the first Carrefour Quality Line (CQL) products in France marked the beginning of Carrefour's commitment to its customers and French producers . With this initiative, Carrefour offers its customers a core range of high-quality fresh products. For the producers, each Carrefour Quality Line network has given rise to long-standing partnerships designed to develop a quality approach, from field to plate, together with all supply chain players. The Carrefour Quality Lines therefore help sustain and promote local business and regional expertise . Carrefour works closely with all network players (agricultural producers, animal breeders and processors), taking into account their needs and helping them to stay abreast of regulatory developments, implement environmentally-friendly practices, reduce their pesticide use and improve animal welfare.

Key figures

75.2% of the food products sold by Carrefour in the various countries where it operates come from local suppliers.

10% of Group revenues from traditional fresh products are achieved through CQL networks.

Contracts for 27 new lines were signed in 2012.

430 CQL network contracts in Group countries in 2012.

Over 21,000 producer partners in France and nearly 25,000 throughout the world.

Carrefour also develops this partnership-based strategy by promoting shared best practices among its suppliers, organising commercial events dedicated to their products and promoting their expertise at such events as Paris' International Agriculture Show. In February 2012, this event provided the Group with the opportunity to celebrate the Carrefour Quality Lines' 20th anniversary.

For suppliers, it also ensures fair compensation for their quality approach. Through its networks, Carrefour commits to annual business volumes that guarantee an outlet for suppliers' products.

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



Promoting regional and local products and ensuring commercial outlets for thousands of producers

Among the regional product ranges that Carrefour develops, the Reflets de France brand involves 178 French partners, for whom it provides total turnover of over 317 million euros (excluding tax).

Created in 1996 with the aim of cooperating with SMEs in a common project, this brand allows customers to experience the traditional dishes of various French regions. By distributing and promoting various regional products throughout France, the brand gives suppliers the opportunity to develop their operations and allows a wider audience to explore the many products their region has to offer.

2

Key figures

In 2012, the Reflets de France range offered 450 products in France.

90 million Reflets de France items are sold each year at Carrefour stores.

In Italy, the Terre d'Italia range promotes traditional Italian food products and the expertise of the local SMEs that produce them. Over 90% of Terre d'Italia product suppliers have fewer than 50 employees. By working closely with 120 producers, Carrefour Italy puts a national range of over 300 regionally-produced products within everyone's reach. To promote this range, a wide-reaching development plan for new Terre d'Italia products was launched in 2012, a temporary store dedicated to the brand offering over 85 listings was opened and a dedicated online shop was also created.

Spain is developing the De Nuestra Tierra range based on the same model.

Another example: In Turkey in 2012, Carrefour opened a warehouse in Samsunen dedicated to local fruit and vegetable procurement.

Carrefour BIO: priority focus on French producers

In 1992, Carrefour launched its first organic product: the Boule BIO, a loaf of bread made from flour and yeast sourced from organic farms. In 2012, 20 years on, the Carrefour Group offered 2,000 organic food listings under its BIO brand. In France, the banner

offers 825 organic food listings and 565 organic cotton textile products. When national brands distributed by the banner are included, the total number of organic listings offered at Carrefour supermarkets comes to over 3,000.

More than 70% of the Carrefour BIO organic food products in French stores come from French production sites. Carrefour works with over 200 agricultural and industrial partners in various regions of France. The priority for organic produce is clearly focused on French procurement, with some 40 different suppliers involved in the sourcing. The share of imported products concerns mainly foreign products and citrus fruits not grown in France, as well as organic products from elsewhere in the European Union when French production is insufficient.

In France, in the context of its decentralisation strategy, each Carrefour store manager develops his or her own local-product offer. Since the beginning of 2012, the assortments have been expanded and the banner now offers over 50,000 regional products that closely reflect consumer expectations. Carrefour hopes to continue this approach and strengthen bonds between its stores and their local partners. To this end, it is examining ways of simplifying small companies' administrative and logistics approaches.

Key figures

321 million euros in turnover from Carrefour BIO product sales worldwide.

Over 2,000 organic product listings offered in the countries.

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.



2.6.2 SERVING COMMUNITIES

Solidarity is a Carrefour value, shared by everyone at every level. The Group implements solidarity initiatives in every neighbourhood, city, region and country where it operates, at a national level through its stores and dedicated units and at an international level *via* the Carrefour Foundation.

2.6.2.1 INTERNATIONAL CORPORATE COMMUNITIES

The Group encourages its customers to help by making donations and buying products whose profits are used to finance assistance programmes for the disadvantaged.

Carrefour stores thus play a key role in collecting food supplies for the disadvantaged in all its countries. They not only supply food products to local charitable associations and social-welfare grocery stores, but also work alongside their customers and partners on local collection schemes (for example, *Restos du Cœur* and food banks). In all, the donations and food collected in France, Belgium, Spain, Poland and Taiwan represented a donation of over 1.1 million euros in 2012. In Italy, nearly 2.3 million meals equivalents were collected for food banks from 12 warehouses and 54 hypermarkets.

In 2012, Carrefour Spain renewed its *Vuelta al Cole Solidaria* (Back to School with Solidarity) initiative. It raised 197,843.37 euros in donations from customers thanks to the participation of 169 hypermarkets, which provided all the resources necessary for the success of the campaign, and 2,463 Red Cross volunteers. As part of this initiative, Carrefour Spain commits to matching its customers' donations. Nearly 400,000 euros has been donated to the Red Cross in the form of school supplies for over 16,169 disadvantaged boys and girls.

In France, Carrefour participates in numerous national events, such as the *Téléthon*, which received 200,000 euros in donations in 2012, and the *Pièces Jaunes* (Small Change) campaign for sick children and teenagers in hospital, with 7.5 tonnes of coins collected in stores. Carrefour has collected 72.5 tonnes of coins in France since 2003. A similar initiative is being run in Argentina to support Unicef, where customers are invited to donate their small change to support children's health and education projects. Since 2007, no fewer than 2 million Argentinean pesos (almost 360,000 euros) have been collected.

Carrefour Italy rallied around victims of the Emilia-Romagna region's earthquake and got its customers involved in the efforts. It offered customers the option of donating the points they had collected on their loyalty cards to help locals affected by the disaster. Carrefour matched its customers' donations, giving 1,473,730 euros to rebuild a school.

2.6.2.2 THE CARREFOUR FOUNDATION

Created in 2000, the Carrefour Foundation works with local communities to reduce poverty and exclusion by mobilising its teams' skills and the Group's resources. In 2012, it refocused its efforts on two main working areas: food aid and emergency aid.

1. Food solidarity

Providing food aid to the disadvantaged is a cornerstone of the Carrefour Foundation's work. This work, based upon Carrefour's core business as a retailer, takes the form of iconic initiatives in several key areas: donations and collection of consumer products, the development of social-welfare grocery stores, the expansion of agricultural networks, the promotion of food-industry careers and the implementation of nutritional programmes.

To help people in difficulty, the Carrefour Foundation also supports new grocery stores, which aim to combat exclusion while respecting the dignity of beneficiaries and promoting ways of reintegrating people into society over the long term. The Carrefour Foundation worked with Group employees to help create 19 groceries in three countries (Belgium, France and Greece) by providing logistical and practical support. In France, 10 PACTE (*Pour Agir Contre Toute Exclusion* – Taking Action Against All Exclusion) grocery stores now offer 4,500 families the opportunity to purchase goods at 20% below their normal selling price. To support the collection of fresh products without interrupting the cold chain in France, Spain, Belgium and Argentina, the Carrefour Foundation also finances the purchase of refrigerated vehicles and cold-storage areas, which are essential for maintaining the quality of fresh products.

The Carrefour Foundation also runs numerous initiatives to combat malnutrition and promote a healthy, balanced diet. Over four million people have benefited from nutritional advice thanks to the Foundation's involvement over the past 10 years. In particular, the Carrefour Foundation provides grants to Argentina's *Fundacion Conin*, which works to combat malnutrition. In Poland, the Carrefour Foundation supports the *Caritas* organisation, which provides daily meals to 42 centres for disadvantaged children in 30 cities. In 2012, thanks to efforts made by the employees of 32 Carrefour stores, the Foundation was able to distribute 234,000 meals to 1,200 children.

Ranking among the top private employers and offering a wide range of careers, the Carrefour Group also helps, through its Foundation, to develop talents and to boost the employability of those who have difficulty in finding work. To assist and support such people, in particular young people, the Foundation is dedicated to developing various programmes aimed at promoting such food-industry careers as baker, pastry chef, butcher, fish merchant and processed pork-



product merchant. To this end, it finances subsidised programmes offering training and job-search assistance in these careers in several countries in collaboration with local Carrefour teams. The Carrefour Foundation lent special support to the Shanghai Young Bakers programme, which is a solid example of this approach. Launched in 2008 alongside the Chi Heng Foundation and Shanghai Economic Chamber members, this programme offers vocational job opportunities for young Chinese people aged 17-23 to learn French baking techniques. The Shanghai Young Bakers programme promotes the social integration of young people from disadvantaged backgrounds by offering them employment opportunities in a food-industry sector that is highly valued in China. Nearly 100 young people have already been trained thanks to the support of the Carrefour Foundation, the main sponsor of the programme since its creation. Each year, Carrefour supermarkets in China also help to develop the programme by taking on trainees, giving them the opportunity to take up a high-quality career and helping them enter the business world.

Another iconic project, created in July 1991, is the *Réseau Cocagne* (*Cocagne network*) in France, which helps the disadvantaged re-enter society and the workforce by offering training in vegetable production, a social approach that also has environmental benefits. Every week, the *Réseau Cocagne* produces and distributes baskets of seasonal organic produce to its 20,000 members. In its 120 gardens, the organisation has over 3,500 gardeners, recruited from among participants in the re-integration programme, who learn to rebuild their future day-by-day. Enthusiastic about its work to

promote both a balanced diet and professional integration for the disadvantaged, the Carrefour Foundation has been assisting the *Réseau Cocagne* since 2008 with equipment and the creation of new gardens. In 2012, it supported 20 gardens. Following the success of its programmes in France, the *Réseau Cocagne* aims to expand its work to Spain.

2. Emergency aid

Via the Foundation, Carrefour uses its retail logistics expertise to support international humanitarian assistance. It provides aid to victims of large-scale natural disasters, acting swiftly to supply them with food, hygiene kits and other items that are essential to their survival. To support this activity, the Carrefour Foundation provides assistance to the disadvantaged through aid programmes to which it contributes by donating school supplies and toys to NGOs and other organisations.

In July 2012, after Typhoon Vicente hit the Beijing area, the Carrefour Foundation helped transport essential food products (milk, rice, dry goods and water) and non-food items (hygiene products and antiseptics) and helped supply 25,000 victims with thermoses, water boilers and water purifiers.

In April 2012, the Carrefour Foundation took action in Argentina, where a violent storm with winds of up to 110 km/hour hit the province of Buenos Aires. The Foundation worked with teams from local Carrefour stores to distribute food, bottled water, candles and mattresses.

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36 projects funded were subsidised by the Carrefour Foundation in 2012.

3.9 million euros in was allocated by the Carrefour Foundation in 2012.



2.7 Assessment of performance and indicators

2.7.1 CARREFOUR GROUP'S PRESENCE IN THE MAIN SRI INDICES

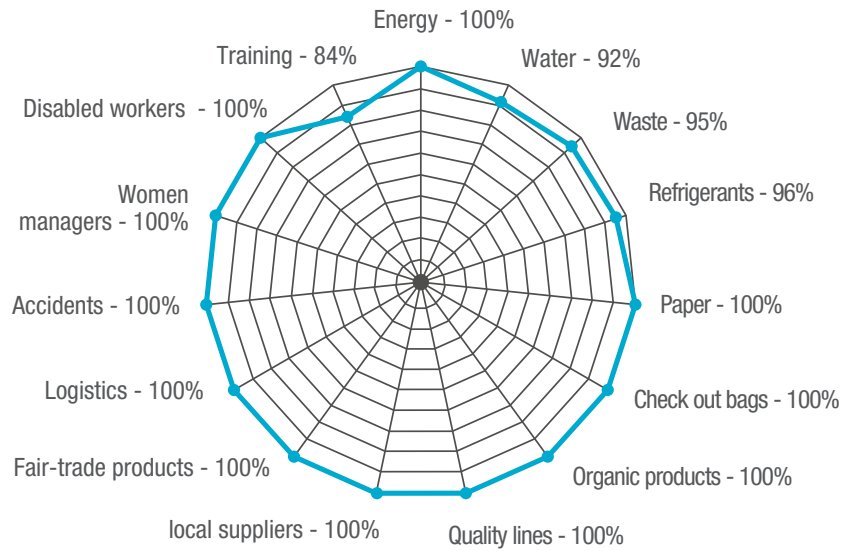
SRI indices	Agency/organisation	Carrefour's presence in the indices in 2012
Aspi Eurozone	Vigeo – France	Since 2002
DJSI World	Dow Jones – USA	Since 2002
ECPI Ethical Index Euro	ECPI – Italy, Luxembourg	Since 2002
ECPI Ethical Index Global	ECPI – Italy, Luxembourg	Since 2002
Ethibel Excellence Europe	Ethibel – Belgium	Since 2005
Ethibel Excellence Global	Ethibel – Belgium	Since 2005
FTSE4 Good Global	FTSE – GB	Since 2004



2.7.2 PERFORMANCE INDICATORS

2.7.2.1 GLOBAL REPORTING INDICATOR

2012 scope of coverage



The average coverage of the 2012 reporting indicators is 97.7% of Group scope in terms of turnover, excluding tax.

The product, store and logistics indicators are calculated year-to-year, from October 2011 to September 2012.

The human resources indicators are calculated over the year 2012.



2.7.2.2 KEY INDICATORS BY FORMAT

	Hypermarket	Supermarket	Others	Definition of indicators
Revenue				
Number of controlled organic food product listings (in units) <input checked="" type="checkbox"/>		2004		Number of listed food products certified as organic or eco-friendly and developed as own-brands.
Sale of controlled organic food products (in millions of euros)	143	149	28	Amount of sales including VAT of food products certified as organic or eco-friendly and developed as own-brands.
Sales of Carrefour Quality Line products (in millions of euros)	643	279	18	Sales (including VAT) of Carrefour Quality Line products: agricultural products meeting specifications that ensure product traceability and include social and environmental requirements.
Sales (including VAT) of Carrefour brand fair trade products (in millions of euros)	14.2	9.0	2.3	Amount of sales, taxes included, of own-brand fair-trade products certified by an independent body (such as the FLO or ESR) according to recognised criteria. Outside Europe, a product is considered fair-trade if it meets the certification criteria.
Percentage of product sales for Carrefour brands purchased from local suppliers	75.3	74.1	75.2	Sales percentage for Carrefour food products produced in the country of sale.
Logistics				
CO ₂ emissions per shipping unit (kg/pallet) <input checked="" type="checkbox"/>		6.9		Calculated on the basis of kilometres travelled (1 litre of fuel consumed = 2.6667 kg of CO ₂ emitted) to transport merchandise from warehouse to store. Shipping unit: 120 x 80 cm pallet. Excluding: Brazil logistics for emissions/pallet
CO ₂ emissions (thousands of tonnes) <input checked="" type="checkbox"/>		365		
Stores				
Energy consumption (kWh/sq. m. of sales area) <input checked="" type="checkbox"/>	530	739	709	Consumption of electricity, gas and fuel required to run consolidated stores.
Energy consumption (electricity, gas, fuel) (in GWh) <input checked="" type="checkbox"/>	4,489	1,564	74	
CO ₂ emissions generated by fuel, gas and electricity consumption (thousands of tonnes of CO ₂ equivalent) <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	1,463	325	31	CO ₂ eq. emissions linked to electricity, gas and fuel consumption required to run consolidated stores.
Water consumption (in cubic m/sq. m. of sales area) <input checked="" type="checkbox"/>	1.8	1.3	1.6	Water consumption of consolidated stores. Excluding: HM/AR, BE, SM/AR, BE
Water consumption (in millions of cubic m) <input checked="" type="checkbox"/>	14.0	2.5	0.1	
Refrigerant consumption (in kg/1,000 sq. m. of sales area) <input checked="" type="checkbox"/>	45.1	69.2	79.5	Quantity of refrigerants used (CFCs, HCFCs, HFCs and others). Covered: food cold cabinets and air conditioning in consolidated stores. Excluding: HM/AR, SM/AR
Stores' CO ₂ emissions (scopes 1 and 2) – (1,000 t of CO ₂ equivalent) <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	2,402	751	64	CO ₂ eq. emissions linked to electricity, gas, fuel and refrigerant consumption required to run consolidated stores. Excluding: HM/AR, SM/AR
Percentage of recycled waste, including food donations (as percentage of total waste)	62.8	51.1	n/a	Recycled waste from consolidated stores: paper/cardboard, plastic, organic waste and other (batteries, cartridges, neon bulbs, cooking oil etc.) Excluding: HM/AR, TR, SM/AR, TR
Recycled waste – excluding donations (in thousands of tonnes) <input checked="" type="checkbox"/>	389		3	
Quantities of batteries collected (in tonnes)	1,012		0	
Quantity of paper purchased for commercial publications (in kg/sq. m. of sales area) <input checked="" type="checkbox"/>	23.9	8.9	2.1	Quantity of paper purchased for commercial publications, expressed in kg per sq. m. of sales area.



SOCIAL RESPONSIBILITY

Assessment of performance and indicators

2

	Hypermarket	Supermarket	Others	Definition of indicators
Quantity of paper purchased for commercial publications <i>(in thousands of tonnes)</i> <input checked="" type="checkbox"/>	208	31	3	Quantity of paper purchased for commercial publications (flyers, brochures, newspapers etc.).
Percentage of paper certified or recycled	99	97	n/a	Percentage of paper purchased for commercial publications certified by a recognised body (FSC, PEFC, etc.) and/or recycled.
Number of disposable plastic bags distributed free-of-charge at check-out <i>(in millions of bags)</i> <input checked="" type="checkbox"/>	909	350	88	Number of disposable plastic bags purchased by stores and distributed free of charge at check-out.
Human resources				
Rate of absence due to accident <i>(as a %)</i>	0.40	0.69	0.45	Number of hours of absence due to workplace and commuting accidents/number of theoretical work hours in the period (excluding workplace illnesses).
Women in management positions <i>(as a %)</i> <input checked="" type="checkbox"/>	30.3	36.9	43.4	Proportion of women in management positions ("manager" defined as an independent employee with decision-making authority holding a supervisory position).
Percentage of employees declared as having disabilities	2.8	3.5	1.8	Status defined by the legislation in force in each country (by default, this is any person with at least a 10% physical disability). Average number of employees over the period.
Hours of training <i>(in thousands)</i> <input checked="" type="checkbox"/>	3,995	511	456	Number of training hours <i>Excluding: HM/BR, SM/BR</i>

2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

2012 figures verified by Statutory Auditors KPMG Audit, with a result of reasonable assurance.

2.7.3 REPORTING METHODOLOGY FOR SUSTAINABLE DEVELOPMENT INDICATORS

The Sustainability department relied on a multidisciplinary steering committee for the preparation of the social, societal and environmental information in the Registration Document/management report (RD/MR). This committee brought together all the relevant Group departments (Quality, Human Resources, Legal, Marketing, Assets, Sales and Merchandise and Logistics), plus representatives from the Sustainable Development network in key European countries.

PRINCIPLES APPLICABLE TO THE PREPARATION OF THE SUSTAINABLE DEVELOPMENT PORTION OF THE ANNUAL REPORT

Based on the GRI-G3 (Global Reporting Initiative) reporting principles, the Carrefour Group's Registration Document/management report (RD/MR) adheres to the following principles:

CSR (Corporate Social Responsibility)

Carrefour places its own performance within the context of the social, economic and environmental constraints that weigh upon the Group, and puts the resulting data into perspective.



Stakeholder involvement

By maintaining an on-going dialogue with stakeholders (customers, employees, franchisees, suppliers, local communities and shareholders), the Carrefour Group can anticipate and respond to the expectations of its various target audiences and prevent risks. Thanks to transparent commitments, and the involvement of stakeholders in carrying them out, together we can jointly envisage long-term solutions and ensure the involvement of all those concerned. This dialogue and these partnerships are maintained either at Group level by the Sustainable Development department, or at local level by the countries, the banners and the stores.

Materiality

The content of the CSR information published in the Registration Document/management report focuses on the social, economic and environmental issues that are most relevant to the Group's operations. The sections on balanced nutrition, labour rights and energy efficiency are just a few examples.

Timeliness

For the past 12 years, Carrefour has produced and published an annual sustainability report. For 2012, the sustainable development report is integrated into the Group's management report so as to meet the regulatory requirements of the Second Grenelle Round Table on the Environment.

Clarity

The Carrefour Group is mindful of the level of knowledge of each of its stakeholders and endeavours to present information that is clear to the greatest number of people, while retaining an appropriate level of detail.

SCOPE OF COVERAGE

Principles applied

Comprehensiveness: The Group strives to be as comprehensive as possible. Thus, its sustainable development report describes the implementation of its policy in 12 consolidated countries, and the key performance indicators (KPIs) cover 97.7% of the Group's consolidated pre-tax sales.

Comparability: the figures are presented over several years, and their development is calculated in like-for-like Business Units (BUs). The scope is made explicit in each case. BU's excluded from the scope are indicated next to each graph shown in the report.

Scope of coverage for fiscal 2012

The reporting on sustainable development KPIs applies to all of the Group's BUs. The chart below indicates the Group's BUs in 2012.

Country	Abbre.	HM	SM	PRX	C&C	Pays	Abbre.
France	FR					Hypermarket	HM
Spain	ES					Supermarket	SM
Italy	IT					Convenience stores	PRX
Belgium	BE					Cash & Carry	C&C
Poland	PL						
Romania	RO						
Turkey	TR						
Brazil	BR						
Argentina	AR						
China	CN						
Taiwan	TW						
India	IN						

 Group BU
 NA-format not present in the country

Scope variation

The variations in scope are related to creations, acquisitions, sales and closures of stores or BUs.

If a BU was created or acquired after January 1, 2012, it is not included in our reporting.

If a BU was sold or closed in 2012, it is excluded from our reporting for the year in its entirety.

For the year 2012, the consolidated operations in Greece, Cyprus, Colombia, Malaysia, Singapore and Indonesia were also sold or converted into franchises. They are therefore excluded from the reporting for the full fiscal year.



SUSTAINABLE DEVELOPMENT INDICATORS

Principles applied

Our sustainable development report adheres to the following principles:

Accuracy: the Carrefour Group strives to ensure the accuracy of its published data by conducting a great number of manual and automatic internal controls.

Comparability: the Group strives to maintain consistency throughout its reports. Figures presented for several years are calculated using like-for-like BUs.

Choice of indicators

Since 2003, the Carrefour Group has used 20 key performance indicators (KPIs) associated with its strategic sustainable development priorities. These indicators are designed to monitor the commitments made by the Group and its progress in environmental and social performance. Each KPI was chosen by the Group for its relevance to the Group's activities, but also with the intention of responding to stakeholder expectations and regulatory obligations.

References used

The 2012 Registration Document/management report adheres to the Global Compact's recommendations for "communication on progress", the guidelines of the G3 Global Reporting Initiative (Level B) and the guiding principles of the OECD (see the cross-reference tables on pages 316 to 320). As an addition to the annual report, it also complies with the requirements of Art. 225-105 of the French Commercial Code.

A sustainable development reporting protocol has been prepared by the Group's Sustainable Development department. It stipulates the Group's collection, calculation and consolidation rules.

Furthermore, through Enablon, a computerised reporting application, each reporting liaison has access to a data collection procedure, a user's guide for the Enablon reporting application, definitions for each KPI and a checklist of control points, which is distributed internally to the sustainable development reporting managers.

Since the 2009 fiscal year, the Group has compiled human resources indicators using the Group Human Resources reporting application. These indicators comply with the definitions drafted jointly by the Group Human Resources department and the Sustainable Development department.

It should be noted that, for the 2010 reporting year, the Group human resources reporting application was not available to every BU. Accordingly, an alternative means of reporting *via* spread sheet was used.

In 2011 and 2012, this application has continued to be implemented.

METHODOLOGICAL PARTICULARITIES

All of this information is indicated in the Group's sustainable development reporting protocol, and in the KPI definition sheets available within the Group's reporting application for environmental KPIs and from the Group Human Resources department for social KPIs.

Methodological information concerning environmental and social indicators

Scope of environmental indicators (energy, water, refrigerants, waste, check-out bags and commercial publications): the scope includes consolidated stores open from October 1 N-1 to September 30 N of the reporting period. Beginning with the 2012 fiscal year, the reporting for these indicators, as well as the product and logistics indicators, will be established on a year-on-year, 12-month basis.

The scope excludes consumption from non-Group activities, transport of people and refrigerated products (energy and refrigerants), warehouses, franchise stores, head offices and other administrative offices.

For check-out bags and commercial publications indicators, consumption of stores opened during the year may be included.

The number of square metres of sales area does not include inventory storage areas, food preparation rooms or the shopping centre, if applicable. The Group recommends that BUs use the sales area of stores open as of the first day of the reporting period for calculation purposes.

CO₂ emissions: to evaluate the CO₂ emissions related to our stores' energy consumption (electricity, gas and fuel oil) and refrigerants, we use conversion factors (of kWh and kg, expressed as kg of CO₂ equivalent). The factors employed derive from recognised international bodies, such as the IPCC (Intergovernmental Panel on Climate Change) and the IEA (International Energy Agency). When the BU's have specific national factors, they may enter them in Enablon. The associated CO₂ emissions are then calculated by the tool based on those factors.

The emissions factor related to French BUs' electricity consumption is updated annually based on changes made to the electricity supply agreement (50% regulated market/50% open market).

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Concerning CO₂ emissions regarding our logistics activity, CO₂ emissions related to downstream transport (shipping of merchandise between warehouses and stores) are taken into account. We use a conversion rate equal to 2.6667 kg of emitted CO₂ per litre of fuel consumed, established with the ADEME (the French Environment and Energy Management Agency). This indicator counts CO₂ emissions related to the transport of merchandise between warehouses and stores. The following CO₂ emissions are not taken into account:

- emissions generated by spotters;
- emissions generated during inbound transport of goods to the warehouse;
- emissions related to direct deliveries (direct “producer-to-store” transport of goods without going through a warehouse);
- emissions related to customer and employee travel;
- emissions related to outbound rail transport (mainly in France) and maritime transport (mainly in Indonesia).

Note that “store/warehouse” return trips are only taken into account for fleets hired for Carrefour’s exclusive use.

Paper weight: the definition used by the Group is the quantity of paper purchased for commercial publications reduced to the surface area of paper purchased for commercial publications (in g/sq. m.).

The number of listed organic products: the number of listed organic or eco-friendly products reported pertains to the number of identified organic items, labelled by outside third parties, among own-brand products whose sales during the year were not zero. The number of Group listed products corresponds to the sum of the listed products sold in each country. With regard to fabrics, colours are differentiated but not sizes.

Employees at the end of the period: those employed by the Company under an employment contract (excluding interns and suspended contracts) as of December 31.

Arrivals/departures: the internal movements from one Business Unit to another are included in the number of hires and departures communicated by most countries.

Number of workplace accidents: workplace accidents are defined with reference to the laws in effect in each country. If no definition exists in the country, the definition used by the Group is “an accident that occurred during working time and gave rise to a work stoppage.”

Absence rate: the calculation method used by the countries is based on business days; however, different methods may still exist in some countries.

Seriousness level: the ratio calculated from “number of days of absence due to workplace accidents/1,000 theoretical work hours.” The number of days of absence caused by a workplace accident is calculated in business days, estimated using the number of hours of absence caused by a workplace accident divided by eight.

Employees declared to be disabled workers: a “person with a disability” is defined by local regulations in each country.

Fair trade products: since the fair trade product label does not exist in all countries where the Group operates, this indicator includes unlabelled products for which the procedure used is similar to that required for labelling. This applies in particular to products sold in China that are considered fair trade products.

Carrefour Quality Line (CQL) contracts: contracts that meet the CQL criteria defined by Carrefour for its suppliers. CQL contracts cover fresh products (fruit and vegetables, meat, fish, processed pork and cheese) meeting the requirements of specifications that ensure product traceability and include social and environmental requirements.

Local suppliers: suppliers whose products are manufactured in the country where they are sold; in other words, the production and/or processing of the product takes place in the same country.

In some cases, the KPIs may involve an estimation (as with the energy and water consumption indicators, which are calculated on the amount billed at an average price per kWh or cubic metre). In other cases, the BUs must specify and justify the relevance of the assumptions used in making estimates.

Methodological limitations of the indicators

The environmental and social indicators may have methodological limitations arising from a lack of uniformity amongst national and international laws and definitions (e.g. regarding workplace accidents) and/or from the qualitative, and therefore subjective, nature of certain data (such as indicators related to purchasing quality, the logistics process, stakeholders and consumer awareness).

For the refrigerant KPI, any leaks that may have occurred prior to a change of equipment are not quantified in the reporting. They correspond to emissions generated between the last maintenance operation and replacement of the unit. The impact is insignificant at Group level thanks to both regular monitoring of the units and the staggered timetable for their replacement. Note that the mass balances are not systematically carried out each time the fluid is reloaded or at year-end. Therefore, some BUs’ reports on year-N consumption include fluid still stored in containers.

For the logistics KPI (CO₂ emissions per unit of transport), in the vast majority of cases CO₂ emissions related to the transport of goods are calculated on the basis of distance travelled, since there is no actual data on service providers’ fuel consumption and average consumption by type of vehicle. Countries where logistics are handled mainly by suppliers are also excluded from the reporting scope.

In addition, pallets (transport units) used for backhauls are not included in the total number of pallets used in downstream transport.



For the energy KPI, the published quantity of energy corresponds to the quantity purchased and not the quantity actually consumed for fuel oil and natural gas (13% of the energy consumed by stores).

For the water KPI, the published quantity of water corresponds to the quantity of water purchased. Water collected by some stores through drilling may not be counted when there is no charge for its withdrawal. In addition, when water consumption attributable to the shopping centre is not identified separately from the store's water consumption, it is included in the published quantity of water. When the billing amounts include costs other than those related to water consumption, and such costs cannot be separated out, the quantity of water reported, though not significant, is overestimated.

For the check-out bag KPI, the quantity of check-out bags published corresponds to the number of bags purchased during the reporting period.

For the waste KPI, the chosen reporting scope included BUs that use waste collection companies, which provide information about the tonnage of waste removed. Generally speaking, when waste is collected directly by local communities, no information is available. When waste is collected and grouped at the warehouses, the corresponding quantities are not systematically included in the reporting.

With regard to the Carrefour Quality and organic product KPIs, it is not always possible to separate the portion of sales related to the hypermarket format from that related to the supermarket format. In this case, Carrefour has chosen to report all the sales in the hypermarket format.

For the KPI on sales of products purchased from local suppliers, when the supplier-managed product monitoring systems do not allow for a precise monitoring of the production site, the value taken into consideration corresponds to the products that are not imported.

With regard to the workplace accident KPI, for some BUs for which data is obtained based on the payroll tool the number of workplace accidents with stoppage is estimated according to the number of hours of absence due to a workplace accident. Similarly, in these cases, the days of absence due to a workplace accident are estimated on the basis of the number of hours of absence (calculated according to the daily work time in the country in question).

With regard to the training KPI, for some BUs for which data is obtained based on the payroll tool the number of training hours is estimated according to the number of hours of absence reported per training session.

Considering the methodological limitations outlined above and the difficulties in gathering data, the reporting scope may vary depending on the indicator. For each indicator that pertains to a limited scope, the scope is specified. For analysing any changes in the indicators, we factor out all BUs for which we lack data for one of the comparison years.

METHODS OF DATA COLLECTION, CONSOLIDATION AND CONTROL

2

Reporting period

Reporting is performed four times annually: annual reporting is conducted for the management report, which is published each year for the Shareholders' Meeting, and quarterly reporting is performed three times per year using indicators that are limited in scope.

The period used for the annual reporting is the calendar year (January 1 to December 31) for human resources indicators.

To meet the requirements of the publication deadlines imposed by the management report, the indicators on store performance, logistics and merchandise are now calculated on a year-on-year basis from October N-1 to September N.

Data collection methods

The system in place is based on dual information reporting that allows for rigorous collection of qualitative and quantitative data from the various countries and banners. For qualitative information, the best practices applied in the countries are submitted *via* e-mail on the basis of a questionnaire provided by the Group Sustainability department. For quantitative information, the Enablon application was deployed in 2005 for reporting key environmental performance indicators. With regard to key social performance indicators, they have been reported through the Group's human resources reporting tool since 2009. Reporting liaisons identified in each country are responsible for coordinating environmental and social reporting for their respective countries.

Data consolidation methods

Consolidation of the sustainable development indicators at Group level is performed by the Sustainability department for all indicators, using our Enablon application.



Environmental data control methods

Enablon, our computerised reporting application, features automatic consistency checks to prevent errors in the data reported by BUs; it also offers the ability to attach source files and insert explanatory comments, which makes auditing and internal control easier. Each reporting manager verifies the data entered before it is consolidated at the Group level, with the help of a check-list and control tips that are explained in the definition sheet for each indicator. The Group's Sustainable Development department carries out a second level of data control. Any inconsistencies and errors are reviewed together with the countries and corrected as needed before the figures are consolidated and approved.

Social data control methods

Human resources data are checked locally before being exported or manually entered in the Group human resources tool. The Group's Human Resources department carries out a second level of data control. Any inconsistencies and errors are reviewed together with the countries and corrected as needed before the figures are consolidated and approved.

EXTERNAL AUDIT

Principle applied

Reliability: quantified data are produced, consolidated, analysed and published. Selected data are subject to verification by an outside third party.

External audit

The reporting procedures for some of the main 2012 environmental and social indicators have been verified by our external Statutory Auditor, KPMG Audit. These indicators are marked with the symbol on page 55 and the symbol in the table on pages 72-73. The nature of the work carried out and the findings of this work are presented on pages 79-81.

The 2012 assurance report indicates reasonable assurance with regard to the "Greenhouse gas emissions (scopes 1 and 2)" indicator and a moderate level of assurance for the other verified information.

CONTINUOUS IMPROVEMENT

In 2012, to meet the requirements of Article 225 of Grenelle II, the indicators corresponding to the stores, merchandise and logistics were calculated over a 12-month, year-on-year period running from October 2011 to September 2012. In the analyses, these figures are considered comparable with the data presented over a calendar year for previous years.



2.7.4 STATEMENT ATTESTING TO DISCLOSURE OF THE SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION AND ASSURANCE REPORT OF ONE OF THE STATUTORY AUDITORS ON A SELECTION OF THIS INFORMATION»

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

2

Year ended December 31, 2012

Following the request made of us and in our capacity as Statutory Auditors for Carrefour SA, we present our report on the consolidated social, societal and environmental information included in the management report drawn up for the year ended December 31, 2012 in accordance with Article L. 225-102-1 of the French Commercial Code.

COMPANY'S RESPONSIBILITY

It is the responsibility of the Board of Directors to draw up a management report covering the consolidated social, societal and environmental information mentioned in Article R. 225-105-1 of the French Commercial Code (hereafter the "Information"), established in accordance with the reporting procedure used (the "Reporting Procedure") by the Company and available upon request from the Group Sustainability department and Human Resources department, of which a summary appears in the management report (chapter 2 - "The Carrefour Group's societal responsibility" in the Registration Document).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulatory texts, the profession's Code of Ethics and the provisions of Article L. 822-11 of the French Commercial Code. In addition, we have introduced a quality control system that covers the policies and procedures documented and aimed to ensure compliance with the deontological rules, professional standards and applicable laws and regulations.

RESPONSIBILITY OF ONE OF THE STATUTORY AUDITORS

It is our responsibility, on the basis of our work to:

- attest that the required information is present in the management report or, in the event of omission, is explained in application of the third paragraph of Article R. 225-105 of the French Commercial Code and decree no. 2012-557 of April 24, 2012 (Statement attesting to disclosure);

- express a limited assurance conclusion on the fact that the qualitative assertions underscored in the text and identified by the symbol, as well as the selection of environmental and social indicators (the "Data"), chosen by the Carrefour Group and identified with the symbol in the 2012 management report are presented, in all material respects, in a sincere manner in accordance with the selected Reporting Procedure (Limited Assurance Report);
- express a reasonable assurance conclusion that the indicator on CO₂ emissions (scopes 1 and 2)⁽¹⁾, selected by the Carrefour Group and identified with the symbol in the 2012 management report, presents no significant anomalies (reasonable assurance report).

We were assisted in our work the Climate Change and Sustainability Services professionals of our firm.

1. Statement attesting to disclosure

We conducted our work in accordance with professional standards applicable in France:

- we compared the information presented in the management report with the list mentioned in Article R. 225-105-1 of the French Commercial Code;
- we verified that the information covered the consolidated scope, which is to say the Company and its subsidiaries as defined in Article L. 233-1 of the French Commercial Code, and the companies it controls, as defined in Article L. 233-3 of the French Commercial Code, with limitation specified in the "Methodology for reporting the sustainable development indicators" methodology note presented in the "Corporate Responsibility" chapter of the management report (chapter 2 - "The Carrefour Group's societal responsibility" of the Registration Document);
- in the event of omission of certain consolidated information, we verified that explanations were supplied in compliance with the provisions of decree no. 2012-557 of April 24, 2012.

Based on this work, we attest to the presence in the management report of the information required.

(1) Definition established by the Group – Scope 1: Emissions attributable to the Group's consumption of natural gas, fuel and refrigerants.
Scope 2: Emissions attributable to the Group's electricity consumption.



2. Assurance report on a selection of information

Nature and scope of the work

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 standard and professional standards applicable in France. We took the following actions in order to obtain:

- a limited assurance that the qualitative assertions underscored in the text and indicated by the symbol and the Data identified with the symbol do not contain any material misstatements that would give us reason to doubt their sincerity, in all material respects, in accordance with the aforementioned Reporting Procedure.

A higher level of assurance would have required more extensive verifications;

- a reasonable assurance that the CO₂ emissions (scopes 1 and 2) ⁽¹⁾ indicator identified by the symbol has been established in all material respects in accordance with the aforementioned Reporting Procedure.

We performed the following work:

- we assessed the appropriateness of the Reporting Procedure in terms of relevance, exhaustiveness, neutrality, clearness and reliability, taking into consideration the best practices of the sector, where appropriate;
- we verified the implementation in the Carrefour Group of a process of collection, compilation, treatment and control aimed at achieving exhaustiveness and consistency of the qualitative assertions underscored and identified by the symbol and the Data identified by the symbol; We reviewed the internal control procedure and the risk-management procedures relative to its development; We interviewed those responsible for the social and environmental reports;
- we selected the consolidated qualitative information to be tested and determined the nature and scope of the tests, taking into consideration their significance with regard to the social and environmental consequences associated with the Group's operations and characteristics, as well as its societal commitments:
 - concerning the selected consolidated qualitative Data:

- for both the consolidating entity and the entities consolidated, we used analytic procedures and performed tests to verify the calculations and the consolidation of this information. Our tests were more extensive for the indicator with reasonable assurance,
- in the Business Units that were selected ⁽²⁾. According to their business, their contribution to the consolidated indicators, location and risk analysis, we have:
 - carried out interviews to ensure the correct application of the procedures,
 - implemented detailed tests on the basis of tests verifying the calculations made and supporting the data with documents. Our tests were more extensive for the indicator with reasonable assurance.

The sample selected in this way represents on average 30% of the employees of the Carrefour Group and between 13% and 65% of the quantitative environmental information tested (55% for the CO₂ emissions (scopes 1 and 2) ⁽¹⁾ indicator);

- concerning the qualitative assertions underscored and identified by the symbol , we carried out interviews and reviewed the associated documents to corroborate them and assess their sincerity;
- finally, we weighed the relevance of the explanations where applicable the absence of certain information.

Conclusion

Reasonable assurance

In our opinion, the CO₂ emissions (scopes 1 and 2) ⁽¹⁾ indicator, identified by the symbol in the 2012 management report, was established in all material respects in accordance with the aforementioned Reporting Procedure.

Limited assurance

On the basis of our work, we did not identify any material misstatement that could call into question the fact that the qualitative assertions underscored and identified with the symbol and the data identified with the symbol examined in the 2012 management report are presented, in all material respects, in a sincere manner and in compliance with the Reporting Procedure.

(1) Definition established by the Group: Scope 1: emissions attributable to the Group's consumption of natural gas, fuel and refrigerants. Scope 2: emissions attributable to the Group's electricity consumption.

(2) Hypermarkets France BU, Supermarkets France BU, Hypermarkets Argentina BU, Supermarkets Argentina BU, Hypermarkets Italy BU *, Supermarkets Italy BU *, Hypermarkets Poland BU *, Supermarkets Poland BU *, Hypermarkets Belgium BU **, Hypermarkets China BU *** and Supermarkets Turkey BU ****.

* Business Units for which the work was held only on the CO₂ emissions (scopes 1 and 2) indicator.

** Business Unit for which the work was held only on the Number of lost-time workplace accidents indicator.

*** Business Unit for which the work was held only on the following indicators: Energy consumption, CO₂ emissions linked to energy consumption, Number of lost-time workplace accidents.

**** Business Unit for which the work was held only on the Number of disposable plastic bags distributed free of charge at check-outs indicator.



SOCIAL RESPONSIBILITY

Assessment of performance and indicators

Comments on the data

We have the following comments to make on the data:

- users of the social indicator monitoring tool were trained to ensure correct use. Nevertheless, monitoring should be increased in certain Business Units, in particular for the workplace accident and training indicators;
- this year again, some Business Units are excluded from the scope of consolidation for the indicators published, as the information-collection process is not yet fully reliable. Attention must be paid in 2013 to these Business Units to achieve the widest possible scope of “store” and “training” data communication.

Paris La Défense, March 6, 2013

French original signed by
KPMG Audit
Department of KPMG S.A.

Eric Ropert
Partner

Philippe Arnaud
Partner
In charge of the Climate Change
and Sustainability Services

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9.7 CSR cross-reference tables

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Registration Document/management report
Strategy and analysis			
1.1	Principle 9	General principle 1	16; AA&RC *
1.2		Disclosure 4 and 5	16-20; 38-73
Company profile			
2.1		Disclosure 3	AA&RC, Cover
2.2		Disclosure 1	AA&RC
2.3		Disclosure 3	8-12
2.4		Disclosure 3	8
2.5		Disclosure 3	8-12; 24
2.6		Disclosure 3	281-282
2.7		Disclosure 3	8-12; AA&RC
2.8		Disclosure 3	23; 4; AA&RC
2.9			4-13; 72-73
2.10			
Report scope			
3.1		Disclosure 2	71-78; 79-81
3.2		Disclosure 2	71-78; 79-81
3.3		Disclosure 2	71-78; 79-81
3.4		Disclosure 2	Inside back cover
3.5		Disclosure 2	16; 20-22
3.6		Disclosure 2	71-78; 79-81
3.7		Disclosure 2	71-78; 79-81
3.8		Disclosure 2	71-78; 79-81
3.9		Disclosure 2	71-78; 79-81
3.10		Disclosure 2	71-78; 79-81
3.11			71-78; 79-81
3.12			79-82
3.13		Disclosure 2	79-81
Governance			
4.1-4.7		General principle 6	16-21; 84-115
4.8		General principles 7 and 6 Disclosure 5	16-18; 84-115
4.9			16-18; 84-123
4.11		Environment 3 and 4 Principle 7	43-49
4.12		General principles 7 and 8 Disclosure 2, 3, 5 and 12	40-41; 46
4.13			20-22; 38-39; 45-46
4.14			20-22
4.15			20-22
4.16			20-22
4.17		Disclosure 5	20-22

*AA&RC : Annual Activity and Responsible Commitment report



ADDITIONAL INFORMATION

CSR cross-reference tables

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Registration Document/management report
Management and performance			
Finance			
Financial performance			
EC1		Disclosure 1 and 4a	21, 70; 281-282; AA&RC
EC2			52-57; 71-78; 117-118
Market presence			
EC6			
EC7			34; 64-65;
Indirect economic impact			
EC8			40-48; 65-67
Environment			
Materials			
EN1	Principle 8		50-51; 52-69; 71-78
EN2	Principle 8		45; 50-69; 71-78
Energy			
EN3	Principle 8		54-57; 71-78
EN5	Principle 8		53-57; 71-78
EN6	Principles 8 and 9	Environment 6.b	43-49; 53-57; 71-78
Water			
EN8	Principle 8		43-49; 53-58; 71-78
Biodiversity			
EN12	Principle 8		41-42; 43-50; 52-58; 71-78
EN14	Principle 8		41-50; 52-58; 71-78
EN15	Principle 8		45-49; 53-54
Emissions, effluents and waste			
EN16	Principle 8		52-57; 71-78
EN17	Principle 8		52-57; 71-78
EN18	Principles 8 and 9		52-57; 71-78
EN22	Principle 8		45; 52-60
Emissions, effluents and waste			
EN26	Principle 8		19-20 ; 41-42 ; 50 ; 71-78
Transporting			
EN29	Principle 8		52; 61-63; 71-78
Labour relations			
Employment			
LA1			23-25; 71-78
LA2			23-25; 71-78
Workplace health and safety			
LA7			29-32; 71-78
Training and education			
LA10		General principle 4	34-35; 71-78
LA13			24-26



GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Registration Document/management report
Human rights			
Investment and purchasing practices			
HR1	Principle 1	General principle 2	16-18; 38
HR2	Principles 1 and 2	General principle 10	16-18; 38-42
Child labour			
HR6	Principle 5	Employment and relationships industrial 1.b	16-18; 38-42
Society			
Communities			
SO9			45-50; 64-69
Corruption			
SO4	Principle 10	Anti-corruption 1, 2, 3, 4 and 5	16-18; 38-42
Public policies			
SO5			20-22
Product liability			
Consumer health and safety			
PR1		Consumer interests 1 and 6	43-51; 71-78
Labelling of products and services			
PR5		Consumer interests 3	43-51; 71-78

Article 225 Grenelle II Law	Article 116 NER Law	Pages of the Registration Document/management report or comments
1° Labour information		
a) Employment:		
■ total workforce and breakdown of employees by gender, age and geographic region;		23
■ new hires and dismissals;		25
■ salaries and changes.	1.1 and 1.3	36
b) Work organisation:		
■ organisation of work schedules;		
■ absenteeism.	1.2	32 and 33
c) Labour relations:		
■ organisation of workplace dialogue, and specifically procedures for notifying, consulting and negotiating with employees;		
■ overview of collective bargaining agreements.	1.4 and 1.8	28 and 29
d) Health and safety:		
■ workplace health and safety;		
■ overview of the agreements signed with trade unions or staff representatives regarding workplace health and safety;		
■ workplace accidents, particularly their frequency and severity, as well as occupational illnesses.	1.5	29 to 32
e) Training:		
■ policies implemented with regard to training;		
■ total number of training hours.	1.6	34 to 36
f) Equal treatment:		
■ measures taken to promote equal treatment of men and women;		
■ measures taken to promote employment of the disabled and their integration into the job market;		
■ anti-discrimination policy.	1.3 and 1.7	25 to 27



Article 225 Grenelle II Law	Article 116 NER Law	Pages of the Registration Document/management report or comments
g) Promotion of and compliance with the provisions of the International Labour Organization's fundamental conventions regarding:		
<ul style="list-style-type: none"> ■ respect for freedom of association and the right to collective bargaining; ■ elimination of discrimination in respect of employment and occupation; ■ elimination of forced or compulsory labour; ■ effective abolition of child labour. 	1.8	16
2° Environmental information		
a) General environmental policy:		
<ul style="list-style-type: none"> ■ organisation of the Company to handle environmental issues and, where applicable, procedures for conducting environmental assessments or certifications; ■ actions taken to train and educate employees regarding environmental protection; ■ resources devoted to environmental and pollution risk prevention; ■ the amount of provisions and guarantees for environmental risks, provided that this information is not likely to seriously harm the Company in the context of pending litigation. 	2.3, 2.4, 2.6 2.5: Expenditures incurred to prevent the Company's environmental impact: the costs incurred to limit the effects of the Company's activity on the environment correspond to the operating costs of the Sustainable Development department and its networks in the countries, as well as budgets for specific projects and outside consultant fees.	52 19-20 117 and 118
b) Pollution and waste management:		
<ul style="list-style-type: none"> ■ measures taken to prevent, reduce or redress any discharge into the air, water or soil that has a serious impact on the environment; ■ measures taken with regard to waste prevention, recycling and disposal; ■ steps taken to reduce noise pollution and any other form of pollution specific to an activity. 	2.9	60 45, 50, 58 and 59 61
c) Sustainable use of resources:		
<ul style="list-style-type: none"> ■ water consumption and water supply based on local requirements; ■ consumption of raw materials and measures taken to use them more efficiently; ■ energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources; ■ land use. 	2.1, 2.9	58 60 54 to 56 Information not available in 2012
d) Climate change:		
<ul style="list-style-type: none"> ■ greenhouse gas emissions; ■ adaptation to the consequences of climate change. 	2.2, 2.9	54 to 57 119
e) Biodiversity protection:		
<ul style="list-style-type: none"> ■ measures taken to preserve and develop biodiversity. 	2.2, 2.9	43 to 45 and 49
3° Information regarding sustainable development commitments		



Article 225 Grenelle II Law	Article 116 NER Law	Pages of the Registration Document/management report or comments
a) Local, economic and social impact of the Company's activity:		64 to 66
■ on employment and regional development;		
■ on nearby or local populations.	Article 1	
b) Relations with the people and organisations affected by the Company's activities, including integration associations, educational institutions, environmental protection associations, consumer groups and local populations:		
■ conditions for building dialogue with these people and organisations;	Article 1	20 to 22
■ partnership and sponsorship activities.	Article 1	68 and 69
c) Subcontracting and suppliers:		
■ attention to social and environmental concerns as a factor in purchasing decisions;		38 and 39
■ use of subcontracting and consideration of suppliers' and subcontractors' social and environmental responsibility in dealings with them.	The use of subcontracting is not available in 2012	
	Supplier relations	38 to 42
d) Fair practices:		
■ actions taken to prevent corruption;	1.1 1.1.5	17 and 18
■ measures taken to promote consumer health and safety.		43, 120-121
e) Other actions taken pursuant to this Section 3 to promote human rights.	1.8	38 to 41