

Sustainable Development at Carrefour

Expert Report

2009



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Understanding one another

TESTIMONIES
FROM EXTERNAL
AND INTERNAL
EXPERTS



TESTIMONY

KEY FIGURES



IN FIGURES

CARREFOUR'S
PERSPECTIVE
ON A SPECIFIC
ISSUE



PERSPECTIVE

BEST
PRACTICES
IMPLEMENTED
IN CARREFOUR
COUNTRIES



IN PRACTICE

EDITORIAL



Lars Olofsson
Chief Executive Officer
and Board Member

In 2009, we launched a far reaching transformation of Carrefour, completely rethinking our purpose, defining a shared ambition, our values and beliefs.

Our ambition is both simple and strong: – to become the preferred retailer.

This can only be achieved by managing our retail business in a responsible and sustainable manner.

That's why Sustainable Development has a central role to play in our business strategy. In fact, Leading Sustainable Development for all is one of Carrefour's key beliefs.

A preferred retailer is one that acts responsibly, providing the largest number of people with access to quality products that respect both the environment and people, while giving every-one the chance to enjoy a balanced diet. Based on its firm commitment and an appropriate range of products and services, Carrefour will make a difference to the lives of its customers and consumers.

That's why our Sustainable Development approach is deeply rooted in our businesses and expertise. It's also the reason we are keen to share it with our employees and suppliers.

What's more, we endeavour to use our size and international presence to provide our customers and consumers with a suitable range of affordable products and services and to supply them with appropriate information. The Carrefour brand aims to give the largest number of people the opportunity to consume responsibly.

This is how we intend to become the preferred retailer of our customers and consumers.

We have clearly defined the values which drive our daily actions. At Carrefour we are Committed, Caring and Positive. These three values also embody the behaviour of men and women of

Carrefour in terms of environmental, social and economic responsibilities. Their commitment was particularly obvious in 2009, when they were closely involved in a number of key challenges, such as the fight against climate change. Furthermore, given their results, I decided to increase our commitment to improving energy efficiency from 20% to 30% by 2020, compared with 2004. In another landmark move, we decided that all palm oil used in our own-brand products will be bought from certified sustainable sources. Although these are just two examples among many others, they illustrate and further our previous commitments, which have made Carrefour a pioneer in the field of Sustainable Development. Sustainable Development is now a major concern for many companies. At Carrefour, our commitment dates back nearly 20 years.

Both through Carrefour's products and services and its many initiatives, our teams are pioneers. This is a particular source of pride for me. We now need to build on these foundations.

With this in mind, I have asked our teams in each Carrefour country to provide all suppliers of our own-brand products with the Carrefour Self-Assessment tool, which will enable everyone to measure their impact and optimise their environmental and social actions.

By deploying and sharing our approach, we will help to protect the environment and ensure social progress, enabling us to achieve our aim of becoming both a leading brand and the preferred retailer.

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Challenges *facing the Carrefour group*

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- Tackling climate change 16

This section of the Expert Report sets out five key challenges facing our Group's business activities.

We decided to introduce each challenge from the point of view of an external expert, before outlining the initiatives taken by Carrefour based on testimonies from our employees.

THE CHALLENGE AS SEEN BY...



**Carmen
Gómez Candela**

Head of Nutrition Department,
"La Paz" University Hospital
in Madrid.
Director of the NUTRINVEST.
IDIPAZ group.
Autonomous University
of Madrid.

“ Mass retailers have a role to play in the fight against obesity.”

What are today's key nutritional challenges?

Over the last few years, dietary standards have slipped across Europe. We also take far too little physical exercise. That's why, over the last thirty years, there has been a major increase in the number of overweight and obese people in the European Union, especially children.

Our diets have changed in a number of ways. Our food contains a higher energy density, we eat more saturated and hydrogenated fats and less fibre, fruit and green vegetables. At the same time, portion sizes have increased, especially for children and young people, for whom a lack of physical activity is a major factor.

The link between diet, physical activity and health, and the appearance of certain chronic illnesses (obesity, cardiovascular diseases, etc.) has been scientifically proven. The improvement in the eating habits of Europeans and the promotion of physical activity have been key goals for EU institutions over the last few years, and provided the inspiration for the "Eurodiet" project. This initiative sets out quantified goals for the nutrients consumed by the population and highlights the need to turn these goals into directives and dietary guidelines.

What role should be played by a retailer like Carrefour?

Retailers need to offer products that make it easier and more accessible to lead a healthy lifestyle, including changing the ingredients in some foods

by modifying their salt, fat (particularly saturated and trans fats) and sugar content. We have noted that promoting the consumption of low-cost fruit and vegetables has a positive impact on dietary standards.

What do you think of the action taken by Carrefour?

In line with the general aims of Spain's Nutrition Strategy, Carrefour, as Europe's leading retailer, has been committed since 2007 to promoting the production and distribution of products that enable people, and particularly children, to enjoy a healthier, more balanced diet, and to encouraging people to take more physical exercise.

Numerous initiatives have been organised, including changing product ingredients, and the launch of various product ranges targeted at diet conscious consumers, such as specific Carrefour products and the Carrefour Kids/Disney range.

That's why I think that Carrefour is taking major steps to improve the nutritional quality of its products, while meeting the needs of consumers in terms of taste and price.

Only greater awareness and a major effort on the part of the stakeholders involved will reverse the current trend toward obesity; the actions taken by the retail sector will also play a major role in this change.

TESTIMONY



Ignacio González Hernández

France Commercial
and Group Merchandise Director

What key areas is Carrefour focusing on to meet the challenges involved in food quality?

Our goal is to enable our customers and the largest possible number of people to eat a balanced diet. First of all, this means that we have checked the nutritional quality of our products. We have also organised numerous initiatives to raise the awareness of our customers to the importance of eating a balanced diet. We have also chosen to provide them with clear nutritional information.

What advances have been made over the last few years in terms of the nutritional quality of Carrefour's own-brand products?

The primary focus of our efforts is on the problem of obesity and excess weight, which is a major global social challenge.

Starting in 2004, the Group reviewed the recipes of its own-brand products, all of which have since been reformulated.

In the current difficult economic climate, we are also committed to providing our customers with solutions that help them cut their costs on a day-to-day basis while benefiting from the guarantee provided by a major brand – Carrefour Discount. Carrefour's products are produced in compliance with strict product specifications, including no GMOs, traceability and nutritional and taste quality.

Lastly, one of our most recent innovations has been the signing of an international agreement with Disney. Carrefour Kids/Disney products reconcile the need for children's food to be fun with the safety and nutritional requirements of parents (an appropriate calorie intake, recipes with reduced fat, sugar and salt content, etc.)

We realize that we have a very high level of responsibility towards children in terms of nutrition. That's the challenge we aimed to meet by creating this range.

And in terms of informing and raising the awareness of customers?

Carrefour was the first retailer in 2005 to offer its customers easy-to-read nutritional information on the labelling of its own-brand products.

More recently, at the end of 2008, a voluntary initiative - the Guideline Daily Amount (GDA) - was launched by food companies in Europe. To make it much easier for our customers to compare all products available on the market, Carrefour decided to alter its own system and to use the GDA on its own-brand products.

Carrefour also supports the EPODE childhood obesity prevention programme in France, which aims to promote a varied diet and regular physical activity.

In Argentina, Carrefour decided to support Conin (a cooperative for infant nutrition) as part of an educational and nutritional project designed to prevent the risk of malnutrition-related illnesses. In 2005, the Group launched the Nutrition Week, which is now held in all Group countries. Carrefour also takes part in national events such as the Taste Week in France.

Lastly, by providing information about dietary best practices in its magazines and on its websites and by organising promotional events that offer balanced meals for one euro a day per person, for a family of four, like in Spain, Carrefour offers all of its customers the possibility of eating a balanced diet every day.

THE CHALLENGE AS SEEN BY...

“Consumer habits are a driving force for Sustainable Development.”



Elizabeth Pastore-Reiss
Founder and Director
of the Ethicity agency

What are the key challenges involved in responsible consumption?

More than three quarters of French people believe that Sustainable Development is a necessity, while nine out of ten see the current economic crisis as an opportunity to review their lifestyles and consumption habits. Aware that the way we consume represents a catalyst for change, French people are keen to put their values into practice by changing their behaviour and purchasing habits. In fact, 69% say they have changed their behaviour to support Sustainable Development over the last twelve months. Although for nearly half of French people responsible consumption means cutting down on non-essential products or services, almost seven out of ten consider responsible consumption products and services to be unappealing as a whole. Lastly, half of French people do not know where to find responsible products and services and seven out of ten would like clearer labels, which could be a factor in undermining consumer confidence.

What role should be played by a retailer like Carrefour?

Retailers are great intermediaries, ensuring these products and services are accessible on a daily basis, to the largest possible number of people. As well as offering people innovative products and services, they also play a role in educating customers by guiding them through the maze of labels, initiatives, etc.

Consumers want to be sure that, when they enter a supermarket or hypermarket, they won't be overwhelmed with products they don't really

need, although they still value innovative or new products. They want to be able to trust their banner. That trust is based, of course, on products and services – a retailer's core business – but also on tools to identify the customer's "real" needs, plus all-round advice that takes into account their personal and social challenges as well as society challenges. Based on regular contact with its customers and suppliers, a banner can provide customized advice, particularly at a local level, that closely matches the needs of each individual. Through its own-brands, it really can open up new markets.

What do you think of the actions taken by Carrefour?

I remember the organic line and the organic loaf they launched in 1992. Now Carrefour offers almost 2000 own-brand organic product items in some fifteen countries. Far from harming specialist retail, it has opened up organic products to new consumers. The same goes for MSC fish, FSC wood and, in the future, certified palm oil. The determination of a large group, whether a retailer or a manufacturer, based on its high purchasing volumes, can change markets, if, rather than "greenwashing" their sales pitch, they take actual steps to reduce their impact on the environment and introduce real innovations over the long-term.

We are at the start of a major transformation. Mass retailers will be key players in this process, both in terms of its suppliers and employees and its customers. We need to define together what responsible consumption is and what will ensure it retains its appeal.

TESTIMONY



Patrick Rouvillois
Group Marketing Director

What key areas is Carrefour focusing on to promote the development of responsible consumption?

Europe's leading mass retailer, and number two worldwide, Carrefour is changing consumer habits by offering products that respect the environment and communities, at affordable prices.

That's why our stores offer products from supply chains that respect biodiversity (particularly Carrefour Quality Lines) while limiting the sale of products sourced from endangered natural resources and increasing the number of organic or labelled Carrefour own-brand products.

We provide regular information about responsible consumption in our stores, and through our commercial publications and other media targeted at customers.

What progress has been made over the last few years, in terms of sustainable supply chains, in promoting biodiversity?

Our commitment to preserving biodiversity is based primarily on our voluntarist approach on GMOs, which we have applied since 1996. That's how Carrefour, through its own-brand products, has been able to offer its customers a credible alternative to GMOs for over ten years.

To conserve fish stocks, the Group is working in partnership with the WWF to develop a sustainable fish products offer. In France, Carrefour is the retail brand that offers the widest selection of Marine Stewardship Council (MSC) certified products.

Within the framework of our partnership with the WWF to protect forests, Carrefour discontinued the sale of Teak in France in 2006, and of Keruing the following year. Since 2008, the outdoor furniture assortment at our European central purchasing office has consisted exclusively of FSC (Forest Stewardship Council) certified products and species not on the IUCN endangered list.

Lastly, Carrefour supports the creation and development of responsible sources of supply for soy and palm oil to curb the destruction of primary forests caused by these crops. In 2009, the Group set itself the target of buying only certified responsible palm oil for its own-brand products by 2015.

What progress has been made in terms of the products and services sold in Carrefour stores and customer awareness?

For more than 18 years, the banner has endeavoured to make organic products available to more people by regularly offering new, quality and affordable certified and labelled products. The Carrefour AGIR Bio brand currently offers customers some 500 listed food products, on average 25% cheaper than in specialist stores. Thanks to the variety of its products and services, Carrefour is the leading retailer of organic products in France. The Group was also the first retail banner to offer a fair trade product in 1998, before launching its own brand, Carrefour AGIR Solidaire, in 2007. This brand now includes more than 25 listed products featuring the Max Havelaar label. In 2009, Carrefour was the leading retailer of fair-trade products.

Throughout the year, we promote the wide range of responsible products available in our stores to customers through our commercial publications and on our websites. In France, the display of "I act responsibly with Carrefour" signs in stores indicate where customers can find responsible products. The new "Carrefour mag" magazine, distributed to 2 million customers across France, includes a Sustainable Development section. Lastly, Carrefour organises numerous events in its stores during the Sustainability Week, the European Energy Week, and the European Week for Waste Reduction, of which it is a partner.

THE CHALLENGE AS SEEN BY...



Souhayr Belhassen
President of the FIDH

Putting social rights at the centre of the company's purchasing strategy.

What are the major challenges/problems involved in ensuring respect for Human rights in the supply chain?

Economic and financial globalisation has increased the international division of labour and the concentration of the production of everyday consumer goods in countries with low labour costs. This outsourced low cost production all too often comes at a price in terms of the violation of workers' rights. Few would now deny that businesses have responsibilities in terms of Human rights and there is a general consensus that the multinationals that market these products are responsible for respecting and ensuring respect for Human rights in their supply chain. However, FIDH's missions in several Asian countries in 2009 (Bangladesh and China) revealed that low wages, excessive working hours and un-acceptable working conditions unfortunately continue to prevail in factories producing goods for major international groups, despite the efforts they have made over the last ten years to ensure their suppliers respect labour standards.

What role should be played by a retailer like Carrefour?

More than ten years ago, with the help of the FIDH, Carrefour adopted a social charter based

on international standards defined by the ILO and the UN, which is signed by its suppliers. In sensitive countries social audits are used to check if the charter is being complied with. Many other retailers carry out similar checks. However, to meet their responsibilities, companies must go further. Since 2007, a number of them have gathered within of the GSCP to speak with one voice when dealing with suppliers. It's an important step forward, but these companies also need, above all, to think about the causes of the continuing violation of workers' rights, particularly those related to the conditions they impose on their suppliers.

What is FIDH's view of Carrefour's initiatives?

The Carrefour group understood that it had to rethink its own purchasing practices to enable its suppliers to comply with its labour requirements. Using a stable group of suppliers with which they have formed a long-term relationship, helping suppliers improve their labour practices, supporting the independent representation of workers, and providing training for Carrefour's teams as well as their suppliers, are measures that should be taken to ensure a real improvement for workers. In order to position itself as a pioneer, the Carrefour group must place labour rights at the centre of its purchasing strategy.

TESTIMONY



Véronique Discours-Buhot
Group Sustainability Director

What key areas is Carrefour focusing on to promote respect for human rights in its supply chain?

Social responsibility in the supply chain is a topical subject for many people and has been a major concern for the Carrefour group since 1997. The adoption of a social charter, which is attached to commercial contracts for suppliers of our own-brand products, and the development of monitoring tools, have formed the basis of a voluntary approach implemented with support from the International Federation for Human Rights (FIDH). More than 3,500 social audits have now been carried out since 2000 by third-party companies on behalf of Carrefour in the most sensitive countries.

Convinced at a very early stage of the importance of sharing our approach with the largest possible number of actors, the 2nd aspect of our approach focused on sharing information and experiences with our major ordering companies. That's why Carrefour participated in the creation of the ICS (Social Clause Initiative) which, for the last 10 years, has enabled French retailers to share tools and audit results. Ten years on, in the light of this experience, and faced with the proliferation of audit standards, Carrefour decided to go further by working towards the harmonization of existing tools, codes and initiatives. Carrefour decided, along with its biggest worldwide competitors, to participate in the launch of the GSCP (Global Social Compliance Programme) platform. This platform, in which we have been joined by several major manufacturers is aimed to harmonise the systems used throughout the world, and has already helped to bring greater transparency and comparability to audit codes and systems.

The prerequisite for healthy international competition is the definition of common rules that are applicable to all. The fact of clarifying and sharing the concept of social responsibility in the supply chain is a fundamental element of this exercise. Today, despite the ratification of

the ILO principles by most nations, it has to be said that they are not always perfectly applied in practice. Private companies clearly cannot resolve this problem by themselves but the fact of demonstrating our common undertakings should help to raise greater awareness of the responsibilities of each of the player around the world. This is our contribution to applying the fundamental principles of Human rights.

Lastly, because audits alone are not sufficient to improve working conditions at supplier sites, we organise training sessions on social responsibility and Human rights at work.

What major advances have you made recently in terms of this approach?

Audits and training are complementary tools. In 2009, Carrefour extended the "unannounced" principle to all audits of its suppliers of non-food products in risk areas.

A training plan for suppliers has been put in place in Bangladesh. FIDH's 2008 mission validated the efficiency of this type of approach, and Carrefour, in partnership with the SAI (Social Accountability International), will provide training for its Indian suppliers and its local buyers from 2010 onwards.

At the same time, the work undertaken within the GSCP (Global Social Compliance Programmes) is making progress.

Following the publication of the Reference Code, we issued a number of reference tools on the social audit methodology in 2009. This year has also been marked by the launch of a test to prepare the audit report sharing process. This test phase, organised by Carrefour and several members of the GSCP, involving suppliers in India and Bangladesh, marks the launch of the project's operational stage. Carrefour helped to determine the skills required for auditors with a view


TESTIMONY (continued)

to defining the required abilities of auditors selected to perform social audits in factories. In addition, a module specifically devoted to the environment is currently being developed and will be published in May 2010.

In 2009, eight new companies joined the GSCP, taking the number of members to 29.

The new members who joined the advisory Board include Suzanne Apple – WWF USA, David Schilling – Interfaith Center on Corporate Responsibility USA, Alke Boessiger – Union Network International Global Union, Caroline Rees – CSR Initiative Harvard Kennedy School USA, who complement the expertise of members already present on the Board, such as Antoine Bernard – FIDH, Amir Dossal – UN Office for Partnerships, Jan Furstenborg – former chairman of UNI Commerce, Rafaël Nedzynski – FGTA FO, Stephen Frost – CSR Asia. They support new project developments.

What's the next step?

In 2010, Carrefour will also take part in the working group devoted to sharing best practices on management systems. Lastly, we also expect to complete the equivalence process, which enables each company to position its social responsibility in relation to the reference tools. Our aim is to finalise the reference tools, as well as the equivalence process, by the end of 2010, to ensure the transparency and comparability required for the mutual recognition of the audit results. The goal is to reduce the number of audits, enhance their quality and reallocate resources to the development of sustainable solutions.

The harmonization process, completed within the framework of the GSCP, has naturally led Carrefour to review its Social Charter for suppliers and to develop it further. The publication of this updated charter in 2010 will mark a very practical step towards harmonizing social responsibility initiatives.

THE CHALLENGE AS SEEN BY...



Christian Charpy
Managing Director of Pôle Emploi

“Promoting equal employment opportunities.”

What are the key challenges involved in promoting equal employment opportunities?

The first consequence of the recession, unemployment, which fell constantly from 2006, began to rise again in 2008. As the Managing Director of *Pôle Emploi*, the French national employment agency, I saw unemployment continue to rise in 2009. Over a 12-month period, it increased by 407,200 or 18.5%. Some groups, such as people with disabilities, young people from disadvantaged neighbourhoods or without qualifications, and older people, are more at risk than others. In fact, during the first ten months of 2009, the biggest increase in unemployment was among jobseekers aged under 25 (up 21%), followed closely by job-seekers aged over 50 (19.7%).

What do you think of the actions taken by Carrefour?

In these circumstances, Carrefour's commitment to hiring and continuing to employ people facing the most difficult situations sends out a strong signal. Its action against recruitment discrimination and in favour of equal opportunities and its determination to hire people from neighbourhoods subject to government urban

development schemes have resulted in the signing of national agreements. Carrefour can count on its close partnership with the *Pôle Emploi* and on its specific tools, such as the "Simulation" Recruitment Method, which ensures applicants are selected on their abilities. Moreover, based on the national framework agreement signed on 30 April with Carrefour, *Pôle Emploi* advisers regularly put forward applicants with specific profiles, such as jobseekers from disadvantaged neighbourhoods or those with few qualifications but a lot of potential.

By creating a dedicated recruitment area, Carrefour has relieved its stores of the need to deal with hiring issues, allowing them to focus on their core business and, consequently, generate the resources required to achieve their recruitment goals. In 2009, thanks to its partnership with *Pôle Emploi*, 1,457 young people from disadvantaged areas were hired on permanent and short-term contracts lasting six months or longer (exceeding the initial objective of 1,000 new recruits), 547 young people have been recruited as part of work/study programmes and 132 as trainees.

TESTIMONY



Cécile Cloarec
Group Human
Resources Director

What key areas is Carrefour focusing on to promote equal opportunities?

With its variety of its activities and its local recruitment policy, the Carrefour group is a major professional inclusion player in its catchment areas. Aware of this role, we have endeavoured, for many years, to open up employment opportunities to talented people from a range of backgrounds, to fight against employment discrimination and promote diversity of profiles within our company. That's why we signed a Diversity Charter in 2004, which is applied in all Carrefour countries. We are also redoubling our actions in favor of youth employment, insertion of people with disabilities in the workplace, the fight against illiteracy, and skills development to ensure employees - and particularly young people without qualifications - benefit from a stable and empowering job.

What progress has been made over the last few years to promote youth employment?

In France, the Group has made a number of national commitments on this issue.

As part of the 2009-2010 Youth Employment Plan in France, the Group committed itself to recruiting 4,000 young people on work/study programmes. At the end of 2009, some 6,000 young people from disadvantaged neighbourhoods were recruited as part of the "*Plan Espoir Banlieue*".

In partnership with *Pôle Emploi*, the Group's banners are working hard to make it easier for people experiencing difficulties, among which young people, entering the job market to integrate the workplace. The partnership was strengthened in 2009 with the signing of a Group Agreement.

Carrefour decided to reach out to young people by taking part in a "Jobs and equal opportunities train" in 2009. The Group's initial involvement was a big success: 7,500 CVs from applicants in every region of France, with and without qualifications, were handed in to our recruitment teams; 1,600 applicants were given immediate personal interviews, eventually resulting in the employment of 2,200 people. Our teams are active also abroad. In Brazil, for example, we implemented a

programme to support the inclusion of young people through apprenticeship schemes. And in Argentina, in partnership with the Ministry of Labor, Employment and Social Security, we set up the "Young people have a future" programme. This programme aims to promote the social and professional inclusion of young people aged 18 to 24 from low-income households who have not benefited from training.

What progress has been made in terms of jobs for people with disabilities?

Carrefour now employs over 10,000 disabled people worldwide. In France, hypermarkets have been committed to this policy for more than ten years, and supermarkets for five years, as part of the Mission Handicap scheme to promote the employment of people with disabilities. Both banners have also developed tools to make the day-to-day lives of our disabled employees easier, including training and a financial and technical aid plan (purchase of equipment, modifying working hours, etc.). In 2009, Carrefour furthered its commitment by signing, with the Ministry of Labor, the Disabled Persons Professional Inclusion Charter. The Group is strongly committed to this policy in all Carrefour countries. In Poland, for example, Carrefour has developed tools to promote the employment of people with disabilities in its stores, including a sign language interpreter and graphic information at check-outs. In Malaysia, our teams have formed a partnership with the United Nations Development Programme (UNDP) for the implementation of best practices in the employment of people with disabilities. Store directors and managers have been given training in the hiring and management of people with disabilities.

In recognition of their actions (6.26% of staff with disabilities), French hypermarkets were rewarded by the 2009 Apajh Award (Disabled Young People and Adults Association). Carrefour Spain was also recognised in 2009 for its initiatives to promote the inclusion of 802 disabled employees in its stores.

 **TESTIMONY (continued)****What were the highlights in terms of training and skills development?**

The Group provides training at each level of the scale. The Group's training policy offers an average of 15.9 hours of training per employee. Thanks to this policy, more than 50% of our directors are appointed *via* internal promotion.

Over the last few years, numerous actions have been taken to develop the employability of our staff. For example, in France, we set up a training scheme to help some of our employees who were experiencing reading and writing difficulties. This programme, Evolupro, was tested in four

hypermarkets in France in 2008 and has been deployed in 25 stores in 2009-2010. A similar programme has existed since 2002 in Brazil, and has enabled more than 4,000 people to benefit from literacy classes.

We have also focused on recognising professional experience, allowing employees without initial qualifications to leverage their time spent on the labour market. In Colombia, with the support of the government, Carrefour offers its managers and employees three diploma-based training programmes. In France, 1,000 employees obtained a CQP, a vocational training diploma, between 2004 and 2009.



The challenges that science says...



Achim Steiner

UN Under-Secretary General
and UN Environment Programme
(UNEP) Executive Director.

What are the key challenges posed by climate change?

Extreme weather events, which are occurring with seemingly increasing frequency, are bad for business. A climate-constrained world is likely to intensify impacts placing pressure on food supplies, triggering shifts in pests and diseases, aggravating water scarcity, challenging supply chains and ultimately a company's bottom line.

We need to get to grips with climate change and fast, both in terms of cutting emissions and assisting vulnerable countries to climate-proof their economies. While some bemoan the costs, others point to the benefits of early action.

The Stern report concluded that investing one per cent of global (GDP) *per annum* could assist in avoiding the worst effects of climate change: failure to act could trigger global GDP losses of five per cent, perhaps up to twenty per cent, over the coming years.

Whilst action is underway, it currently falls short of what science tell us is required. A follow up report by Lord Stern from 2008 concluded that as a result of acceleration in climate change, an investment of two per cent of GDP was then needed.

A recent McKinsey report concluded that catalyzing a low carbon revolution might cost in the order of 0.6–1.4 percent of global GDP by 2030. This report concluded that measures needed to stabilize emissions at 450 ppm have a net cost near zero the same conclusion as the International Energy Agency and the Intergovernmental Panel on Climate Change.

What role should be played by a retailer like Carrefour?

A large retailer like Carrefour has the potential to galvanize change from farm to supermarket and kitchen shelf. Firstly, it can reduce its footprint by boosting energy efficiency and investing in renewable energy supplies and greener transport choices.

Greening the supply chain; embracing initiatives such as certification of products and services and informing consumers all play an important role. Sustainable agriculture can enhance water supplies and put more carbon back into soils and vegetation.

These kinds of choices also echo the growing trend for Corporate Social Responsibility. Indeed, many institutional investors are making investment decisions based on a firm's commitment to environmental, social and governance issues.

What do you think of the actions taken by Carrefour?

Carrefour has signaled its commitment to be part of the solution. It supported the UN's campaign to "Seal the Deal!" in the run up to UN climate change meeting in Copenhagen. Carrefour has also committed to a 30 per cent energy efficiency target for 2020.

The Copenhagen Accord remains a work in progress: we need governments, but also business and consumers to rise to the climate challenge again in 2010 as we head to Mexico. A strong agreement will drive the carbon price and accelerate a transition to a low carbon, more resource efficient Green Economy: Turning the sustainability ship is not for the faint of heart. With enough committed passengers on board, it can be achieved: Indeed it is the only course.

TESTIMONY



Paul Rowsome
Group Environment Manager

What key areas is Carrefour focusing on in the fight against climate change?

The Carrefour group has made the fight against climate change one of the top priorities of its Sustainable Development strategy.

This involves, first of all, reducing the energy consumption of our sites and, more specifically, our electricity consumption, since it represents around 90% of the energy consumed by our stores.

We are also reducing refrigerant leaks, identified as the Group's second biggest source of greenhouse gas emissions. In addition, we are testing new technologies, such as CO₂ refrigeration systems for freezer units used at 14 of our sites in Europe or indirect refrigeration systems (such as glycol). Lastly, several renewable energy pilot schemes, particularly photovoltaic systems, have been organised in different European countries.

In addition to the sites themselves, our supply chain as a whole also causes greenhouse gas emissions. That's why we are committed to reducing CO₂ emissions from transport and logistics operations. In 2009, we approached our eight main logistics service providers, in partnership with the Carbon Disclosure Project, to provide information about their climate change initiatives (CDP Supply Chain). In addition, based on our supply strategy for palm oil, paper and wood, we have underlined our commitment to helping combat deforestation, one of the main global sources of greenhouse gas emissions.

Lastly, we regularly perform activities designed to inform and raise the awareness of customers and consumers to encourage them to change their consumption habits and buy more energy efficient products and solutions.

What progress has been made over the last few years in reducing the energy consumed by Group sites?

In 2007, the Carrefour group had already set itself the goal of reducing its energy consumption per sq.m. of sales area by 20% by 2020 (vs. 2004). With regards to the highly satisfactory results achieved so far (a 16% improve-

ment in our energy efficiency since 2004), Lars Olofsson, our CEO, decided, in 2009, to strengthen our commitment and to raise our objective to 30% by 2020. To ensure we have the resources to achieve this goal, our energy efficiency programme is based on a multi-year investment plan worth some thirty million euros a year. The measures taken as part of the programme include the implementation of EMS (Energy Management System) in most countries, closed freezer equipment, the replacement of lighting by energy saving systems and night curtains for cold storage equipment.

And the supply chain?

Given the high volumes of products delivered to Group stores, the optimization of our transport and logistics activities represents a major Sustainable Development challenge. Carrefour is therefore focusing its efforts on developing river and rail transport to deliver its imported goods to warehouses and to optimise its store deliveries in order to reduce kilometres travelled, particularly empty kilometres. In terms of its own-brand products, Carrefour is making its Sustainable Development Self-Assessment tool available to its suppliers, to implement and support a pragmatic and progressive approach to environmental management.

What actions have been taken by the Group to reduce deforestation?

Carrefour has also been working with the WWF since 1998 to promote the use of FSC (Forest Stewardship Council) certified wood, ensuring that forests are more sustainably managed. The Group also takes part in the fight against the illegal wood trade. In 2009, the Group set itself the target of buying only certified responsible palm oil for use in its own-brand products by 2015 as part of its fight against deforestation. In addition, according to the nutritional profile of its own-brand food products, Carrefour is replacing palm oil with other oils. As a result, Carrefour has reduced its consumption of palm oil by a third in France since 2008.



TESTIMONY (continued)

How does Carrefour encourage its customers to reduce their energy consumption?

In 2009, around 24 million low energy light bulbs were sold by the Group worldwide. With the launch of Carrefour Energie by Poweo, the Group became the first European retailer, in Belgium and France, to offer households the option of switching to easy-to-use green electricity at a

price that is no different to that of conventional energy. Lastly, as the official partner of European Sustainable Energy Week in 2009, the Group mobilised its support in stores in six European countries to promote various initiatives such as highlighting energy-saving products and raising customer awareness to eco-friendly behaviour.

2

Approach *and strategy*

• Principles of governance and ethics	20
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Corporate governance

In 2008, Carrefour adopted the form of a public limited company with a Board of Directors. The positions of Chairman and Chief Executive Officer being separated.

THE BOARD OF DIRECTORS

The Board of Directors is a collective body which represents all shareholders and acts in the company's interests in all circumstances. For this purpose, it sets the policies and strategies for Carrefour's activities and monitors their implementation, deliberates on all matters pertaining to the company's success and decides on issues related to the company. It reviews and approves financial statements and provides quality financial information to shareholders and markets. The Carrefour Board of Directors has twelve members, among whom are seven independent members including one woman.

THE COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has three special committees which were established in 2008. These committees examine specific issues in greater detail and make recommendations to the Board of Directors.

- *The Accounts Committee* analyses the financial accounts and reviews all issues related to these accounts.
- *The Remuneration, Appointments and Corporate Governance Committee.*
- Acting as the Remuneration Committee, it is responsible for reviewing all issues concerning remuneration for corporate officers.
- Acting as the Appointments Committee, it is responsible for proposing nominations for Chairman, Chief Executive Officer and, if applicable, Deputy Managing Directors to the Board of Directors.
- Acting as the Corporate Governance Committee, it assists the Board of Directors in adapting Carrefour's corporate governance practices and assessing its operation.
- *The Strategy Committee* assists the Board of Directors in guiding and setting the Group's

strategy. It prepares the groundwork for the most significant decisions which determine the future of the Group.

THE EXECUTIVE BOARD AND THE EXECUTIVE COMMITTEE

To fully execute the Carrefour group's transformation plan and achieve its strategic objectives, on 1 February 2010 Chief Executive Officer Lars Olofsson established a new management organisation within the Group.

Under the authority of the Chief Executive Officer, Carrefour will now be managed by:

- **An Executive Board** which, with the Chief Executive Officer, will determine company strategy, establish operational objectives and the annual plan and monitor their execution.
- **An Executive Committee**, which will help design the strategic and operational plans, implement them and oversee project deployment. The Executive Committee ensures that teams are in alignment and that the company's management and leadership principles are disseminated.

THE PRINCIPLE OF SUBSIDIARITY ON AN INTERNATIONAL LEVEL

As an international group operating in 34 countries, Carrefour relies on a decentralized management system to ensure the local situation is taken into consideration as effectively as possible. The key players are the Business Units, each managing one store format in a given country.

All Business Units apply the Group's policies according to the principle of subsidiarity.

THE CORE OF THE COMPANY'S STRATEGY

Aware that Sustainable Development is the driving force for the company's long-term economic success, early on the Group placed it at the core of its strategy. All major strategic Sustainable Development issues are presented

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and discussed with members of the Executive Committee, including policies on wood, fish products, energy and social issues.

When implemented in the countries, it is coordi-

nated by the operations departments, supported by the Business Units' Sustainable Development managers.

Managing ethics within the Group

To strengthen coordination of activities related to compliance and ethics within the Group, a Director of Risks and Compliance, who serves as the Group's Compliance Officer, was appointed in early 2009 and reports to the Group General Counsel.

During 2009, these efforts focused on a full revision of the "Code of Professional Conduct", consistent with the Group's new values. Its distribution during 2010 will be backed by a global support system.

As part of its efforts to share best practices, Carrefour 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.

Further strengthening its commitment, at the end of 2009 Carrefour joined Transparency International (France).

Previously launched training and ethical awareness initiatives were continued during 2009, and training sessions on ethics for Purchasing Departments were held in several countries.

The Group's values and convictions

In 2009, the Carrefour group defined three new values and articulated 10 key convictions that it pursues on a daily basis. They express the Group's commitment to sustainability, both for the Group and its customers.

Delight our customers, captivate them, amaze them and maintain their loyalty day after day: this is the springboard for Carrefour's new approach, the tie that binds its 475,976 employees worldwide.

THE GROUP'S VALUES

"Committed, Caring and Positive": established by the Group in 2009, these three new values offer daily guidance to Carrefour employees as they perform their duties.

Bound by these values to their customers and consumers, Group employees work each day to improve customers' quality of life and make Carrefour their preferred retailer.

THE GROUP'S BELIEFS

Ten key beliefs were also defined to guide daily actions of the Group and its employees.

- 1** Customers and consumers are at the heart of everything we do.
- 2** Shopping at Carrefour should be simple, enjoyable and great value.

3 In delighting customers and consumers with exciting, great value, quality Carrefour products services.

4 Great value is based on competitive pricing and a positive price perception.

5 In the multi-format to delight customers, however, wherever and whenever.

6 We must transform Carrefour into a Love-mark.

7 In having the passion to win in every market in which we operate and moving ahead with «1/4 d'heure d'avance».

8 In developing and inspiring Carrefour people to be the best they can be: happy engaged Carrefour people make happy customers.

9 In developing preferred relationships with key stakeholders and partners, based on mutual, sustainable success.

10 In leading sustainable development for all.

SUSTAINABLE DEVELOPMENT EVERYONE'S BENEFIT

Through this tenth conviction, the Group reaffirms its commitment to incorporate Sustainable Development into its company strategy and all of its business lines, creating value to benefit all stakeholders: employees, customers, suppliers and shareholders, along with host countries and communities. By launching products which forecast emerging trends, by contributing to employee performance through a responsible human resources policy and by reducing costs through programmes which save energy and natural resources, the Group also contributes to its own profitability, and thus its own continuity.

Action guided by broad universal principles

The Group conducts its business while relying on a body of common principles based on compliance with law and certain internationally-recognised reference texts.

THE GLOBAL COMPACT

Carrefour has been a member of the United Nations Global Compact since 2001. The Group is committed to adhere and promote its ten fundamental principles concerning Human rights, labour standards, the environment and combating corruption.

Concrete examples of Carrefour's commitments:

- ▶ Cooperation since 1997 with the International Federation for Human rights (FIDH) to respect the basic rights set forth by the International Labour Organisation and to ensure that its suppliers do the same.
- ▶ The Group's Social Charter is linked to commercial contracts with the Carrefour group's own brand product suppliers, and Carrefour follows a strict social audit policy to ensure compliance, conducting nearly 3,500 audits over nine years.
- ▶ Implementation of programmes in numerous countries to help people with disabilities enter the workforce, as part of the Group's commitment to promoting diversity and equal opportunity.
- ▶ Commitment regarding energy efficiency raised to 30% in 2009 and involvement in the United Nations' "Seal the Deal" initiative to urge governments to reach an ambitious, effective and fair agreement on climate change.
- ▶ Membership in Transparency International.

THE ILO'S FUNDAMENTAL PRINCIPLES

Set forth in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work adopted in 1998, they specifically address freedom of association and recognition of the right to collective bargaining, elimination

of forced and compulsory labour, abolition of child labour and elimination of discrimination at hiring and during the career.

Concrete examples of Carrefour's commitments:

- ▶ In 2001, the Group signed an agreement with UNI (Union Network International), under which it committed to ensuring application of the ILO's principles in all countries where it operates.
- ▶ The Group's signing of the Corporate Diversity Charter in France affirmed its commitment to fight all discriminatory practices at hiring and during the career.

THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

This is the principal international document affirming the inalienable and inviolable rights of all people in the civil, political, economic, social and cultural spheres.

Concrete examples of Carrefour's commitments:

- ▶ Carrefour arranged training on fundamental Human rights at work for employees and managers at 56 supplier manufacturing sites in Bangladesh which produce its own brand products.
- ▶ During 2010, Carrefour will provide social responsibility training to all of its active suppliers in India.
- ▶ It is a founding member of ICS (Social Clause Initiative) which aims to share the results of social audits.
- ▶ It is a founding member of GSCP (Global Social Compliance Programme) which aims to harmonise existing standards and tools concerning social responsibility in the supply chain.

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GUIDING PRINCIPLES OF THE OECD

The guiding principles of the OECD (Organisation for Economic Cooperation and Development) aim to help multinational companies act in compliance with government policies and societal expectations. It encompasses the major areas of corporate ethics: employment and relations with its labour partners, Human rights, the environment, disclosure of information, anti-corruption, consumer interests, science and technology, competition and taxation.

Concrete examples of Carrefour's commitments:

- ▶ Carrefour develops own-brand products that favour local sourcing, especially through the development of its Carrefour Quality Lines and ranges dedicated to regional products.

REPORTING BASED ON A RECOGNISED FRAMEWORK: THE GLOBAL REPORTING INITIATIVE (GRI)

The GRI is an international framework designed to help organizations - and their stakeholders - assess the performance of their business in terms of economic, social, environmental and community impacts. It is based on six groups of extra-financial indicators covering direct and indirect economic impacts, environmental impacts, employment and labour practices, respect for human rights, community relations and responsibility for product quality and safety.

▶ Following the GRI (G3) in preparing Carrefour's Sustainability Reports

For the past eight years, Carrefour has followed the GRI's guidelines when preparing its Sustainability Reports. This document meets the qualification standards under the level B of the guidelines.

IN PRACTICE**The Carrefour group reaffirmed its support for the United Nations Global Compact**

In 2001, the Carrefour group was among the first French companies to join the Global Compact, making a commitment to adhere to and promote its ten principles in the areas of Human rights, labour standards, the environment and combating corruption. Carrefour has been a member of the association's board since it was established in France. Georg Kell, Executive Director of the United Nations Global Compact, visited Paris in October 2009, providing an opportunity for Lars Olofsson to reaffirm his personal commitment to the United Nations Global Compact on behalf of the Group.

Assessing the Group's overall performance

Assessment of extra-financial performance complements the analysis of financial results. It allows measurement of the Group's ability to anticipate and manage the risks and opportunities inherent to its operations.

ESTABLISHING A FULLY TRANSPARENT DIALOGUE WITH THE SRI (SOCIALY RESPONSIBLE INVESTMENT) WORLD

The Carrefour group's overall performance is evaluated by SRI rating agencies and investors. The Group maintains an ongoing and transparent dialogue with non-financial rating agencies, SRI indices, investors and insurance companies. The Group Sustainable Development Department completes surveys and responds

to occasional requests for information concerning the Group's policies and initiatives launched within the Business Units. Department representatives also meet with investors and answer their questions at road shows and events dedicated to corporate social and environmental responsibility.

CARREFOUR GROUP'S PRESENCE IN THE MAIN SRI INDICES

SRI INDICES		CARREFOUR'S PRESENCE IN THE INDICES IN 2009
Aspi Eurozone	Vigeo - France	■ (since 2002)
DJSI EURO STOXX	Dow Jones - USA	■ (since 2003)
DJSI World	Dow Jones - USA	■ (since 2002)
ECPI Ethical Index Euro	ECPI - Italie, Luxembourg	■ (since 2002)
ECPI Ethical Index Global	ECPI - Italie, Luxembourg	■ (since 2002)
Ethibel Excellence Europe	Ethibel - Belgium	■ (since 2005)
Ethibel Excellence Global	Ethibel - Belgium	■ (since 2005)
FTSE4 Good Europe	FTSE - GB	■ (since 2004)
FTSE4 Good Global	FTSE - GB	■ (since 2004)

CARREFOUR'S PRESENCE IN THE MAIN SRI FUNDS

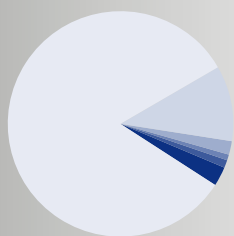
SRI MANAGEMENT COMPANIES	ASSETS UNDER MANAGEMENT*	INVESTMENT**
DEXIA AM***	€18.0 billion	€3.6 million
BNP Paribas AM	€8.0 billion	€15.2 million
F&C AM (Equity funds***)	€110 billion	€21.1 million
Natixis AM	€4.5 billion	€16 million

* Total value of the SRI fund as of 31/12/2009. ** Total value of Carrefour shares held in the SRI fund as of 31/12/2009.

*** The investment corresponds to retail funds and does not include shares held in their institutional funds.

**** Funds covered by the SRI initiative and commitment of F&C AM to incorporate environmental, social and governance criteria into its assessments.

CAPITAL BREAKDOWN AS OF 31/12/2009



- Blue Capital: 10.69%
- Colony Blue Investor: 2.15%
- Groupe Arnault SAS*: 0.71%
- Employees: 1.05%
- Shares owned: 0.08%
- Public: 85.32%

*Related stock options in accordance with Article L.239-9 4° of the French Commercial Code

IN FIGURES

Present in

9

SRI Indices

IN PRACTICE

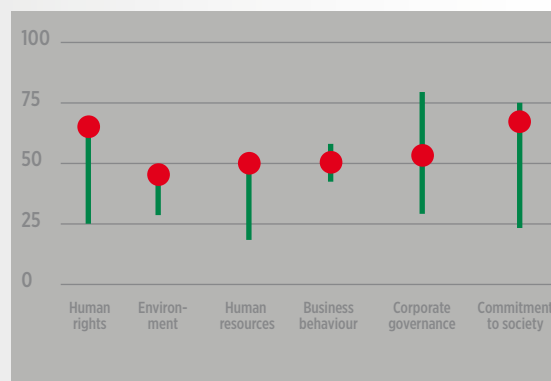
Assessment of Carrefour's performance by the extra-financial ratings agency VIGEO

The Company's environmental, social and governance performance

Position of the company's performance compared with companies in its sector (min — max)



FIELDS MIN -- / MAX ++	RATINGS 03/2009
Human rights	+
Environment	+
Human resources	++
Business behaviour	+
Corporate governance	=
Commitment to society	=



The rating places the company's performance in relation to companies in the sector.

- ++ The company is ranked among the most committed companies in its sector.
- + The company is ranked among the most active companies in its sector.
- = The company has an average ranking among companies in its sector.
- The company is ranked below average among companies in its sector.
- The company is among the least advanced companies in its sector.

Human rights: fundamental human rights, freedom of association, collective bargaining, non-discrimination, forced labour, child labour.

Environment: protect the environment during product manufacture, distribution, use and disposal.

Human resources: labour-management dialogue, working conditions, health and safety, promoting jobs and skills, remuneration systems.

Business behaviour: relations with customers, suppliers and subcontractors, compliance with competition rules, prevention of corruption.

Corporate governance: board of directors, audits and control mechanisms, shareholder rights, manager remuneration.

Commitment to society: impacts on operational areas, contribution to economic and social growth, public interest causes.

NEARLY 20 YEARS OF COMMITMENT


1992

– Launch of Carrefour Quality Lines


1996

– Application of the precautionary principle to GMOs


1997

– Launch of Carrefour Organic line


2000

– Supplier Charter drawn up with the FIDH and signed by Carrefour Group suppliers of own brand products.


2001

– Signing of an agreement with Union Network International (UNI)



– Membership in the United Nations Global Compact


2004

 – Adoption of the Group's Code of Conduct
– Signature of the Corporate Diversity Charter

2005

– Launch of the Responsible Fishing line


2006

 – Launch of the Carrefour AGIR line
– Involved in creating the GSCP platform

2007

– Initial commitment to reducing the Group's energy consumption by 20% per sq. m. of sales area between 2004 and 2020, reviewed in 2009


2008

 – Joined Social Accountability International (SAI) as a Supporting Member
– The Group in France signs the Parenthood Charter

2009

 – Commitment regarding the Group's energy efficiency raised to 30% by 2020 as compared with 2004
– Active involvement in the United Nations "Seal the Deal" campaign to urge governments to reach an ambitious, effective and fair agreement in Copenhagen
– Goal of buying 100% certified sustainable palm oil for use in own-brand products by 2015
– October 2009 meeting with George Kell to reaffirm membership in the Global Compact
– Organised the first Sustainability Awards to reward and recognise own-brand product suppliers who have implemented a Sustainable Development initiative.

Sustainability: a pioneering commitment that continually gains strength

As the leading European retailer and number two worldwide, Carrefour has a special responsibility to promote sustainable commerce. A pioneer for almost 20 years, its sustainability strategy is incorporated in the way it does business and in its offer.

CARREFOUR: A PIONEERING APPROACH TO SUSTAINABILITY

After nearly 20 years, the Carrefour group remains a leader in Sustainable Development among retailers, thanks to its initiatives and innovations. Since the 1992 launch of its Quality Line, Carrefour has offered innovation through its commitment and its sale of own brand products.

Carrefour was also the first French retailer to:

- sell organic bread in super and hypermarkets in 1992;
- offer a credible alternative to GMO in 1996;
- enter into a partnership with the FIDH (International Federation of Human Rights) to monitor working conditions at production sites in 1997;
- sign a memorandum of understanding with UNI (Union Network International) in 2001;
- join the United Nations Global Compact in 2001;
- launch a range of own-brand responsible fishing products in 2005;
- provide suppliers of its own brand products with a comprehensive sustainability self-assessment tool in 2006;
- launch socially responsible investment financial products for individuals in 2007;
- offer own brand organic cosmetics for the entire family and a competitively-priced green energy offer in 2008.

Finally, in 2009 Carrefour France was again the first to commit to purchase only certified responsible palm oil for its own-brand products by 2015.

A clear strategy to promote responsible commerce

Fully integrated in the company's strategy, the approach to Sustainable Development is based on three interconnected pillars – economic, social and environmental - and on two strategic issues: integrating all Group activities into this approach and promoting it through products and consumer awareness.

FIRSTLY: INCORPORATE SUSTAINABILITY INTO THE GROUP'S BUSINESS OPERATIONS

To uphold its economic responsibilities, the Group:

- works to stimulate local economies;
- supports its suppliers' growth over the long term;
- conducts business in an ethical manner.

To uphold its social and community responsibilities, the Group:

- acts as a responsible employer;
- ensures respect for human rights throughout the supply chain;
- works in partnership with local communities.

To uphold its environmental responsibilities, the Group:

- contributes to the fight against climate change;
- preserves natural resources and biodiversity;
- follows a waste reduction policy and optimises recycling.

SECONDLY: PROMOTING SUSTAINABILITY THROUGH THE PRODUCTS WE SELL AND COMMUNICATION WITH OUR CUSTOMERS

Within this context, the Group is committed to:

- offering everyone quality products that provide a healthy, balanced diet;
- promoting responsible consumption;
- raising awareness and informing consumers to help them make clear choices.

Sustainable Development: a culture shared by all employees

Approved at the company's highest level, the Sustainable Development strategy is established by the Group's Sustainability Department in cooperation with the relevant cross-functional departments. The operations departments and various Sustainable Development networks within the Business Units implement this strategy.

A DEDICATED ORGANIZATION INVOLVING ALL THE GROUP'S ACTIVITIES

Aware of the strategic issues challenges of implementing its approach and the importance of involving all its activities, in 2000 the Carrefour group established an organization dedicated to this purpose, which has since expanded and grown in strength. The Group's Sustainability Department is responsible for managing this approach. Its role is to drive policy forward, to initiate and bring issues before the Executive Committee, to ensure the implementation of set strategies while spreading best practices both internally and externally. To manage this initiative, the Sustainability Department relies on resources such as scientific committees, the science media and in-house specialists while working in

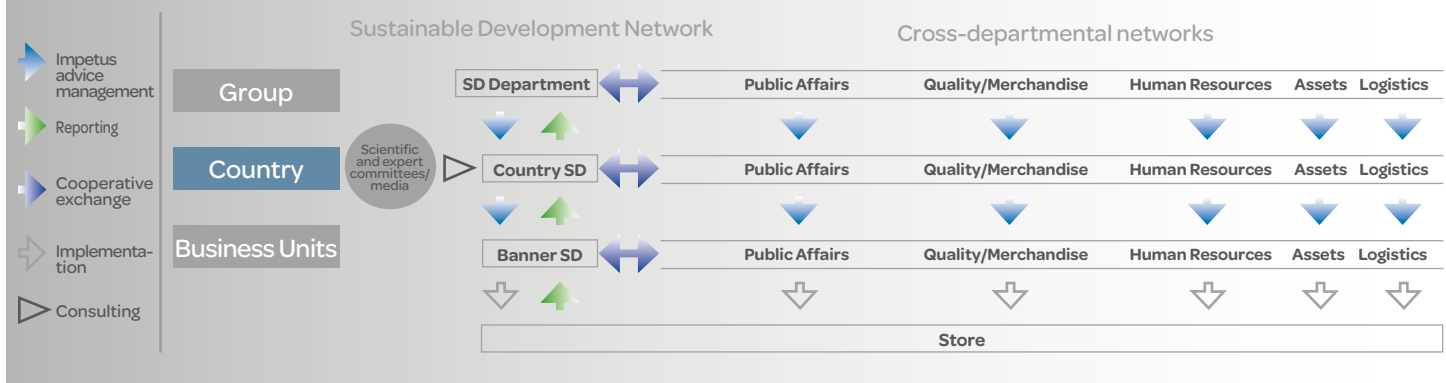
close cooperation with the Group's operational and cross-functional departments: European Public Affairs, Quality/Merchandise, Human Resources, Marketing, Communication, Assets and Logistics.

DUPLICATE THE ORGANIZATION AT COUNTRY AND BANNER LEVEL

To achieve greater synergy between the Group's sustainability policy and its deployment in France, the Sustainability department of France now forms part of the Group's management structure.

To promote the Group's strategy internationally, the Sustainability Department includes local Sustainable Development (SD) Coordinators. In cooperation with the Business Units' operational and cross-functional departments

THE SUSTAINABLE DEVELOPMENT ORGANIZATION INVOLVES EVERY BUSINESS UNIT



(Quality, Assets, Logistics, Human Resources), they are tasked with the operational roll-out of the Sustainable Development policy in accordance with the local situation and report on the actions implemented. The Sustainability Department coordinates this network by organizing regular meetings with representatives

in European countries and videoconferences with coordinators in all countries. These meetings permit discussion about the policies set by the Group, the major challenges faced, best practices, as well as indicators which are generally reported on a quarterly basis.

Develop an “eco-friendly attitude” and mobilise teams

Raising awareness on Sustainable Development among store and headquarters staff... Distributing best practices to save energy and water and sort waste on a daily basis... Carrefour includes sustainability into the corporate culture and develops a true “eco-friendly attitude” within the company.

The Carrefour group implements programmes to raise awareness on environmentally-friendly practices, conducts sustainability training adapted to its various business units and benefits from the many events in which it takes part, such as the “World Environment Day” and the “EU Sustainable Energy Week”, by involving a growing number of employees in sustainability issues.

INVOLVING HEADQUARTERS STAFF...

All business activities, including services, impact the environment. We can minimize their effects by adopting certain responses and daily actions. This is why the Carrefour group wishes to encourage head office employees to adopt an “eco-friendly attitude” in partnership with the WWF.

Following the carbon assessment of its Levallois headquarters, in June 2008 Carrefour introduced a programme entitled “Eco-Attitude” to its employees at administrative sites in France. The programme focuses on five themes: saving paper, selectively sorting waste, water conservation and waste reduction, eco-transport and eco-friendly practices at home. To raise employee awareness and share best practices, the company distributed a leaflet on

eco-friendly attitude at work and established a dedicated intranet site known as the “Intravert”. Each employee was proposed to make a commitment by symbolically signing the Sustainable Development Commitment Charter. Within one year, due to its efforts and the commitment of employees at the Évry, Levallois, Massy, Mondeville and Les Ulis sites, Carrefour significantly improved its environmental and economic performance at these locations:

- nearly 300 tonnes of paper and 50 tonnes of cardboard recycled (Évry, Levallois, Les Ulis);
- 50% energy savings achieved by installing a solar-powered water heater (Mondeville);
- 50% water savings per tap resulting from the “Presto” tap system (Évry, Mondeville, Les Ulis).

As an extension of its activities, in 2009 the sustainability team opened a new car-sharing website for employees at its head offices in France.

This eco-friendly attitude has spread throughout the entire Group. Various countries launched initiatives to encourage environmentally responsible practices. Carrefour Italy implemented its APE project (“We Love to Protect the Ecosystem”), intended for its head office employees.

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It is aimed at raising awareness on environmental preservation and energy conservation through simple actions. For its part, Carrefour Poland raised employee awareness on environmentally-responsible practices in the office and at home by displaying posters on energy savings. Containers were also installed for recycling used batteries and light bulbs.

...AND IN STORES

Of course, Group stores are also involved in this "eco-attitude" culture. As part of the CICE (Carrefour European Consultation and Information Committee), unions wanted to jointly manage a sustainability training/awareness-raising project for employees in Belgian, French, Spanish and Italian stores, through publication of a comic strip. Each month, a new frame, posted in stores or distributed *via* internal communication tools, highlights a key Sustainable Development theme at Carrefour based on a scene from everyday life in the store. At the end of 2009, themes related to check-out bags, energy-saving light bulbs, waste sorting and organic tomatoes were addressed in the comic strips' initial episodes in some countries.

In addition, a significant number of French hypermarkets established collection sites for recyclable waste in their offices (paper, energy-saving light bulbs, batteries and printer cartridges). This initiative was led by Sustainable

Development Ambassadors in each store, who are tasked with bringing the initiative to life on a daily basis (coordination, awareness-raising, etc.).

JOIN FORCES AT MAJOR SUSTAINABILITY EVENTS

Carrefour builds awareness among its customers through involvement in key events and major national and international meetings on Sustainable Development. It's also a way to mobilise our teams. For example, every country where the Group operates participate in World Environment Day. On this occasion, Carrefour Taiwan organised a clean-up day at 60 sites, mobilising 3,000 volunteers. During 2009, Carrefour effectively mobilised its teams on tackling climate change. Stores in six countries (Belgium, Spain, France, Greece, Italy and Poland) participated in the EU's Sustainable Energy Week. In Thailand, as in a number of other Group countries, Carrefour took part in the global event organised by the WWF, "60 Earth Hour". This campaign sought to mobilise companies and households to take action on the issue of climate change, asking them to turn off lights and electronic equipment for one hour. Carrefour Thailand already achieved a 50% reduction in energy consumed for lighting by turning off 30% of its lights during the day and replacing standard light bulbs with low-energy bulbs.

IN PRACTICE

Carrefour Brazil launched a movement to support sustainability

On 18 March 2009, Carrefour Brazil launched the "Carrefour and you for a better world" movement in Piracicaba, in the state of São Paulo. Its objective: to establish Sustainable Development throughout the Carrefour network and show that protecting the planet and improving quality of life depends on changes in day-to-day attitudes. At the Piracicaba hypermarket, the programme's pilot store, a series of initiatives were implemented to reduce the store's environmental impact, support local development and make children aware of environmental issues. In another key aspect of this programme, carried out in partnership with the Akatu Institute for responsible consumption, 30 store employees were trained to promote Sustainable Development among customers and fellow employees and customers. Over 200 individuals – employees, local residents, journalists and local elected officials – participated in this event. This pilot project is only the first step in a movement in which all employees and partners are invited to participate, and which will be extended to all of the country's Carrefour supermarkets and hypermarkets over the next five years.

2009 Sustainable Development awards

GROUP:

- The Carrefour group received a *Ruban d'Honneur* at the European Business Awards, presented each year to the most exemplary European companies.
- The Carrefour group's Sustainability Report received the prize for the Best Sustainability Report from the French *Ordre des Experts Comptables*.
- The Group was a finalist from among 300 candidates at the 2010 Energy Awards, organised by the European Commission for its global energy efficiency programme.

IN THE SOCIAL FIELD:

■ **Argentina:** Carrefour Argentina received a special award from the Ministry of Labour, Employment and Social Security for its employees' efforts to support youth employment, as part of the "Young People Have a Future" programme.

■ **Spain:**

- On 20 October 2009, Catalan disability rights organisations recognised Carrefour Spain for its efforts to integrate and improve the quality of life for people with disabilities in Madrid.
- Carrefour Spain's Fondation Solidaridad received the "2008 Neuromuscular Disease Award" from the Spanish Neurology Society in recognition of its efforts to fight and inform the public about neuromuscular diseases.
- In June 2009 the Spanish Spina Bifida and Hydrocephaly Federation presented an award to Carrefour Spain's Fondation Solidaridad for "its efforts to improve quality of life for people with disabilities in general, and specifically those affected by spina bifida".

■ **France:**

- For the second consecutive year, Carrefour received the "Top Employer" label which recognises French companies for excellence in Human Resources.
- Carrefour Proximité received the Global HR "Live Better at Work" award, presented by Xavier Darcos, Minister of Labour, for its commitment and actions to promote well-being at work through the Ereukikom programme.
- Carrefour received the 2009 Professional Integration Award presented by Apajh 2009 (a French association for disabled adults and youth) in recognition of the company's many initiatives through its "Carrefour Mission Handicap" programme.

■ **Thailand:** The Carrefour store in Bangbon received the Environment, Health & Safety prize at the safety competition organised by the Thai Ministry of Labour to improve workplace safety standards in Thailand.

IN THE ENVIRONMENTAL FIELD:

■ **Spain:** The Fondation Doñana recognised Carrefour Spain as a responsible company, especially for its efforts to showcase and promote eco-friendly Andalusian products and for implementing sustainability criteria and practices in its policies.

■ **Argentina:** For the second consecutive year, Carrefour Argentina received the "Responsabilidad Social Comunicativa" prize for its involvement in the "Save the World" programme, which teaches children to protect natural resources.

IN THE AREA OF QUALITY:

■ **Belgium:** 101 Carrefour brand products received a Superior Taste Award from the European panel of master chefs at the ITQI (International Taste & Quality Institute), bringing to 240 the number of Carrefour brand items that have received this award.

■ **France:** Carrefour received two national awards and six regional awards for highlighting labeled products (origin and quality) at a competition organised by the Ministry of Food, Agriculture and Fisheries, the *Fédération des Entreprises du Commerce et de la Distribution* (Federation of Retail and Distribution Companies) (FCD) and the *Institut national de l'origine et de la qualité* (National Institute of Origins and Quality) (INAO).

Dialogue with our stakeholders

Consultation with stakeholders is one of the pillars of Carrefour's sustainability approach, establishing its legitimacy and effectiveness. The Group has developed various approaches to consultation, including an annual meeting with its main stakeholders and long-term partnerships with certain NGOs, allowing work to take place far upstream by pooling their expertise and developing solutions that are enhanced by discussing different points of view.

LISTENING, DISCUSSING, SHARING

Identifying and anticipating stakeholder expectations, connecting with outside expertise to develop its sustainability policy, avoiding risk and defusing conflicts. Pragmatic solutions emerge from addressing our commitments and constraints. We maintain an ongoing dialogue through the Sustainability Department at Group level and through the countries, banners and stores at the local level.

Each year, Carrefour convenes a Stakeholders' Consultation Meeting with representatives from Carrefour's main contacts.

The eighth annual meeting of stakeholders took place in 2009, organised by the Sustainability Department and attended by Chief Executive Officer and Board Member Lars Olofsson and Carrefour's top management (the Group's Secretary General, Director of Human Resources, Director of Labour Relations, Director of Communications, Assets Manager and Sustainability Director). Also present were ratings agencies, SRI fund managers, environmental and social NGOs, consumer organizations, representatives from European labour unions and representatives from the Ministry of Ecology, Energy, Sustainable Development and the Sea (MEEDM) and ADEME (French environmental and energy conservation agency).

This meeting gave Carrefour managers an opportunity to share information with the Group's main stakeholders about specific commitments and achievements during 2009 on key sustainability issues:

- Support suppliers of own-brand products in their Sustainable Development initiatives and present the first Sustainable Development Awards for suppliers.
- Respect Human rights in the "Supply Chain": the GSCP platform, update the Social Charter and training programmes.
- Carrefour's progress during 2009 on social issues.
- Sale and promotion of sustainable products in stores.
- Carrefour's commitment to tackling climate change through its energy efficiency programme.
- Carrefour's involvement in the United Nations' "Seal the Deal" programme and the presentation of a film produced as part of this initiative.

This meeting also provides stakeholders an opportunity to directly pose questions to CEO Lars Olofsson and the Group's top management.

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DAY-TO-DAY UPSTREAM TO DOWNSTREAM COOPERATION

Taking a relevant approach to Sustainable Development also means calling on the skills of in-house and outside specialists: for over ten years, Carrefour has established partnerships with organizations which help it more quickly and effectively advance its projects. For example, the Group works with the FIDH (International Federation of Human Rights) to monitor social manufacturing conditions of its own-brand products in sensitive countries. The Group has also formed partnerships with environmental NGOs such as the WWF which, among other contributions, accompanies its approach to preserving biodiversity and

reducing waste. This collaboration goes far behind the realm of ideas. It also has an important operational dimension, with experts from the association sharing their expertise with buyers and the Group's quality managers throughout the year as part of their work. They are involved in the Group's overall approach and work on different issues such as its sourcing policy regarding wood, fishery resources, GMO, palm oil and soy, products affected by the REACH regulations and other matters. Carrefour also closely cooperates with its stakeholders through framework agreements, such as the agreement signed with UNI Commerce to respect Human rights at work.



TESTIMONY



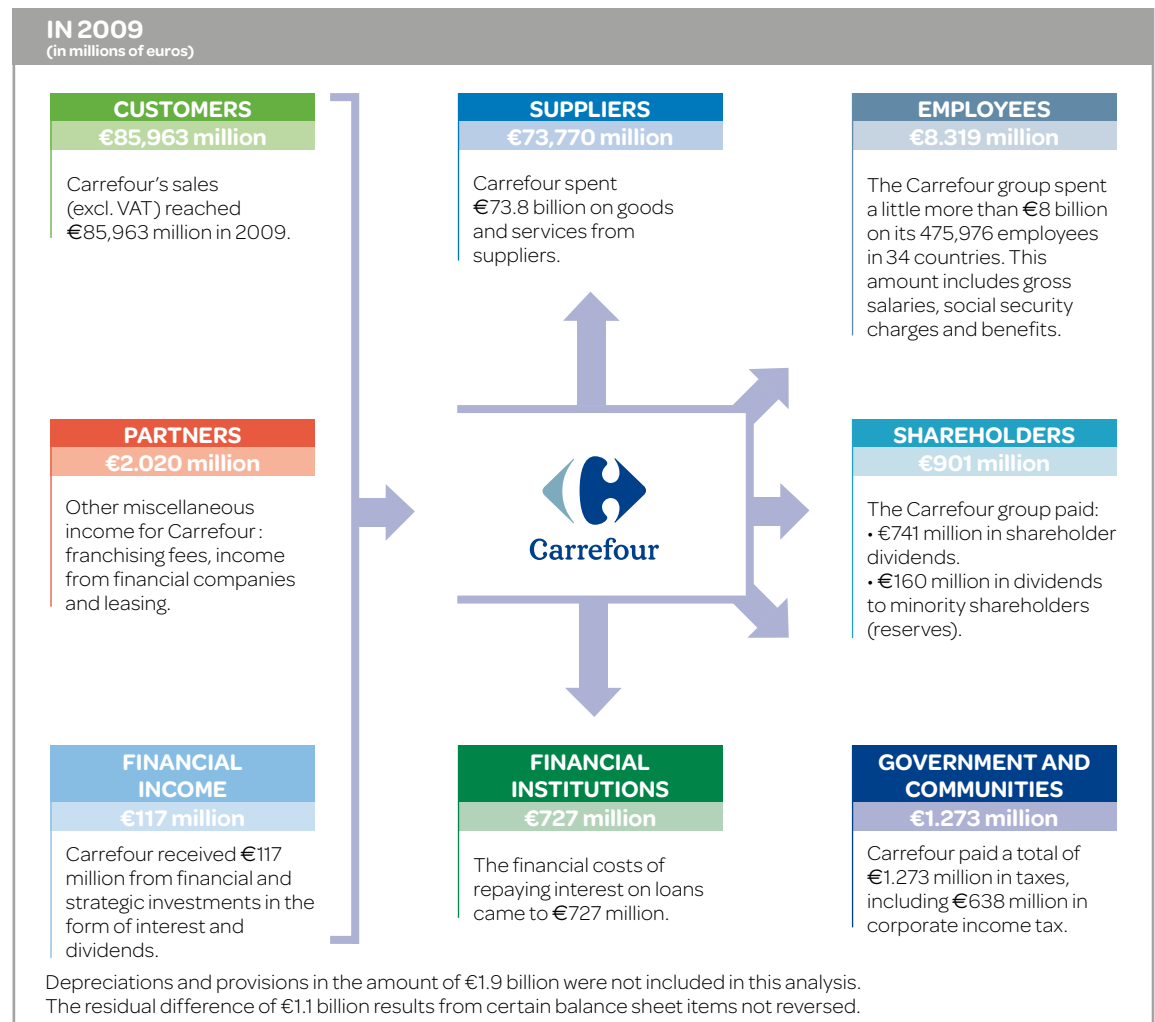
Conrad Eckenschwiller,
France's permanent
representative to the United
Nations Global Compact

In 2001, the Carrefour group was among the first French companies to join the United Nations Global Compact, making a commitment to adhere to and promote its ten principles in the areas of human rights, working conditions, the environment and combating corruption. Carrefour has been a member of the association's Management Committee since its establishment in France. Georg Kell, Executive Director of the United Nations Global Compact, visited Paris in October 2009, providing an opportunity for the Group to reaffirm its support for the United Nations Global Compact.

Ways to communicate with our principal stakeholders

DIRECT STAKEHOLDERS	PRINCIPAL APPROACHES TO INFORMATION AND DIALOGUE
CUSTOMERS	Satisfaction surveys, panels, consumer services, toll-free numbers, websites, loyalty cards, Environment survey.
EMPLOYEES	Listening to staff, internal surveys, consultation bodies in all the countries, intranet, internal newsletters.
SHAREHOLDERS	Shareholder relations service, Annual General Meeting and other shareholder meetings, the Actionaria trade show, Annual Report, Shareholders' guide, Letter to shareholders, press releases, Group website, online journal accessible 24/7 via a toll-free number (0805 902 902).
FRANCHISES	Annual conventions and special events, periodic meetings with Regional Managing Directors, training seminars.
SUPPLIERS	Regular contacts at all levels, SME Managers, Carrefour Quality Line and Reflets de France clubs. Organise supplier meetings in numerous countries.
SERVICE PROVIDERS	Participation in the "Demeter Environment and Logistics Club" in France, cooperating on identifying opportunities for progress in all countries.
COMMUNITIES	Consultations with local residents, regular and long-term relationships with local authorities.
PUBLIC AUTHORITIES	Meetings with local, national and international coordinators, exchanges of information with national governments and bodies to identify opportunities.
INDIRECT STAKEHOLDERS	PRINCIPAL APPROACHES TO INFORMATION AND DIALOGUE
PROFESSIONAL ORGANIZATIONS	Participation in national, European and international retail federations (FCD, EFSA, GFSI, CGF), share best practices (ERRT).
MEDIA	Organization of internal and external communications network to coordinate communications initiatives in all countries.
NGOs/SOCIAL AND ENVIRONMENTAL ASSOCIATIONS	Meetings at Group, country, banner, and Business Unit levels with NGOs and associations, local and national partnerships.
FINANCIAL COMMUNITIES	Meetings with SRI ratings agencies and fund managers, completing their questionnaires, road shows on Sustainable Development issues.

Sharing value among stakeholders



CHANGES IN DIVIDEND (2004-2009)

2004	0.94 euro
2005	1 euro
2006	1.03 euro
2007	1.08 euro
2008	1.08 euro
2009	1.08 euro*

For 2009, there will be a proposal to distribute a dividend of 1.08 euros per share.

*Subject to approval by the shareholders at the General Meeting on 4 May 2010.

Active involvement in public debate and policy

As a responsible economic player, Carrefour is involved in the public debate with the aim of highlighting the realities and constraints of its business activities. It benefits from this opportunity to provide the relevant authorities with the technical information required as part of the decision-making process, and also ensures that the Group's views on specific Sustainable Development issues important to us are taken into account.

At the European Union level, Carrefour maintains an ongoing dialogue with legislators and policy decision-makers. The Group is keen to contribute to the emergence of a competitive internal European market, but is also open to taking the challenges of Sustainable Development, public health and the protection of consumers' purchasing power into consideration.

LARS OLOFSSON'S VISION OF THE EUROPEAN UNION'S ROLE IN THE RESUMPTION OF ECONOMIC GROWTH

Speaking on 18 January 2010 as part of a meeting of retail company CEOs, Lars Olofsson shared his expectations on the European agenda to be established by new European Commission for 2010-2015, specifically:

- implementation of control mechanisms to permit an unrestricted supply flow (countering national protectionist tendencies and multiplication of national standards);
- to improve distribution chain operations, the number one driver of European employment with 30 million employees and the primary support for consumption (establishment of the European Observatory for Price Transparency);
- develop a European single payment market to allow transactions at fixed and transparent costs (SEPA);
- promote clear, simple, useful and consistent information for consumers (ex. standardised environmental labeling, extension of the European Ecolabel, etc.)

Lars Olofsson concluded his speech by asking governments to support economic recovery by allowing consumption to support investment-based stimulus plans. In particular, he supported

the idea of lowering VAT rates on certain products as well as giving tax incentives to those who consume environmentally-friendly products.

At a meeting on 16 March 2010, with José Manuel Barroso, President of the European Commission, in attendance, Lars Olofsson highlighted the importance of making services – and specifically retail – part of European ambitions as protectors of buying power and as the leading job creators, especially for less-qualified workers.

CARREFOUR'S ENERGY INITIATIVE WAS NOMINATED FOR THE EUROPEAN ENERGY AWARDS

An analysis of Group consumption showed that nearly half of our environmental impact results from electricity used by our stores.

Accordingly, Carrefour's project focused on this energy source and, given the highly satisfactory results already achieved through the implementation of this "Energy Efficiency" programme, Carrefour CEO Lars Olofsson decided to raise the energy efficiency improvement goal from 20% to 30% per m² of sales area by 2020 (vs. 2004).

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For this project, the Carrefour group was nominated for the European Commission's Energy Awards. Selected from among 300 submitted projects, this initiative was recognised by the European Union for its impact on market transformation. Armed with its experience and this global recognition, the Group made these projects happen locally by partnering with regional authorities. With this focus in mind, an initial partnership should soon be established with the government of Nice.

ENABLING CONSUMERS TO MAKE CLEAR CHOICES

Today's consumers are increasingly aware of environmental and social issues. However, few of them reflect this awareness in their purchasing behaviour.

Carrefour would like the Commission to encourage member states to develop financial incentives to promote "more sustainable consumption". Implementation of tools such as tax differentiation for products (ex: lower VAT for green products) or lower interest rates could be helpful in this regard.

The European ecolabel is also a valuable tool since it is recognised by consumers seeking straightforward information and assurance of genuine initiatives, based on internationally-recognised standards. The Carrefour group supports the idea that a wider variety of product categories should have access to ecolabeling, especially for food.

FIGHT AGAINST THE ILLEGAL WOOD TRADE

Deforestation is an international issue with a significant impact on the climate. Carrefour was involved in the European Commission's FLEGT action plan (2003) which established a framework to fight trade in illegally harvested wood. As part of its commitment to greater protection for forests and biodiversity, Carrefour welcomed the European Commission's 2008 proposed leg-

islation to establish rules for those involved in the trade of wood and its by-products. This proposal strengthens the players' involvement in implementing a system of reasonable diligence, an additional step toward a better understanding of the wood distribution network, and toward greater assurance of traceability in products offered to consumers.

Carrefour supports the implementation of the United Nations' "REDD" programme (Reducing Emissions from Deforestation and Forest Degradation), agreed upon at the Copenhagen Climate Change Conference in 2009. In fact, when developed countries fund emerging countries' efforts to fight deforestation, they support international action to ensure a long-term market for responsibly-sourced wood.

PROMOTE RESPONSIBLE FISHERIES

Sustainable fishing is an essential part of preserving our fishery resources. Thus, it is important that we offer consumers products from responsible fisheries. Carrefour supports ecolabeling of fishery resources in Europe – a vehicle for greater clarity – and the implementation of minimum sustainability criteria for both fisheries and aquaculture.

As part of reforming the common fisheries policy, Carrefour favours a more marked dialogue between the various players and decisions based on scientific fact, especially concerning quotas assigned to each species.

NUTRITIONAL INFORMATION: A NEED FOR CLARITY AND RELEVANCE

For the past several years, the Carrefour group has been actively involved in developing a consistent European framework to enable consumers to obtain clear, relevant information on food product ingredients.

In 2009, Carrefour supported the adoption of legislation proposed by the European Commis-

.. / ..

sion and helped establish a clear framework to provide consumers with necessary and adequate information, which is simple and easy to read, that will help them plan a healthy, varied diet.

The Group is also involved in the European platform on nutrition, physical activity and health, enabling stakeholders to hold talks and share their experiences and efforts on key public health issues.

PRODUCT QUALITY: ESTABLISH LASTING PARTNERSHIPS

In 2009, the European Commission launched major discussions on the operation of private, national and European quality labels, to enable agricultural producers to better showcase their superior-quality products. Carrefour took part

in these discussions by presenting its CQC/CQL partnership model to producers.

In addition, Carrefour shared its experiences with European decision makers on the benefits to agricultural producers and consumers of developing high-quality own brand products: sold at affordable prices, these products provide each participant fair wages and recognition of their work.

In 2009, the Group held discussions with the European Commission on the food supply chain. Faced with repeated agricultural crises, Carrefour supported European initiatives to promote price transparency at each stage of the chain, to enable farmers to earn a better living and to defend its own brands as engines for innovation and competition.

A dynamic, pragmatic and shared approach to risk management.

A common understanding of the challenges and optimal coordination are fundamental components of effective risk management in a deteriorating environment. During 2009, Carrefour continued its efforts to identify and prevent risk while strengthening its crisis management system.

Since the summer of 2008, the challenging economic and labour climate has reinforced the need to anticipate and better coordinate risk management initiatives.

As part of a continued progressive approach, the risk management system's effectiveness meets our stakeholders' growing expectations and constitutes an important part of assessing company performance.

Within the Carrefour group, this system is based on regular decompartmentalised discussions between Group level participants (specifically the Insurance, Safety/Security, Risks & Compliance, Quality and Communication Departments) as well as ongoing interaction with operational entities.

Given the Group's exposure to "Product" risk, the Group's Quality department strengthened procedures for sharing experiences on the basis of common criteria, and developed a new tool for product removals and recalls to further improve responsiveness and effectiveness (*see page 46*).

In 2009, the Risks & Compliance Department expanded the use of existing tools while reinforcing their deployment and long-term outlook. This is intended enhance the Group's ability to anticipate events, especially concerning the comprehensive analysis of country-specific risks.

PERSPECTIVE

Combating illegal work

Illegal work is a major concern for public authorities and social partners.

Given the stakes in terms of its responsibilities and image, Carrefour is especially aware of the issue, even if its large number of service providers makes it difficult to conduct due diligence. Beyond the initiatives already underway, in particular through the use of specifications, Carrefour launched a pilot programme with Certicorps for 150 of its suppliers, with an emphasis on sectors facing a greater degree of risk.

The pilot programme implemented a system to manage service providers' compliance with practices, especially the "Duty of Vigilance" which in France requires principals to conduct regular checks.

This paperless solution also enabled Carrefour to raise its partners' awareness of this issue while improving internal procedures and compliance.

In-depth analysis and exploration of new risks

Operating in various countries which may hold a risk of criminal or terrorist activity, in 2009 Carrefour established a partnership with the Chair of Criminal and Terrorist Risk Management at the EDHEC Business School. This approach is intended to:

- improve its understanding of the issues and stakes through risk mapping;
- anticipate risk by providing monthly global oversight;
- strengthen team skills through a reinforced training policy.

In addition to the actions already undertaken, and to better manage natural risks, we carried out an in-depth study of our exposure to earthquakes and flooding. This allows a precise assessment

of the circumstances at each site to better adapt preventive measures and insurance cover.

The Carrefour group also started to consolidate all information on risk assessment and incident analysis through a single geographic information system.

Given the economic crisis which increased weaknesses in the supply chain and the risk of supplier failure, efforts to raise awareness and offer support within Purchasing Departments were enhanced to promote understanding of market risk and secure business relationships.

Several studies were also conducted on emerging risks and their potential impact on Carrefour, with a focus on the theme "Business and poverty".



TESTIMONY



Bertrand Monnet

Professor, EDHEC Business School, Chair of Criminal Risk Management

A risk information platform

The Carrefour group developed an effective information platform on criminal and terrorism risks that could impact its staff, customers, business and assets. Based on constant monitoring of such risks, this tool offers a clear overview of the risk of attack, theft, extortion or kidnapping in all markets. Designed specifically for Carrefour's needs, this information platform offers every Group entity updated information on the threat level affecting it, country by country, along with a single, highly useful assessment of criminal and terrorist organisations and methods that may impact its business.

Carrefouralert, a common tool for managing difficult situations

To ensure suitable and consistent distribution of good practices and previously developed tools, Carrefour provides access to the extranet site "Carrefouralert" in every country. Dedicated to managing difficult situations, it was jointly developed and launched by the Risks and Compliance and Group Communication Departments.

Carrefouralert includes contact information for all crisis management and communication coordinators, practical information and reaction sheets, prevention tools and a wide range of useful information.

This website was also used to distribute information and tools in preparation for the Influenza A - H1N1 pandemic.



Carrefouralert home page


IN PRACTICE
Being prepared in times of uncertainty

In April 2009, the WHO announced the 21st century's first flu pandemic, known as "Influenza A - H1N1", which originated in North America.

Particularly exposed given to its international operations and flow-based activity, Carrefour actively prepared to address this issue with all of its employees, continuing the approach undertaken in 2005-2006 during the "bird flu" outbreak and the work on carried out during 2007-2008 with International SOS on health risk prevention.

The CEO quickly mobilised the Group's Coordination Committee to define a strategy and positions, which were conveyed through a network of coordinators who led crisis committees established in all countries.

These actions had three objectives: to protect employees, facilitate and provide security for customers' purchasing practices and to support the country's ongoing economic activity – especially concerning food – in cooperation with government authorities and other stakeholders.

As part of this approach, a variety of tools were developed and deployed in the countries, protective equipment was purchased and put into place, and best practices were shared on a broader basis.

This approach enhanced the Group's resiliency while improving employee health through a broad campaign to raise health awareness, and by expanding sensitivity and solidarity when faced with difficult situations.



TESTIMONY
A responsible principal

Emmanuel Poidevin
Managing Director, CERTICORPS

As one of the first to implement an industrial solution and share its experiences with its most vulnerable suppliers, the Carrefour group is the first principal to take full measure of new directives concerning the fight against illegal work. 2009 was a pivotal year in this area, with enhanced oversight, tightening sanctions, media exposure and public authorities implementing restrictive systems with powerful disincentives, directly confronting principals with their duty of vigilance. The pilot which was launched in September 2009 allowed practical implementation of the e-vigilance solution, recognised as the top software application for the trust services market. And it opened the path for many other principals...

Assuming our responsibilities

Relying on its stakeholders' expertise and its risk mapping, the Group has identified challenges throughout its chain of responsibility, from the producer to the customer. The Group is committed to constant progress on every front.

-  Economic challenges
-  Social challenges
-  Environmental challenges



PRODUCTION CONDITIONS AND RELATIONS WITH SUPPLIERS AND THE AGRICULTURAL COMMUNITY

OUR RESPONSIBILITIES

- Long-term relationships with our suppliers.
- Promote local suppliers and products.
- Responsible sourcing (social and environmental conditions of production, protection of natural resources).
- Promote environmentally friendly farming practices.

PRODUCT SHIPMENT

OUR RESPONSIBILITIES

- Optimise the logistics chain.
- Reduce greenhouse gas emissions.
- Reduce noise pollution.

STORE MANAGEMENT

OUR RESPONSIBILITIES IN STORES

- Reduce the consumption of natural resources and energy.
- Sort and reduce waste.
- Control pollution.
- Integrate environmental criteria into construction/remodeling of stores.
- Safety of people in stores.

OUR PRODUCT RESPONSIBILITIES

- Prices suitable for different purchasing powers.
- Wide choice of products.
- Product quality and safety.
- Less packaging
- Offer products that are suited to a sustainable consumption.

OUR RESPONSIBILITIES TOWARDS EMPLOYEES

- Working conditions.
- Team management.
- Fair wages.
- Respect for diversity.
- Employee safety at Carrefour sites (stores, warehouses, etc.).

OUR RESPONSIBILITIES TOWARDS CUSTOMERS

- Inform customers and raise their awareness on sustainable development in stores.
- Promote the reduction, sorting and recycling of waste (collection points, alternatives to check-out bags, etc.).
- Accessibility for people with disabilities.
- Accessibility via public transport.

RELATIONS WITH CUSTOMERS AND COMMUNITIES

OUR RESPONSIBILITIES TOWARDS CUSTOMERS

- Listen to and meet the needs of customers.
- Democratize consumption.
- Promote sustainable consumption to customers.

OUR RESPONSIBILITIES TOWARDS LOCAL COMMUNITIES

- Promote local employment.
- Become part of the local community.
- Create living spaces.
- Sponsorship and social action initiatives.
- Dialogue with local communities.

3

Economic and commercial *actions*

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Hervé Gomichon
Group Quality Director

Carrefour: a brand with quality and safety inscribed in its DNA

At Carrefour, quality is a key feature at all life stages of a product. Technical teams integrate “quality fundamentals” right from the initial stages of development with consideration for: customer expectations as communicated by customer services; value for money; regulatory requirements; the manufacturing process; identification of raw materials; etc. Once samples are received from suppliers, they are passed through a panel of consumers for quality validation.

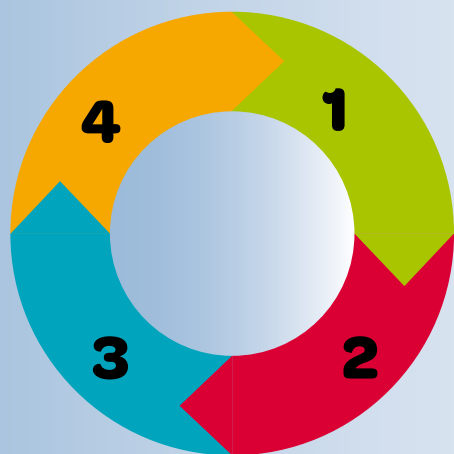
During product development, audits are carried out at the production facilities to ensure that the suppliers’ skills and tools are in-line with our quality requirements. Specifications are then drafted to regulate the nature and origin of the raw materials used, the recipes and production methods. Selected products are controlled through an annual monitoring plan.

All the information is recorded in a database which also includes comments from our consumers. The ability to track our quality record is a major advantage for us. For example, today we are able to benefit from twenty years of accumulated experience in the making of our cornflakes.

The entire process was also designed to ensure optimal health and safety. We are, however, aware that there is no such thing as zero risk. We have thus instituted an entire system of tools and procedures to help manage with any suspicion of non-compliance: periodic analyses by outside independent laboratories; a monitoring network; exchanges with consumers; the administration; the stores themselves; and suppliers. Each result requires careful attention where the Quality Department role is to analyze the risk and depending on the issue, it may be decided either to monitor a product, withdraw it, recall it with the setting up a crisis unit. For product with drawals, our store-alert system – which was handled manually (by fax) before – was fully computerized in 2009, with the creation of a website (alerte.net) and real-time access, 7 days a week. This is the first of its kind in France and will soon be made available to the entire Group. Advantages include better reactivity, real-time crisis management and 2.5 million fewer printed documents to be sent out.

THE CARREFOUR QUALITY WHEEL

Based on the Deming wheel, which illustrates the PDCA (Plan-Do-Check-Act) quality management method, the Carrefour Quality Wheel provides for real product benefits as it enables us to collect important information about a product's history, its manufacturing process and further our quest for continual improvement. The method includes four interconnected stages, all aimed at establishing a virtuous circle:



- 1** Plan by identifying customer requirements and communicating them to the suppliers.
- 2** Do and check of production conditions.
- 3** Check that delivered goods comply with specifications (and the order).
- 4** Act, adjust i.e. permanently correct and improve the product.

HOUSEHOLD AND PERSONAL CARE PRODUCTS (HPC): COMBINING INNOVATION, SAFETY AND RESPECT FOR THE ENVIRONMENT

The Carrefour team with its in-house experts anticipates regulatory developments by applying a very high level requirement "ingredients" policy and keeping an ear to the ground for the latest developments within the scientific community. For its cosmetic formulations, Carrefour takes every precaution by assigning recognized toxicology experts to the task. Carrefour anticipates new cosmetics regulations by working locally in collaboration with the French Commerce and Retail Federation (FCD) and on a European level for the sharing and harmonization of information. In order to meet consumer needs, while at

the same time guaranteeing the total safety of its products, Carrefour selects the best cosmetic biologists and has pioneered the launch of the first ever UHT (Ultra High Temperature) range to be sold in supermarkets and hypermarkets (see *insert*). The Group has also been actively involved in the drafting of the IFS HPC European auditing benchmark (published at the end of 2009). This will enable suppliers to ensure best practices and better control the risks related to their products and production. For the development of future eco-friendly products, Carrefour's in-house experts have also been involved in work done by the French as a follow-up to Grenelle of the Environment decisions and have made concerted efforts to developing as many eco-label-certified ranges as possible.

IN PRACTICE

Carrefour &Pur': a cosmetic revolution

Thanks to its unique UHT (Ultra High Temperature) sterilization process, the new Carrefour &Pur' range now offers an alternative to the use of preservatives in cosmetics. Used in the dairy industry, the process provides for a pure and delicate product of excellent quality. The product is rapidly heated to 135°C and then immediately cooled to ensure the effective elimination of microorganisms. The adaptation of this technique, used solely by the food industry until now, constitutes a true revolution for the world of cosmetology. Formulations for the range have been developed with the aim of using as few ingredients as possible. The range is certified by Ecocert as "Organic and Ecological" and 99.9% of the ingredients are of natural origin. Sold at affordable prices, Carrefour offers 14 products, developed under strict pharmaceutical control and destined for use on all skin types, even the most sensitive. The products are all preservative - perfume - colorant-free.

Quality for all

For Carrefour, providing as many people as possible with access to quality products is a top priority. The Carrefour global quality approach applies to all own-brand products developed by Carrefour, including the new “Carrefour Discount” range launched in 2009. While making sure that its products remain accessible to as many people as possible, Carrefour has also developed own-brand products that uphold its Sustainable Development principles, including organic products, label-certified products and products originating from fair trade initiatives (see Section VI p. 108). Among this products range, Carrefour Quality Lines for the past 18 years have been emblematic of the Group’s commitment to Sustainable Development and its global quality approach.

“CARREFOUR DISCOUNT”: THE BEST PRICE WITH CARREFOUR’S BRAND QUALITY

Quality is what sets Carrefour apart and is a prerequisite for the referencing of its products. Carrefour undertakes to offer its customers, in every country and at every store, the best value for money, at the best possible price, at every level. By launching “Carrefour Discount” in May 2009, Carrefour expanded its offer to include essential products at very low prices (hard discount positioning), all the while continuing to meet the quality requirements of the brand. With over 400 items – 80% of which are food products – Carrefour has been able to meet the needs of its customers during a time of economic concern.

With this new range of own-brand products, Carrefour guarantees its customers quality products while upholding the commitments of the brand. Carrefour Discount suppliers are still referenced by the brand according to very strict and specific conditions – products must exclude GMOs and comply with traceability standards – and products are tested by external panels to ensure their acceptance.

CARREFOUR QUALITY LINES: PRODUCTS COMPLIANT WITH SUSTAINABLE DEVELOPMENT PRINCIPLES

In 1992 Carrefour launched its first “Carrefour Quality Line” for fresh food products (meat, vegetables, cheese, etc.). By 2009, the Group

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IN PRACTICE

A new Carrefour Quality Line in Pereira, Colombia

In 2009, Carrefour developed its first Carrefour Quality Line for pork production in Colombia. The chosen supplier, Cercafé, is the world’s first-ever pork cooperative and works in close collaboration with the local authorities. Animal welfare is a consideration at every stage (breeding density, ventilation, cleanliness of the premises, etc.) and best breeding practices are widely implemented. In accordance with global Quality Line requirements, breeding is done according to strict environmental standards and the social dimension is also taken into account with social protection provided by the cooperative to all farm workers.

included 464 Carrefour Quality Lines in 15 countries. Launched in 1992, the Carrefour Quality Lines aim to anticipate and meet consumer expectations in terms of freshness, taste and authenticity. Work is done upstream with the suppliers who are rewarded for efforts made towards quality. Carrefour Quality Lines contribute to the economic, social and environmental

development of the regions in the countries in which the Group operates.

Carrefour Quality Lines are a real sustainability approach. They are based on the values and the sustainable commitment of Carrefour toward its customers and partners.

MAIN CHARACTERISTICS OF THE CARREFOUR QUALITY LINES

Social and economic:

- a strong and long-term partnership with suppliers, breeders, producers and processors;
- the fair price for everybody. For customers, "the best value for money". For agricultural partners, the fair compensation for efforts towards quality;
- promoting expertise and regional products;
- a regional and even local approach;
- contribution to the economic and social development of local communities.

Environmental:

- an integrated approach to farming (responsible use of water, promotion of integrated pest control, such as the use of ladybirds to eliminate aphids from the apple trees instead of using pesticides...);
- breeding conditions respectful of animal welfare (animal-rearing densities, slaughtering conditions, etc.);
- the absence of all chemical treatments after harvesting, no GMOs in animal feed of a large number of Quality Lines or in plant production;
- prohibition of soil-free plant production, the use of antibiotics and growth hormones, chemical soil treatment and the spreading of sludge from water treatment plants.

Results:

- 95% of the suppliers working with us since 1992, still work with us today.
- a strong relationship between Carrefour and the agricultural community who support the Carrefour Quality Line approach.

IMPROVING ANIMAL WELFARE

Carrefour not only complies with local and European laws on animal welfare, it also goes further in its commitments. That's why the Quality Lines include specific criteria concerning animal living spaces, equipment that

improves comfort at all stages of rearing and transport and slaughtering conditions. The Group's international purchasing office has also banned all products made with natural fur as well as all animal testing for its cosmetic products.



TESTIMONY



Nadège Claudel
Group Non-Food Quality Director

Quality: a daily concern for everyone

“Quality, safety and Sustainable Development are a daily concern for everyone at Carrefour. That’s why all Quality engineers are also responsible for overseeing Sustainable Development within their respective product categories. This commitment is put into practice during product selection.

Products are qualified according to safety, quality and performance criteria but we are also responsible for seeking out and promoting product ranges that constantly aim to be more environmentally-friendly and healthy for our consumers.

For example, our team of chemical engineers has developed a range of paint products that

received the Ecolabel. The team in charge of electrical products selects high-performance energy-efficient equipment and makes sure that our suppliers are aware of the new European EUP directive (which has established eco-design requirements applicable to energy-consuming products). From a social point of view, we also verify that our suppliers’ manufacturing sites offer decent working conditions.

Developing a more responsible product offering means building for the future, where everyone plays a role in supporting innovation for the benefit of all.”



IN FIGURES

24,000

tests on textile products

CLOTHING: REINFORCING SAFETY

For the safety of its own-brand clothing, Carrefour applies the precautionary principle. Whether part of the Tex range or “first price” products range, all products comply with OEKO TEX label requirements.

This means that no substances or colorants identified as potentially hazardous have been used on any of the products. Special attention is also paid to the accessories (zips, press studs, etc.) that come from Carrefour pre-selected manufacturers in order to ensure that they have the satisfactory level of resistance. This is very important especially for clothing intended for young children who have to be protected against potential choking hazards (i.e. small items which could be removed and swallowed).

TOY QUALITY CONTROL: A DETAILED LOOK AT THE CARREFOUR PROCESS

During the listing of toys for Christmas 2009, all production plants underwent both social* and technical audits (117 manufacturing sites)*. 460 specifications were drafted and 460 pre-production controls carried out, as well as 393 production controls and 5,288 pre-shipment inspections.

*Audited according to the ICS (Social Clause Initiative) or the ICTI (toy manufacturer) benchmarks.



1 Assessment of production sites with regard to European standards and fundamental human rights requirements concerning respect for Human rights at work.

2 Publication of technical specifications. This allows Carrefour to formalize its requirements and provide them to the supplier.

3 Conducting of a pre-production compliance test. Since 2001, Carrefour has had its products tested in France at laboratories registered with the European Commission.

4 Sampling test performed during production in accordance with the prototype.

5 Inspection of a final batch. An independent control body inspects the products to ensure that they comply with safety and quality standards.

TOYS UNDER TIGHT MONITORING SURVEILLANCE

A rigorous quality control programme was established to ensure the quality and safety of imported toys. (See the diagram above). In particular, the Group examined mechanical, electrical and fire risks as well as chemical risks (heavy metals and phthalates, etc.).

Taking this a step further, Carrefour applied its toy standards to any products that are handled by children (such as stationery and animal toys). In addition, in 2008 Carrefour was involved in preparing a report for the European Commission that assessed the effectiveness of safety measures implemented in the toy industry. Finally, the Group was involved in preparing a charter signed by European retailers to bring best practices into wide-spread use.



IN PRACTICE

France: measures for plant care products

Today pesticide residue is everywhere: in our food, in the air, in water and in the ground... Many people are beginning to see the effects and react to the consequences. It was thus logical that Carrefour begin to work on its. In 2008 this resulted in a partnership with the WWF in France and the technical support of the MDRGF, an association in charge of assessing our initial product range. The progress was rapid: in March 2009 Carrefour stopped referencing any brand containing glyphosate, a substance classified as toxic and dangerous in the long term for aquatic organisms. Several studies show the hazardous effects on surface quality, the hormonal system and fertility.

Carrefour thus opted for more environmentally-friendly formulations such as the new herbicide, Finalsan Carrefour, with 86% of its active substance being an exact reproduction of a natural ingredient derived from geraniums. In April 2009 Carrefour continued the initiative by stopping the promotion of its Round Up products in its catalogue (a glyphosate product). Finally, Carrefour redesigned its entire Carrefour pesticide range in partnership with the WWF. This resulted in a significant improvement of the referenced substances which now have more satisfying environmental properties. Carrefour still offers a wide choice in its stores but with a clear improvement in its formulations when alternative techniques exist.



IN FIGURES

30,000

quality inspections on imported non-food products

Making balance diet affordable to the largest number of consumers

An increasing number of people suffer from obesity, illnesses linked to malnutrition and food intolerances. In light of this new challenge, as the world's second biggest retailer, Carrefour considers that part of its responsibility is to offer more adapted own-brand products, enable every budget to have a balance diet as well as provide for better information to increase customer awareness.

PROVIDING AN OFFER ENABLING ALL BUDGETS TO HAVE A BALANCED DIET

Reformulating the recipes of own-brand products and providing for dedicated ranges

Since 2004 Carrefour has reformulated all the recipes of its different own-brand ranges. Suppliers contractually commit to comply with nutritional requirements, such as reducing their products' salt, sugar and fat content (especially trans fats). The optimal balance between these reductions and maintaining taste quality has been achieved for most of the ranges. Like in France, Italy and Brazil, Carrefour also offers ranges in other countries specially dedicated to nutrition.

Offering ranges of products which meet children's specific nutritional needs

Children overweight have become a major public health challenge in several countries. Today in France, one in every seven children is overweight. The Group has an important role to play when it comes to nutrition. The signing of an international agreement with Disney for the development of the Carrefour Kids range, a selection of daily food-stuffs that is balanced, specially-adapted and fun is an exemplary answer to this challenge. Products in this range have been designed to please children, as well as be a reference in terms of quality nutrition within their respective product families.

..

IN PRACTICE

Carrefour Kids: a balanced and fun product range for children

Carrefour and Disney have developed a range of 50 products, making meal-time a real moment of fun and discovery for children and guaranteeing their parents that their meals are balanced and well-adapted: with packaging inspired by the Disney universe; recipes complying with strict nutritional requirements (adapted calorie intake, recipes containing a certain amount of fats, sugar, salt and no artificial sweeteners); and prices affordable to as many as possible. Nutritional values are also indicated on the packaging with the recommended daily calorie intake, so that parents remain informed and can make the right choices.

Offering product ranges meeting special needs and affordable to all budgets

Between 2.1% and 3.8% of adults and 8% of children suffer from allergies or food intolerances (gluten, peanuts, eggs, lactose, etc.) and the figure is rising. Carrefour has developed specially-adapted ranges, to meet the special needs of people with allergies. For those who are gluten-intolerant, in 2008 Carrefour Spain developed "Carrefour sin gluten" with FACE, the Spanish federation of associations for celiac disease and which sets the reference in Europe. In France, Carrefour's "gluten-free" products are easily identifiable and carry the logo of the AFDIAG (French association for gluten intolerance) on their packaging. The products comply with the current European regulations in force. In the long term, they will also comply with the more stringent FACE requirements.

For other major allergens – such as peanuts – Group suppliers have to implement preventive measures to reduce the risk of "accidental" contamination on their production lines. As a result, only a limited number of Carrefour products include the mention "may contain traces of..." as was requested by representatives of allergic groups.

INFORMING AND RAISING AWARENESS

Concise and comparable information on product packaging

As soon as 2005 Carrefour has also been a pioneer in the development of easy-to-read nutritional information on its packaging. This has been done in collaboration with the consumer association CLCV (Confederation for Consumption, Housing and Lifestyle). With the intention of providing more useful nutritional information to its customers, at the end of 2008 the Group decided to modify its information display and introduce the GDA (Guideline Daily Amounts) system on the front of its own-brand packaging. Already used by other brands, this enables customers to easily compare products with each other.

Informing and raising awareness of customers and employees

In all countries where it operates, the Carrefour group uses different tools and channels to promote balanced diet and a healthier lifestyle:

– through the creation or running of in-store events.

For example, in 2005 Carrefour started the "Nutrition Week" to raise customer awareness. This event is now held in all Group countries. In France, to celebrate the 20th anniversary of the "Taste Week" an on-line competition was held, as well as tasting workshops in several supermarkets whereby children came to learn about the making of bread.

– by communicating about best food practices in the stores and on the Internet.

For example, in Italy, Carrefour always dedicates a section in its magazine *Scegliamo Insieme* (Let's Choose Together) to healthy eating. Loyalty card-holders of the Italian stores periodically receive the magazine which features short articles on the importance of balanced eating and appropriate physical exercise.

– by helping consumers compile balanced menus at affordable prices for all budgets.

In August 2009, Carrefour Argentina created the Carrefour Nutritional and Economic Menu. Its website and its stores offer a list of products enabling customers to compile balanced menus at low prices, with recipes for 14 days, for a family of four. Carrefour Spain offers an economy shopping basket for a family of two adults and two children for just €28 a week or €1 per day, per person. Recommended products are identified by an icon with a family on it and are changed every month so as to provide customers with diversity. Carrefour France offers its customers menu suggestions for entire meals at less than €1 per person using only Carrefour Discount products. The initiative has been so successful it has been extended to last through 2010.

SUPPORTING PROGRAMMES FOR THE PREVENTION OF BAD EATING HABITS

Carrefour contributes to the promotion of good eating habits. For example, in France it supports the EPODE programme (Preventing Childhood Obesity Together) which aims at promoting varied eating and regular physical exercise.

EPODE helps families to modify their habits on a long-term basis by developing, with the help of local actors, an offer corresponding with the recommendations of the National Health and



Nutrition Programme. This programme was implemented in 226 towns and cities in 2009, reaching 4 million people and allowing for the weighing and measuring of 51,327 children every two years. Carrefour Argentina has chosen to work with Conin (Cooperative for Child Nutrition) on an educational and nutritional project aimed at preventing malnutrition-related diseases. One of the aims is to accompany moth-

ers from underprivileged backgrounds, making sure that their children receive food allowing for healthy development. To contribute to the fight against anaemia, which affects 15% to 20% of the population, Carrefour China also promoted iron-fortified condiments to be sold within the framework of its agreement with the Food Fortification Office.



IN PRACTICE

Italy makes efforts to promote balanced diet amongst its consumers

In the framework of a campaign organized by the Italian Ministry for Agricultural Policies and to better inform its customers, leaflets entitled "Knowing what you eat, quality and well-being at the table" compiled by the ministry, were distributed at Carrefour Italy stores. The stores also promoted traditional Italian foods and raised their customers awareness on the consumption of local products.

GS supermarkets and Diperdi convenience stores in Piedmont participated in a food education project entitled "Tre Volte Sì" (Three times yes), supported by the Region of Piedmont and designed to offer healthy and responsible eating with seasonal products at affordable prices. The initiative was based on the promotion of products enabling the composition of balanced and nutritional menus at a daily cost below €6. The basic products of the different menus were chosen according to their seasonality and their regional origins. Menus, basic products and ingredients thus varied according to the period of the year and the seasons. Menus were offered to consumers following the initiative in the stores and on a dedicated website.

Longstanding support for supplier development

For the choice of its product offering, Carrefour gives priority to local sourcing, creating real partnerships with its own-brand suppliers. Suppliers thus gain long-term perspectives, while the Group gains the opportunity to offer its customers the best possible value for money.

Providing stable perspectives to thousands of producers

Through its Carrefour Quality Lines or local products dedicated brands, Carrefour provides work to a growing number of SMEs and small producers. These longstanding partnerships offer them sustainable opportunities and help them to develop. The Reflets de France range provides work to 140 companies with products generating a turnover that has risen 85% over the past decade. Since 2006,

with the Carrefour Guaranteed Partnership Programme, French hypermarkets have made contractual commitments to purchasing volumes which guarantee French producers a stable commercial outcome for their fruits and vegetables and enable them to manage their production with a certain peace of mind. Proof that preconceived ideas can be wrong and that mass retail can be a source of growth for the SMEs.

Favouring local producers

For its own-brand food products, Carrefour gives priority to local sourcing. This enables SMEs and farmers to be part of the Group's growth. This approach has led to the development of Carrefour Quality Line products and ranges dedicated to regional products in

France, Spain, Belgium, Italy and Colombia. The Group thus contributes to the local development of the countries where it does business all while lowering CO₂ emissions due to the transport of imported products.

IN PRACTICE

China: direct purchases from farmers

Carrefour China has created the "Direct Purchase" initiative to encourage the purchase of fresh products directly from the farm. By sidestepping the usual intermediaries, the Group aims at providing better prices and greater opportunities for producers, while improving product freshness and reducing the final cost for Chinese consumers. In 2009, direct supply represented 15% to 20% of national fruit and vegetable orders by Carrefour in China. In the framework of this project, Carrefour offers small farmers long-term partnerships as well as training for the implementation of a quality approach and modern agricultural production methods. Organized by the Carrefour Foundation for Food Safety in China, with the support of the government, in 2009 training was provided to over 1,220 farmers representing 334 cooperatives, in 10 provinces.

Carrefour also provides support to small pepper producers in Minshan. Since 2004 Carrefour China has been organizing the "Sichuan Pepper Fair" as part of a partnership with the WWF to support the development and preservation of the region. In 2009, 104 Carrefour China stores participated in the fair and 37 tons of peppers were ordered directly from the farmers' cooperative for the occasion.

Creating sustainable partnerships

Carrefour helps its suppliers to continuously improve their business activities through regular audits measuring their performance in the fields of quality, safety, environment and social responsibility, as well as through the sharing of information and know-how (forums, supplier clubs, etc.). In most countries Carrefour provides its suppliers with the tools they need, including dedicated websites providing them

with access to useful information. Carrefour also organizes numerous supplier training sessions. For example in 2009 it organized their third own-brand product training session for suppliers in Poland dedicated to the "International Food Standard". The 95 participants, representing 47 suppliers, covered topics such as GMOs, allergens, packaging and key managerial problems.

TESTIMONY

Carrefour Quality Lines: a true partnership with the farming community



Thierry Legault
Carrefour Quality Line Director

“Since 1992 in France and 1998 abroad, each Carrefour Quality Lines result in a real committed partnership to develop with all the concerned parties a quality product from the field to the fork. Carrefour Quality Lines thus help maintain and promote local activity. Partnerships are based on a policy of fair remuneration to producers and rewards for efforts made in relation to quality. This doesn't necessarily give rise to additional costs. For example, reducing inputs or energy efficiency leads to saving costs. "Open ended" contracts are signed with the suppliers and in return Carrefour commits to purchasing volumes providing partners with long-term perspectives. We work closely with our agricultural partners, taking into account their needs, helping them with regulatory developments, the adoption of more environmentally-friendlier practices, a reduction in the use of pesticides and improvement of animal welfare, etc.

It is this approach that has enabled us to keep 95% of the same suppliers since our beginnings in 1992. The few withdrawals were for specific reasons such as a change of business activity by the supplier.

The dynamics of the Carrefour Quality Lines are such that some suppliers have spontaneously created Carrefour Quality Line Clubs such as the cheese line (and soon the beef line too). These clubs meet twice a year to put forward suggestions for improvements of the Carrefour Quality Line.

This approach to our partnerships explains why we have such a strong relationship with the farming community and why they, in turn, support the Carrefour Quality Line initiative.

Supporting our suppliers in their sustainable development approach

THE SUSTAINABLE DEVELOPMENT SELF-ASSESSMENT TOOL

In 2006 Carrefour developed a Sustainable Development self-assessment tool in France with the participation of ADEME and the WWF. The tool is accessible by Internet and enables suppliers to assess their Sustainable Development practices. They can also benchmark their results with the sector average and have access to documents containing advice. This tool encourages suppliers, guides suppliers in their approach and in the implementation of concrete actions.

Suppliers can assess their practices according to 49 criteria based on four themes: corporate policy and management; environmental responsibility; societal responsibility; and economic performance. Auditors on-sites visit selected suppliers in order to validate the declared results, identify best practices, guide the companies and propose means for improvement.

Over 2,200 suppliers of own-brand food products now have access to this tool. Carrefour is also currently working on the integration of non-food suppliers and the tool will be deployed internationally by the end of 2010.

In the global development approach of its Carrefour Ecoplanet and Tex organic cotton brands Carrefour has also set up an environmental auditing programme to ensure that the products have a real environmental benefit and are made under environmentally-friendly conditions. In 2009 Carrefour thus started to work on an environmental performance benchmark and is in the process of selecting the providers of auditing services. The aim is to ensure the upholding of environmental standards by all the production sites providing for the relative product ranges.



IN FIGURES

2,200

own-brand product suppliers have access to Carrefour's Sustainable Development self-assessment tool

THE SUSTAINABLE DEVELOPMENT AWARDS: REWARDING SUPPLIER EFFORTS

For the first time in 2009 the most committed of Carrefour suppliers received awards for their efforts towards Sustainable Development. The aim of these awards was to encourage and reward the practices of suppliers. The prizewinners of the 2009 Carrefour Sustainable Development Awards were chosen on the basis of marks achieved in the self-assessment tool and validated with visits by consultants and the deliberation of a jury comprised of members from Carrefour Management and outside personalities (WWF, ADEME, LSA, etc.).

Four winners were chosen out of 1,500 suppliers:

- **“Planet Respect” Award:** La Laiterie from Saint-Denis de l’Hôtel.

- **“Climate Respect” Award:** DELIFRUITs of the REFRESCO Group France.

- **“Earth Respect” Award:** HERO.

- **“Human Respect” Award 2009:** CANDIA LONS.

- **A special prize of encouragement was awarded by Carrefour to SANTENS**, a Belgian company specializing in household linen, notably terry cloth. The company received a special prize to encourage it in its efforts towards improvement.

On the international scene, other countries have also undertaken initiatives to encourage and reward efforts towards Sustainable Development made by their suppliers. In Colombia for example, Carrefour organized its third “Carrefour Allies Awards” to reward suppliers making efforts in the fields of sales innovation, environmental protec-

TESTIMONY



Olivier LECŒUR
Managing Director
of HERO FRANCE

“In order to achieve our waste reduction and recycling goal, Hero France has adopted a continuous improvement process relative to our production methods and our impact on the environment:

- by working with local fruit producers and regional partners to institute new supply, recovery and recycling chains;
- by involving company employees through the setting up of special task forces;
- by providing our customers with the benefit of our skills and our know-how.

It is with this in mind that as of 2004 we have been working with Carrefour in testing the introduction of their supplier self-assessment system. Having achieved “silver” status during

the first assessment, HERO France has now achieved “gold” status as of last year.

In order to reduce our waste, we have reduced our packaging and outer wrapping and set up sorting and recovery systems for plastic and cardboard waste. For the recovery of our organic waste, we have developed partnerships with local breeders in order to create a circuit for animal feed.

All these practices have enabled us to halve the quantity of our waste in just two years, and today over 90% of our waste is recycled.

We were happy to have shared our experience and participate with Carrefour in developing best environmental practices for the industry.”

Helping suppliers with regulatory requirements

Carrefour products are of such a high quality, in part, because we are able to anticipate, exchange and share technical and regulatory information. Carrefour Quality teams accompany suppliers by explaining, teaching and applying new European directives.

HELPING SUPPLIERS TO APPLY REACH

In 2007, Reach –The European Community Regulation on chemical substances and their safe use–introduced new obligations for members of the economic community. Directly impacted as a retailer, Carrefour set up a dedicated organizational structure with several tools enabling the identification of the substances contained in its products and packaging. Training was provided to Group Purchasing Office staff members and an international network with 12 coordinators was created. In addition, the Group set up a training programme for over 650 of its own brand product suppliers throughout the world, in order to help them better understand their obligations and to guide them in their efforts to become compliant. A REACH clause

was also added to commercial contracts as an appendix. In 2008 networks of Carrefour-trained experts audited 70 companies involved in making the preparations contained in the non-food merchandise mix sold by the Group. In 2009 Carrefour improved its approach by upgrading its IT tools so that the declaration of regulated substances is now systematic.

HELPING SUPPLIERS TO APPROPRIATE EUP/ERP

To further help suppliers in dealing with regulatory requirements, the Carrefour Quality teams have also applied the same approach for the EUP/ERP (Energy Using Product/ Energy Related Product) European eco-design directive. Training was organized for 170 suppliers in Asia and Europe in order to prepare them for technical developments and to help them design more energy-efficient products that contribute towards the Carrefour policy of continuous improvement.

Stores contributing to local economic development and integrating their environment

Hypermarkets, supermarkets, convenience stores, all Carrefour stores bring life to city centres and rural areas. Not only do they contribute to local economic development through the creation of businesses (franchises) and local jobs, they also have to fit into the surrounding environment as best as possible and minimize their ecological footprint.

Stores creating social ties and employment

To meet the needs of its customers at all stages of their lives, the Carrefour banner has developed different store concepts and formats: hypermarkets, supermarkets and convenience stores. With over 4,600 convenience stores throughout the world, today the Carrefour group is a major contributor to the development of this type of format which is becoming increasingly popular amongst consumers. Be it in Brazil, Greece, Poland, Taiwan, Spain, or in France, Carrefour has modernized the concept and strengthened it with the force of its brand. Beneficial for the Group's growth, this approach has also been good for the socio-economic development of the various territories. It creates social ties and brings life to city centres and rural areas. For rural districts which are progressively losing their local stores,

Carrefour offers a wide choice of commercial services and activities through its convenience stores. In France, the idea of transferring the main functions of Post Offices, when these will have to close, has grown. Through a partnership agreement with the La Poste Group, 62 Carrefour stores now offer post office services. These enable customers to carry out everyday transactions (dropping off and fetching post, buying stamps and ready-stamped envelopes and withdrawing money from Postal accounts). They are also open for most of the day (8 am to 8 pm).

Hypermarkets and supermarkets serve as centers of activity and also constitute a source for jobs in sensitive outlying urban areas: 90% of the people working in the stores are recruited locally in and come from the store's catchment area.



IN FIGURES

90%

of people working in supermarkets and hypermarkets in France are hired locally in the store's catchment area

Contributing to economic development through business creation

The Group makes it easier for employees to access the franchise system thanks to a system of gateways. Innovative programmes have been introduced to give talent a chance. Future franchisees are thus offered the opportunity to manage their own convenience store under the Carrefour banner by leasing the business from Carrefour for a period of two to three years. By the end of this period they should have enough money to buy the store as a fully-fledged franchise (a business leasing-management system). Today 450 convenience stores have been set aside for this purpose. Since 2004 a special train-

ing programme called the "Assistant Development" programme has been on offer for the best store assistants working in a convenience store for at least a year. This is a 20-day training course undertaken over a 24-month period during which assistant managers alternate between theoretical training and practical experience, enabling them, in the long run, to take on their own franchise via the business leasing-management system. Since its creation, 76 course graduates have gone on to become franchisees. Managers in the various countries are also regularly trained to contribute to the extension of the franchise network.

Environmentally-friendly commercial areas

Sustainable Development has become a key factor of all commercial construction projects. Carrefour Property, the entity that manages and develops the Carrefour group's real estate assets in France, Spain, Italy, Poland and Romania has also engaged a policy which places major emphasis on eco-design.

Every project – be it to renovate, extend or create sales areas – is now designed by the Carrefour Property teams with the aim of minimizing its environmental footprint.

CONTROLLING WATER AND ENERGY CONSUMPTION

Playing a key role in helping the Group to become more energy-efficient (-30%/sq.m of sales area in 2020 vs. 2004), Carrefour Property has made efforts to seek out more energy-economic solutions such as: optimizing on daylight; thermal

insulation; and choosing materials guaranteeing better building inertia (e.g. sun reflective roofing). Other techniques also include limiting the use of air conditioning systems with plant-covered roofs (like the one used at Saint-Quentin-en-Yvelines and currently being installed at Chambourcy), a natural thermal insulator which also enables the building to better integrate it in its environment. Renewable energies are also being studied, such as the use of photovoltaic technologies on roofs like in Nîmes (1,000 sq.m of panels) or for the production of hot water like at Saint-Egrève (near Lyon).

In terms of water savings, different techniques are being used such as the recovery and filtering of rain water for washing hypermarket floors or use in staff bathrooms, like at the hypermarkets of Nevers and Chambourcy.

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PROMOTING SUSTAINABLE MATERIALS

Production, transport, recycling: Carrefour Property prioritizes the use of environmentally-respectful materials. Wood, brick, solvent-free paints are all chosen according to eco-responsible criteria and stores favour the use of natural, inert materials for the environment and the user.

INTEGRATING SITES INTO AN URBAN CONTEXT

In 2006 Carrefour drafted a landscaping charter, including a sustainability approach to the use of vegetation adapted to the local climate and requiring little maintenance in order to guarantee longevity. Special attention is given to the treatment of surrounding areas of the site and the impact of our activity on our neighbors. In terms

of mobility, all modes of transport are included: cars, as well as public transport, space for bikes, etc.

TENANTS' CHARTER AND LEASES INCLUDING GREEN CLAUSES

Carrefour Property has also included its sustainability approach in its leasing activity by including environmental clauses in its leases and its construction specifications. The aim is to incite its store tenants to adopt environmentally-friendly practices, use energy-efficient equipment, as well as sort the waste generated by their activity.

IN PRACTICE**Renovation of the Chambourcy site**

This renovation project entails an extension of the hypermarket and improvement of the existing shopping centre. From the very beginning of the project the architect aimed to provide for an eco-friendly construction which integrates the surrounding environment. The project therefore includes:

- an architectural design which integrates the landscape with a curvy plant roof, wooden façades, natural lighting and visible wooden beams;
- an eco-design with plant-lined acoustic walls, natural ventilation in parking areas, a system for recovering rain water for use in the gallery bathrooms, a sunscreen for solar control, reinforced thermal insulation with a plant-covered roof and encouragement of tenants to adopt environmentally-friendly practices thanks to the construction specifications.

A Green Construction Site Charter

All construction sites create problems for the surrounding environment. The aim of a "green site" is to limit these disturbances. For the renovations at the Chambourcy site, Carrefour Property wanted all those working on the site to support the objectives of a green site by:

- limiting the risk of disturbances caused to the residents around the site;
- limiting the risks to worker health;
- limiting the pollution of areas surrounding the worksite;
- limiting the amount of waste produced by the site and optimizing waste sorting and management.

4 Social and community actions

- A committed employer for motivated employees 65
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A committed employer for motivated employees

For Carrefour, happy and committed employees make happy customers. This is one of the Group's strong convictions as it undergoes its transformation. Carrefour capitalises on team commitment by providing opportunities for personal and professional development and to feel good at work.

"Carrefour, It's us!": Carrefour's project to delight its teams

Carrefour trains and motivates men and women on its team to give the best of themselves. The Group has defined the "Carrefour Way to be" based on three new values which unite its teams and give meaning to their day-to-day actions: "Committed, Positive and Caring".

The "Carrefour, It's us!" business plan was created to delight our employees, who in turn delight our customers and consumers. This ambitious project is based on three Group values:

- "Committed": be part of a motivating, responsible company that is loved by its customers.

- "Positive": build a future at Carrefour; employees advance and grow throughout their career.
- Caring: feel at ease at work, conveying enthusiasm and a sense of well-being to customers.

This project has been built on the Group's ability to attract, motivate and build loyalty among its teams. Identifying key factors that make each employee a Carrefour brand ambassador to customers and partners allows the Group to become the preferred employer. With this in mind, during 2010-2012 the Group will focus on developing leadership and well-being in the workplace.

A responsible, committed... and motivating company

Working in a committed company, which incorporates sustainability, solidarity and ethics into the way it does business, provides a source of motivation.

RESPONSIBILITY

By choosing to work at Carrefour, employees choose to work for a responsible Group that incorporates its approach to sustainability into all of its business lines. The Group creates value to benefit all its stakeholders, including employees, customers, suppliers and shareholders along with the countries and communities that host its many businesses. The Group complies with ethics which derive from universal principles and reference texts promoted by international governmental organisations. Accordingly, Carrefour has been a member of the United Nations Global Compact since 2001 and applies its ten principles on Human rights, labour standards, the environment and the fight against corruption. The Group monitors the application of fundamental principles set forth in the ILO (International Labour Organisation) conventions in all countries where it operates. Carrefour expects its own brand product suppliers to respect these same principles.

SOLIDARITY

Choosing to work for Carrefour also means choosing to work for a socially-responsible Group. Supported by the daily or periodic involvement

of Group employees, the Carrefour International Foundation operates in three areas: solidarity, social inclusion and food. In France, a dedicated entity "Carrefour des Solidarités" was established by hypermarkets and supermarkets to coordinate their social actions. In addition, these banners support their employees during difficult times in their lives. The Carrefour Solidarity Fund provides assistance to employees facing temporary or exceptional difficulties.

ETHICS

Choosing to work for Carrefour also means choosing to work for a Group that respects ethics. In 2004, the Group adopted a Code of Conduct which was distributed to employees in all countries where it operates.

During 2009, the "Code of Professional Conduct" was fully revised to be consistent with the Group's new values. It will be distributed during 2010 along with a comprehensive support system. This code formalises the ethical principles that guide the company's professional activities. In particular, it helps employees avoid any forays into corruption. Certain countries, such as Argentina, Brazil, Colombia, China and Turkey, have established ethics hotlines which allow employees and suppliers to anonymously report behavior which is inconsistent with the Group's ethics.

A company committed to diversity

A STRONG COMMITMENT: PROVIDING OPPORTUNITY FOR ALL

With over 120 different disciplines, the Group offers job, training and career opportunities for all segments of the population including young people, seniors, men, women, graduates, the self-taught and people with disabilities.

Every talent can find opportunity: this proactive policy implements the recommendations found in the Corporate Diversity Charter signed by Carrefour in 2004. In furtherance of this objective, hypermarkets in France signed a corporate agreement on diversity and social cohesion. During 2008, hypermarkets and supermarkets renewed agreements on gender equality and disability rights. In 2009, all of the Group's French entities signed agreements or drew up action plans to address employment of seniors. This diversity policy prevents all forms of discrimination and intolerance of differences during the recruitment process and throughout an employee's working life.

CONCRETE ACTION: DIVERSITY, A REALITY WITHIN THE COMPANY

Accepting and managing diversity at Carrefour has been part of daily life for many years. With more than 100 nationalities present in our stores, and with men and women of every age and background, diversity among our store employees reflects Carrefour's proactive approach to fighting all forms of discrimination. We provide opportunities for people of every background in all countries where the Group operates. This policy promotes access to employment for those who have difficulty finding work.

For example, in March 2009 Carrefour banners in France took part in the "Train for Jobs and Equal Opportunity" initiative, which offered permanent, long-term temporary and work/study positions in its various stores and collected applications in cities along the route. 150 employees took part in this event.

During the two weeks of this extraordinary initiative, 7,500 CVs were submitted, 1,600 applicants were immediately selected for a personal interview and 2,200 people were ultimately hired.

• Promote youth employment

The wide range of jobs at Carrefour provide many opportunities, for those with or without a diploma. At Carrefour, a diverse workforce is seen as a valued asset.

– Each year, Carrefour hosts young people through work/study contracts. In France, the hypermarkets' "Carrefour School" provides in-store practical and theoretical training on working as a department employee or a check-out assistant. Nearly 50% of these young people are recruited at the end of their training, a true bridge to stable employment.

As part of the 2009-2010* Youth Employment Plan in France, the Group agreed **to recruit 4,000 young people through work/study programmes.**

– By signing the *Espoir Banlieues** Plan in 2008, Carrefour took action to recruit young people from underprivileged areas. By the end of 2009, nearly **6,000 young people from disadvantaged neighbourhoods had been recruited over two years.** We have greatly exceeded our initial commitment.

Following the example of Brazil, which implemented a programme to support the inclusion of young people through apprenticeship schemes, Argentina established the "Young people have a future" programme in partnership with the Ministry for Work, Employment and Social Security. This programme aims to promote the social and professional inclusion of young people aged 18 to 24 from low-income households who have not received training. Over four months, with the support of a tutor (Carrefour employee), these young people take part in a training course that qualifies them to work in the retail field. They are paid by the ministry and by Carrefour, which also provides insurance and health coverage.

• Committed to promote integration of disabled people in the workforce

The hypermarkets signed their first Mission Handicap agreement in 1999. Ten years later, Carrefour banners in France, Romania, Greece, Turkey, Spain, Brazil, Colombia, Malaysia and many

*Initiated by the French government.



other countries take part in programmes to help people with disabilities enter and remain in the workforce. In 2009, French hypermarkets received a professional integration award by Apajh (a French association for adults and youth with disabilities) in recognition of the many initiatives of the “Carrefour Mission Handicap” programme. In Spain, the Carrefour Solidarity Foundation received an award for its commitment and initiatives to help people with disabilities find employment and take part in the workforce. Since 2006, Carrefour has been involved in the Handimanagement programme in France, which introduces and raises awareness among students at top universities about the need to include employees with disabilities in companies. In 2009, Carrefour furthered its commitment by signing the Professional Inclusion Charter for People with Disabilities, along with the Secretary of State for Families and Solidarity.

• **Promoting access to employment for those who have difficulty finding work**

In 2009, the Carrefour group and *Pôle Emploi* signed a national framework agreement to develop joint initiatives which promote the hiring of job seekers, especially those who encounter difficul-

ties finding work. This agreement is implemented through four major commitments:

- working together to increase employment;
- increasing the number of secure career paths for job seekers and new hires. This initiative operates by informing *Pôle Emploi* of all available work/study positions, using training initiatives prior to hiring and/or increasing reliance on VAE (validation of field-acquired experience);
- promoting integration of targeted audiences;
- optimising recruitment by automatically transferring job listings from the Carrefour group to the www.pole-emploi.fr website

CARREFOUR TAKES ACTION IN EVERY COUNTRY WHERE THE GROUP OPERATES

In Spain, for example, a partnership agreement was signed with public authorities to provide vulnerable people with comprehensive internships in the retail field. A tutor/trainer provides practical training within the stores. An agreement was also signed with the “Acceder” Foundation to train those at risk of social exclusion, integrate them into the workforce and complete their training by placing them under contract for a hypermarket internship.



IN FIGURES

10,189

employees with disabilities in the Group during 2009



IN PRACTICE

Carrefour Turkey implemented two programmes to help people with disabilities enter the workforce

In cooperation with the Turkish association for the physically disabled, the Ministry of Education and Ecole Atasehir for children with disabilities in Istanbul, Carrefour Turkey launched a project to hire people with hearing loss as check-out assistants. First, partner institutions provided sign language instruction to Carrefour's Human Resource teams and store managers. Then, employees with hearing disabilities were trained to work as check-out staff.

The second project helps employ people with intellectual disabilities aged 18 to 25 as shelf stackers. This initiative, which has been tested one hypermarket, proved successful and will be expanded to other stores.

Carrefour Spain works with Fondation Once to promote hiring of people with disabilities

In cooperation with Fondation Once, a study by *Aide à la Troisième Personne* (ATP) was conducted to classify disabilities and the applicants' abilities to effectively perform jobs in hypermarkets. By classifying workstations based on disabilities, the initiative seeks better suitability between individuals and workstations and aims to improve Once's ability to effectively find candidates that fulfil Carrefour's recruitment requests.

Building a professional future with Carrefour

Carrefour enables each employee to receive training throughout their career to enhance their skills and advance within the company. Carrefour's ambitious training plan supports the company's drive for excellence, both among management and teams' professionalism.

Training objectives

Based on four major principles, the Carrefour group's training policy is above all intended to serve the company's strategy and performance. It supports changes in the organisation and its methods. It also promotes employee development and supports them throughout their careers. Shared between the Group and country levels, the Group's Training Department is responsible for carrying out this policy. Each country and Business Unit prepares its own training plan. Lastly, each manager is responsible for training his or her employees.

In order to address the Group's strategic ambitions, training must enable all employees to:

- develop the necessary skills to effectively perform their work and build their careers;
- optimise their contribution to company results;
- support organisational change by facilitating its implementation and improving its effectiveness.

From employees to senior management, training affects every Group employee. It is structured to follow the career path and breaks down as follows:

- training prior to and when starting a position;
- training for better job performance;
- development programmes to prepare for and support career development.

With an overall of 7.4 million hours of training in 2009, the Group provided an average of 15.9 hours of training per person per year, either on-site or at one of the Group's nine training centres worldwide (Madrid, Sophia Antipolis, São Paulo, Bogota, Buenos Aires, Shanghai, Taipei, Bangkok and Jakarta).



IN FIGURES

15.9

average training hours per employee in 2009

Promoting equal opportunity through training

Each year, Carrefour hires many people without professional qualifications. The Group offers them a wide range of jobs and substantial opportunities for growth through training. **Today, more than 50% of 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 every talent. Training for employees who have difficulty reading and writing expands their opportunities for employment and promotes their integration into society.

EVOLUPRO: THE FIGHT AGAINST ILLITERACY

By providing training for employees who wish to learn or simply improve their skills in written French, Carrefour confirms its role as a driving force to promote diversity.

Tested during 2008/2009 in four pilot hypermarkets located at Seine-Saint-Denis – Aulnay-sous-Bois, Stains, Saint-Denis and Sevran – the Evolupro training module aims to **fight illiteracy**. The programme runs seven hours a week over nine months. Training hours are scheduled during one normal work day.

There are four different levels: Illiteracy, Literacy, French as a foreign language and a refresher course. By the end of training, each employee must be able to prepare a text, fill out a form, understand safety instructions, apply procedures, and read indicator panels – all the necessary skills for personal and professional growth. Overwhelmingly favoured by participants and lauded by superiors and social partners, this training programme is being launched in 25 stores from September 2009 to June 2010. **A total of 218 employees are receiving training.**

“CITIZENSHIP COURSES” IN BRAZIL

Initiatives to promote literacy and remedial education (middle and high school) have also been conducted in Brazil since 2002. Through the Educar programme, in partnership with the CIEE Association, 52 individuals (customers, employees and the local community) participated in literacy classes held in Carrefour stores. The adult literacy programme, launched in partnership with the NGO Alfasol and with the support of the Carrefour International Foundation, benefitted 1,136 people during 2009. In sum, since 2002 more than **7,900 students** have benefitted from these initiatives.



IN FIGURES

7,900

people benefitted from the literacy programme implemented by Carrefour in Brazil since 2002

Training that leads to a recognised diploma

The Group established training programmes to help young people without formal qualifications find stable jobs that offer a sense of responsibility. By giving value to their professional experience, they can also earn a diploma:

– in France, **1,000 employees** have earned a Professional Qualification Certificate (CQP) in supermarkets since 2004;

– In 2007, Carrefour Colombia launched a project to have its training center become a Technology Study Centre recognised by the Ministry of National Education and by SENA, a recognised body in Colombia. Its employees can access top quality training that leads to a recognised diploma that advances both their career and the company.

Managerial training

The Group is undertaking a major transformation based on its values and convictions, its strategic initiatives and its new objective: to delight its customers and consumers each day. Senior managers play a key role in the success of this transformation. They must be the best in the sector, each within their area of responsibility, and must be able to embody and lead change with their teams.

For this reason, the Group emphasizes training for these key managers.

For the first time, at the beginning of 2010 a truly individualised training plan was initiated for the Group's senior managers.

Helping employees to boost their career

At Carrefour, equal opportunity is achieved through effective, equitable career management. **By way of example, 75% of the Group's directors have been appointed**

via internal promotion. This policy is based on equitable, effective and consistent career management practices, starting with an annual assessment interview. For managers, this inter-

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IN FIGURES

More than **75%**

of the Group's directors in France have been appointed via internal promotion

view is now conducted on-line through the "Cap Careers" tool, which was deployed in nearly every country during 2009. The tool allows employees' skills to be more effectively assessed, while ensuring that their progress within the company is more in line with their aim. The Group has established Career Committees in every country, which allow managers to jointly determine the positions offered to their N-1s. This practice enables them to exchange opinions and gain a more accurate overview of each employee's potential.

To promote internal mobility, in early 2009 Carrefour France established "Carrefour des Métiers", an intranet tool that lists all jobs, required skills and potential pathways to other positions, regardless of the entity. This system is part of the job and skills forecast management (GPEC) system, for which an agreement with the company's social partners was renewed in 2009.

IN PRACTICE

Carrefour Colombia offers employees training that leads to State-certified diplomas

Three diploma-based training programmes for managers and employees were established by Carrefour Colombia with the support of the government:

- an on-site training programme for managers and assistants in perishable goods departments based on their professional skills. Those who successfully complete their training earn a professional diploma. This state-certified diploma is valid throughout Colombia and abroad;
- a programme enabling Carrefour managers without a professional diploma, who are preselected based on merit, to follow a business or logistics training programme. They can subsequently earn a professional diploma which is valid in Colombia and abroad. 74,5 of Carrefour managers currently lack a professional diploma;
- training for Carrefour managers, based on case studies and focused on the retail sector, is offered in partnership with the Edime Inalde Business School. 110 hours of training include skills development in finance, marketing, human resources, communication and strategy. This programme develops managerial skills and a strategic vision for Carrefour employees and leads to a diploma as part of the Comprehensive Management Programme (PID).

Transfer of skills and knowledge: developing a senior tutoring programme

Under the GPEC Agreement (Job and skills forecast management system) dated 6 February 2009, the Group's various French entities negotiated and implemented agreements to promote senior employment, adapted to their specific circumstances.

As part of this initiative, senior employees can voluntarily pass on knowledge to less experienced employees, provide training and tutor young people in work/study programmes, support integration and train new employees. In supermarkets, employees who wish to become tutors can take a three-day training course. Hours set aside to perform tutoring duties are counted as actual working hours.

Promote employees well-being

A sense of well-being at work is needed to perform effectively, in order to give one's best and delight customers each day. By establishing ongoing dialogue with its employees and representatives, Carrefour constantly seeks to improve working conditions, work/life balance and professional well-being.

Committed to respect for fundamental rights

Recognition and respect for fundamental human and trade union rights is an integral part of the Group's culture. In 2001 these principles, established under the International Labour Organization's (ILO) conventions, were the subject of agreements signed with Union Network International (UNI). Since then, Carrefour and UNI have worked together to make sure that these obligations are met in all countries where the Group operates. Carrefour maintains an ongoing, constructive and beneficial dialogue with UNI on this matter.

CONSULTING AT ALL LEVELS

The Carrefour Group is actively involved in all levels of consultation, whether it concerns social dialogue or negotiation:

- At the professional level, Carrefour is an active participant in social dialogue in the European sector, striving to develop social commitments and standards at a European level. The Group is actively involved in discussions held within each country and contributes to the work of local trade federations.
- At Group level, in the beginning of the 1990s Carrefour created one of the first European Committees, known as the European Consultation and Information Committee (CICE). The CICE brings together Carrefour's European Union as part of a forum for productive and constructive social dialogue and also contributes to the Group's CSR and Sustainable Development approach. Since taking office, Group CEO Lars Olofsson has demonstrated his intent to continue a proactive, consistent and innovative approach in order to fully involve its French and European social partners in the company's strategic discussions. During 2009, it greatly increased its initiatives

within employee representative organisations, in order to discuss and exchange ideas about strategy.

- At country level, management has created the means for effective long-term social dialogue. For example, the restructuring of Carrefour businesses in France has always taken place based on discussions between management and employee representatives, in accordance with the GPEC (Jobs and skills forecast management) agreements and procedures negotiated in 2006 and renewed at the beginning of 2009.

LISTENING TO STAFF SURVEYS: A TOOL DEPLOYED ACROSS 12 COUNTRIES

Established twenty years ago (in 1989), Listening to Staff surveys give a voice to store and head office employees. Guided by basic ethical standards, groups of 12 employees representing staff members are invited to express themselves anonymously on different aspects of their life within the company with a focus on six themes: company image, store image, training/career, work, management and labour relations. It's a barometre for labour relations which puts the company's men and women at the heart of the system. Nearly 20,000 employees throughout the world expressed their opinion this year through Listening to Staff surveys. A Diversity theme was added in 2009 to gather employee comments on initiatives within the Group.

Upon completion of these surveys, a report is submitted to store management, their superiors and the Department of Human Resources, then is returned to all teams (employees and management) and their representatives. Action plans are then presented, store by store, department by department, based on issues and expectations raised by the employees.



TESTIMONY



Jean-Luc Delenne
Group Labor and Institutional Relations Director

Labour/management dialogue is part of Carrefour's culture

The Group conducts an ongoing, constructive dialogue with its social partners.

Without employee representatives, there is no labour/management dialogue. Therefore, freedom of association and a union presence exists in the countries where the Group operates.

This desire for dialogue and respect for employee representation was formalised in May 2001 with the signing of an international agreement on respect for the fundamental rights promoted under ILO conventions.

This agreement, signed with UNI, established a true partnership with this international labour union, which is also a stakeholder in the Carrefour European Consultation and Information Committee (CICE).

In 2009 this dialogue and proactive, partner-driven approach led to the recognition of a labour union now operating in Carrefour hypermarkets in Romania.

In Carrefour's various business activities, regular consultations between management and employee representatives takes many forms depending on the country's economic, social and operating environment. It helps create more beneficial social conditions, addresses current issues such as disability, diversity, solidarity, psychosocial risks and the need for balance, supports organisational change and establishes more favourable, safer and more effective working conditions and organisations.

Though not always simple or easy, this labour/management dialogue – whether global or at the country level, offers Carrefour, its employees and their representatives opportunities to enhance company performance and improve employees' working lives. Our Group is among the most effective and widely-recognised in creating a wide range of initiatives that are regularly shared with employee representatives.



IN FIGURES

Nearly **20,000**
employees expressed their opinions through
staff surveys in 12 countries

Provide social benefits for all our employees

In all countries where Carrefour conducts business, the Group ensures that employees enjoy appropriate social protections. Where gaps exist in terms of coverage, Carrefour provides additional welfare, health and retirement benefits, either to cover for what's missing in the local systems or to supplement them. Beyond social protection, Carrefour also looks after the health of its employees.

In several countries, as part of preventive and/or public healthcare programmes, the Group organises vaccination campaigns against diseases such as dengue fever and, more recently, the H1N1 flu virus.

IN PRACTICE

Carrefour Brazil strengthens its employee benefits programme

In Brazil, for example, Carrefour launched an important programme to strengthen social benefits offered to its employees. It established a special occupational health and safety department which, through its preventive approach, helped reduce the number of workplace accidents by 10%. Providing medical and dental assistance now offers employees and their families access to consultations, examinations, treatment and hospitalization if need be. Finally, agreements established with opticians and pharmacies allows Carrefour Brazil to partially subsidise expenses for medication, contact lenses, glasses and other needs. Regarding supplemental retirement funding, the Group offers employees the option of investing in a private retirement scheme to supplement their pensions. Carrefour Brazil also offers its employees life insurance, providing their families with financial support in the event of an accident, death or permanent disability.

Improving work organisation

Since 1999, **check-out employees**, who make up 30% of the workforce in French hypermarkets, **were able to arrange pooled schedules, enabling them to better balance their professional and personal lives.** Employees can plan their schedules more than five weeks in advance by using a computerised

management system. It provides a way to better balance their private lives with the stores' business objectives. **20,000 people benefit from schedule pooling in 95% of our hypermarkets in France. 93% of check-out employees are satisfied with the system.**

Ensure employee safety

Carrefour works to ensure the safety of its employees and customers at all of its sites. In countries without specific safety regulations, hypermarkets and supermarkets adopt French safety standards, which are generally more strict. Another priority is to reduce workplace accidents through prevention training and awareness-raising campaigns. The Group ensures that its teams understand health and safety regulations, offers training, imposes procedures, and performs regular on-site audits. For example, during 2009 Carrefour Spain launched an awareness-raising campaign to reduce accidents resulting from physical strain, specifically from handling heavy loads. Colombia also

launched a broad awareness-raising campaign for employees working in high-risk positions (handling heavy, blunt objects, etc.) and invited their families to take part in workshops on nutrition, cardiovascular disease, diabetes and other issues.

In Thailand, the Carrefour store in Bangbon took part in the safety competition organised by the Thai Ministry of Labour to improve workplace safety standards in the country. Carrefour Thailand was awarded the Environment, Health & Safety prize.

Prevent psychosocial risks

For the past fifteen years, stress has emerged as a major psychosocial risk faced by companies. One in five European employees have health problems related to workplace stress. Collective protection initiatives enable direct action to address the organisation, working conditions, social relations at work and/or at the work station.

The Carrefour group views the prevention of workplace stress as a separate aspect of its Corporate Social Responsibility. In France, since 2003 hypermarkets have conducted a risk assessment and implemented preventive measures with engineers from CRAM, industrial medicine and labour organisations. This work is applied through implementation of the **"SOS Conflits" module which helps store employees prevent and manage challenging customer situations**. More recently, Carrefour launched a comprehensive programme to prevent and address psychosocial risks and stress.

An **agreement on occupational health in supermarkets** was signed on 5 May 2009.

It includes a diagnostic approach to occupational health and commitments related to workplace risk prevention, including risk assessment, train-

ing, communication and improvement of working conditions.

It also includes a section on psychosocial risks, including:

- prevention of sexual harassment and bullying,
- addressing the risks of antisocial behaviour,
- support for employees who are victims of serious acts of aggression,
- stress in the workplace.

It also includes commitments to study the causes of employee stress in the workplace, to prepare an action plan in view of these results and to implement a dedicated training module.

During 2009, the hypermarkets tested a training programme on managing stress in the workplace geared towards employees and managers. This training programme will gradually be deployed to all employees by 2010.

Other countries also implemented preventive actions. For example, in Thailand, Carrefour appointed a Health, Safety and Environment committee in each store and at the head office. This committee addresses management recommendations through monthly meetings and inspections which permit detection of potentially risky situations.



AUDITS TO ASSESS EMPLOYEE STRESS

In 2007, the Group launched its first stress audits in four hypermarkets in France. It evaluates employee stress levels and better identifies its factors and sources. The results revealed a stress level equal to or less than that in other sectors. To gather constant feedback from employees, a subcommission on psychosocial risks within the National Occupational Health and Safety Commission was established in 2008.

In early 2010, the company hired the Stimulus firm to carry out new stress audits at four additional hypermarkets (i.e., 1,600 employees), with the goals of:

- assessing stress levels among employees and identifying especially affected populations, if any;
- highlighting the main causes of stress;
- comparing results to those of the first study;
- and establishing action plans.

PREVENT VERBAL AND PHYSICAL AGGRESSION

According to the European Commission, more than 3 million people working in the retail sector are victims of violence. Since 2003, the Group has established a specific training programme, "SOS Conflicts", to help employees manage sometimes challenging customer relations (from simple dissatisfaction to verbal or physical aggression and robberies). This training is based on three issues:

- improved understanding of potential reactions by difficult customers, in order to better react to a given situation;
- providing a range of solutions to avoid or manage conflict;
- proper understanding of the emotional mechanisms in play during threats, blackmail and hold-ups.

10,610 Hypermarket and Supermarket employees in France have been trained since 2007. This training programme was highlighted as a good practice in the guide entitled "Prevention of third-party violence in retail", prepared by EuroCommerce with the support of the European Commission.

PROMOTE WORK/LIFE BALANCE

The lack of balance in work/personal life is among the main factors identified for psychosocial risks.

In 2008, the Carrefour Group signed the Parenthood Charter, demonstrating its desire to help its employees find fulfilment at work while fully carrying out their role as parents. **During 2009, this signing was implemented through publication of the "Parenthood Guide", distributed to all managers in France**, which will:

- provide information on the commitment of the Group and its entities to promote parenthood and work/life balance;
- provide managers with practical advice on managing employees who become parents;
- review labour laws and career management regulations related to maternity, paternity and parental leave;
- raise managers' awareness of the importance of taking employees' personal circumstances into account as part of motivation and loyalty building.

To help employees find child care, in September 2009 the supermarkets implemented the Chèque Domicile CESU (*Chèque Emploi Service Universel*, a global service cheque for employees), whereby **Carrefour Market grants financial assistance to cover 50% of the costs for child care in the home** (occasional care, baby-sitting, etc.) or outside the home (nursery care, day care, mother's helpers).

PROGRAMMES TO IMPROVE WORKING CONDITIONS

Since the question of improving work life is at the heart of current social thinking, Carrefour has implemented programmes on management and interpersonal relations intended to "make employees happier". The "23 ways to achieve satisfaction at work" programme was implemented in French Hypermarkets during 2009. It consists of concrete actions that each store must implement to promote employee well-being at work, which address communication, team mobilisation, work/life balance, compensation, mobility and career management.

The Ereukikom programme established by Carrefour Proximité France was recognised in November 2009 with the "Live Better at Work" award (see box).





IN PRACTICE

Ereukikom

Since 2008, Carrefour Convenience has established programmes on management and interpersonal relations intended to “make employees happier”. The Ereukikom programme aims to meet employee expectations in terms of attention, recognition, opportunities for social interaction and transmission of information. This approach is based on two pillars: changes in managerial behaviour (gaining awareness, training to develop managerial skills spread over seven months for all store managers, with collective and individual commitments and action plans) along with implementation of regional initiatives to promote a better work life. As part of this programme, Carrefour Proximité implemented a variety of initiatives to promote its employees, including working groups and exchanges, an e-letter sent to employees with information on the company, systematic and in-depth annual interviews which offer genuine opportunities for discussion, the “In the shoes of my co-worker” initiative to allow employees to explore another job, automatic employee invitations to store openings and the “Neighbours in the workplace” celebration with a picnic and opportunities to socialise.

This original programme was awarded the **“Live Better at Work” award which was first presented in 2009. At the same time, the company received the special “Public’s Favourite” award presented by Mr. Xavier Darcos, Minister of Labour, Social Affairs, Family, Solidarity and Cities.**



TESTIMONY



Jérôme Tougne

Consulting Project Manager
from Stimulus

With a several year lag on issues of environmental impact, prevention of psychosocial risks has become one of the major challenges in corporate sustainability policies.

In France, over the past ten years the management of “human” issues has been generally reactive and limited, focused on managing bullying and frozen labour/management dialogue, the failure of a planned reorganisation due to resistance to change, compliance with legal obligations and government incentives.

However, for the past two years a growing number of companies have begun to incorporate human issues into their strategies. These companies see opportunity in the benefits to be gained in terms of their employees’ and managers’ health, involvement, confidence and employability.

These potential gains are seen as having particular value in the current period of ongoing transformation within the company. The impacts and human issues are addressed increasingly early in management decisions, as part of what we now call human feasibility studies.

As part of this emerging awareness, Carrefour can prove that a large company, operating on a large-volume, centralised strategy and subject to tough competition, can establish leeway to improve quality of life in the workplace. Above all, Carrefour shows that these adjustments, which rely on work content (ergonomics, non-monetary recognition), enhance the company’s capacity for growth.

To reach this point, Carrefour must rise to the challenge of coordinating management, occupational health departments and employee representative actions on this issue. The chosen starting point, which involves the objectification of stress levels and its main causes, may be an effective launch pad for concerted action.

Job and skills forecast management and support for company reorganisations

The signing of two related Group agreements on 20 April 2006 – a job and skills management agreement (GPEC) and a “method agreement” on support systems during reorganisation – had a two-fold objective. They anticipate and undertake certain actions to limit the labour-related consequences of reorganisations, and further support employee volunteers’ personal projects where their employment is likely to be at risk. These two agreements expired on 31 December 2008. Further negotiations led to the signing of two new agreements on 6 February 2009.

These new agreements include provisions which:

- limit the impact of reorganisation on employment by promoting internal and external mobility;
- employ seniors on a volunteer basis;
- promote external mobility, especially through financial assistance, skills and business start-ups.

In France, the Group has implemented an internal mobility system (which offers training and support in the event of relocation) and an external mobility system which:

- provides employee retraining for new jobs;
- helps employees find new employment outside the company;
- helps establish or resume a business.

The Employment and GPEC agreement of 6 February 2009 also included a professional development provision for employees age 45 and older. The Group’s various entities entered into agreements and established action plans to promote senior employment prior to the end of 2009, each adapted to their particular circumstances. These senior agreements covered four major issues:

- access to employment: specific recruitment targets, fight against discrimination in recruitment;
- job retention: by improving working conditions or avoiding strenuous working conditions; skills development (career development plan, skills assessment, etc.);
- end-of-career management and transition to retirement: retirement information and preparation, “end of career” guide, retirement assessment;
- transfer of skills and knowledge: developing tutoring and tutor training programmes.

PERSPECTIVE

Job versatility: a way to reconcile employee desires with corporate interests

Part-time work is an option which enables us to adapt our business to customer flows. However this hasn’t always been the preferred choice of our employees. Today, through job versatility, **any hypermarket employee in France who so wishes may work under a full-time contract, with part of the work either being performed in a different store department or through a different job within the same department.** The employee enjoys higher pay, job diversity and the opportunity to discover a new profession. This initiative is based on an agreement signed in 2008 by hypermarkets in France, which continued during 2009. Employees may still choose to work on a part-time basis if it provides a better balance for their personal lives.

Support and work in partnership with local communities

Carrefour, a socially-responsible company, works to improve the lives of the most underprivileged and is committed to local development throughout the world. Whether through the company's Foundation or through initiatives carried out at the country level by banners and stores, the Group demonstrates its significant economic and social role in the 34 countries where it operates.

Businesses in support of social responsibility

On an international level, the Group's commitments and solidarity initiatives are supported by the Carrefour International Foundation. By supporting the field work of local non-profit organisations, this entity aims to address the various issues encountered in the 34 countries where the Group operates. Its actions and missions, consistent with its core business, are focused around three themes:

- **food:** as a retailer and producer, food represents 75% of the Group's sales. Through product donations, the Carrefour Foundation provides those facing economic insecurity with access to a healthy, balanced diet;
- **inclusion:** as the largest private sector employer in France and the 7th largest in the world, with a broad range of business lines, Carrefour also provides a formidable "social ladder". To take things even further, through its support of

micro-credit programmes, the Carrefour Foundation supports rural development and inclusion initiatives and helps increase employability of people faced with social exclusion;

- **solidarity:** as a player in the convenience market, with expertise in logistics and distribution, Carrefour works to raise customer awareness through calls for donations, contributions to humanitarian assistance and donations of products as needed to the most underprivileged during times of emergency.

Endowed with €4.57 million per year, the Foundation has supported approximately 45 projects during 2009. Since its creation in 2000, the Foundation has supported the most underprivileged through the regular or periodic involvement of Group employees.

IN PRACTICE

Social grocery stores for people facing economic insecurity

The second social grocery store managed by Pacte 92 – the 8th in the PACTE France network – opened in December 2009 in Asnières-sur-Seine.

This store opened with the support of the Asnières city government's *Centre Communal d'Action Sociale* which provided the location, and the Carrefour International Foundation which co-funded the store's renovations to ensure compliance with standards.

Since 2010, this location has welcomed 300 families who were given access to the store after their applications were accepted by the local government.

In each store, PACTE offers a range of everyday consumer products, including grocery products, beverages (excluding alcohol), fresh and frozen products along with cleaning and health products, sold at 20% of hypermarket prices.

Lastly, with regard to supply, most products come from Carrefour group stores, either directly or indirectly (through the PACTE 62 association, A.N.D.E.S for fruits and vegetables and from *Carrefour des Solidarités* for textile donations).

Carrefour also opened social grocery stores in other countries, with five stores located in Belgium and three in Greece.

Country-based actions by Carrefour teams

Solidarity is also shown by countries, banners and stores. For example, Argentina, Brazil and France have created dedicated structures to encourage and unite initiatives under a single umbrella. Initiatives include campaigns against exclusion factors (poverty, illness and disability) and for child protection. In France, *Carrefour des Solidarités* provides support for social actions and extends its generosity to disadvantaged areas and those in difficult situations, organised with Carrefour and Carrefour Market stores along with Carrefour's head offices in France. *Carrefour Solidarités* France operates in two areas which correspond to two important societal needs: access to consumer goods and improving quality of life for children.

Certain large-scale events, such as natural or technological disasters, may sometimes lead to a combination of efforts with the Carrefour International Foundation. On the night of 5-6 April 2009, Central Italy (in Abruzzo) was struck by a violent earthquake. To address the most urgent needs, supermarkets in the region delivered food directly to the damaged villages. Carrefour Italy sent supplies and essential items to civil defence headquarters. To purchase and distribute products, the Carrefour International Foundation authorised emergency funding in the amount of €30,000. Thanks to the teams at Carrefour Italy, five trucks of supplies were sent to earthquake victims.

IN PRACTICE

Carrefour Colombia: a micro-credit programme for women uprooted by conflict

Armed conflicts that impact Colombia has caused population displacement and tremendous social and economic insecurity for countless farmers. To help women uprooted and socially excluded by the conflict, in 2008 the Carrefour International Foundation funded a two-year programme, with a budget of €34,970, to create a cooperative for 1,500 women in the Aguablanca district of Cali.

In partnership with Planet France, an international social action organisation specialising in microfinance, Carrefour Colombia identified profitable locally-grown products for increased production and sale through its Quality Lines programme. The project's beneficiaries received training in management and microfinance, provided by Colombian specialists in the field. Thanks to the project, at the end of December 2009 three productive product lines were created: textiles, fruit pulp and traditional corn pancakes. Carrefour's buyer for the region supported these product lines. In January 2010, Carrefour initiated the sale of products from one of these production units, traditional corn pancakes.



IN PRACTICE

Support the professional inclusion of disadvantaged youth: the Shanghai Young Bakers programme in China

Developed with the support of the Carrefour International Foundation and Paul Bakeries, the Shanghai Young Bakers project enables Chinese youth from disadvantaged backgrounds to receive professional training in the baking industry. This programme improves their outlook for the future along with their employment prospects, offering the possibility of a higher education diploma recognised by the Chinese government. The students receive general academic and technical training in the French baking industry, provided by volunteers selected by the *Jeune Chambre Économique des Français* in Shanghai. As a partner in this project, Carrefour China hosted students for their practical in-store internships. Each of them received the support of a tutor, a Carrefour employee who tracked their progress. The first class in 2009 included 35 students. In 2010, 56 additional students will receive training. Two students in the programme were also hired by the Carrefour store in Nanfang.

Encourage employee voluntary help through dedicated programmes

In several countries, Carrefour has created special programmes to encourage employees to contribute their expertise to socially responsible projects related to health, education and the development of microenterprises. Special provisions are made to give employees this opportunity. In Brazil, for example, Carrefour gives employees four hours off every month, along with technical support and donations if needed. During 2009, over 1,400 employees invested time in awareness-raising educational activities

aimed at environmental preservation. More than 84 associations and 8,000 people benefitted from this programme. In Argentina, a national ambassador programme to encourage corporate volunteerism, "Adding strength of will", was launched in December 2009. These ambassadors raise awareness and encourage employees to participate in company sponsorship activities and coordinate local and national initiatives. The "Adding strength of will" programme's initial events took place in the province of Corrientes.

Carrefour's donations in France (hypermarkets and supermarkets) during 2009



IN FIGURES

More than

600,000

toys donated during the year

14,000

tonnes of food just short of their use-by-date donated by stores (hypermarkets and supermarkets), representing 28 million meals during 2009

More than

2,860,000

textiles articles

More than

60,500

bazaar articles

Monitor manufacturing social conditions in the supply chain

In 1997, the Carrefour group was among the first company to commit to the monitoring of working conditions at its international suppliers' sites. Convinced of the need to go even further and aware that audits are necessary though insufficient, since 2006 the Group has been working to harmonise existing social standards and develop social responsibility training for its suppliers.

The Group's history and commitments

For more than 10 years, the Carrefour group has worked to establish a system to ensure respect for the ILO's fundamental principles and Human rights in its supply chain. This commitment was formalised through its cooperative work with the FIDH (International Federation of Human Rights), which began in 1997 through a joint association known as INFANS. This partnership led to the adoption of a Social Charter that applies to all suppliers of own brand products and to the definition of the procedures to monitor compliance with the charter through social audits. As soon as 2002, INFANS has supported Carrefour's prescriptive approach. Since 1998, the Carrefour group has played a leading role in

creating the Social Clause Initiative (ICS) which brings together fourteen French retailers under a common social approach. In order to work with its international competitors on this issue which is deemed to be non-competitive, in 2006 Carrefour participated to the creation of the Global Social Compliance Programme (GSCP) which brings major retailers and international manufacturers together to harmonise their efforts and establish a common, consistent and global approach to improving working conditions in the worldwide supply chain. Carrefour wanted support for its ambitious approach from its long-term partners, FIDH and UniCommerce, which sit on the Advisory Board.

Updating the Social Charter

In early 2010, in order to implement the work carried out within the GSCP, Carrefour decided to amend its Social Charter by incorporating the Reference Code prepared by the GSCP, which is close to its former Charter. The launch

of this new Charter, which marks an additional step towards convergence of these initiatives, will provide an opportunity to further raise in-house team awareness of the importance of responsible purchasing.


TESTIMONY


Antoine Bernard
Executive Director of the FIDH

Global Social Compliance Programme : advances during 2009

The Global Social Compliance Programme was launched in 2007 by global leading retailers to pool social audit standards and methods. With the unions on the Advisory Board, the FIDH agreed to take part in this initiative to ensure that the fundamental principles of the ILO and the UN serve as a standard for their actions. The largest multinational companies thereby demonstrate the importance of respecting Human

rights within their operations. The FIDH was very pleased with the discussions which have been ongoing since 2009 on ways that companies can address labour law violations, including a review of their procurement practices in order to effectively meet the duty of reasonable diligence promoted by Mr. John Ruggie, the UN's special representative on Business and Human Rights.


IN PRACTICE
Focus on the 2009 social audit campaign

In 2009, the number of social audits and follow-up audits (39%) increased greatly as compared with 2008.

In the non-food department, nearly all audits are unannounced. In the food department, this approach is more recent. Suppliers must still be prepared for the auditors' inspections.

As in previous years, working hours (overtime) and salaries are still the main areas of non-compliance. This observation highlights the limitations of the audit process and the need to support suppliers in their improvement process.

In 2009, Carrefour extended its "unannounced" audit rule to all suppliers of non-food products in every risk area. This approach is even more important for follow-up audits. It allows verification over the long-term that suppliers have made improvements in the noted areas of non-compliance.

In Bangladesh, Carrefour and a local NGO continue to train employees and managers of plants working with Carrefour. This approach aims to establish favourable social conditions so that workers can understand their rights and express their demands. Initial assessments already show improvement in labour/management dialogue in these plants.

In China, local teams are continuing to raise awareness among suppliers.

In 2010, these efforts were continued and previously implemented procedures were reinforced. Follow-up audits will take place more quickly when non-compliance is detected at suppliers that work with Carrefour. Training initiatives will be expanded, and social responsibility training will be offered to all Indian suppliers during the first half of the year.

Driving convergence of models

Very early on, Carrefour was convinced of the need to pool tools and audit results. In fact, the increasing number of social standards includes a risk of confusion among suppliers along with a sense of weariness as they host dozens of auditors each year. Joint actions avoid the need for duplicate audits and deliver a single, consistent message to suppliers and local public authorities, hastening change and placing more focus on training rather than the audit itself.

The Social Clause Initiative (ICS), which used the Carrefour tools built with the FIDH, already allows member banners to share a common database which contains the results of supplier audits ordered by each of them. Carrefour has contributed 50% of the audits carried out under this initiative.

To bring together the many codes and existing initiatives, in December 2006 the GSCP was established by five major international retailers, including Carrefour. Today, the GSCP includes 27 international companies, both manufacturers and retailers, and is assisted by an advisory board that includes NGOs, unions, representatives from the United Nations and recognised experts in the field.

It aims to build a multi-sector global platform to:

- build a consensus on best practices;
- develop a clear and consistent message for suppliers and local public authorities around the world;
- promote mutual recognition of standards by building transparency and comparability;
- reduce duplication of social audits;
- support development of training and activities to strengthen suppliers' capacity.

PERSPECTIVE

Should we boycott Uzbek cotton?

During 2008, an international campaign was launched in an effort to boycott cotton from Uzbekistan. The harvest of this raw material is carried out by the government under conditions that conflict with fundamental Human rights principles, with significant reliance on forced child labour.

A number of retailers have formally announced their boycott, including Tesco, Wal Mart-Asda, Gap, Marks & Spencer and Target.

Following this campaign and in order to take a position, in 2008 Carrefour carried out a detailed study on the origins of cotton in its supply chain, finding that approximately 5% of fibres used in its own brand products were involved. The textile line is extremely complex, with more than six steps from the cotton seed husk to the finished product sold in stores. The Group works with hundreds of direct textile suppliers. Therefore, Carrefour does not wish to publicly announce a boycott of Uzbek cotton, because it seems unlikely that it can ensure strict enforcement. This position would be misleading to our stakeholders. In fact, all players agree that full traceability in the cotton line can not currently be assured.

On the other hand, **Carrefour asked all its suppliers not to use cotton from Uzbekistan in their products.** In addition, Carrefour and Migros have launched a working group on cotton to establish traceability. Carrefour is also involved in different lobbying groups seeking to convince the Uzbek government to respect human rights and its nation's environment.

Develop Corporate Social Responsibility training

Although social audits are required for diagnostic purposes, Carrefour is aware of their limits as a way of improving working conditions at its suppliers' facilities.

Going even further, Carrefour is committed to training its suppliers and their employees on their rights and duties in the workplace. In Bangladesh, a training programme for management and workers on "fundamental rights in the workplace", covering all plants operated by Carrefour's suppliers, was launched in 2006. Training was designed and organised by a local NGO, Karmojibi Nari, which was selected by FIDH. These training sessions were intended to establish conditions which enable the workers themselves to present demands on safety, working hours and salaries. Between 2006 and 2010, following the end of this three year project, 56 plants benefitted from this approach.

As part of FIDH/Carrefour's cooperation on Human rights in the supply chain, inquiries were carried out in Bangladesh during 2007 and again in 2009. They sought to evaluate Carrefour's efforts to address labour rights in Bangladesh. The mission also evaluated the training program conducted by Karmojibi Nari, a NGO. These largely positive conclusions encouraged Carrefour to set up social responsibility training for all of its active suppliers in India during the first quarter of 2010. This programme will be led by Social Accountability International (SAI) with the support of FIDH during preparation. A self-assessment programme enables Carrefour to assess the quality of its suppliers in terms of social responsibility and adapt its training to meet their needs. After completing their training, suppliers will be able to position their approach in terms of progress achieved.

PERSPECTIVE

Necessary collaboration among all stakeholders: the case of a supplier in Turkey

In December 2008, the Carrefour group was questioned by a number of associations which denounced a Turkish suppliers' failure to respect certain inalienable rights of its workers. Faced with these allegations, the supplier stated that it has carried out an economic redundancy plan after the closure of one of its spinning workshops. As part of this plan, it claimed to have offered each affected employee either a new job based on skills or severance pay, and denied any discriminatory practices, stating its compliance with applicable Turkish law. Following on-site investigations, the Carrefour group noted the existence of several complaints filed by former employees disputing this company's decision to dismiss them, claiming that the dismissals were discriminatory. These complaints have all been dismissed by the court. Since December and the initial allegations, the Carrefour group has reminded the supplier, multiple times and in several formats, of its commitment to respect the principles set forth in the ILO conventions and to respect human rights. Carrefour also held discussions with other customers of this supplier, NGOs and unions, as well as the supplier itself in order to find a solution to the crisis. Advised by its customers on the sequence of events and the content, in February 2010 the supplier implemented training on Human rights for approximately 3,000 plant employees. In its concern for transparency, it also invited the main stakeholders in the case to attend these sessions.

5

Environmental *actions*

- Contributing to tackle climate change 90
- Preserving biodiversity and natural resources 99
- Waste management and recycling 104

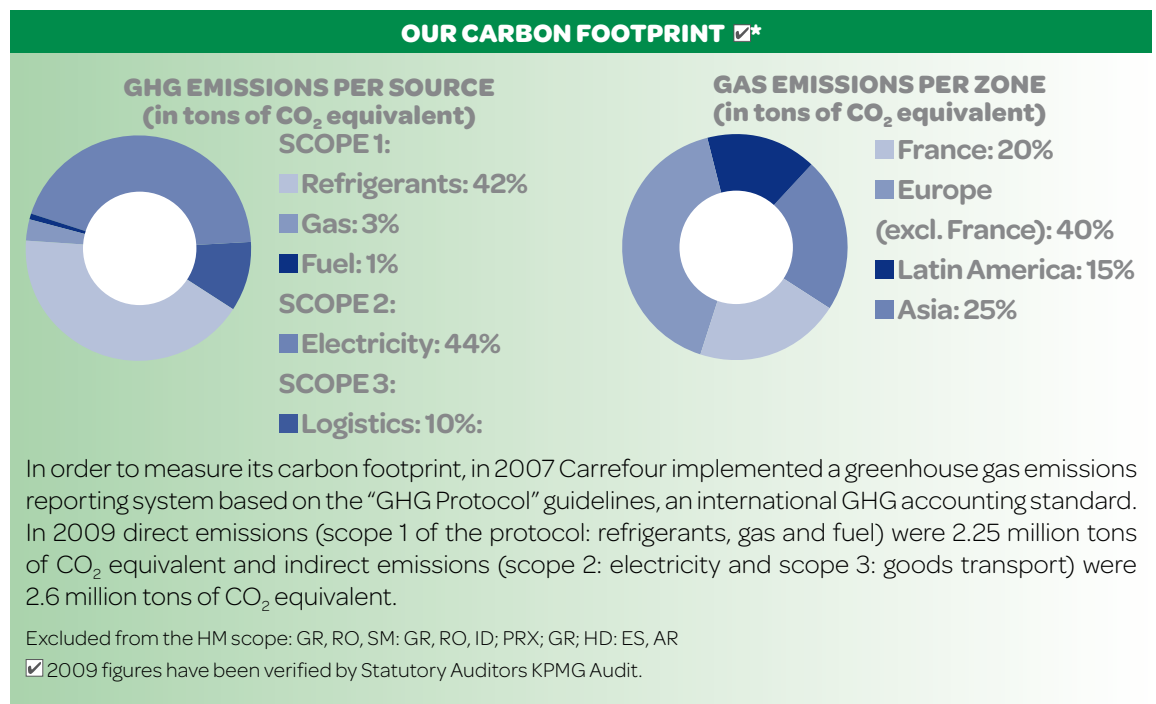
Contributing to tackle climate change

In 2009 Carrefour strengthened its commitment to tackle climate change and raised the bar on energy efficiency. The Group defined a policy for refrigerants, optimized transport and logistics, and undertook to certify 100% of the palm oil used in its own-brand products by 2015.

Stepping up on Group commitments

The year 2009 was marked by the Copenhagen Summit on Climate Change organized by the United Nations in December. Carrefour which adheres to the UN Global Compact since 2001 and actively participated to the UN "Seal the Deal" campaign, an initiative aimed at political and public support to reach an ambitious, effective and fair climate agreement, at the Summit in Copenhagen. Carrefour has supported this appeal as the Group is convinced that companies have an important role to play but cannot solve the problems on their own. Governmental support is seen as crucial to accelerating

the fight against climate change. In 2009 the Carrefour group also reaffirmed its commitment by signing the Copenhagen Communiqué on Climate Change along with other companies and by setting a new and more ambitious target of achieving 30% greater energy efficiency within the Group by 2020 compared to 2004. Carrefour reports on its efforts via the Carbon Disclosure Project, which provides investors with information on the degree to which climate change is accounted for in business practices. This information is made available to the public via the CDP website.



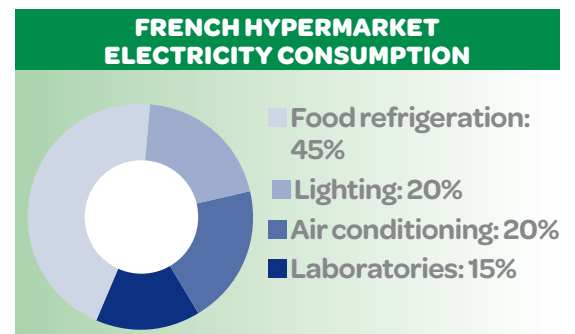
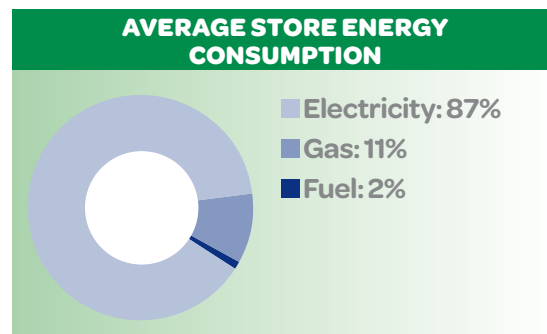
Reducing energy consumption

IMPROVING ENERGY EFFICIENCY

Sustainable Development drives innovation because it leads us to think differently about our growth and our relationship with the environment. Every year Carrefour spends half a billion euros on energy consumption i.e. around 8.1 TWh. Electricity constitutes 87% of this consumption. **To achieve its new objective of achieving a 30% improvement in energy efficiency by 2020 as compared to 2004, the Group has launched an investment programme on several years, of around € 30 million per year.** These efforts have already enabled the Group to achieve efficiency gains of 16% since 2004,

significantly reducing its environmental impact, as well as making a strong contribution to its efforts to reduce costs.

Launched in 2007, the Energy Efficiency Programme is based on the deployment of best practices or innovative technologies in the stores, including: energy management system; closed freezers; night curtains for the fresh product sections (positive cold); defined settings for store air conditioning and the replacement of lighting with more economic solutions such as electronic ballasts or LED lighting.



Limiting refrigerant leaks and testing CO₂

Refrigerant leaks are Carrefour's biggest source of direct emissions, and second-biggest source of greenhouse gas emissions, after electricity. Every year the gases used in store refrigeration systems to create positive cold (for fresh products) and negative cold (for frozen products), as well as in store air conditioning systems, release the equivalent of 2.1 million tons of CO₂.

Beyond their impact on the environment – which Carrefour has to act against as a responsible company – the refrigerants also pose a short-term regulatory challenge. The HCFCs (hydrofluorocarbon), used in most of the current refrigeration systems, are hazardous to the ozone layer and have been legally banned in Europe as of January 2010. The Group has thus made a list of all its HCFC installations and

has come up with other alternatives: use of recycled HCFC; modification of installations to make them HFC-compatible; the changing of old installations.

In the short-term, the Group has implemented a strategy to identify the causes of the refrigerant leaks and their leakage rates, so as to be able to start reducing them.

In the mid-term, efforts will continue to reduce the leakages and other technical options will also be tested, such as limiting charge through the use of indirect systems. The cold will be transferred via an exchanger to an environmentally neutral substance such as glycol. Experiments are also being carried out with more environmentally friendly substances such as CO₂. There are currently 14 stores in Europe testing the use of the CO₂ for their refrigeration purposes.

Reducing the environmental impact of the logistics chain

Given the huge volumes of products delivered to Group stores, the optimization of transport and logistics is a key challenge in tackling climate change. In response, Carrefour has opted for alternative forms of transport and tries to optimize on the filling of its trucks to reduce the mileage travelled and limit their impact. **In France in 2009, thanks to various actions implemented, the Group saved 14,300 tons of CO₂ on its overall upstream and downstream transport, resulting in 43,800 fewer trucks on the roads and 20.5 million fewer kilometers travelled.**

WAREHOUSE DELIVERIES: PRIORITY TO RAIL AND RIVER TRANSPORT

For the upstream transport of its imported products (from the ports to Carrefour warehouses), the objective of the Group is to continue the development of alternative modes of transport. **For example in 2009, 45% of imported products destined for hypermarkets in France were transported by river and rail** (as opposed to 41.7% in 2008), resulting in 4,000 fewer trucks on the roads and 800,000 km less mileage travelled. For 2010, France has defined three areas of improvement for the upstream transport of imported products:

- The development of rail transport for warehouses that can't be reached by river.
- Working with more and more "green" carriers (Euro 4 and 5 pollution control standards).
- Maintaining 45% of multimodal transport for major import products.

For the upstream transport of food products in 2009 to "Brewery and Grocery" warehouses in France, 6.5 million kilometers were travelled by rail for "Fruits and Vegetables" and 1.2 million kilometers for dry products. **The 7.7 million kilometers travelled by rail for the entire division meant a saving of 4,800 trucks.**

In Spain, 100% of containers from Asia arriving at the port of Barcelona and 76% of containers arriving at Valencia were sent by rail to Madrid.

To reduce truck mileage, the Group also uses consolidation platforms. This system enables suppliers to deliver to a single point from which

Carrefour forwards the goods to its European warehouses by trucks filled as optimally as possible with content from several suppliers. Five new consolidation warehouses were opened in France in 2009 (Saint-Quentin, Agen, Thuit-Hébert, Lieusaint, Soissons) for an overall total of seven.

DOWNSTREAM TRANSPORT (WAREHOUSE-STORES): OPTIMIZING ROAD TRANSPORT

For its downstream transport, Carrefour has implemented actions to reduce the number of kilometers travelled by road. One of the solutions adopted by Carrefour has been the development of multimodal transport. In France, for example, some of the stores in the South receive their deliveries by rail/ road transport. **The 4,000 km of rail travel has meant a saving of 8,000 trucks and 2,180 tons of CO₂.** In 2010 this system will also be extended to supermarkets.

Another solution has been the optimization of transport flows. For trucks that do travel on the road, the various Logistics divisions of the different countries try to fill these as much as possible. For example, some countries are testing the use of trucks with beam-type systems, such as has been done in France and in Greece. This system facilitates the vertical packing of goods and enables truck content to be doubled. In France this has meant a mileage reduction of **530,000 kilometers, 1,750 fewer trucks and a 490 tons of CO₂ saved.** Currently being tested in about 10 hypermarkets in France, the solution will be deployed throughout of the country by the end of 2010. To reduce mileage on the road Carrefour also works on other solutions including: synergies between deliveries to hypermarkets and stores formats (supermarkets, convenience stores and cash & carry); synergies with upstream transport via the development of backhauling (return rounds), which will enable trucks already having made their deliveries to stores to load up again at nearby suppliers in order to take goods back to Carrefour warehouses, instead of returning empty. To reduce mileage in France, a system of "reverse packaging" has also been implemented. This system entails organizing the return of packaging (pallets, rolls, empty trays) from the stores



to the warehouses. This has enabled **an average saving of 10% on return kilometers, or 7 million fewer "empty" kilometers in 2009.**

Reorganizing delivery times has also enabled improvements to be made. Several daily rounds are now carried out consecutively by the same truck, reducing time lost within the delivery round and fuel wasted in traffic jams. As of the beginning of 2009, timetables were changed in order to move the times of certain deliveries in the afternoon so as to avoid traffic. Several solutions were proposed such as unloading by the driver or the creation of dedicated delivery areas which enable delivery even when the store is closed. Thirty-nine of these special delivery areas were created at supermarkets and 1,200 at supermarkets and convenience stores.

Thanks to the streamlining of these processes, the French Logistics Department has been able to **reduce the mileage of its trucks for downstream transport by 8 million kilometers** (238 million kilometers in 2009 as opposed to 246 million kilometers in 2008) , **a saving of 7,600 tons of CO₂.**

CLEANER TRUCKS AND LESS NOISY DELIVERIES

In order to reduce the environmental impact of its logistics chain, the Carrefour group favours the choice of trucks with less polluting engines and has also requested that its carriers upgrade to the Euro 4 and 5 pollution control standards. In 2009, 65% of Carrefour-dedicated fleets in France were Euro 4 and 5 compliant. In November 2009, a fleet of six EEV-compliant (Enhanced Environmentally friendly Vehicles) vehicles was also introduced for delivery to stores from the Vendin site in the Pas-de-Calais. However, the environmental impact of Carrefour trucks is not only measured by their polluting emissions, but their sound emissions too. From February to March 2009 tests were carried out to reduce the noise made during city deliveries with consideration being given to:

- deliveries by "Silent" trucks;
- renovation of delivery infrastructure;
- the set-up of store reception areas;
- the use of less noisy handling equipment;
- measurement of noise emissions.

For the unloading of fresh-food trucks, acoustic measurements taken by Paris city authorities (*Mairie de Paris*) showed that delivery trucks have managed to divide their level of noise by three. Thirty "silent" trucks have been set aside for city-centre deliveries in 2010.

REDUCING THE ENVIRONMENTAL IMPACT OF WAREHOUSES

Based on the experience acquired from management of the environmental performance of its stores, the Group has now extended the monitoring of Sustainable Development indicators to its integrated warehouses, since 2008 and to its warehouses managed by a provider in 2009. In 2009, this was also extended to other countries.

Since 2005, Sustainable Development audits have been carried out by an external service provider, the aim being to identify best practices and encourage progress.

Based on an internal Carrefour benchmark, the audit takes into account waste management, energy, greenhouse gas reduction and social development. In 2009, 55 warehouses were audited. Data specific to warehouse operations has also been collected from 60 warehouses. The objective was to set up an environmental scorecard by warehouse and to benchmark the 60 warehouses in order to identify best practices. One such practice includes the setting up of a photovoltaic station on the roof at the warehouse in Laudun (Gard), producing electricity for the equivalent of 500 households.

Finally "voice recognition" systems have been used for order preparation, saving on paper lists and labels. This represents for every warehouse, a saving of a box of A3 paper every day i.e. 15 kg of paper per box. Thanks to the EDI initiative (IT Data Exchange) used in 95% of exchanges with suppliers, as well as the computerization of invoices, French warehouses managed to **save 300 tons of paper, i.e. 540 tons of CO₂ in 2009.**

The warehouses have also made efforts to improve packaging and waste management. Using reusable plastic trays for fruit and vegetables, butchery and textiles enabled a saving of 31 million cardboard boxes and wooden crates in 2009. The use of plastic crates instead of cardboard ones has enabled them to save on the equivalent of 3 kg of CO₂ per rotation.



TRAINING AND RAISING TEAM AWARENESS

To raise awareness and inform staff on Sustainable Development objectives and how they can be achieved, a special training module has been developed for the all the Supply Chain teams in France.

This one-day training course, started in 2009, aims at helping employees to integrate Sustainable Development considerations into their

working environment. Training was provided to 327 staff members in 2009 and 900 more will take the course in 2010. In addition to training, the company also runs awareness operations and holds campaigns. In 2009 a Sustainable Development incentive was included in the variable pay of French Hypermarket Supply Chain employees.



IN FIGURES

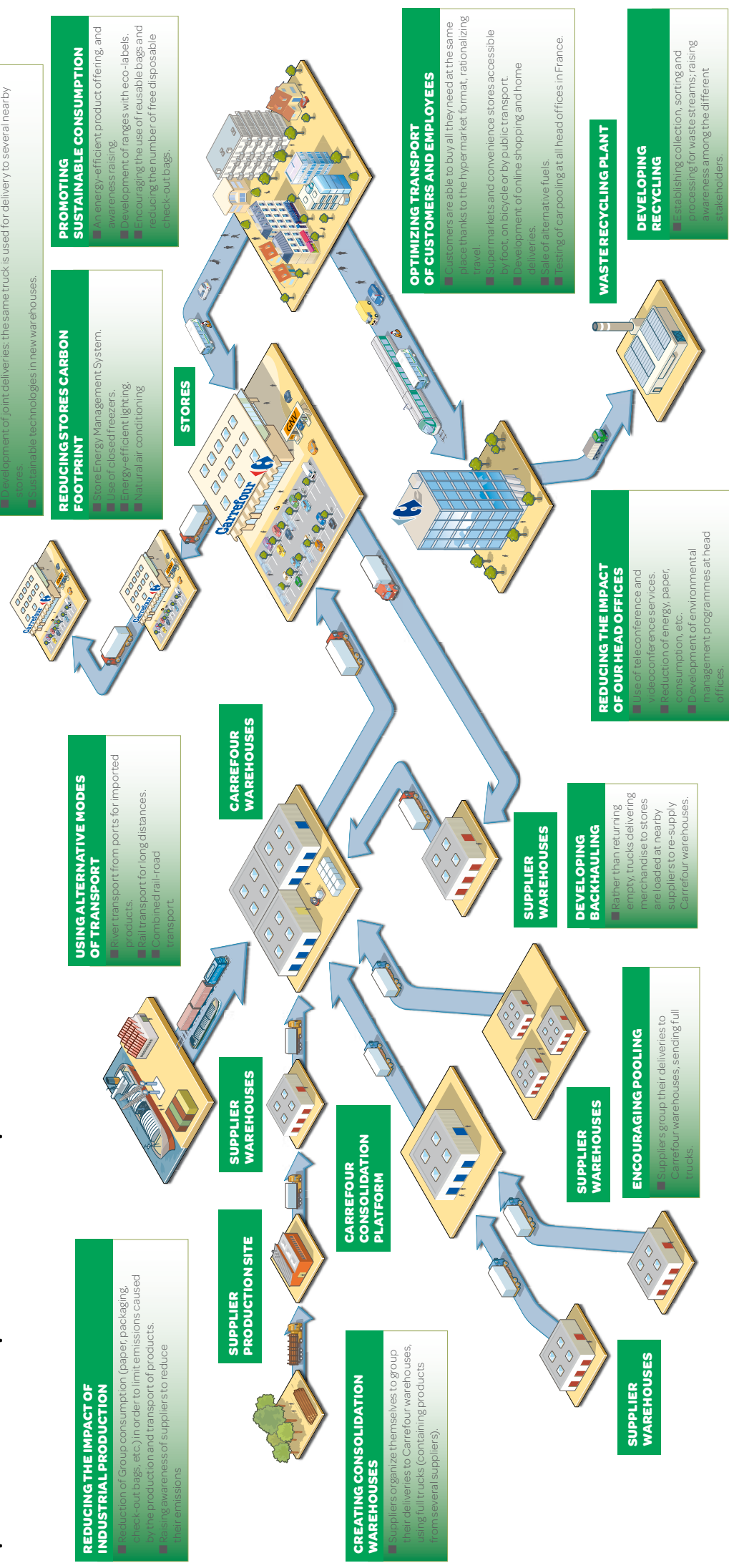
14,300

tons of CO₂ saved (for upstream and downstream transport) in France in 2009

with around **43,800** fewer trucks out on the roads

Reducing carbon emissions throughout the supply chain

Carrefour aims at reducing its CO₂ footprint and help customers reduce theirs. By improving the efficiency of its retail operations and its product offer, in particular, through the promotion of energy-saving products, the Group contributes to reducing the volume of greenhouse gas emissions. The following illustrates the direct and indirect emissions generated by Carrefour operations and examples of initiatives implemented to reduce them.



Fighting against deforestation

Between 2000 and 2005, tropical forests have been destroyed at an estimated rate of 13 million hectares per year, a figure reduced to 7.3 million hectares thanks to reforestation initiatives, according to the FAO (UN Food and Agriculture Organization). As a result, deforestation is currently one of the major sources of greenhouse gas emissions, there being an estimated 18% of anthropogenic emissions of CO₂ every year. Deforestation has become a major feature of the negotiations on climate change. The REDD (Reducing Emissions from Deforestation and Forest Degradation) Programme based on combating deforestation and preserving forests in the Southern countries, under the auspices of the UN, was validated in the framework of the Copenhagen agreement.

COMMITTING TO RESPONSIBLY-MANAGED FORESTS

In order to promote responsible forest management (see page 107), Carrefour controls the sourcing of wood supplies and promote the use of Forest Stewardship Council (FSC) certified species. The Group also takes part in the fight against the illegal wood trade. As of 2003, Carrefour has invested in the European Commission FLEGT (Forest Law Enforcement on Government and Trade) action plan aimed at establishing a framework for fighting the illegal sale of wood. In 2008, Carrefour reacted very positively to the European Commission legislative proposal establishing rules for those involved in the sale of wood and wood products. The proposal sets up a due diligence system, an extra step toward a better understanding of the origins of the wood and encouraging greater responsibility in the products offered to consumers.

PALM OIL: ONE OF THE MAJOR CAUSES OF DEFORESTATION

A huge number of products contain palm oil: crisps, cakes, biscuits, pastries, dough, appetizers, factory-made breads and spreads. Palm oil is also used in personal care products such as soaps and shampoos. This multitude of uses explains why it is the most widely-used oil in the world, with over 45 million tons produced every year on 12 million hectares.

In order to meet global need, all too often the expansion of plantations leads to deforestation, the destruction of natural habitats and pressure on threatened species such as the Sumatra tiger or the Orangutan. Another consequence of the destruction of the forest and peat bogs are the greenhouse gas emissions which accelerate the pace of climate change. In Indonesia, for example, deforestation causes the emission of 1.8 billion tons of CO₂ every year, this being 4% of annual global greenhouse gas emissions. Finally, the extension of the palm crops also has an impact on society as it sometimes gives rise to the brutal expropriation of the local populations.

CARREFOUR: 100% CERTIFIED PALM OIL IN OWN-BRAND PRODUCTS BY 2015

The Group's aim, in this regard, is to promote palm oil production which respects and protects both people and the environment. In order to do so, in 2006 the Group became a member of the RSPO (Roundtable on Sustainable Palm Oil). This roundtable, established in 2004, currently has over 400 members, including producers, major food industry and retail players, as well as banks and NGOs such as WWF and Oxfam. In 2009, Carrefour was the only French retailer to be a member of the initiative. The aim of the RSPO is to develop a sustainable palm oil supply, with respect for social and environmental criteria and preventing the conversion of forests which are "highly valuable for preservation", with the institution of a certification system.

The Carrefour group strongly supported the drafting of a sustainable palm oil standard by the RSPO and in 2009 has taken on greater responsibility in the governance of the RSPO with a Carrefour Indonesia manager representing the Group on the RSPO Executive Board. Carrefour thus supports the actions of the RSPO and contributes to its continual improvement, notably by stepping up its efforts to preserve biodiversity and by continuing the fight against deforestation.

As of 2007, Carrefour started making efforts to raise the awareness of its International Purchasing Office suppliers of own brand products, and carried out an inventory of the use of palm oil in its own-brand products.

In 2008, Carrefour France substituted the use of palm oil in its own-brand crisps (representing a reduction of a third of the total volume palm oil used).

In 2009, the first RSPO-certified palm oil was released on the market and Carrefour committed to use this certified oil in all own-brand products throughout the world by 2015.

Carrefour has since asked its own-brand suppliers to substitute their palm oil, when it is technically possible and when there is a nutritional interest. Started in 2008, most substitutions should be complete by the end of 2013. However, palm oil is an essential ingredient in certain Asian or Latin American countries where it is produced locally. Thus where it is not possible to have it substituted, the Carrefour group has undertaken to use sustainable-certified palm oil by 2015. In order to accelerate the production of sustainable-certified palm oil, the Group is encouraging its suppliers, as of now, to start with the purchasing of certificates, and in the mid-term to only use traceable palm oil.

A major awareness campaign for Carrefour suppliers is already underway and several meetings were held in 2009 to inform Carrefour teams work-

ing in palm oil-producing countries and/or places where palm oil consumption levels are high.

CARREFOUR SUPPORTS RESPONSIBLE SOY PRODUCTION

Due to its quality and high-protein content soy has been widely-used in animal feed for intensive breeding. It is cheap and stimulates the quick growth of animals. Due to the rising demand for industrial meat, this is a crop in full expansion, which unfortunately also contributes to deforestation. Since 1998, 13.5 million of the Amazonian forest in Brazil has given way to fields of soy crops (see "In Practice", next page). The Carrefour group thus drafted an inventory of the ingredients used in its own-brand products and has lent its support to the drafting of a responsible soy certification benchmark in the framework of the RTRS (Round Table on Responsible Soy). Founded in Switzerland in 2006, the Association for responsible soy farming practices is an international initiative which groups members of industry, retail, governmental and non-governmental organizations. They work on establishing the "Principles for Responsible Soy Production".

PERSPECTIVE

For 100% traceable, certified palm oil

In its efforts to protect biodiversity, prevent deforestation and promote the production and purchase of 100% traceable and certified palm oil, Carrefour is an active member of the RSPO.

Sustainable palm oil production only officially began at the end of 2008. In 2009, 1.3 million tons were produced out of a total production of approximately 45 million.

The supply chain for palm oil and its by-products, however, is very complex and lacks traceability. There are very few mills and factories that only produce certified palm oil, most being certified only for a part of their production. They therefore still sell a mix of palm oils – both certified and non-certified – and in parallel purchase certificates for their quota of certified palm oil, off the Internet, via a system similar to the purchase of green electricity. These "green" certificates, which currently have a price on the responsible palm oil market, are only a first stage in the international process. To promote a more transparent market, Carrefour defends the ideal of palm oil production that is certified and may be traced from start to finish.



IN PRACTICE

Carrefour Brazil stops buying meat from companies accused of destroying the Amazon forest

In June 2009, Greenpeace published a report entitled "Slaughtering the Amazon" in which the NGO denounces practices that destroy the Amazon. Upon enquiry, the Parà Federal Public Ministry announced its decision to engage in a civil action against 21 breeding companies and slaughterhouses accused of being responsible for the destruction of 157,000 hectares of Amazonian forest in the south of Parà. A letter was addressed to three major retailers in the country, including Carrefour and 72 other purchasers of bovine meats recommending that they stop buying meat from these 21 suppliers. After an investigation, the Carrefour teams confirmed that the Group's own-brand products were not concerned, but by precaution, immediately suspended all meat purchases from the state of Parà. Furthermore, in the framework of ABRAS (the Brazilian Association of Supermarkets), and in agreement with the two other major Brazilian retailers, Carrefour set up an auditing process in order to guarantee that products sold do not come from deforestation areas.

Preserving biodiversity and natural resources: over 15 years of commitment

The UN has declared 2010 the “Year of Biodiversity”. Carrefour, for its part, has been making efforts to protect biodiversity and natural resources for the past 15 years. The Group considers this a part of its civic duties and important to the sustainability of its activities.

Since the 1970s the number of known species has declined by 40%. Since 2000, primary forests have been destroyed at a rate of 6 million hectares a year. Nearly 20% of coral reefs have been destroyed by pollution and excessive fishing. On 11 January 2010, an international initiative for the preservation of biodiversity was launched in Berlin. Due to the nature of its activities, the Carrefour group has a very strong role to play in the preservation of biodiversity. Various measures have thus been undertaken in several fields: working with NGOs for the protection of the forests; the responsible management of fishing resources; and the preservation of water resources.

PROPOSING ALTERNATIVES TO GMOs

For the past ten years, **Carrefour has been offering GMO-free own-brand products, giving customers the opportunity to make purchases in-line with their convictions.** In Europe, all own-brand products (Carrefour, DIA) and regional brands (Reflets de France, etc.), as well as “first price” items such as Carrefour Discount and N°1 are GMO-free.

For some of the Carrefour Quality Lines products (salmon, pork, etc.), Carrefour goes even further in its approach by excluding the use of GMOs in the feed given to the animals involved in these lines. Due to a lack of regulations authorizing it in France, Carrefour does not communicate on this virtuous initiative to its customers.

To be able to further support its stance on GMOs, it is necessary for Carrefour to communicate and promote its approach among its customers who are very often unaware of the efforts made by the Group particularly regarding animal feed.

In France the Group supports consumer groups by asking to be able to inform its customers on its approach regarding GMO-free animal feed for its “Carrefour Quality Lines”. Following the favourable outcome of the French Biotechnology High Council at the end of 2009, a decree was issued enabling the labeling of products with GMO-free animal feed. This is to be implemented during the first half of 2010. This will make an important differentiation for the Carrefour Quality Lines in France (pork, salmon, chicken, eggs). Carrefour can also count on the support of its stakeholders to spread word of its efforts.

As regards application of the Group’s GMO policy outside of the European Union, Carrefour strives for continual progress. It nevertheless has to take into account the various local national regulatory frameworks (crop authorizations, traceability, labeling, etc.), economic contexts and the varying sensitivities of its customers.

PRESERVING FISHING RESOURCES BY A POLICY OF RESPONSIBLE FISHING

Seventy-five percent of fishing resources already either are or are in the process of being over-exploited, even though global captures have capped at around 85 million tons for the past 20 years. Due to its environmental impact, fish farming isn’t always an alternative solution. Approximately 38 million people make a direct living from fishing or fish farming. With all the other jobs it creates, approximately 200 million people in the world are thus dependent on the fishing industry for survival.

Carrefour has thus instituted a policy of responsible fishing which aims to achieve the following objectives:

“/..”

- greater sustainability for sea products;
- ensuring that new products come from sustainable resources;
- fighting against illegal fishing;
- awareness and training for Carrefour employees and consumers.

Carrefour bases its efforts on the four areas of progress summarized below:

Guaranteeing the reproduction of wild species

- As of 2000, in order to protect young fish and enable their reproduction, strict controls on the size of the fish have been implemented.

Improving the sourcing of wild species

- As of 2006, following alerts by scientists, Carrefour progressively stopped the sale of Mediterranean bluefin tuna in all European stores with a final end in 2008.
- Carrefour also stopped the sale of certain deep sea fish (emperor and blue ling) in order to allow for stock renewal.
- Since 2007 the Group has also been working with the WWF to identify the best possible sources of supply.
- Group buyers use the Seafood Choice Alliance guide (an NGO working with the seafood industry) in order to identify threatened stocks and adapt supply in consequence.

Developing a responsible fishing product offering

- In 2005 Carrefour was the first retailer to develop a "Responsible Fishing" range of frozen products (which has since become Carrefour AGIR Éco Planète).

- With 26 references, Carrefour is the retailer who offers the widest range of own-range products Marine Stewardship Council (MSC) certified in France. Carrefour supports the MSC, a non-profit international organization which manages the only universally-recognized environmental certification and eco-label system for wild fish. Carrefour's Group QualityDirector is a member of the organization's Executive Board.

- In order to reduce pressure on the fish used as fish feed, Carrefour has developed its offering of omnivorous and herbivorous farmed fish (pangasius, clausse, tilapia).

- Since 1995, Carrefour has been offering "Carrefour Quality Line" farmed products, developed with respect for the environment, GMO-free and based on specifications containing requirements for breeding densities, food distribution (optimization and monitoring), the monitoring of waste disposal for sea cages and the monitoring of the water quality of land basins.

Informing and raising employee and customer awareness

In 2007, Carrefour stopped promoting threatened species in its commercial publications and organizes awareness campaigns for customers, in its stores and through its catalogues. The Carrefour group also promotes responsible fishing practices, collaborating with French and European governmental authorities and organizations, as well as NGOs such as the WWF. In order to raise the awareness of its teams, in 2009 Carrefour organized a raising awareness programme on marine resource protection, aimed at its buyers. Experts from the WWF, MSC, Findus and the Federation of sea fishing committees of the Finistère region



PERSPECTIVE

Saving the bluefin tuna by saving the fishermen

If protecting species is a key challenge, progress will never be possible if the social and economic situations of the various regions and the fishermen involved are not taken into account. Change cannot be too radical or take place too quickly, and above all, cannot be done without the support of governments. This is why the Carrefour group regularly appeals to the governments. Carrefour also made the choice to progressively terminate the sale of its bluefin tuna: first in Spain, then Italy and then France in 2008. The Group was thus very happy with the French government's decision of 3 February 2010 to ban the international trade of bluefin tuna, with an 18-month probation period to organize European support for the fishermen.

have provided clarification to Group employees on all these matters.

GROUP COMMITMENT TO THE PROTECTION AND RESPONSIBLE MANAGEMENT OF FORESTS

Since 1997, Carrefour has been involved in initiatives to control the sourcing of wood supply and since 1998 has been working with the WWF to promote Forest Stewardship Council (FSC) certified species, guaranteeing responsible forest management. In 2008 the Group's European Purchasing Office confirmed its commitment to protecting the forests. Its assortment of outdoor furniture thus exclusively consists of FSC-certified products (FSC Amburana and FSC Eucalyptus) and Acacia, a species of tree not on the IUCN list of endangered species and for which Carrefour's suppliers are involved in a process of certification with the VFTN (Vietnam Forest and Trade Network).

For its commercial publications, the Group also promotes the use of paper made from recycled wood fibres and/or forests under certified management, and focuses its policy on the use of paper with reduced grammage. In 2010 the Group aims to achieve its objective of having 100% of the paper used for catalogues and consumer magazines in Europe made from recycled wood fibres and/or from certified-managed forests.

Carrefour also contributes to combat the illegal wood trade by working with the European Commission to implement the FLEGT regulation (Forest Law Enforcement on Governance and Trade).

Lighten on commercial publications to save paper

Based on the results of a Life-Cycle Analysis (ACV) carried out on its catalogues in 2005, Carrefour decided to reduce the grammage of its paper. The weight of its commercial catalogues was reduced from 59 grams to 49 grams between 2006 and 2009, a reduction of 8.1%. In Europe, coated paper was abandoned for 45 gram newsprint paper, except for 37.5% of the catalogues printed for special occasions such as Christmas, which weigh 49 grams with a satin finish. In 2010, the Group will continue its efforts to reduce the weight of its commercial publications with a part of its European catalogues being printed with 40 gram newsprint paper.

IN FIGURES

Over
70 own-brand
FSC-certified products
are sold in Europe

Over 21,000 tons of paper was thus saved by the Group **in 2009 (vs. 2006) this being the equivalent of the annual CO₂ emissions of 16,000 cars and the water consumption of over 5,000 French households.**

Working upstream with printers

In 2009, Carrefour was the first food retailer to carry out an inventory of its magazine and sales catalogue printers in order to assess their environmental management practices. Assisted by an external environmental auditing expert, Carrefour visited each of its five biggest printing facilities in Europe (France, Germany and Spain) in order to assess improvements made in environmental management (e.g. ink storage and hazardous waste management such as for solvents and greenhouse gas emissions). These criteria were included in the contracts with printers at the end of 2009, with a reporting system based on the implementation of monitoring indicators.

PRESERVING WATER QUALITY AND AVAILABILITY

Today there are two major problems to be dealt with when it comes to water: water availability is a major issue in several countries throughout the world and water pollution is mainly a consequence of industrial and farming activities, as well as atmospheric pollution. Today the agricultural sector is the sector that consumes the most water: 75% of overall global water consumption! Committed to preserving both the quality and availability of water, Carrefour works upstream with its suppliers to reduce the water consumption in its supply chain. The company also works down-stream to reduce the water consumption of its stores.



Protecting water resources in the production chain

The Carrefour group has called upon its own-brand product suppliers to make efforts in the preservation of water resources.

As of 1992, Carrefour Quality Line suppliers adopted an integrated approach to farming with environmental considerations including reasonable water consumption. Examples of such measures include “drop-by-drop” irrigation or micro-irrigation – the most modern and economic technique – preventing water loss by evaporation, even if it is only used for special crops (mainly fruit).

In 2006 the Group also introduced a Sustainable Self-Assessment tool with the participation of the ADEME and the WWF, an on-line tool dedicated to the Group own-brand suppliers. It is aimed at helping them to improve their sustainability performances and practices. Accessible to over 2,200 food suppliers, the tool includes 49 criteria based on four themes (Management, Environment, Society, and Economy) and 20 advice pages. Sustainable water management is also included.

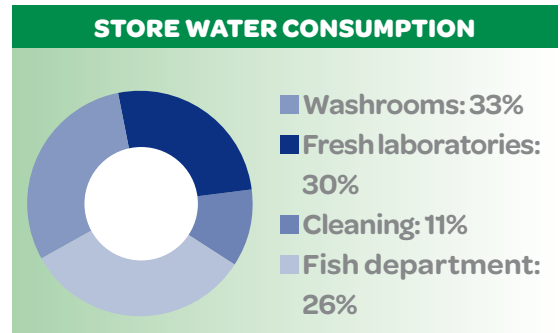
On 17 November 2009, Carrefour organized its first Carrefour Sustainable Development Awards, with prizewinners being chosen on the basis of their results obtained in the self-assessment tool and deliberation by a jury consisting of both Carrefour managers and external experts.

The “Respect for the Planet” Award was rewarded to the supplier most committed to the criteria of water consumption and wastewater disposal. La Laiterie de Saint-Denis-de-l’Hôtel (which markets about 50 different types of fruit juices and beverages as well as Carrefour-brand milk) made a significant investment in a globally innovative technique for the packaging of its milk in 2009. For the quality and hygiene of its products, significant quantities of water are needed for the sterilization of fluids. The company opted for dry sterilization for the blowing and filling of its bottles. This new technology has enabled them to divide their water consumption in 10 (an annual saving of 40,000 m³).

Reducing water consumption in store

Hypermarkets and supermarkets account for over 94% of the Group’s overall water consumption in store. In 2003, in an effort to reduce its water consumption, the Group began to adopt a certain number of measures and methods: con-

sumption follow-up and analysis; the implementation of regular reporting; the identification of sources of consumption; and “overconsuming”



stores, etc.

Thanks to measures that had been already instituted, the water consumed per sq.m of hypermarket sales area dropped by 5% in 2009 compared to 2008.

In France, Carrefour regularly monitors the water consumption of its hypermarkets. A detailed analysis of factors responsible for consumption was carried out providing for a better idea of the breakdown of the water consumption of French hypermarkets.

Recommendations are communicated to stores and a monthly report is produced identifying those whose consumption is judged to be excessive.

French hypermarkets have also reduced their consumption by replacing consumption-heavy equipment with more water-economical systems. For example, waterless urinals were introduced in the Nimes Ouest hypermarket, enabling a saving of 2.5l of water per flush. Carrefour has also innovated with water-recovery systems. The recovered water is used for tasks where drinking water isn’t necessary. At Carrefour in Nevers, the water is recovered and then used for the washrooms and at Carrefour Chambourcy, it is used to clean the floors and for the staff washrooms. The water-recovery project in Nevers has enabled a saving of 1,000 m³ of water per year and an estimated 10% reduction in the typical water consumption of a hypermarket. Systems similar to those used in Nevers and Chambourcy will soon be used in other new stores.



TESTIMONY

Carrefour and the WWF preserve biodiversity

A neologism composed of the word biology and diversity, the term “biodiversity” groups together the natural diversity of all living organisms on earth, both animal and vegetable. Biodiversity affects consumers in their everyday lives through the products that they buy.

The way we consume also influences this diversity and can sometimes endanger it. It is thus up to all of us (the government, citizens and companies) to protect this natural heritage and review the way we consume.

NGO-corporate cooperation

Retail companies have a major role to play in preserving the environment. They are positioned at the crossroad between offer and demand and thus have an influence on consumer behavior, as well as raising awareness through the products they propose. Since 1998, WWF has been accompanying Carrefour in its efforts to achieve better respect for biodiversity. Much work has thus been done on the various supply chains that use endangered resources (wood, soy, palm oil, fish, paper, etc.).

Striving for certified palm oil

Today most palm oil comes from South East Asia where the industry plays a massive role in destroying primary forests. For several years the WWF has been fighting to set up a certified chain of supply for palm oil, from forests that are sustainably managed. Since 2008 in the framework of the partnership between the WWF and Carrefour, a task force has been examining the use of palm oil in several widely consumed products (crisps, cakes, fries, etc.).

Alongside the WWF, Carrefour has undertaken to make sure that 100% of the palm oil used in its own-brand products are certified by 2015. The brand thus participates doubly in the WWF’s fight, on the one hand by bringing local demand towards a more responsible offer, and on the other by guaranteeing its customers products that don’t further the destruction of our planet.

Preserving marine resources

Another example of collaboration linked to a resource in danger concerns our store offering of sea products. Today, 80% of the world’s halieutic stocks¹ are or are about to become over-exploited. We have thus had to take urgent action in order to preserve certain of these species that are threatened by extinction. The WWF has accompanied Carrefour in the drafting of a list of species to be protected. The aim is to stop their market sale (bluefin tuna, blue ling) or stop all communications aimed at promoting the species. The Group also favours MSC-certified products². Carrefour and the WWF work very closely with fisheries in order to assist them in making improvements.

In future, the WWF hopes to challenge and accompany Carrefour in its progress initiatives aimed at reducing its ecological footprint.



Olivier Guichardon

In charge of corporate partnership - WWF France

¹Halieutic stock: population of fish and sea products.

²MSC: Marine Stewardship Council, body guaranteeing sustainable management of the resource.

Target: reduction and recovery of waste

The Carrefour group has instituted waste management policy based on three levels of action: reducing waste (through the optimization of own-brand product packaging and stopping the use of disposable checkout bags); optimal recycling of store waste; and encouraging customers to sort for recycling.

In the framework of its Sustainable Development strategy, Carrefour has made waste reduction and the optimization of recycling one of its three main environmental objectives. A cooperation agreement signed in France to improve its environmental performance, has had Carrefour working with the ADEME on waste reduction since 2004. This collaboration has been further strengthened by the signing of the 2008/2011 framework agreement. It is notably planned that the Group carries on with its waste management activities by testing the implementation of a long-term system for reusing packaging and by launching – on the basis of an experiment carried out with methanisation at the store in Lomme (59) – a think tank on prevention and the management of organic waste. Consumer awareness raising campaigns on waste reduction will also be continued.

REDUCING WASTED GENERATED BY STORES AND OPTIMIZING THEIR RECYCLING

The main type of waste generated by stores comes from secondary packaging – notably cardboard – which is sorted by Carrefour in all countries. The sorting of other types of waste produced in smaller quantities (plastic, organic waste, scrap iron, etc.) is done within the framework of local waste recovery systems.

For over 10 years, French hypermarkets have provided for waste collection and sorting systems to enable the recycling of waste produced by its activities: in 2009, over 55% of the waste it generated was processed via the relative recycling channels (115,838 tons of cardboard, 4,302 tons of plastic, etc.).

For unsold food and textiles, Carrefour also works with charities to organize their redistribution: in 2009, 19,000 tons of food and clothes were collected in France, Spain, Italy and Belgium.

Carrefour has also made efforts to reduce the volume of store waste by replacing boxes and crates used for the shipping of merchandise by reusable plastic trays.

In 2009, the “Demeter environment and logistics club”, which Carrefour chairs, carried out a comparative life-cycle analysis which confirmed the benefits of these reusable trays.

Developing biomethanisation for the recycling of organic waste

To significantly increase the recycling of its waste, Carrefour has also resorted to the development of new waste streams. In Spain, Carrefour has benefitted from the development of biomethanisation units. This type of treatment recycles organic waste which has been sorted by the stores and produces compost and electricity from biogas. This is less costly than the conventional waste management systems and reduces greenhouse gas emissions. Carrefour also makes use of this type of treatment in Belgium where all consolidated stores sort the waste from their grocery, baker, fruit and vegetable sections. In France the system has been successfully tested at a store in Lomme and has since been deployed in five other stores. The Group’s aim in France is to work with government and local authorities in order to promote the development of these treatment units.



PRODUCT PACKAGING

Product packaging today has features that are vital to our lifestyles and current modes of consumption: they need to preserve, protect, inform, facilitate the use of the product and be easy to store. Packaging also needs to have a limited impact on the environment throughout its lifecycle. Over the past decade, Carrefour has been making efforts to optimize the weight of its own-brand product packaging. This has enabled the company to save 15,300 tons of materials (notably for non-standard packaging). Carrefour's packaging policy is based on five main beliefs and areas of work:

- reduction at the source and elimination of outer wrapping;
- preference for single-material solutions to facilitate sorting and recycling adapted to existing waste sorting streams;
- the use of recycled materials from current recycling circuits;
- the use of certified materials from certified and renewable sources;
- printing of paper and cardboard with environmentally friendlier inks and varnishes.

In 2008, the Group Purchasing Office carried out an inventory on Household and Personal Care products (HPC) in order to identify ways of improving their packaging and make them more environmentally friendly. The same will also be done for food products. The Group is also exploring solutions using renewable or abundant resources such as packaging made from "bio-materials" (or "bioplastics"), as well as recycled packaging: for example, some of the packaging used for Carrefour AGIR Bio products come from recycled cardboard and the plastic egg boxes come from recycled plastic bottles. Since 2009 Carrefour has also been participating in the "Global Packaging Project" of the Consumer Goods Forum. The goal of this project is to develop a common language and shared indicators so as to make the use of sustainable packaging easier for the different members of the supply chain. In 2010 Carrefour, along with Tetrapak, prepared a pilot to test these indicators.

ENDING THE DISTRIBUTION OF FREE DISPOSABLE CHECK-OUT BAGS BY THE END OF 2012

In 2003, Carrefour requested quantifiable and reliable data on the environmental impact of four types of bags: plastic; paper; biodegradable; and reusable. The company thus commissioned a study to assess the environmental impact for each stage of the bags' life-cycle including: production of the materials (plastic, paper, biodegradable material, glue, ink, pigments, etc.), manufacturing, transport and management at the end of the life-cycle. This was the first of to be carried out in compliance with international life-cycle analyses (ISO 14040/14043). Findings were also subjected to a critical study to complete their validation and enable their dissemination in a fully transparent manner. The analysis showed that after the fifth use, the reusable carrier bag was the most ecological of all the solutions studied (including biodegradable disposable plastic bags). As of 2004 most Group countries started providing the reusable carrier bags as an alternative to disposable plastic bags.

Carrefour has undertaken to stop the distribution of free disposable plastic checkout bags by the end of 2012. Since 2006 Carrefour has stopped or reduced their distribution and offers customers alternatives such as reusable bags. It enabled to save 10 billion disposable plastic checkout bags within 3 years. After Taiwan, Belgium, France, China and Poland, in 2009 Carrefour also put an end to the distribution of free disposable checkout bags in hypermarkets in Romania and Spain; supermarkets in Belgium, Poland, Romania and Spain; convenience stores in Italy and Belgium; and maxidiscount stores in Argentina, China, Spain, France, Greece and Portugal. At present, all stores offer their customers other alternatives. Thanks to actions implemented in the various countries, the Group reduced the distribution of free disposable plastic checkout bags by 37.5%, between 2006 and 2009, a saving of almost 34 tons of CO₂, i.e. the annual emissions of 14,000 cars.

ENCOURAGING CUSTOMERS TO SORT AND RECYCLE WASTE

In compliance with European legislation, Carrefour has set up collection systems for customers' waste electrical and electronic equipment (WEEE), as well as used batteries and ink cartridges. This practice is also being developed in other countries. Carrefour also participates in the operation of recycling networks. In France, for example, Carrefour is a board member of Eco-Systèmes, an ecological organization that handles WEEE and joined the Eco-Folio board 2009, an organization that contributes to the development of sorting and recycling of advertising catalogues and other types of paper.

In certain countries, Carrefour has helped the local communities to set up selective sorting sys-

tems. In Spain and Greece, Carrefour has provided its customers with waste recycling centres next to the stores for glass, plastic, metal, paper, small household appliances, telephones and batteries. In Greece, Carrefour Marinopoulos created a national association under the auspices of the Ministry of the Environment, setting up 13 recycling centres for all types of waste. Furthermore, in France, since 2005, Carrefour's own-brand products include packaging information developed with the assistance of the ADEME to explain the advantages of sorting and recycling.

In several countries, stores also organize awareness campaigns on the importance of waste reduction, sorting and recycling. In 2009 Carrefour France participated in European Waste Reduction Week in partnership with the ADEME.

IN PRACTICE

Carrefour Spain no longer likes check-out bags

In 2009 Carrefour became the first Spanish retailer to stop distributing free disposable plastic check-out bags. Through this voluntary initiative, Carrefour pre-empted the implementation of the National Integrated Waste Plan. During the transition period, Carrefour offered its customers reusable bags, totally free of charge. All employees were trained (150,000 training hours) so as to inform customers and guide them in their change of consumption habits. At the time, Spain was the third biggest consumer of disposable plastic bags. With the provocative slogan "Bolsa Caca", this event was a real highlight of the communications campaign and along with its shock videos, Carrefour Spain managed to get widespread media coverage (press, TV and Internet).

IN FIGURES



1 billion

fewer disposable plastic bags in 2009 (vs. 2008)
thanks to Group actions



IN FIGURES

Carrefour's contribution to the collection and sorting of Waste Electrical and Electronic Equipment (2009) in France in 2009.

317,996 appliances

collected by Carrefour

Over

2,848 tons

of CO₂ avoided

3,500 tons

of WEEE recovered

2,975 barrels

of crude oil saved thanks to the recycling of the appliances collected by Carrefour



PERSPECTIVE

Regarding the use of biomaterials for packaging

With concern for current and future strategic, economic and environmental considerations Carrefour has been considering the use of "biomaterials" or "bioplastics". Being relatively new, there isn't enough hindsight or feedback as yet, so the Group remains relatively prudent on their use.

However an eye must be kept on their technical development as the potential for using them as alternative for the progressive replacement of non-renewable resources (oil) is huge. The Group will nevertheless analyze that certain fundamental criteria are still respected:

- the material must comply with certain packaging imperatives (maintain its essential functions and comply with local and European legislation);
- products of agricultural origin (biomass) must not come from resources directly destined for human/ animal consumption (food crops);
- the traceability of renewable resources must be clearly proven and declared;
- a comparative life-cycle analysis must be carried out according to national standards (ISO 14044);
- the economic impact resulting from the use of a biomaterial must be examined;
- there must be enough sources of demand and supply to prevent any parties from becoming economically dependent on Carrefour;
- the material must be adapted to processing through existing sorting channels;
- there must be the possibility of printing on the material with minimum negative impact on the environment.

6

Carrefour **Offer**

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Promoting responsible consumption through our product offer

Carrefour is committed to enable its customers become responsible consumers. That's why Carrefour offers a wide range of products covering all aspects of sustainable development. The Group is committed to expanding its range to offer responsible products at affordable prices to as many consumers as possible through its own-brand ranges, such as Carrefour Quality Lines and Carrefour AGIR.

Carrefour Quality Lines: a pioneering approach to Sustainable Development

Carrefour launched its first "Carrefour Quality Lines" for fresh food products (meat, vegetables, seafood products, cheese, etc.) in 1992, initiating a new type of partnership between mass merchandising and the agricultural community, both in France and around the world. The Carrefour Quality Lines aim to meet consumer demands for food safety, freshness, taste and authenticity, and environmentally-friendly production methods. Based on an upstream work with suppliers rewarded for the quality of their produce, Carrefour Quality Lines form part of a genuine Sustainable Development approach, contributing to the economic, social and environmental development of regions in the countries in which the Group operates.

QUALITY LINE COMMITMENTS

The Quality Line approach is based on authenticity, traceability from the field to the fork, long-term partnerships with producers, tradition and respect for the environment. Producers are required to comply with a set of similar specifications, including an integrated approach to agriculture, breeding conditions that respect animal welfare, a ban on chemical treatments after

harvesting, and the absence of GMO products in animal feed (pork, salmon, eggs, poultry, etc.) and the plant production process (fruit and vegetables). (See page 48 for more information on our approach).

QUALITY LINE PRODUCTS IN 15 COUNTRIES

In France, Carrefour Quality Line products include around 75 French lines, based on partnerships with more than 22,300 producers. Carrefour and oyster farmers in the Bay of Cancale passed an important milestone in 2009 with the signing of a Carrefour Quality Line partnership for Cancale oysters. More than 70 oyster farmers from each of France's coastal regions now work in partnership with Carrefour as part of a long-term relationship based on trust. Carrefour Quality Line oysters represent 70% of oyster sales in Carrefour hypermarkets.

More than 464 lines have been developed in 15 countries worldwide. 46 new Quality Line products were launched in 2009, including in Colombia, which launched its first Quality Line of pork product (see page 48).

Carrefour AGIR Bio: organic and affordable

AN EXPANDING PRODUCT RANGE

Carrefour was one of the first retailers to offer organic products in its hypermarkets and supermarkets. Even before organic products became as popular as they are today, Carrefour launched its first organic product in 1992: the "Boule Bio", a loaf of bread made from flour and yeast sourced from organic farms.

In 1997, Carrefour developed the Carrefour Bio-grocery range and launched a series of AB*-labelled organic infant nutrition products as part of the Carrefour range. In 2004, Carrefour further strengthened its commitment with a range including bouquets of organic flowers. 2005 marked a major turning point with the launch of Carrefour AGIR Bio, a dedicated range of organic products and textiles. In 2008, the range was extended to include pet food, as well as cosmetics. Carrefour became the first retailer in France to offer a range of organic hygiene and beauty products for the whole family. Since its launch, our range of 17 Carrefour AGIR Bio products

has been a huge success. Now marketed in five countries, its sales volume has doubled, while turnover has increased by 60%.

OUR GOAL IS TO ENABLE AS MANY CONSUMERS AS POSSIBLE TO ENJOY ORGANIC PRODUCTS

Carrefour has been committed to providing as many consumers as possible to enjoy organic products for over 18 years, at prices 25% lower, on average, than specialist stores. Thanks to its extremely wide product range and low prices, Carrefour is the leading retailer of organic products in France, offering more than 3,700 organic products in its hypermarkets world-wide. In 2009, Carrefour expanded its range of food and non-food products to include its leading permanent range of plain bath towels and its entire permanent TEX percale range in organic cotton (*see insert*). Carrefour is set to double its Carrefour AGIR Bio product assortment in 2010.

* French Organic label.

IN PRACTICE

Carrefour is expanding its organic textile range

Carrefour's TEX AGIR textile range included more than one million items in 2008, including products for babies, children and adults and bed linen. In 2009, following the launch of our plain bath towel ranges and a range of TEX AGIR Bio percale sheets, 3 million additional items were made available in Carrefour stores. Our leading permanent range of plain towels and our entire permanent TEX percale range are now made from organic cotton and manufactured by a Belgian supplier, Carrefour's partner since 1965.

Cotton supplies around 50% of world demand for textile fibres and is seen by most consumers as a "natural" product. However, it is a major consumer of pesticides: it represents 4% of global use of pesticides alone, but just 2.5% of crops (all crops worldwide combined). Based on its two new, totally GMO-free organic cotton lines, Carrefour has reduced the use of pesticides and insecticides by 5 tonnes a year. Carrefour carefully checks that the dyes and chemical substances used to produce its products are not dangerous to customers (that is, they do not contain allergenic or cancerous substances). This guarantee is certified by the Oeko Tex label. Carrefour recently went a step further by eliminating PVC packaging for its ranges, replacing it with cardboard packaging to save 45 tonnes of PVC a year.

Carrefour: supporters of fair trade for over ten years

CARREFOUR: SUPPORT FROM THE START

In 1998, Carrefour was the first mass retailer to launch a fair trade product – Malongo coffee, sourced from small coffee growers.

Carrefour soon began to offer other fair trade products before launching its own-brand fair trade product range, Carrefour AGIR Solidaire, in 2007. During the Fair Trade Week in 2009, Carrefour organised a conference to raise the awareness of employees at its head office in Levallois. Carrefour France underlined the Group's commitment by signing the "Max Havelaar Fair Trade Charter" during the conference.

This charter outlines the "philosophy" behind Carrefour's commitment to fair trade and its producers, including the involvement of producer organisations, the application of fair trade practices by Carrefour suppliers, as well as the

relationship between Carrefour and Max Havelaar and the promotion of fair trade via the Max Havelaar label. By signing the Fair Trade Charter, Carrefour committed itself to supporting the Mission of Max Havelaar France and to integrating it into its business plan.

Today, Carrefour is the leading retailer* of fair trade products with sales worth more than 70 million euros in 2009 (excluding textiles).

More than 400 listed products featuring the Max Havelaar label were available in stores in 2009, including a number of key brands, such as Alter Eco, Carrefour AGIR Solidaire, Lobodis, Ethiquable and Malongo.

* Compared with other retailers, based on 2008 figures.



IN PRACTICE

The story of Andes cordillera honey from the Carrefour AGIR Solidaire range, the Max Havelaar labelled

Boasting exceptional natural flora, the Andes cordillera in Chile offers a unique environment for the production of quality honey.

Behind this honey lies an exemplary story of two Chilean cooperatives. Apicoop, FLO-certified since 1994, is a cooperative of Mapuches Indians from the Valdivia region, most of whom were forced to abandon their land. These 300 honey producers are now able to earn a living from their produce. Using a development allowance, they have taken training courses, built a honey packaging unit, bought land to grow arándano, a local berry, and now promote their indigenous culture. At the same time, their presence helps preserve Ulmo forests, a threatened tree species.

As part of a honey producing area, these forests are now protected.

At the second facility in Coasba, fair trade has ensured the profitability of local honey production. Certified since 2000, this cooperative of some forty landless peasants has invested in a community extraction facility and a packaging production line, and issues loans to its members. This has enabled them to buy land, improve their dwellings and send their children to school and even, in some cases, to university.

CARREFOUR AGIR SOLIDAIRE: WIDENING ACCESS TO FAIR TRADE PRODUCTS

The Group has developed the Carrefour AGIR Solidaire range, which combines both fair trade products (Flo-cert or Écocert certified) and solidarity products, purchases of which help to support humanitarian associations.

Carrefour AGIR Solidaire now features more than 25 listed Max Havelaar-labelled products, including food products (coffees, cocoa powder, chocolate

bars, juice, tea, honey, sugar and bananas), roses and textile products (pillow-cases, sheets, towels, facecloths, duvets and duvet covers).

Carrefour AGIR Solidaire products are sourced from 59 cooperatives of small food producers (80% in South America, 8% in Africa, 12% in Asia).

Environmentally-friendlier products at prices people can afford:

The Carrefour AGIR Éco Planète range, launched in 2006 and marketed in several countries, consists of "core market" food and non-food items produced with the aim of minimizing their impact on the environment. All are certified (EU Ecolabel, FSC, MSC etc.) or are backed by an external guarantee. In 2009, the Group offered 117 Carrefour AGIR Éco Planète non-food products, 13 food products, and 18 home and personal care products.

The Carrefour AGIR Éco Planète range underlines Carrefour's commitment to protecting biodiversity. That's why Carrefour offers customers fish products Marine Stewardship Council (MSC) certified, which guarantee the responsible management of marine resources and FSC (Forest Stewardship Council) certified wood products, which guarantee the sustainable management of forests.

PRODUCTS THAT HELP PROTECT FORESTS

Carrefour has been working with the WWF since 1998 to promote FSC-certified wood species. The FSC is a non-government organisation that ensures the sustainable management of the forests it certifies. In 2008, the Group's international purchasing office confirmed its commitment by developing an assortment of outdoor furniture made from FSC Amburana, FSC Eucalyptus and Acacia. Acacia is a tree species not on the IUCN endangered species list and for which a certification process is currently undertaken with the Vietnam Forest and Trade Network (VFTN). More than 70 Carrefour AGIR Éco Planète FSC-certified products are marketed worldwide. In 2009, the Group expanded its range of Carrefour AGIR Éco Planète-certified wood products with the launch of a line of FSC-certified toys (*see insert*).





IN PRACTICE

A new range of Carrefour Éco Planète wooden toys

Carrefour Éco Planète launched a new range of toys made from natural, sustainable materials (FSC wood and bamboo) for Christmas 2009. Suitable for all ages, the range features forty toys, including first steps toys, manual agility toys for babies and young children, construction toys, and puzzles and other board games. Carrefour and its toy manufacturer have implemented environmentally-friendly management practices at the production site as part of an environmentally responsible partnership. The optimisation of off cuts during production has cut down on the amount of wood and bamboo used and reduced waste. A recovery system for excess steam produced by a neighbouring factory also helps reduce energy consumption. Waste management and pre-release water and air treatment systems have also been put in place. This approach was extended to toy packaging (bags, boxes and bands), which are made from recycled materials. In addition, the water-based ink used as part of the production process has been carefully selected to avoid air and environmental pollution.

“RESPONSIBLE FISHING” PRODUCT RANGE

In order to offer customers a selection of fish products guaranteed to promote responsible fish stock management, the Group is currently focusing its efforts on traceability, minimum size requirements, fishing zone selection, and the development of a Marine Stewardship Council (MSC) certified Carrefour product range. Consumers can now choose from an extensive range of more than 20 MSC-certified products in Carrefour stores (26 products, including 13 Carrefour AGIR Éco-Planète products) at prices everyone can afford. Carrefour is now the leading French retailer of MSC certified own-brand products. Alongside these products, for the last five years Carrefour has been developing a responsible sourcing policy. In partnership with the WWF, Carrefour's teams identify fishing areas, fish species and partners committed to responsible fishing practices. Buyers base their decisions on the Seafood Choices Alliance guide, which details the different species of fish marketed in France and Belgium from a sustainability perspective. Furthermore, after several years of gradual reduction, Carrefour decided to stop selling Mediterranean bluefin tuna in France in 2008, in line with moves made by other European countries in which it operates. Carrefour has also suspended sales of other endangered species such as the deep sea perch and the blue ling.

Since 1995, with its CQL product range, Carrefour also offers sea food products while preserving marine resources and contributing to the development of the local economy.

Lastly, the “Fishermen of our Coast” range in French supermarkets offers seasonal produce sourced from local fisheries.

A WIDE RANGE OF PRODUCTS FOR MORE ENVIRONMENTALLY-FRIENDLIER HOMES

The Carrefour AGIR Éco Planète range includes some twenty home and personal care products. In 2009, the Carrefour AGIR Éco Planète non-food product offer was expanded to include a range of cleaning products for cars and garden furniture.

Four Carrefour AGIR Éco Planète cleaning products for garden furniture and six cleaning products for cars have also been launched in France and will be made available worldwide.

Certain products are based on a new biotechnological development – biosurfactants – a natural surface-active substance produced by bacteria, developed in collaboration with the French CNRS research centre. The chemical formula of this product is not classed as dangerous. Benefiting from a high biodegradability rate, it is just as effective as its chemical equivalents.

It is used as an ingredient in the following cleaning liquids: car shampoo (EU Ecolabel), a dashboard



cleaner, an exotic-wood furniture care product, a cleaning product for exotic wood furniture (EU Ecolabel), and a resin furniture cleaner (EU Ecolabel), part of the Carrefour Éco Planète range launched in 2009.

Other Carrefour AGIR Éco Planète products launched in 2009, such as cleaning products for rims and fabrics, a deodoriser for cars, and a barbecue cleaning product, are also made from plant-based ingredients and enjoy a high

biodegradability rate. Lastly, a new Carrefour AGIR Éco Planète product for cleaning wind-screens has been designed using the EU Ecolabel formula. In 2009, DIA also launched its first range of DIA ecolabel products in France. The hard discount banner now offers its customers DIA-branded cleaning products containing phosphate-free, vegetable-based ingredients featuring the ecolabel.

IN PRACTICE

Ecolabel paint

In September 2009, Carrefour replaced its former own-brand paint ranges with an expanded line of more than 300 products in France and Spain, 80% of which have been awarded an ecolabel (NF Environnement and EU Ecolabel), priced on average 20% less than national brands. These ecolabel paints are more effective, offering excellent coverage (according to tests performed at an EU Ecolabel certified laboratory), more wear resistant (QUV 500h test) and have a minimal impact on the environment. In fact, they contain fewer VOCs (volatile organic chemicals) and fewer dangerous substances (formaldehyde, dihydroxydiethyl ether, etc.). Carrefour's EU Ecolabel paints are among the first on the market to meet new, stricter leaching standards (authorised loss of 20 microns of matter rather than 60 microns, after leaching). Carrefour is the first brand to market magnetic water-based paints and chalkboard water-based paints. Awarded the EU Ecolabel, it is particularly well-suited to children's bedrooms.

Offering energy efficiency products

Fully committed to tackle climate change, Carrefour offers products that help customers reduce their energy consumption while saving money. For example, Carrefour has developed 10 own-brand low-energy light bulb products over the last two years. These low-energy light bulbs consume five times less electricity and last eight times longer. Through shelf promotion, sales events and the gradual withdrawal of more

energy-hungry light bulbs, low-energy light bulbs now represent more than 20% of total light bulb sales. Carrefour also offers its customers other products designed to help them reduce their energy consumption, such as dynamo torches, solar mobile chargers, a standby cut off plug for electrical appliances and electricity consumption indicators for household appliances.

IN PRACTICE

Carrefour Énergie

In 2009, Carrefour France launched Carrefour Énergie by POWEO. By teaming its sales network with Poweo's expertise, Carrefour has developed a new solution that builds on its current service offering and helps customers become responsible consumers – certified green electricity at affordable prices. The Group is the first retailer in Europe to offer households the option of switching to easy-to-use 100% green gas and electricity at the same price as conventional energy.

IN FIGURES

Some **24 million**
energy saving light bulbs were sold
by Carrefour worldwide in 2009

Raising customer awareness to promote responsible consumption

Encouraging customers to consume responsibly is part of the Group's responsibilities. Its stores therefore organise an increasing number of operations devoted to Sustainable Development awareness, responsible consumption, protecting the environment, environmentally-responsible actions, and other issues.

Informing and raising awareness on Sustainable Development issues

STORES: A KEY ROLE IN RAISING CUSTOMER AWARENESS

The Group uses its stores, visited by millions of customers worldwide everyday, to promote Sustainable Development awareness campaigns. Carrefour stores across the world organise numerous initiatives to coincide with national, European and international events. With the support of partners such as ADEME, the WWF and national organisations, Carrefour raises customer awareness on key Sustainable Development issues, including waste reducing and recycling; energy efficiency and climate change; sustainable consumption; and the preservation of natural resources and biodiversity. These initiatives also enable Carrefour to promote its responsible product ranges through its sales outlets and communication media, and lastly to raise the profile of its Sustainable Development policy.

INVOLVEMENT IN MAJOR INTERNATIONAL EVENTS

In 2009, the Carrefour group was closely involved in a number of climate change campaigns. It took part in the United Nations "Seal the Deal" campaign to call on the governments to reach an ambitious, effective and fair agreement in Copenhagen. In this regard, Carrefour provides its customers with information about climate change issues based on initiatives designed to reduce greenhouse gas emissions.

The Group has taken part in World Environment Day in all Carrefour countries for a number of years. During the 2009 event, Carrefour Thailand followed in the footsteps of Romania,

Argentina and Taiwan by encouraging its customers to use reusable check-out bags. Carrefour teamed up with the Department for the Promotion of Environmental Quality (DPEQ) to support the "45 days to decrease plastic bags to decrease global warming" campaign that aims to cut the use of plastic bags in the retail sector. As part of this campaign, Carrefour also signed a protocol agreement with the Ministry of Natural Resources and the Environment, and the DPEQ. To mark World Environment Day, Carrefour launched and distributed the reusable "Carrefour Green Bag" for free. The banner also participated in the World Environmental Day 2009 Exhibition organised by the Ministry of Natural Resources and the Environment, where it introduced the public to its environmental initiatives.

MAJOR EUROPEAN CAMPAIGNS

European Sustainable Energy Week

Providing information about Sustainable Development challenges and energy efficiency helps consumers change their consumption habits. That's why the Carrefour group was keen to team up with the European Commission for European Sustainable Energy Week in 2009 and 2010. The only retailer to partner this event, the Carrefour group called on the support of its stores in six European countries (Belgium, France, Italy, Greece, Poland and Spain) to ensure optimal exposure for the initiatives organised as part of this event.

From 9 to 13 February 2009, stores in each country promoted products (low-energy light bulbs, A energy-efficient appliances, etc.) enabling to help customers save energy.

In partnership with Tetra Pak, the Carrefour group also decided to create Carrefour own-brand limited edition milk and orange juice cartons to coincide with European Sustainable Energy Week 2009. Information displayed on the packaging helped inform and raise the awareness of consumers to sustainable energy issues, the benefits of cardboard packaging and the importance of sorting and recycling. The limited series was available from the end of January to mid-February in Group stores in France, Belgium, Spain and Italy. European Sustainable Energy Week 2009 also provided an opportunity to raise customer awareness on energy efficiency issues *via* the Group's communications media. In France, for example, several pages in hypermarket and supermarket catalogues featured information about energy-saving products and advice from ADEME to encourage everyone to reduce their energy consumption. The Loyalty mailing also provided an opportunity to encourage customers to replace their conventional light bulbs with energy saving light bulbs. The carrefour.fr website carried an interview with an ADEME manager focusing on the issue of reducing energy consumption and CO₂. An ADEME leaflet on energy saving lamps and another issued by the WWF and ADEME featuring 30 environmentally-friendly everyday eco tips for saving energy were also made available to customers.

The European Week for Waste Reduction

The Group raises customer awareness on the need to reduce, sort and recycle waste in all Carrefour countries. Stores make available collection points where they can recycle their waste and organise awareness campaigns. In France, for the fourth year running, the Group partnered the European Week for Waste Reduction in 2009. To mark the occasion, stores promoted waste-efficient products (bulk-buy and large format products, reusable items, etc.), and representatives of environmental organisations (Recyclum and Éco-Systèmes) were on hand in stores to inform and raise the awareness of customers to waste recycling issues. Carrefour promoted this operation and related events *via* various media, including its catalogue, a specific section created on the carrefour.fr website and

a loyalty mailing. Hard discount stores also promoted this campaign to customers by organising events supported by ADEME and Recyclum.

Information displayed on the packaging of more than 820 Carrefour products encourages customers to sort their waste as part of their daily routine. Produced in collaboration with ADEME, they provide customers with information about sorting and its benefits.

MAJOR NATIONAL CAMPAIGNS

Carrefour takes part in national and even local awareness events and campaigns in all Carrefour countries.

In 2009, Carrefour promoted national climate change initiatives in many countries around the world.

In France, for example, several initiatives were organised as part of a series of major national campaigns. For example, the Group took part in Sustainable Development Week, organised annually by the Ministry for Ecology and Sustainable Development. In 2009, more than 160 hypermarkets and numerous supermarkets organised a series of events to mark the occasion, in partnership with suppliers, local authorities and its partners, and promoted responsible products in store. MEEDDM* awareness posters were also displayed in stores. Carrefour never misses an opportunity to take part in the *Printemps du Bio*. To coincide with the tenth event, stores organised a series of operations focusing on organic fruit and vegetables, in partnership with Agence Bio. Special signs and product staging were also used to promote these items in stores. Lastly, a new website dedicated to organic products was launched to coincide with the event. Created in partnership with the WWF, the www.carrefouraimelebio.com website promotes the Group's commitment to organic farming and provides an introduction to Carrefour AGIR Bio products. To raise consumer awareness, Carrefour also takes part in the Fair Trade Fortnight. In 2009, stores organised events and tastings, and promoted the initiative *via* a dedicated section on its website. A competition organised in association with Max Havelaar raised the awareness of 19,000 website visitors to fair trade issues.

WORKING WITH ASSOCIATIONS AND NGOS TO PROMOTE SUSTAINABLE DEVELOPMENT

In many countries, Carrefour works with local associations and NGOs to raise consumer awareness on Sustainable Development issues. In practice, this partnership includes the presence of NGO volunteers in stores to provide customers with information during specific campaigns or through Carrefour's participation in campaigns organised by these NGOs. In 2009, Carrefour launched initiatives in many countries to inform its customers about climate change. In France, Poland and Thailand, Carrefour took part in the "Earth Hour" campaign organised by WWF. In France, Carrefour also teamed up with WWF for its "Climate Operation" campaign to mobilise

consumers and employees around this issue, during the weeks just before the Copenhagen summit. In Colombia, Carrefour joined WWF's "Every small step you take is a big step for the planet" campaign focusing on promoting responsible consumption and environmentally-friendly actions (see page 119). In Brazil, Carrefour has been a strategic partner of the Institut Akatu in promoting responsible consumption since November 2008. In 2009, this partnership led to the establishment of a pilot training course for employees on the subject of Sustainable Development, the first stage of a programme to promote "Responsible consumption forums" targeted at consumers and employees.

Guidance and information to promote responsible consumption

GUIDING CUSTOMERS IN STORES

In some countries, Carrefour uses dedicated Sustainable Development signage in its stores. In France, for example, the "I'm a responsible customer with Carrefour" signs guide customers to used battery and ink cartridge collection points. Since 2007, posters explaining the financial benefits of using energy saving light bulbs and their contribution to reducing CO₂ emissions have been displayed in stores. In Colombia in 2009, Carrefour adopted dedicated shelf tags for more than 250 organic products and 40 fair trade products (Colombian programme to phase out the farming of illegal crops), in 46 of the country's stores.

EXTERNAL COMMUNICATION TOOLS TO MORE EFFECTIVELY INFORM CUSTOMERS

The Carrefour group has developed a number of targeted and appropriate tools to optimise its customer communications. These tools also help raise awareness on Sustainable Development and responsible consumption issues.

The new "Carrefour mag" in France recently grouped together the consumer magazines distributed in supermarkets and hypermarkets. The "J'y crois" (I believe in it) section, featured in each issue, is dedicated exclusively to Sustainable Development (consumer action, the environment, solidarity, etc.). The first issue of the "Carrefour Voyages" magazine, launched in the summer of 2009, outlined Carrefour Voyages' commitment to the "Charte du Voyage" (Travelling Charter). Carrefour Voyages co-signed this charter with its partners (WWF/ECPAT France/CO₂ Solidaire), thus committing to ensuring its travel services respect the local environment on and particularly:

- to raise awareness on environmental protection;
- to combat sex tourism;
- to perform carbon offsetting.

Lastly, in partnership with UNITAID, a solidarity tax is now levied on plane tickets to help finance developing countries.

Carrefour's customer loyalty mailings are also used to get the message across. In 2009, they included a section designed to raise awareness on Sustainable Development and solidarity issues.



Lastly, the Group also uses a range of audio-visual media to raise customer awareness. All Carrefour Market stores regularly screen Sustainable Development films targeted at customers.

They focus on the Carrefour AGIR range, actions implemented with WWF to tackle climate change, and waste reduction.

IN PRACTICE

The Carrefour Colombia campaign to promote responsible consumption

Carrefour Colombia has launched an internal and external communications campaign called “Cualquier pequeño cambio que hagas, es un gran cambio para el planeta” (Every small step you take is a big step for the planet).

This campaign, supported by the WWF, focuses on four key themes:

- raising customer awareness on recycling: Carrefour’s Bogotá and Medellín stores now provide their customers with a recycling point where they can place their cardboard/paper, plastic, glass and aluminium waste;
- promoting sustainable consumption: 250 listed organic products and 40 fair trade products are highlighted using shelf tags;
- promoting reusable bags offered in stores;
- raising customer and employee awareness on responsible environmental actions: a media campaign focusing on the issue of responsible consumption was launched in several magazines and newspapers; a dedicated mini-website has also been created.

A car-sharing trial for hypermarkets customers and employees in France

In 2009, the Lyon Part-Dieu hypermarket was the first to pilot a car-sharing scheme for its customers and employees. Carrefour’s partner, WWF, supports this initiative by providing customers with awareness-raising information on the car-sharing website made available by Carrefour. In 2010, the pilot will be extended to around fifteen hypermarkets in France.



PERSPECTIVE

Information on the environmental impact of products

Carrefour is dedicated to providing consumers with appropriate and clear information. Several types of information already exist, along with numerous familiar and recognised labels. Developing a product comparison system however still raises a number of problems.

Enabling consumers to compare and choose products according to their actual environmental impact is a serious undertaking that exposes retailers to a number of risks:

- This information would need to be based on a number of different criteria in order to take into account the actual environmental impact of a product, given that the carbon footprint alone does not meet this objective and could, in certain cases, mislead consumers.

It risks obscuring other environmental criteria, such as water consumption, waste, biodiversity and toxicity, which may be the main impact in the case of certain products.

For example, it would be pointless to display the carbon footprint of cod without mentioning low stock levels. Some products have a very small carbon footprint but a major impact on pollution, water and biodiversity. A label devoted uniquely to a product's carbon footprint would be like labelling vodka 0% fat (which has happened).

- Any information or comparison system should not only be based on an internationally-standardised process and calculation method, but also be supported by certifying bodies to check and validate if the information complies with these standards, otherwise we risk triggering a situation in which retailers and producers compete to make increasingly bold claims about their own products, which could damage healthy competition between operators without helping consumers.

- The comparability of products in a same family requires the development of a database with a high level of reliability, which is difficult to achieve at this stage in the development of multiple product criteria.

- If information is made available, it will be subject to certain legal risks, making it essential to establish the responsibility of each party involved in this process.

- The costs involved in calculating and regularly updating this information must be sufficiently small so as to limit their impact on the cost of the products and must be justified by the usefulness of the process in terms of changing purchasing patterns and actual environmental benefits.

This does not mean that we are opposed to comparative information. In fact, Carrefour took part in an environmental information collection trial for some 300 everyday consumer products as part of an FCD, ADEME and ANIA project.

This work must be performed internationally, and particularly at a European level, by taking into account its level of acceptability and usefulness for consumers, as well as any inherent legal issues.

This information must be clear and understandable for all consumers to enable them to make informed choices.

Our role and that of all stakeholders is to help raise consumer awareness in order to promote more responsible consumption. Initially, this will very probably be based on straightforward elements, such as information on the product family, rather than the product itself, thus accounting for uncertainly related to calculation methods, advice on the consumption of seasonal products, instructions for use, labels, or a description of its tangible and clear environmental benefits.

Carrefour also support suppliers by raising their awareness and providing them with various tools to help them advance on this issue. Since 2006, Carrefour has provided suppliers of its own-brand products with a self-assessment tool enabling them to assess their level of Sustainable Development. This pragmatic tool fosters a better understanding of environmental impacts (air and water emissions, energy efficiency, etc.), to make it easier to implement effective reduction action plans.

7

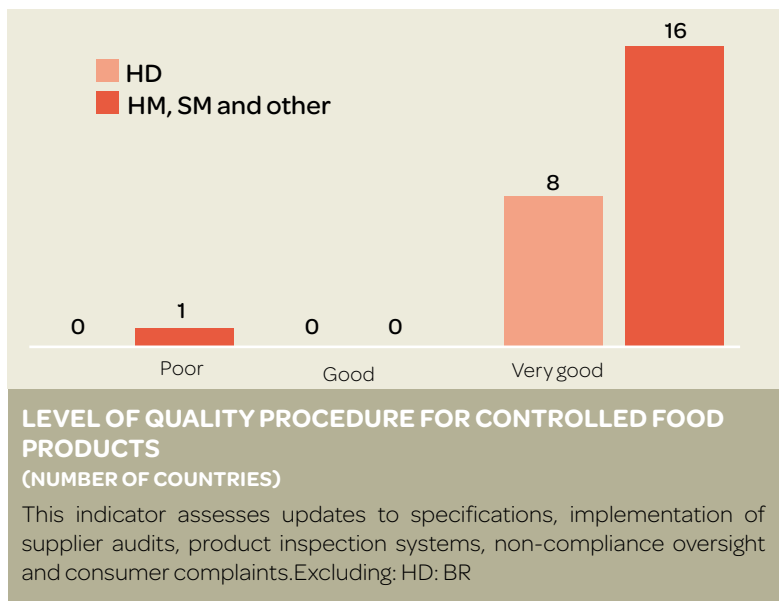
Indicators

- Key indicators by geographic region 122
- Key indicators by format 130
- 2009 progression of the Group's performance 131

Key indicators by geographic region

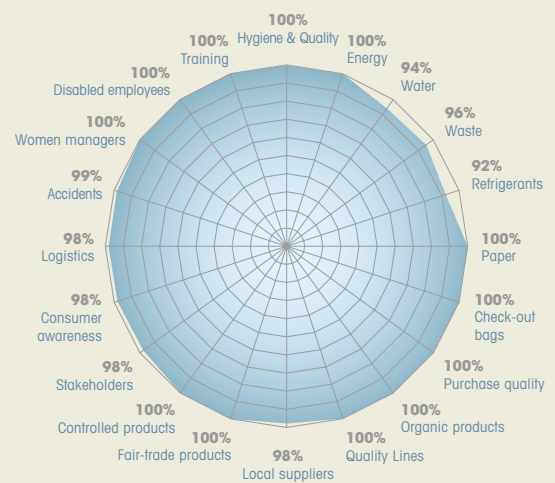
Indicators, which were selected for their relevance in regard to the impact of Group operations, measure the effectiveness of its policies and the progress of its action plans.

KEY INDICATORS QUALITY



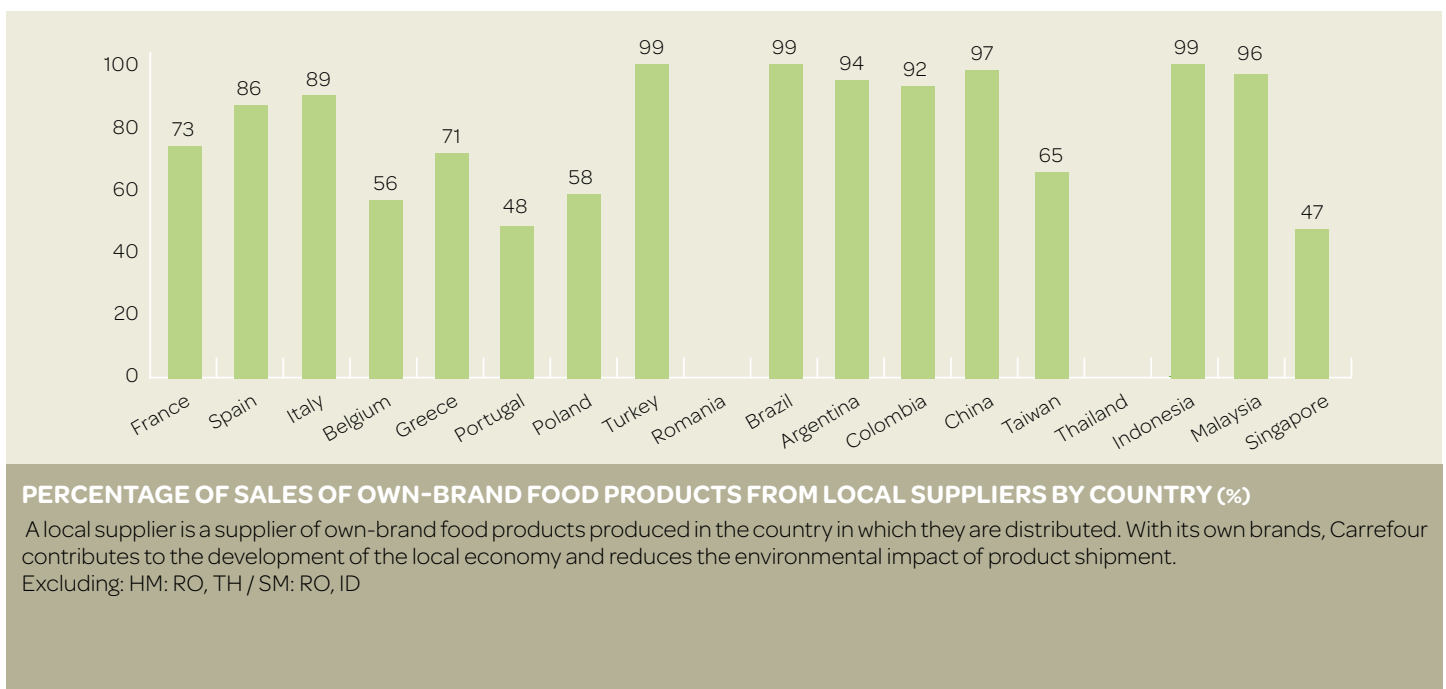
OVERALL INDICATOR

SCOPE OF REPORTING



Percentage of consolidated sales (excl. VAT) covered by 2009 report

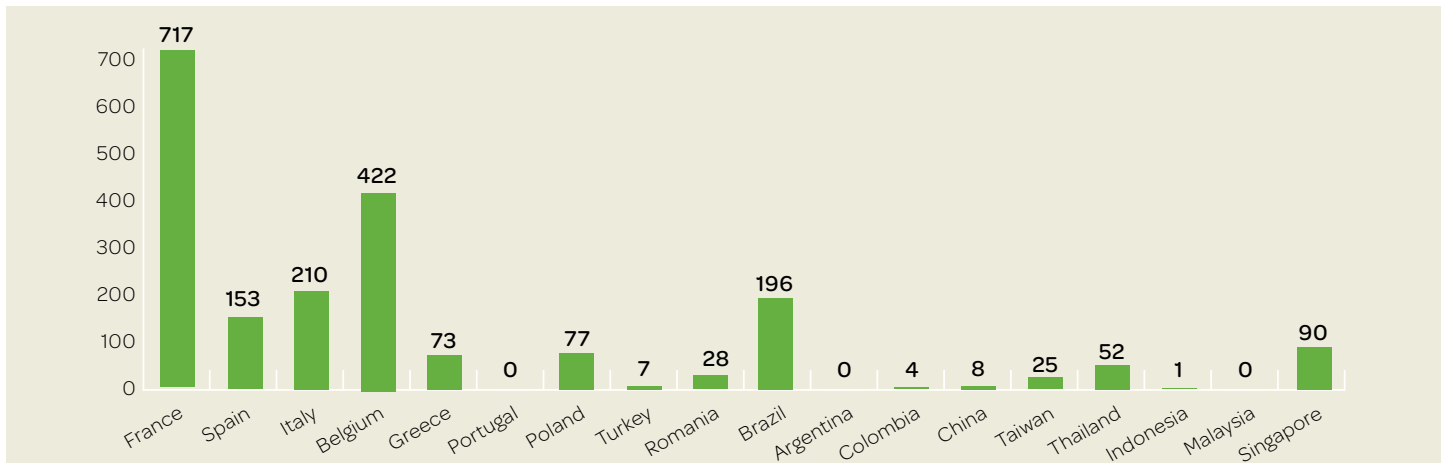
KEY INDICATORS LOCAL DEVELOPMENT



7/ Indicators

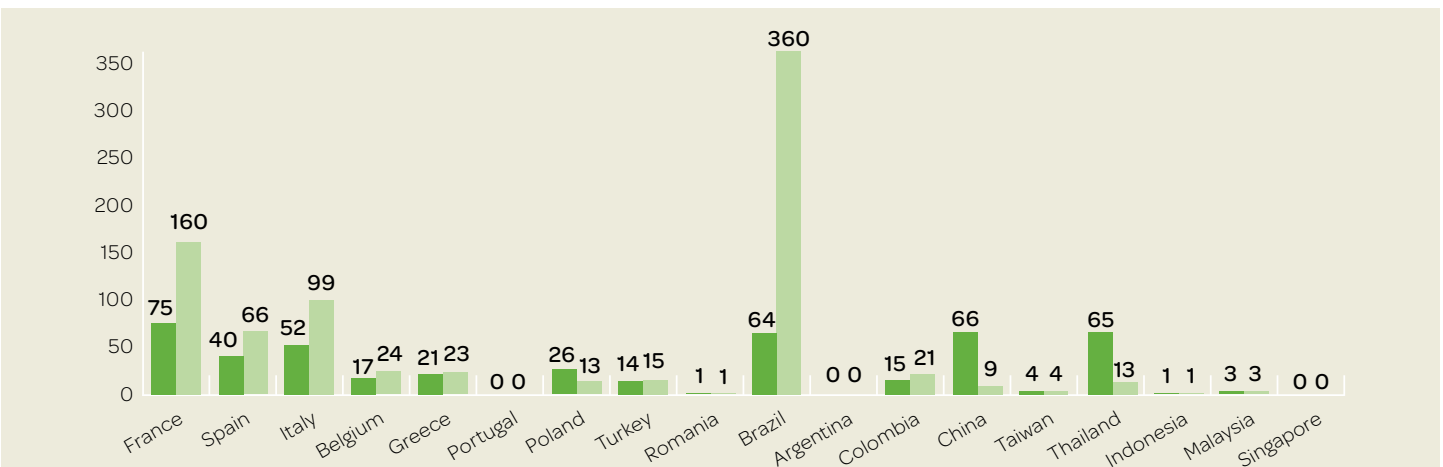
Key indicators by geographic region

KEY INDICATORS PRODUCTS



NUMBER OF LISTED OWN-BRAND ORGANIC OR ECOLOGICAL FOOD PRODUCTS BY COUNTRY

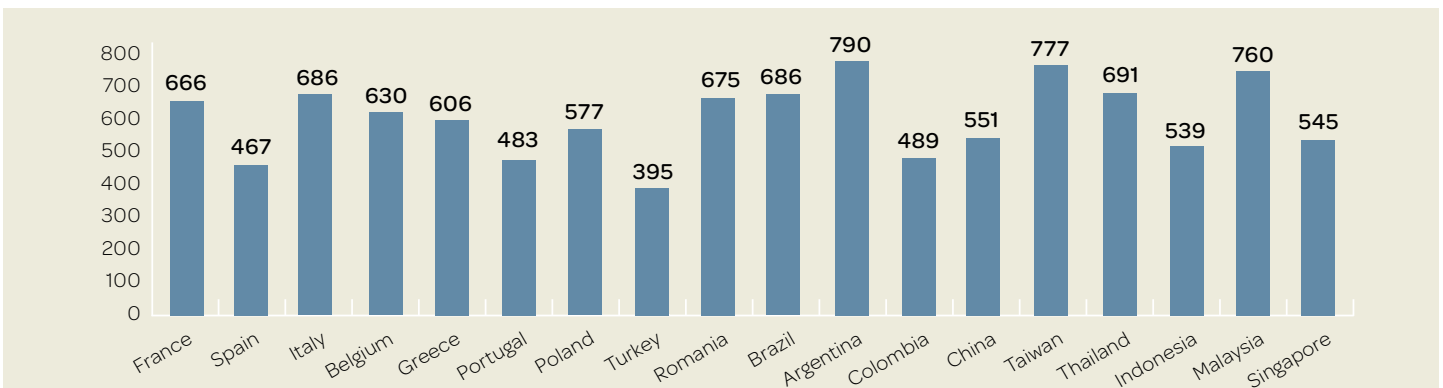
The range of organic products continues to expand in the various countries, though with lower demand in certain countries in Asia and the Americas. Today, only Argentina and Malaysia do not offer own-brand organic food products in their stores. The range of organic products grew by 29% in 2009, reaching 2,076 items. Excluding: SM: ID



NUMBER OF QUALITY LINE PRODUCTS BY COUNTRY NUMBER OF QUALITY LINE CONTRACTS BY COUNTRY

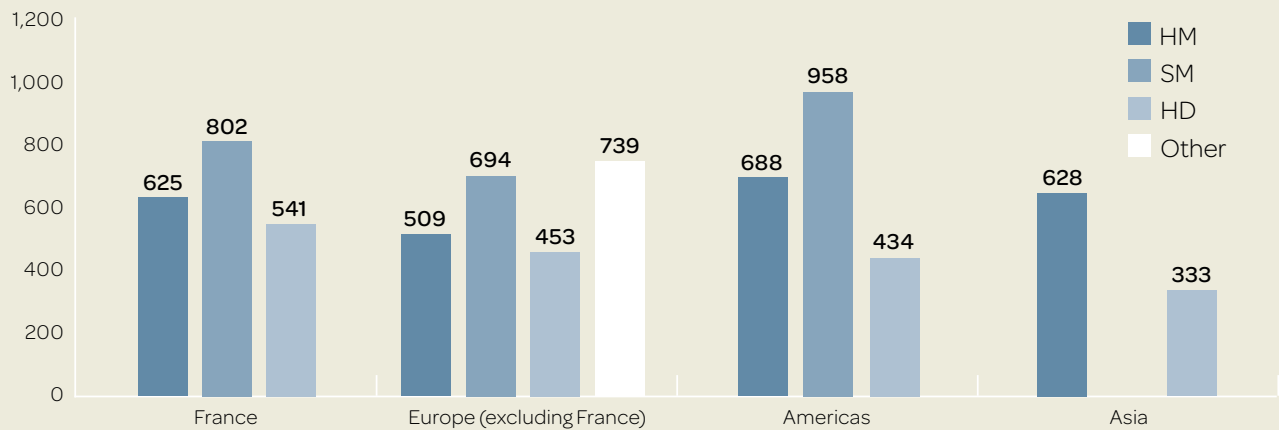
In 2009, the Group had 46 new Carrefour Quality Line products, most of which were developed in Asian countries. These products, which involve 27,300 producers, represent nearly 10% of fresh produce sales.

KEY INDICATORS STORES



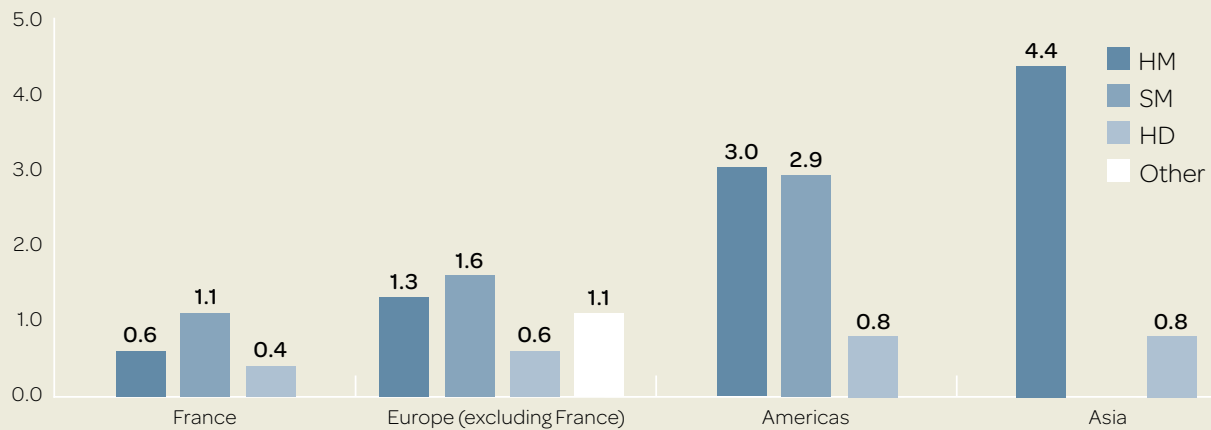
ENERGY CONSUMPTION BY COUNTRY (IN KWH/SQ. M OF SALES AREA)

The Group's energy efficiency policy continues to show results in the stores, with a reduction in energy consumption per sq. m in nearly every country. Based on these results, the Group raised its energy efficiency goal per sq. m of sales area to 30% by 2020 (compared with 2004). Excluding: SM: ID



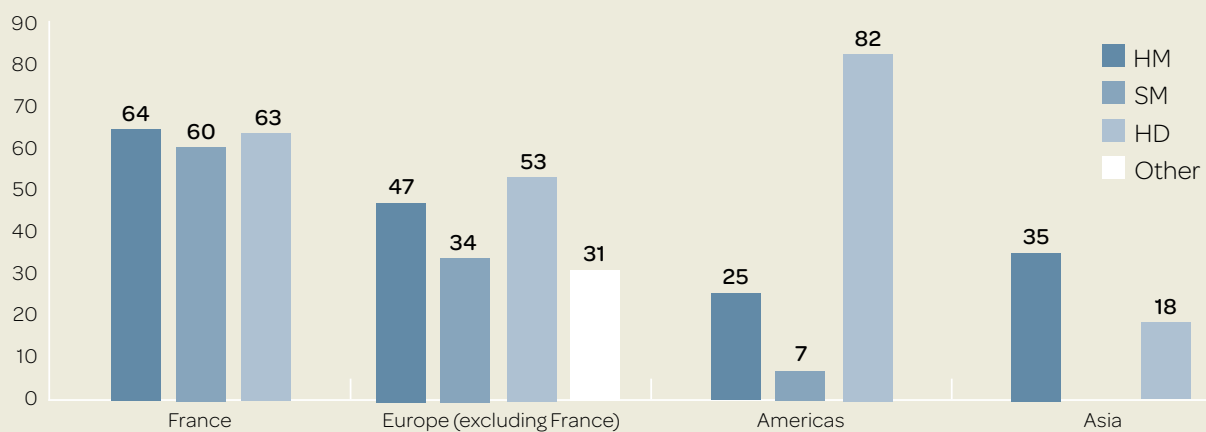
ENERGY CONSUMPTION BY REGION AND FORMAT (IN KWH/SQ. M OF SALES AREA)

Hypermarkets and supermarkets, which total nearly 90% of the Group's energy consumption (electricity, gas and fuel), continue their energy efficiency initiatives with respective reductions of 5.6% and 2.9% per sq. m of sales area during 2009. Excluding: SM: ID



WATER CONSUMPTION BY REGION AND FORMAT (IN CUBIC M/SQ. M OF SALES AREA)

Business Units continue to implement systems to better monitor water consumption, both overall and by work station. The main effort is being made by hypermarkets and supermarkets, which represent 95% of the Group's water consumption. Excluding: HM: BE / SM: BE, ID / HD: AR

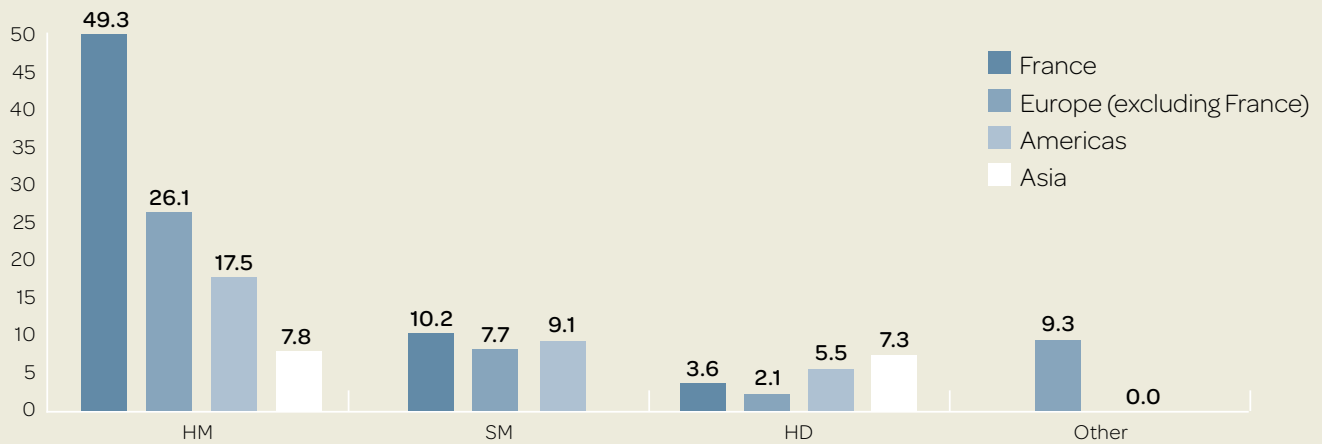


RECYCLED WASTE BY REGION AND FORMAT (IN KG/SQ. M OF SALES AREA)

It remains difficult to monitor the quantity of waste recycled, especially when the collection of such waste is handled by municipalities, not by private service providers. However, sorting and recycling is rapidly expanding in the Americas. Excluding: HM: GR, CO / SM: GR, ID

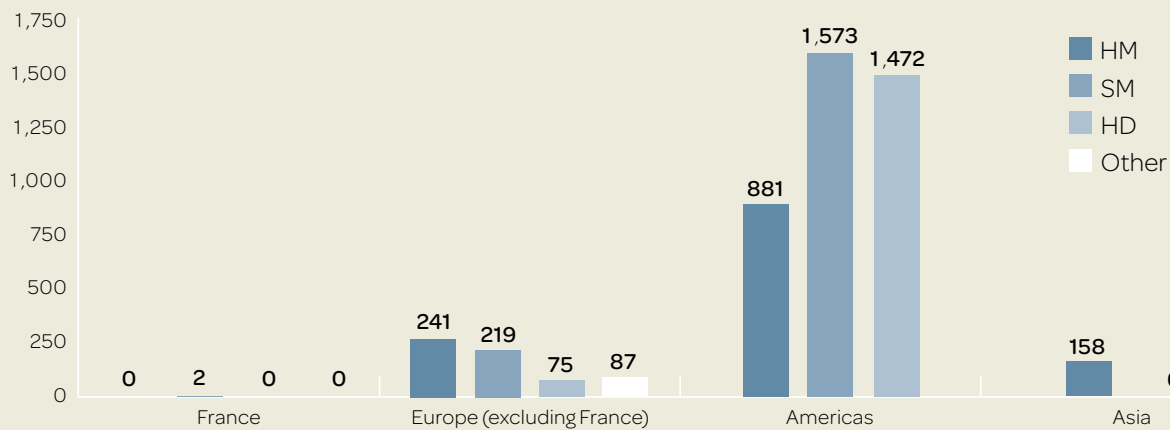
7/ Indicators

Key indicators by geographic region



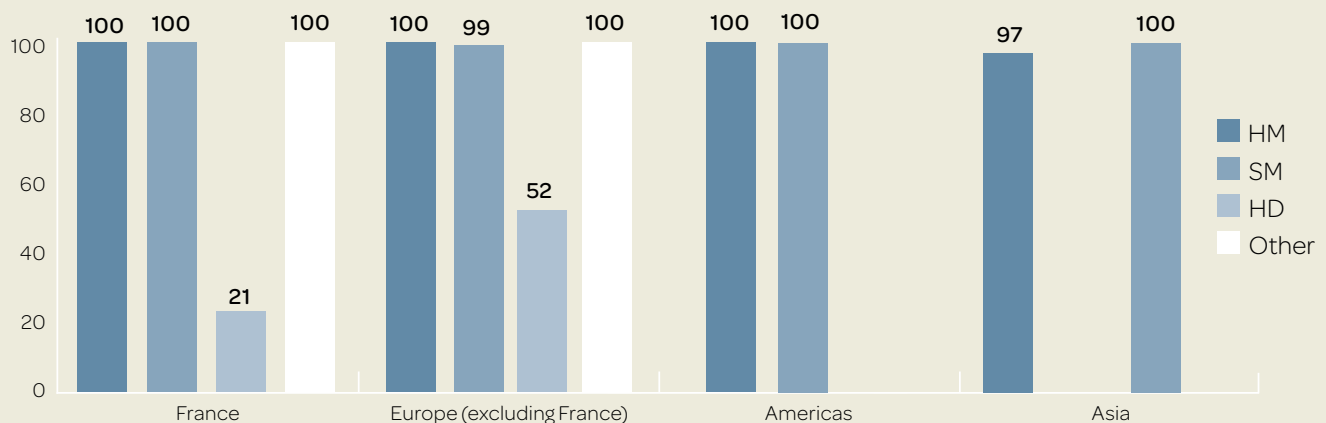
QUANTITY OF PAPER PURCHASED FOR COMMERCIAL PUBLICATIONS BY REGION AND FORMAT (IN KG/SQ. M OF SALES AREA)

Hypermarkets remain the largest consumers of paper for commercial publications, using 84% of the quantity purchased by the Group. However, quantities per sq. m of sales area fell by 13.4% for the hypermarkets. Excluding: SM: ID



NUMBER OF FREE DISPOSABLE PLASTIC CHECK-OUT BAGS BY REGION AND FORMAT (IN BAGS/SQ. M OF SALES AREA)

Consumption of free disposable plastic check-out bags fell sharply, mainly in Europe, with savings of more than 5,000 tonnes of plastic in 2009 based on a comparable scope. Effective 1 January 2009, Romania ceased all distribution of free disposable plastic check-out bags. In the Americas, this process is beginning gradually with the offer of alternatives to disposable plastic bags in all countries. Excluding: SM: ID



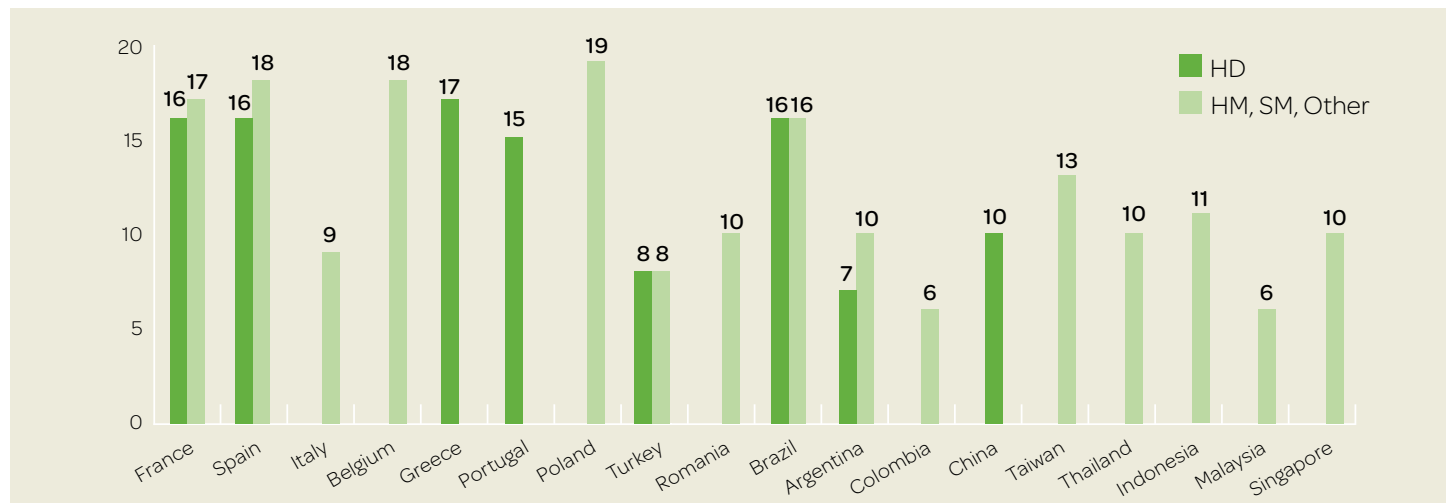
PERCENTAGE OF CONSOLIDATED STORES AUDITED ON HYGIENE AND QUALITY CRITERIA, BY REGION AND FORMAT (%)

A minimum of two audits per year by an independent laboratory are required and conducted at formats that are equipped with food preparation rooms and traditional fresh food departments.

7/ Indicators

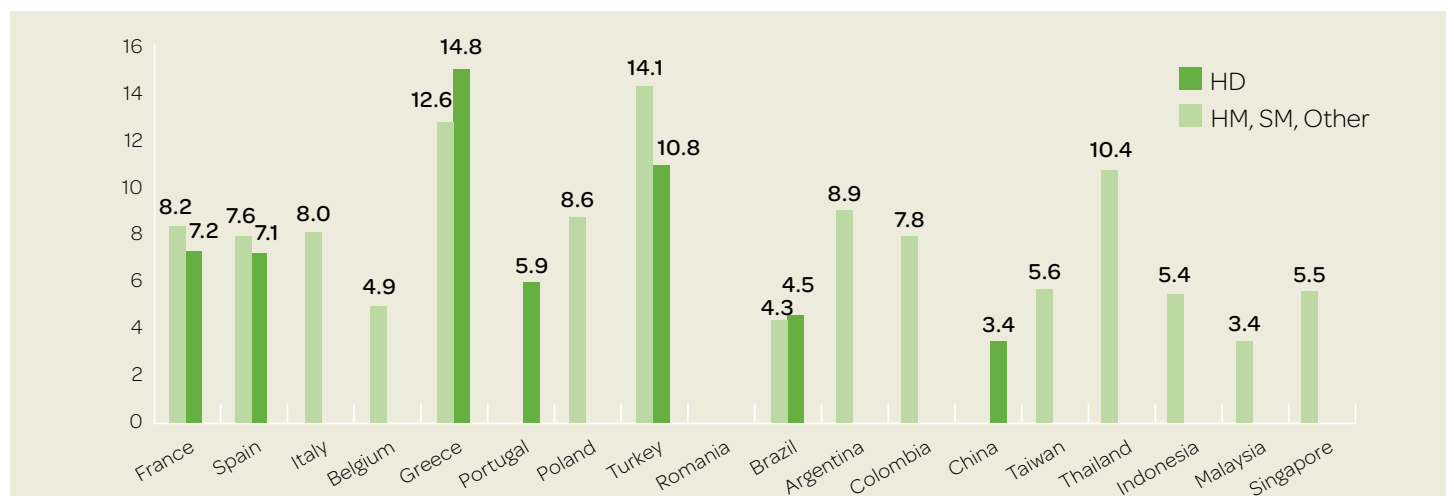
Key indicators by geographic region

KEY INDICATORS LOGISTICS



LEVEL OF MATURITY OF THE LOGISTICS PROCESS BY COUNTRY

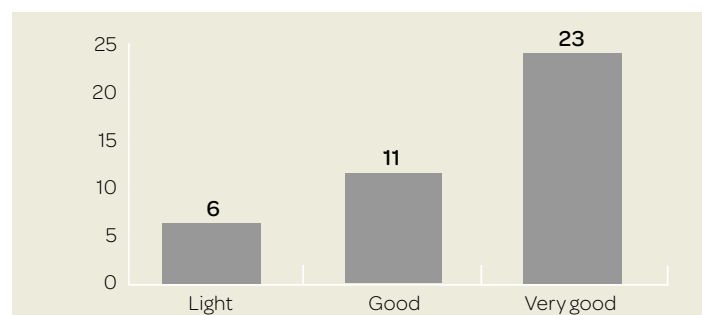
The self-assessed logistics process covers implementation of massification, product traceability, cold chain compliance, streamlined truck loading and delivery routes and management of environmental impact approach. The maximum score is 20. Hypermarkets in China have not been included in this analysis as they do not have integrated logistics.



CO₂ EMISSIONS PER SHIPPING UNIT BY COUNTRY (KG)

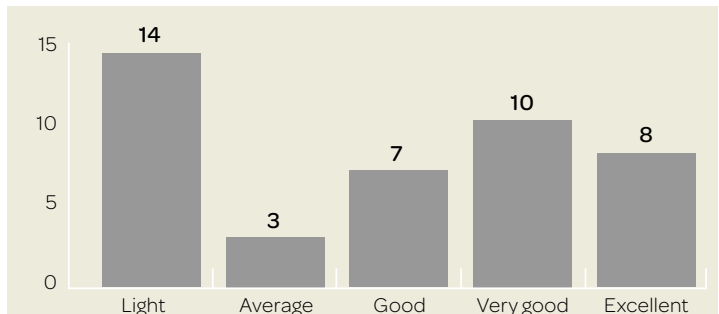
During 2009, several Group countries underwent a restructuring of their logistics operations to address changes in transported volume related to their growth. Testing on better performing trucks in terms of volume continued in Europe. Excluding: HM: RO / SM: RO, ID / HD: AR

KEY INDICATORS COMMUNICATIONS



LEVEL OF DIALOGUE WITH STAKEHOLDERS (NUMBER OF BUSINESS UNITS)

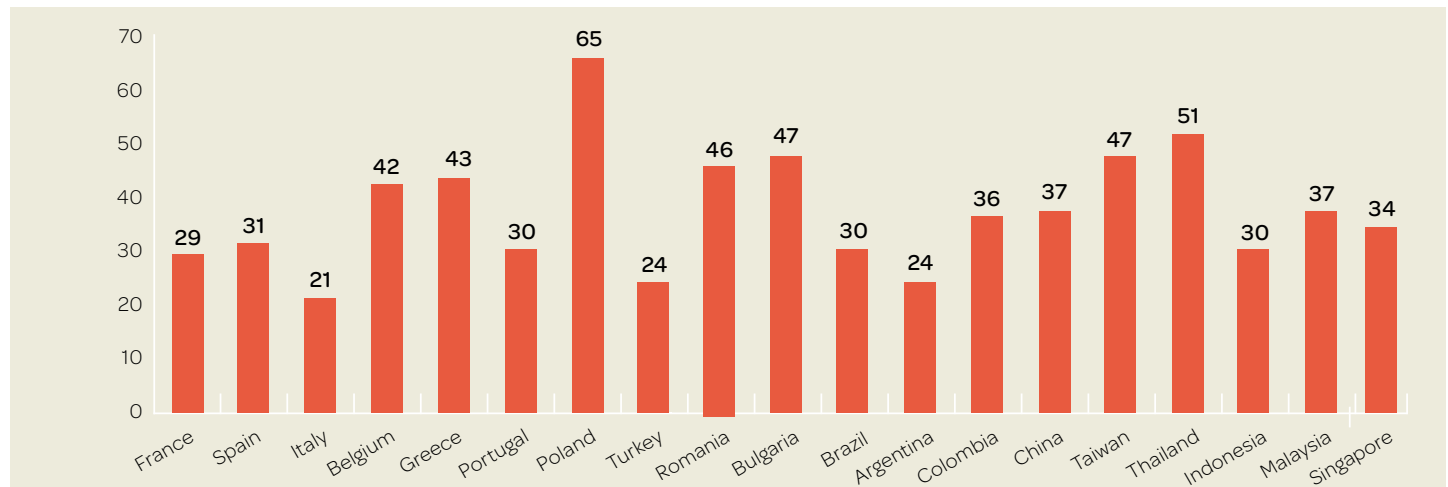
This indicator measures the level of each Business Unit's dialogue with its stakeholders based on the scope and frequency of the dialogue-building actions and initiatives. Excluding: HM: RO, MY / SM: RO



LEVEL OF INFORMATION PROVIDED TO CONSUMERS

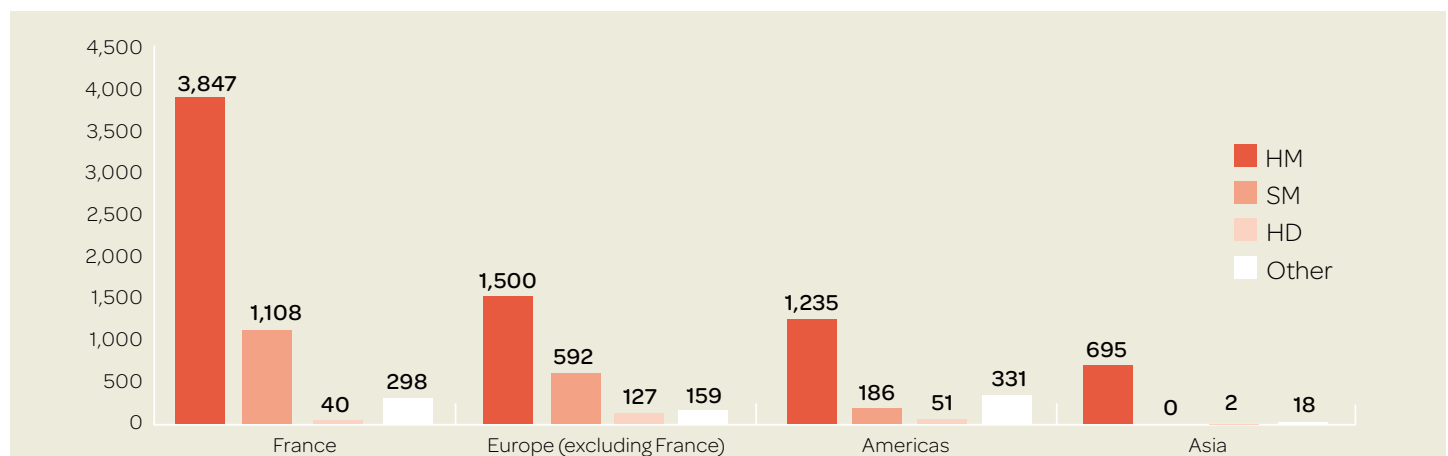
This indicator measures the level of information provided to consumers to help them make a choice and practice responsible consumption. This mainly entails communication in stores, in catalogues and at specific events (European Sustainable Energy Week, World Environment Day, Nutrition Week, Hearth Hour, etc.). Excluding: HM: RO, MY / SM: RO

KEY INDICATORS HUMAN RESOURCES



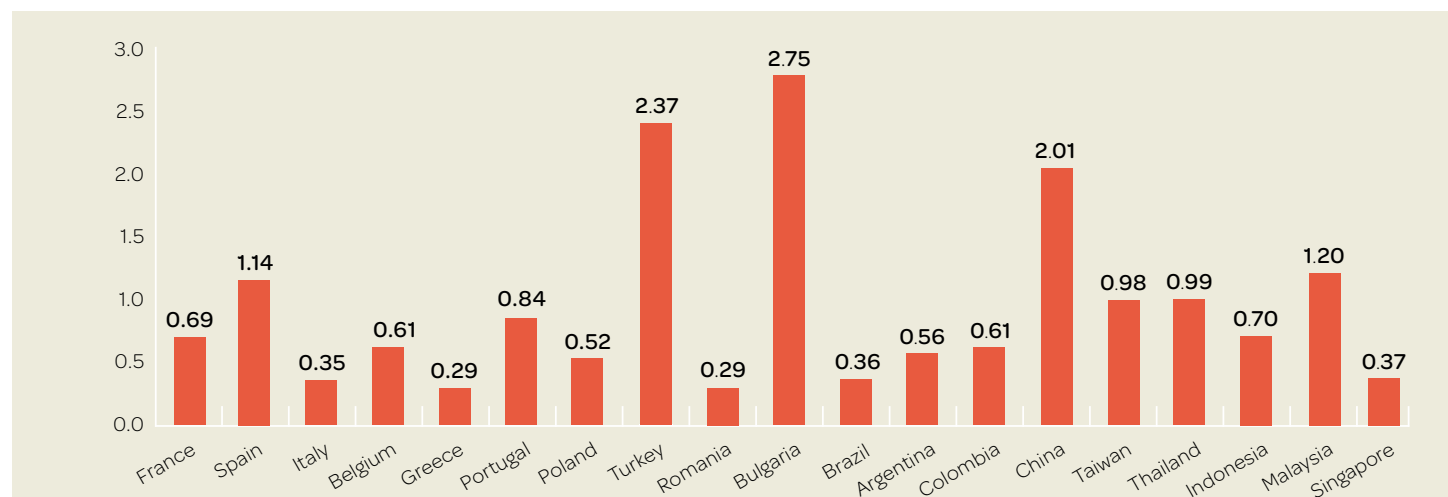
PERCENTAGE OF WOMEN IN MANAGEMENT

The percentage of women in management positions reached 34.5% in 2009, up 2.3% compared with 2008. Directors who are women now account for 17.5% of the Group's senior executives, up 2% compared with 2008. Excluding: SM: ID



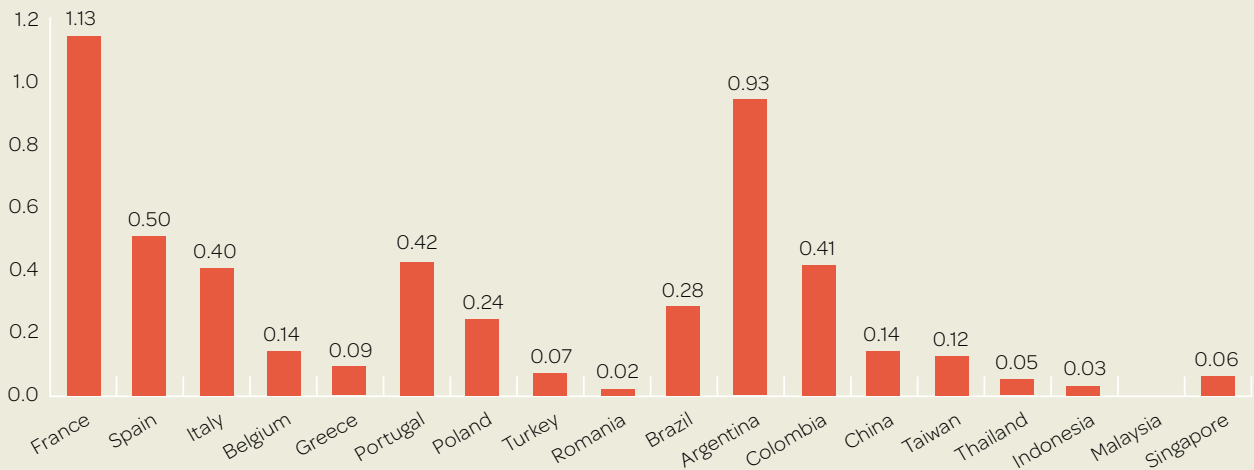
NUMBER OF EMPLOYEES RECOGNIZED AS DISABLED WORKERS, BY REGION AND FORMAT

In every Group BU, the number of employees recognised as disabled workers is growing. Specific actions to help their inclusion have been implemented at the country level, such as Carrefour Turkey's initiative in cooperation with the Ministry of Education and disability rights organisations, in order to hire cashiers with hearing disabilities. Excluding: SM: ID



TRAINING RATE BY COUNTRY

The Group's training rate was 0.9% compared with 0.8% in 2008. Strong disparities between countries are largely related to their expansion rates. Excluding: SM: ID



RATE OF ABSENCE DUE TO ACCIDENT BY COUNTRY (%)

At 0.56%, the Group absence rate due to work and commuting accidents remained stable compared with 2008. Measures are taken in all countries to identify risks and strenghten prevention with adapted training sessions. Excluding: HM: MY / SM: RO, ID

7/ Indicators

Key indicators by geographic region

KEY INDICATORS SOCIAL AUDITS

BANGLADESH



35 INITIAL AUDITS / 52 FOLLOW-UP AUDITS

During 2008, the audit campaign had been reduced to 13 audits, providing only a limited overview of the supplier base. The number of audits rose in 2009 with a high percentage of follow-up audits (60%), all of which were unannounced. Non-compliance was most frequently noted in relation to working hours, especially during high season. Training sessions on workers rights in production plants continued with the help of an NGO, Karmojibi Nari. All active Carrefour production plants should receive training by the end of 2010.

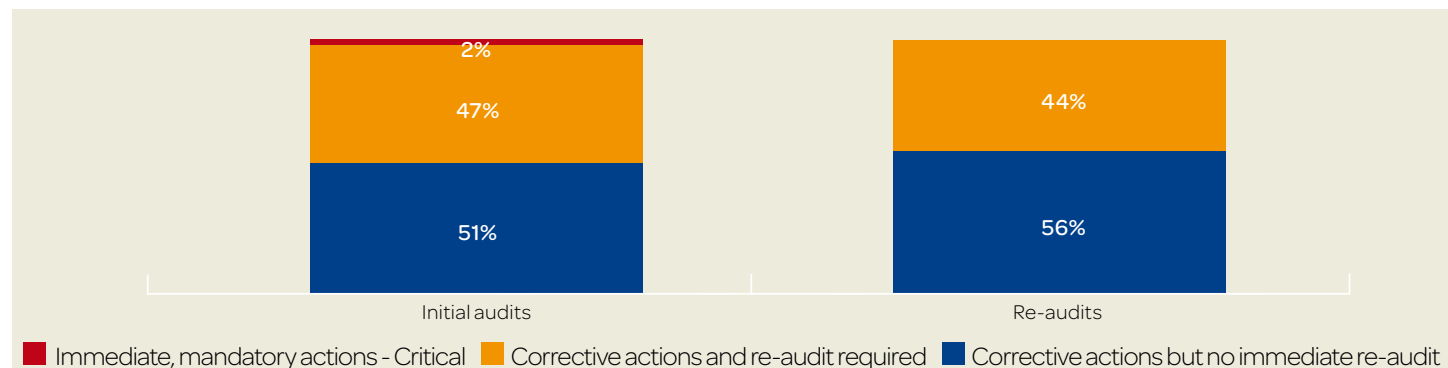
CHINA



404 INITIAL AUDITS / 211 FOLLOW-UP AUDITS

China remains the Group's main sourcing country, with more than 70% of the social audits during the year. In 2009, 100% of the audits in the non-food sector were unannounced. This principle, broadly applied this year, proved essential to determining actual working conditions. Although results of the follow-up audits showed slight improvement, there are certain areas of recurring non-compliance in China (work hours, wages and failure to respect freedom of association). During 2010, actions are being considered to better support suppliers in achieving compliance.

INDIA



39 INITIAL AUDITS / 50 FOLLOW-UP AUDITS

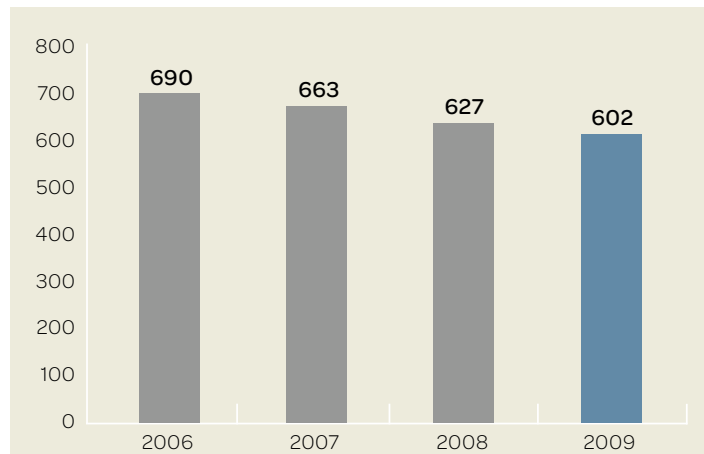
During 2009 the percentage of re-audits rose to 56%, all of which were unannounced. During the first part of the year, results from audits were disappointing, with ongoing non-compliance concerning salaries, working hours and overtime. However, results from the summer 2010 campaign, which was conducted between late 2009 and early 2010, were encouraging with nearly 80% of suppliers in compliance (minor corrective actions). Carrefour's efforts to stabilise and qualitatively improve its group of Indian suppliers appears to be showing results, to be furthered in 2010 through a social responsibility training initiative for all the suppliers.

	Hypermarket	Supermarket	Other	Hard discount	Definition of indicators	Comments
PRODUCTS						
✓ Number of listed organic food controlled products (in units)	1,794	1,193	881	62	Number of listed food products certified as organic or ecological and developed under own brands.	This indicator does not include products with a recognised certification. Environmentally-friendly products developed by the countries which are not certified are excluded.
✓ Sale of controlled organic food products (in millions of euros)	157	131	22	29	Amount of sales including VAT of food products certified as organic or ecological and developed under own brands.	During 2009, Romania launched its first 28 own brand organic food products. The number of own brand non-food products has quadrupled overall in the four European countries where they are sold.
✓ Sale of Quality Line products (in millions of euros)	771	155	5	0	Sales (including VAT) of agricultural products meeting the requirements of specifications that ensure product traceability and include social and environmental requirements.	Quality Line products continued to guarantee quality and traceability in all countries where they are sold. They represent approximately 10% of fresh produce sold.
Number of listed fair-trade products (in units)	775	525	286	2	Number of listed national brand or own brand fair-trade products certified by the Fairtrade Foundation (UK, ES, FR, IT, PT, ES, GR, BE, NL, DE, CH, AU, NZ, JP, USA, CA, and Mexico). Outside Europe, a product is considered fair-trade if it meets the certification criteria.	Fair trade products continue to be mainly sold in Europe, despite listed products in China (purchased directly from small producer) and in Columbia (United Nations programme).
Number of controlled products (in units)		71,800		13,400	Number of controlled food products. Controlled products are products developed by Carrefour teams. These products include all own brand products.	The increasing number of controlled products is related in part to the development of so-called "responsible" lines (organic products, fair trade, environmentally-friendly, kids, etc.) which meet consumer expectations.
LOGISTICS						
✓ CO ₂ emissions per shipping unit (in kg)		7.6		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 warehouses to stores. Shipping unit: 120 x 80 cm pallet.	During 2009, we recorded a drop in CO ₂ emissions, both in absolute terms and by shipping unit for like-for-like Business Units. This resulted from efforts to adapt logistics to changes in business and the search for alternatives to road transport.
✓ CO ₂ emissions (in thousands of tonnes)		429		105		
STORES						
Percentage of consolidated stores audited on hygiene & quality criteria (in %)						Both consolidated and franchise hard discount stores continued to develop health and safety audits for their entire supplier base.
Percentage of franchise stores audited on hygiene & quality criteria (in %)						
✓ Energy consumption (in kWh/sq.m of sales area)	99%	98%	100%	42%	Percentage of consolidated/franchise stores audited during the reporting period on the basis of the quality standard defined by each Business Unit.	The impact of the energy efficiency programme continued to be felt, with a 4% drop in energy consumption per m ² of sales area during 2009 as compared with the previous reporting period. Hypermarkets, which represent more than 60% of the group's consumption, remained the format which made the greatest impact with a drop of 5.6%.
✓ Energy consumption (electricity, gas, fuel) (in GWh)	595	766	695	473	Consumption of electricity, gas and fuel required to run the consolidated stores.	
✓ CO ₂ emissions generated by fuel, gas and electricity consumption (in thousands of tons CO ₂ eq.)	5,268	1,858	94	870	CO ₂ eq. emissions linked to electricity, gas and fuel consumption required to run the consolidated stores.	
✓ Water consumption (in cubic meter/sq.m of sales area)	1,890	493	41	261	Water consumption of consolidated stores.	Control of water consumption in the Group improved with a drop in consumption per m ² of surface area for like-for-like business units.
✓ Water consumption (in millions of cubic meter)	2.3	1.5	1.1	0.6		
✓ Consumption of refrigerants (in kg/1,000 sq.m of sales area)	18.9	3.2	0.1	1.2	Quantity of refrigerants used (CFCs, HCFCs and others). Scope: cold cabinets for food and air-conditioning in consolidated stores.	After working to identify and monitor the various refrigerants used in the stores, most countries have entered a period of conservation and streamlining which should bear fruit in the coming years.
✓ Recycled waste (in kg/sq.m of sales area)	72	77	97	29	Recycled waste of consolidated stores: paper/cardboard, plastic and other (batteries, printer cartridges, neon, etc.)	For many, recycling and reclamation of the various types of waste depend on the existence of collection and treatment processes in the countries. It is difficult to track the rate of recycled waste because operators do not always inform us of the quantities of waste removed.
✓ Recycled waste (in thousands of tons)	46	433	30	56		
✓ Quantity of paper purchased for commercial publications (in kg/sq.m of sales area)	25.4	9.1	3.9	2.9	Consumption of paper for commercial publications expressed in kg per sq.m. of sales area.	The continued drop in the amount of paper used, mainly in Europe (more than 80% of paper purchased) is largely explained by the drop in volume.
✓ Quantity of paper purchased for commercial publications (in thousands of tons)	233	33	5	7	Quantity of paper purchased for commercial publications (flyers, brochures, newspapers, etc.).	
✓ Number of free disposable plastic checkout bags (in millions)	2,467	672	151	459	Number of disposable plastic bags purchased by stores and distributed free of charge at check-out.	The quantity of disposable plastic check-out bags continued to fall in all formats except hard discount. The Group recorded a 21% reduction in the number per m ² of sales area as compared with 2008. This represents a savings of 1 billion bags or the equivalent of approximately 16,800 tons of CO ₂ emitted. Even though all BUs offer alternatives to disposable plastic bags, strong communication directed at consumers is essential for a complete halt to their distribution.
✓ Number of free disposable plastic checkout bags (in units/sq.m of sales area)	274	184	129	184	Number of disposable plastic bags purchased by stores and distributed free of charge at check-out per sq. m. of sales area.	
Human resources						
✓ Rate of absence due to workplace accidents (in %)	0.48	0.62	0.31	0.78	Number of hours of absence due to workplace and commuting accidents/number of theoretical work hours during the period (excluding work-related illnesses).	Frequency rate: 29.2 (number of accidents/millions of theoretical work hours). Level of seriousness: 0.55 (number of days of absence due to workplace accident/1,000 work hours). The Group is continuing its efforts to improve workplace safety, especially through self-prevention events (Columbia) and training for employees to increase compliance with safety standards.
✓ Women in management positions (in %)	30	39	41	32	Proportion of women in management positions ("manager" defined as an independent employee with decision-making authority holding a supervisory position).	This year the percentage of women in management positions reached 34.5% (compared with 33.7% in 2008). This growth can be seen in more than 60% of the countries where Carrefour operates.
Percentage of employees recognized as having disabilities	2.6	2.4	1.4	0.4	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 during the period.	The Group employs 10,189 people recognised as having disabilities. 17 This number rose by 8.5% compared with 2008. The number of employees with disabilities grew in more than half of the countries. Two countries received recognition: Carrefour Spain was awarded a prize by several local organisations.
Number of training hours	4,800,000	970,000	700,000	920,000	Number of training hours officially counted.	With an average of 15.9 hours of training per employee, training remains a key asset for the Group in its efforts to hire and promote young people.

✓ 2009 figures have been verified by Statutory Auditors KPMG Audit.

2009 progression of the Group's performance

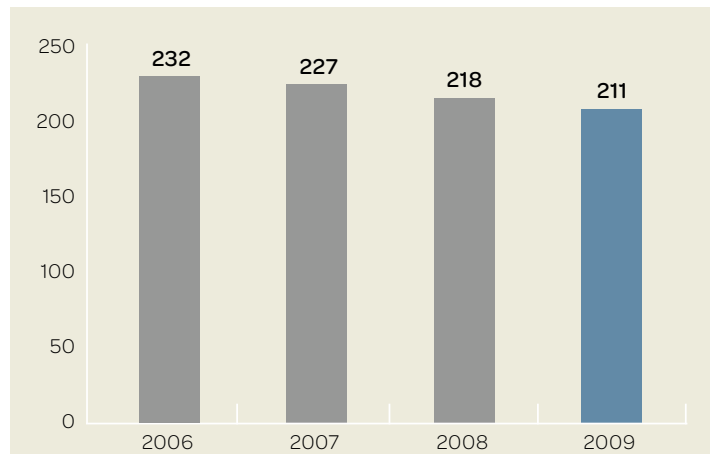
STORES



ENERGY CONSUMPTION (IN KWH/SQ. M OF SALES AREA)

- 12.8% in 2009 compared with 2006

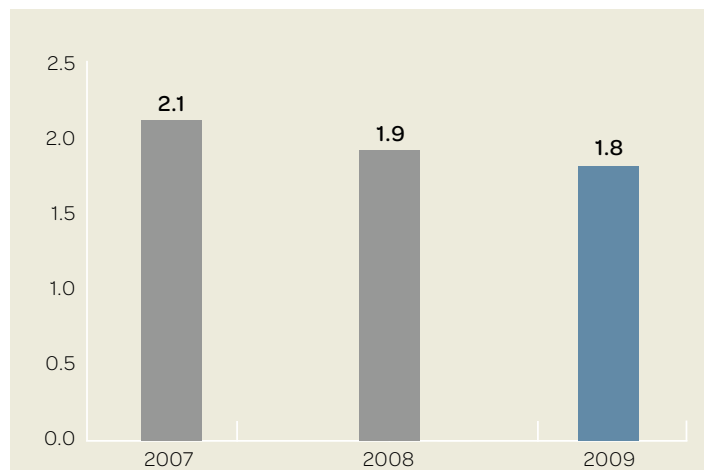
Like-for-like BUs (scope: 91% of 2009 consolidated sales, excl. VAT)
Excluding: HM: BR / SM: BR, ID



GREENHOUSE GAS EMISSIONS LINKED TO THE CONSOLIDATED STORES' CONSUMPTION OF FUEL, GAS AND ELECTRICITY (IN KG CO₂ EQ/SQ. M OF SALES AREA)

- 8.9% in 2009 compared with 2006

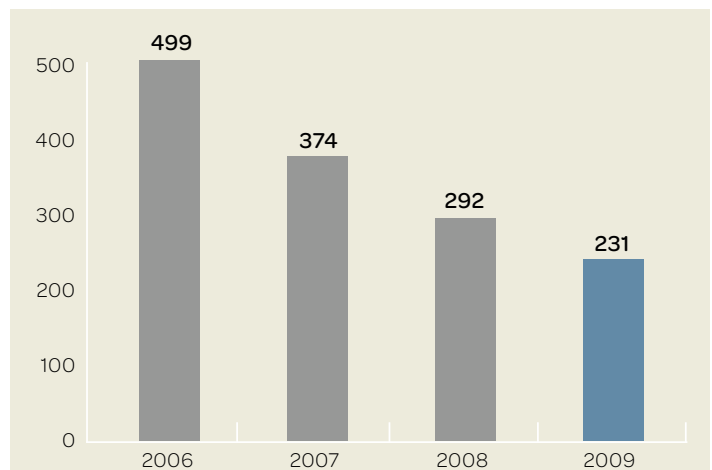
Like-for-like BUs (scope: 91% of 2009 consolidated sales, excl. VAT)
Excluding: HM: BR / SM: BR, ID



WATER CONSUMPTION (IN CUBIC M/SQ. M OF SALES AREA)

- 13.4% in 2009 compared with 2007

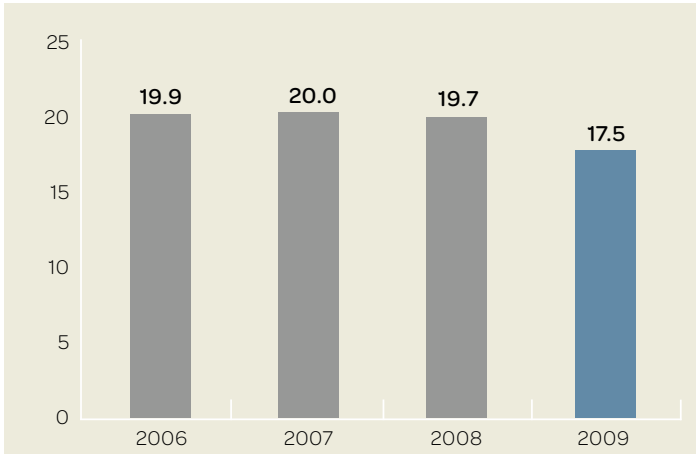
Like-for-like BUs (scope: 79% of 2009 consolidated sales, excl. VAT)
Excluding: HM: BE, AR / SM: FR, BE, AR, ID / HD: AR



NUMBER OF FREE DISPOSABLE PLASTIC BAGS PURCHASED BY STORES AND DISTRIBUTED AT CHECK-OUTS (IN BAGS/SQ. M OF SALES AREA)

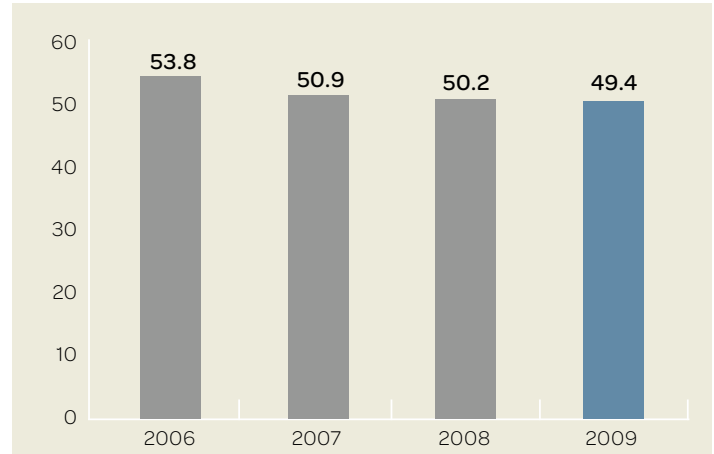
- 53.8% in 2009 as compared with 2006

Like-for-like BUs (scope: 100% of 2009 consolidated sales, excl. VAT)



QUANTITY OF PAPER PURCHASED FOR COMMERCIAL PUBLICATIONS (IN KG/SQ. M OF SALES AREA)
 - 11.7% in 2009 compared with 2006

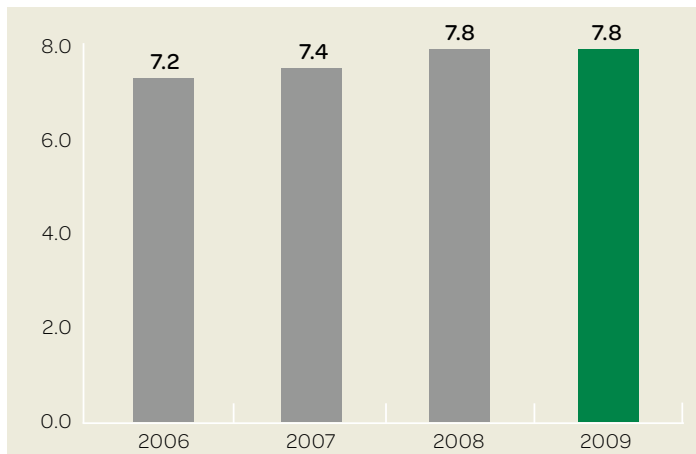
Like-for-like BUs (scope: 94% of 2009 consolidated sales, excl. VAT)
 Excluding: HM: CO, CN, MY / SM: ID



AVERAGE PAPER WEIGHT OF PAPER PURCHASED FOR COMMERCIAL PUBLICATIONS (IN G/SQ. M)
 - 8.1% in 2009 compared with 2006

Like-for-like BUs (scope: 87% of 2009 consolidated sales, excl. VAT)
 Excluding: HM: AR, CO, CN, TH, ID, MY / SM: AR, ID / HD: FR

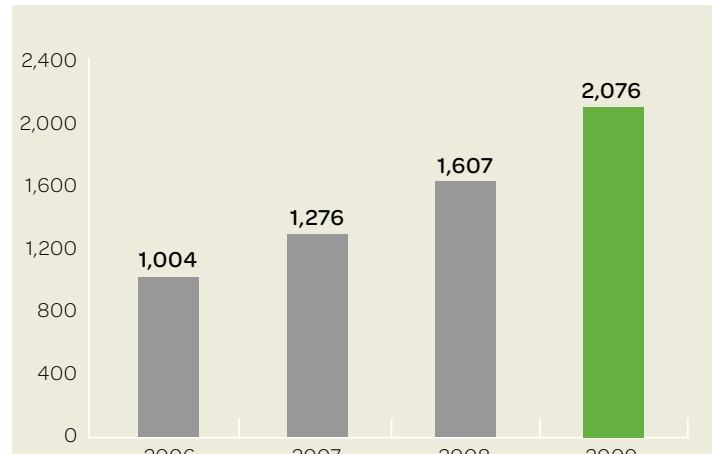
LOGISTICS



CO₂ EMISSIONS PER SHIPPING UNIT (KG)
 +7.5% in 2009 compared with 2006

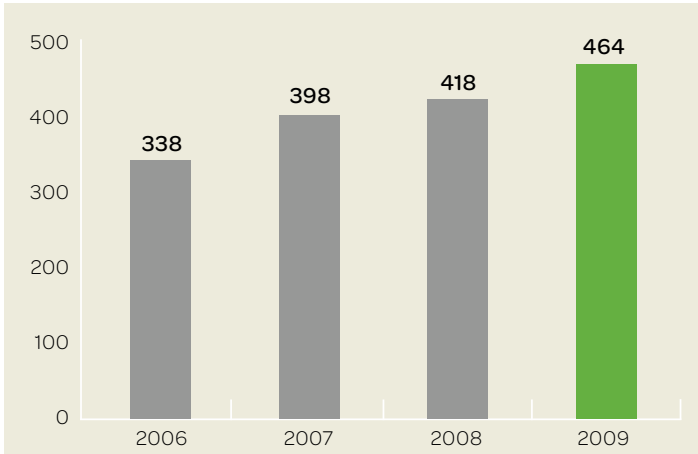
Like-for-like BUs (scope: 89% of 2009 consolidated sales, excl. VAT)
 Excluding: HM & SM: RO, BR / HD: AR

PRODUCTS



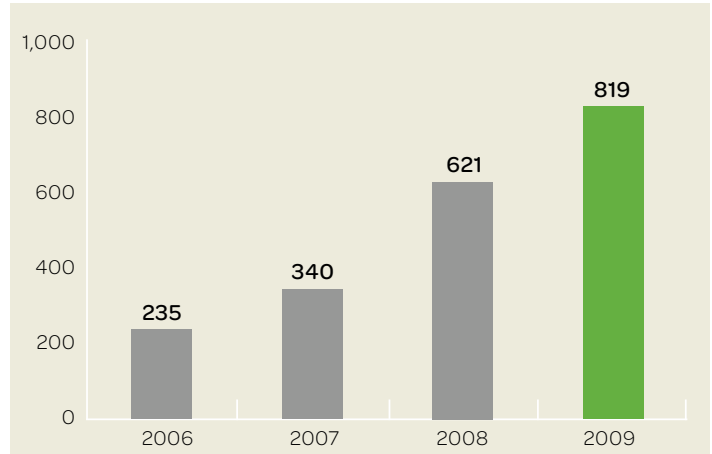
NUMBER OF OWN-BRAND ORGANIC FOOD PRODUCTS (IN UNITS)
 +106.8% in 2009 compared with 2006

Like-for-like BUs (scope: 100% of 2009 consolidated sales, excl. VAT)



NUMBER OF QUALITY LINE PRODUCTS (IN UNITS)
+37.3% in 2009 compared with 2006

Like-for-like BUs (scope: 100% of 2009 consolidated sales, excl. VAT)



NUMBER OF OWN-BRAND AND NATIONAL BRAND FAIR-TRADE PRODUCTS (IN NUMBER OF ITEMS)
+249% in 2009 compared with 2006

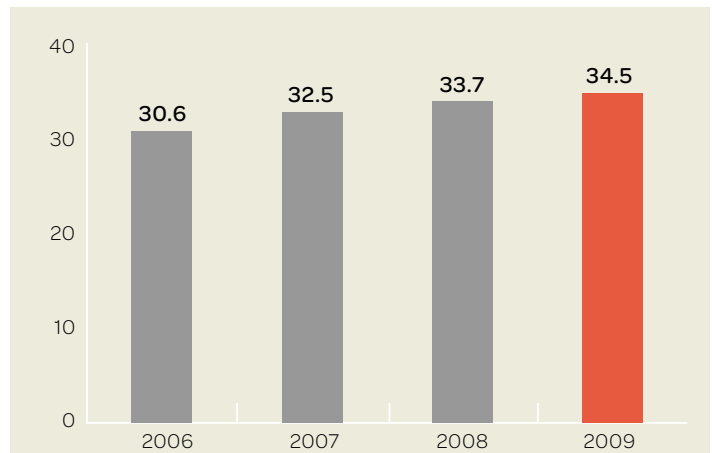
Like-for-like BUs (scope: 100% of 2009 consolidated sales, excl. VAT)

HUMAN RESOURCES



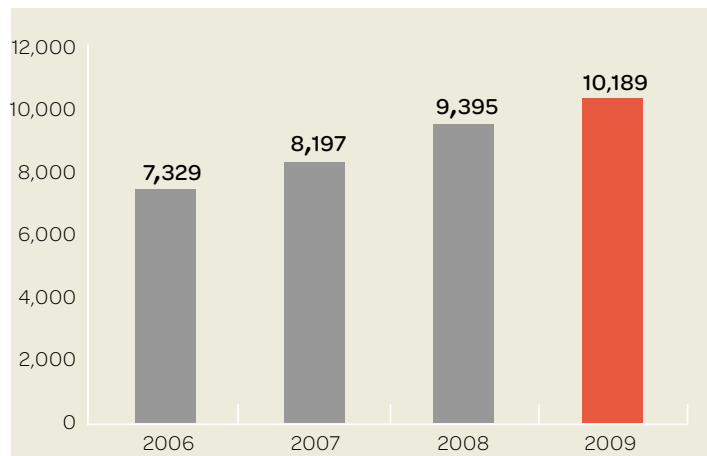
RATE OF ABSENCE DUE TO ACCIDENTS (%)
- 1.8% in 2009 compared with 2006

Like-for-like BUs (scope: 91% of 2009 consolidated sales, excl. VAT)
 Excluding: HM: BR, MY / SM: RO, BR, ID



WOMEN IN MANAGEMENT (%)
+12.7% in 2009 compared with 2006

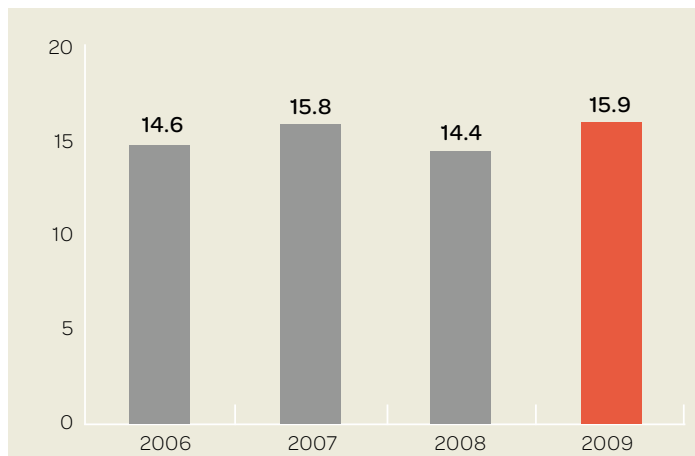
Like-for-like BUs (scope: 100% of 2009 consolidated sales, excl. VAT)
 Excluding: SM: ID



NUMBER OF EMPLOYEES DECLARED AS HAVING DISABILITIES

+39.0% in 2009 compared with 2006

Like-for-like BUs (scope: 100% of 2009 consolidated sales, excl. VAT)
Excluding: SM: ID



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE

+8.9% in 2009 compared with 2006

Like-for-like BUs (scope: 100% of 2009 consolidated sales, excl. VAT)
Excluding: SM: ID

GRI REFERENCE	GLOBAL COMPACT PRINCIPLE	OECD PRINCIPLE	PAGE(S) OF REPORT
STRATEGY AND ANALYSIS			
1.1	Principle 9	General policy 1	p. 4, AASR
1.2		Disclosure 4 and 5	p. 20-44
COMPANY PROFILE			
2.1		Disclosure 3	Cover
2.2		Disclosure 1	AASR
2.3		Disclosure 3	AASR
2.4		Disclosure 3	3 rd of cover
2.5		Disclosure 3	AASR
2.6		Disclosure 3	p. 26
2.7		Disclosure 3	SDAR
2.8		Disclosure 3	p. 22, AASR
2.9			p. 122-134, 137-144
2.10			p. 32
REPORT SCOPE			
3.1		Disclosure 2	p. 137-144
3.2		Disclosure 2	p. 137-144
3.3		Disclosure 2	p. 137-144
3.4		Disclosure 2	3 rd of cover
3.5		Disclosure 2	p. 46-52, p. 137-144
3.6		Disclosure 2	p. 122-144
3.7		Disclosure 2	p. 122-144
3.8		Disclosure 2	p. 122-144
3.9		Disclosure 2	p. 122-144
3.10		Disclosure 2	p. 122-144
3.11			p. 122-144
3.12			p. 135
3.13		Disclosure 2	p. 143-144
GOVERNANCE			
4.1 - 4.7		General principle 6	p. 20-22, p. 33-36, AASR
4.8		General principles 7 and 8 Disclosure 5	p. 21-32
4.9			p. 21-32, p. 40-44
4.11		Environment 3 and 4 Principle 7	p. 46-52
4.12		General principles 7 and 8 Disclosure 2, 3, 5 and 12	p. 27
4.13			p. 37-39
4.14			p. 33-39
4.15			p. 33-39
4.16			p. 33-39
4.17		Disclosure 5	p. 33-39
MANAGEMENT AND PERFORMANCE			
Economic			
Economic performance			
EC1		Disclosure 1 and 4.a	p. 25-26, p. 36-37, AASR
EC2			p. 16-18, p. 40-44, p. 90-120
Market presence			
EC6			p. 33-36, p. 56-60, p. 122-134
Indirect economic impacts			
EC8			p. 61-63, p. 81-84, p. 90-107

GRI REFERENCE	GLOBAL COMPACT PRINCIPLE	OECD PRINCIPLE	PAGE(S) OF REPORT
Environmental			
Materials			
EN1	Principle 8		p. 122-134
EN2	Principle 8		p. 122-134, p. 104-107
Energy			
EN3	Principle 8		p. 90-98, p. 122-134
EN5	Principle 8		p. 90-107, p. 122-134
EN6	Principles 8 and 9	Environment 6.b	p. 109-120, p. 122-134
Water			
EN8	Principle 8		p. 99-103, p. 122-134
Biodiversity			
EN12	Principle 8		p. 99-103, p. 122-134
EN14	Principle 8		p. 99-103, p. 122-134
Emissions, effluents and waste			
EN16	Principle 8		p. 90-94, p. 122-134
EN17	Principle 8		p. 90-107, p. 122-134
EN18	Principles 8 and 9		p. 90-107, p. 122-134
EN22	Principle 8		p. 104-107, p. 122-134
Products and services			
EN26	Principle 8	Environment 6.b	p. 46-52, p. 56-60, p. 90-107, p. 109-120, p. 122-134
Transport			
EN29	Principle 8		p. 29-31, p. 90-107, p. 116-120
Social			
Labor			
Employment			
LA1			p. 22, p. 122-134, p. 136, SDAR
Occupational health and safety			
LA7			p. 74-80, p. 122-134, p. 136
Training and education			
LA10		General policy 4	p. 70-73, p. 136
Human Rights			
Investment and procurement practices			
HR1	Principle 1	General policy 2	p. 10-12, p. 23-24, p. 27, p. 46-52, p. 66-88,
HR2	Principles 1 and 2	General policy 10	p. 85-88, p. 46-52, p. 122-134
Child labor			
HR6	Principle 5	Employment and labour management relations 1.b	p. 10-12, p. 23-24, p. 27, p. 66-88, p. 122-134,
Society			
Community			
SO1			p. 81-84, p. 46-120, p. 122-134
Corruption			
SO3	Principle 10	Anti-Corruption 1, 2, 3, 4 and 5	p. 20-24, p. 40-44
Public policy			
SO5			p. 33-39
Product liability			
Customer health and safety			
PR1		Consumer interests 1 and 6	p. 45-52, p. 104-107, p. 122-134
Product and service labelling			
PR5		Consumer interests 3	SDAR

Information table on Article 116 of the French law on new economic regulations (NER)

ARTICLE 1	COMPANY INFORMATION	ARTICLE 2	ENVIRONMENTAL INFORMATION
1.1 a	<p>Total workforce: 475,976</p> <p>Percentage of:</p> <ul style="list-style-type: none"> - Permanent contracts: 90.2% - Fixed-term contracts: 9.8% - Permanent contract hires: 103,254 - Part-time employees: 24.12% <p>Internal rate of promotion:</p> <ul style="list-style-type: none"> - Promotion of managers: 50.4% (% of new managers promoted internally) - Promotion to Director: 51.9% (% of new directors promoted internally) <p>Total: promotion of Managers + Directors: 50.5%</p> <p>Turnover (due to resignation and dismissal of employees under permanent contracts): 25.3%</p>	2.1	Consumption of water, raw materials and energy: p. 102-103, p. 122-134
		2.2	Actions aimed at limiting harm to biological equilibrium: p. 90-103, p. 122-134
		2.3	Corporate evaluation and certification actions: p. 46-52, p. 56-60, p. 90-103, p. 112-114
		2.4	Compliance with laws: the Carrefour Group takes measures to ensure the company's compliance with laws and regulations.
		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 external consultant fees.
		2.6	Organization dedicated to environmental management and risk prevention: p. 27-32, p. 40-44
		2.7	Amount of provisions and guarantees for environment: none (scope: France)
1.1 b	<p>Information regarding staff reductions, job protection and support measures:</p> <ul style="list-style-type: none"> - on GPEC (Jobs and skills forecast management) : see p. 80 - In 2009, the cessation of activities at Carrefour Administratif France was supported by the GPEC agreement dated February 2009. Nearly all personnel affected at this site were redeployed to other businesses at the Evry site. <p>Established by Carrefour des Métiers in 2009: an employment exchange and computerised professional gateways. Access for all Carrefour employees is expected by early 2010.</p>	2.8	Amount of indemnities paid during the year pursuant to a legal ruling on environment: none (scope: France)
		2.9	Information regarding previously announced environmental objectives assigned by the company to its foreign subsidiaries: p. 27-32, p. 122-134
1.2	<p>Organization, work hours and absenteeism: the length of work hours at Carrefour is indexed according to the legal working hours in the countries where the Group is established. It therefore varies according to each country's local regulations:</p> <ul style="list-style-type: none"> - p. 74-80 - p. 122-134 		
1.3	<p>Wages and expenses: p. 65-88; see also the 2009 Annual Activity and Sustainability Report.</p> <p>Employment equity: p. 13-15, p. 20-24, p. 65-88</p>		
1.4	Labour/management relations: p. 33-36, p. 74-80		
1.5	Health and safety: p. 10-12, p. 46-52, p. 74-80, p. 122-134		
1.6	Training: p. 13-15, p. 70-73, p. 122-134		
1.7	Hiring and integration of people with disabilities: p. 13-15, p. 65-69, p. 122-134		
1.8	Social solidarity: p. 81-84		
Article 1	<p>Local impact on regional employment and development: p. 10-15, p. 56-63, p. 65-88</p> <p>Stakeholders: relations: p. 33-39, p. 44</p> <p>Subcontracting: p. 22-24, p. 56-60, p. 81-84</p> <p>Foreign subsidiaries: p. 6-18, p. 85-88, p. 90-107, p. 122-144; see also the 2009 Annual Activity and Sustainability Report.</p>		

Reporting Methodology of Sustainable Development Indicators

The Sustainability Department relies on a multidisciplinary committee for the preparation of the 2009 Sustainability Report. This committee brought together all the relevant Group departments (Quality, Human Resources, Legal, Marketing, Assets, Commercial and Merchandise and Logistics) with representatives from the Sustainable Development network in the key European countries.

PRINCIPLES FOR DRAWING UP THE SUSTAINABILITY REPORT

Based on the reporting principles of the GRI G3 (Global Reporting Initiative), the Carrefour Group's Sustainability Report employs the following principles:

CSR (Corporate Social Responsibility) context

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

Stakeholder inclusiveness

An approach based on permanent dialogue with the stakeholders (customers, employees, franchisees, suppliers, local communities and shareholders) allows the Carrefour group to anticipate and respond to the expectations of various portions of the public and to prevent risks. Transparent commitments and the inclusion of stakeholders in their implementation allows us to foresee together sustainable solutions and to ensure that all concerned parties are mobilized. This dialogue and these partnerships are conducted either at Group level by the Sustainable Development managers, or at local level by the countries, the banners and the stores.

Materiality

The content of the Sustainability Report is focused on the most relevant social, economic and environmental issues. The sections on a balanced diet, labour rights and energy efficiency are just a few examples.

Timeliness

For the past nine years, Carrefour has produced and published an annual Sustainability Report. In 2009, the Sustainability Report is presented as a Sustainability Expert Report attached to a combined Annual Report (the Annual Activity and Sustainability Report).

Clarity

The Carrefour group is aware of the knowledge level of each of its stakeholders and strives to present information that is intelligible to the greatest number of people, while retaining an appropriate level of detail.

SCOPE OF REPORTING

Principles applied

Completeness: The Group strives to be as comprehensive as possible. Thus, the Sustainability Report covers the way it deploys its approach in 19 consolidated countries, and the Key Performance Indicators (KPI) cover 98.7% of the Group's pre-tax turnover.

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

Scope of reporting for fiscal year 2009

The Sustainable Development KPI report applies to all of the Group's BUs. The chart below indicates the Group's BUs in 2009.

COUNTRY	ABBREVIATION	HM	SM	PRX	C&C	HD	NET
FRANCE	FR						
SPAIN	ES						
ITALY	IT						
BELGIUM	BE						
GREECE	GR						
PORTUGAL	PT						
POLAND	PL						
TURKEY	TR						
ROMANIA	RO						
RUSSIA	RU						
BULGARIA	BU						
BRAZIL	BR						
ARGENTINA	AR						
COLOMBIA	CO						
CHINA	CN						
TAIWAN	TW						
THAILAND	TH						
INDONESIA	ID						
MALAYSIA	MY						
SINGAPORE	SG						

- Group BU
- NS Format developed in 2009
- NA - No format in the country

FORMAT	ABBREVIATION
Hypermarket	HM
Supermarket	SM
Convenience store	PRX
Cash & Carry	C&C
Hard discount	HD
E-commerce or Internet	NET

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 the 1st of January 2009, it is not included in our reporting for environmental data.

If a BU was sold or closed in 2009, it is completely excluded from our reporting.

For 2009, the following BUs were excluded: hypermarkets in Bulgaria and Russia, supermarkets in Taiwan, convenience stores in Poland and Thailand established in 2009 and the convenience store BU in Brazil under development but not significant.

Data from Cyprus are incorporated into data on Greece, and are only available for Human Resources indicators.

SUSTAINABLE DEVELOPMENT INDICATORS

Principles applied

Our sustainability reporting employs the following principles:

Accuracy:

The Carrefour group strives to ensure the accuracy of its published data by conducting a large number of manual and automatic internal controls.

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

Choice of indicators

Since 2003, the Carrefour group has used 20 key performance indicators (KPI) associated with its strategic priorities for Sustainable Development. 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 2009 Sustainability Report adheres to the recommendations of the Global Compact for "communication on progress", the guidelines of the G3 Global Reporting Initiative (Level B), and the guiding principles of the OECD (see cross-reference table page 135). As an addition to the Annual Report, it also complies with the requirements of Art. 116 of the French law on New Economic Regulations (see p. 136).

A Sustainable Development reporting protocol was prepared by the Group's Sustainable Development department. It stipulates the Group's rules for data collection, calculation and consolidation. It is updated on an annual basis.

Furthermore, through Enablon, a computerized reporting application, each sustainability reporting correspondent has access to a data collection procedure, an Enablon user and application guide, definitions for each KPI, and a check-list of control points, which are distributed internally to the Sustainable Development managers.

Finally, note that for fiscal year 2009, collection of social data was made on the basis of Group human resources standards and the Group's human resources reporting tool.

METHODOLOGICAL PARTICULARITIES

All of this information is indicated in the Group's Sustainable Development reporting protocol and in the KPI definitions available within the Group's reporting application for environmental KPIs and with the Group Department of Human Resources for social KPIs.

Methodological information concerning environmental and social indicators

Scope of environmental indicators (Energy, Water, Refrigerants, Waste, Check-out bags, Commercial publications): the scope includes consolidated stores open as of 1st January of the reporting period. The scope excludes consumption from non-Group activities, transport of people and cold products (Energy and Refrigerants), warehouses, franchise stores, head offices and other administrative offices. For the 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 asks BUs to take into account sales areas in stores open as of 1st January in the reporting period.

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

For CO₂ emissions related to our logistics activity, CO₂ emissions related to downstream transport

(transport 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 French Environment and Energy Management Agency (ADEME).

The following CO₂ emissions are not taken into account:

- produced by “spotters”,
- produced during inbound transport of merchandise to the warehouse,
- related to direct deliveries (direct “producer-to-store” transport of merchandise without going through a warehouse),
- related to transport of employees and customers,
- related to outbound rail (such as in France) and maritime transport (such as in Indonesia).

Finally, 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 divided by the surface of paper purchased for commercial publications (in g/m²).

Number of listed organic products: The number of listed organic or ecological products reported pertains to the number of items, labelled by outside third parties, identified in the own-brands, whose sales during the year were not zero.

Number of theoretical working hours for staff during the period: The hours of all persons on the payroll are counted. In France, this includes interns who receive an internship salary of more than 30% of the guaranteed minimum wage.

Number of workplace accidents, frequency rate and severity rate: A workplace accident is defined by the laws in effect in each country. If no definition exists in the country, the definition used is “a reported accident which occurred at the workplace and caused a work stoppage”.

The number of hours of absence due to a workplace accident are the hours of absence in year N. The calculation method used by the countries is based on business days; however, different methods may still exist in some countries.

Percentage of employees recognized as having disabilities: 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 the countries where the Group operates, this indicator includes unlabelled products for which the procedure used is similar to that required for labelling.

In some cases, the KPIs may involve an estimation (as with the Water Consumption indicator calculated on the amount billed at an average price per cubic metre). In these cases, the BUs must specify and justify the relevance of the hypotheses used for making the estimates.

Methodological limits of the indicators

The environmental and social indicators can pose methodological limits due to a lack of coordination among national and international laws and definitions (e.g., workplace accidents) and/or to the qualitative, and therefore subjective, nature of certain data (such as indicators related to purchase quality, logistics process, stakeholders and consumer awareness).

For the Refrigerants KPI, any leaks that may have occurred prior to a change of equipment are not quantified in the report. They correspond to emissions generated between the last maintenance operation and replacement of the unit. The impact is insignificant at the Group level thanks to both regular monitoring of the units and the fact that their replacements are staggered. 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 bottles.

For the Logistics KPI, in the vast majority of cases CO₂ emissions related to merchandise transport 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 truck. Moreover, countries where logistics are handled primarily by suppliers are excluded from the scope of reporting.

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

For the Water KPI, the quantity of water published corresponds to the quantity of water purchased. In fact, water collected by some stores through drilling is not counted when there is no charge for its withdrawal.

For the Waste KPI, the chosen scope of reporting 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 governments, no information is available.

With regard to Carrefour Quality Line 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, the solution chosen by Carrefour is to report all the sales in the hypermarket format.

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

METHODS OF DATA COLLECTION, CONSOLIDATION AND CONTROL

Reporting Period

Three reporting campaigns are made each year: one annual Sustainability Report published each year for the Shareholders' Meeting, and two interim reports (end of June and end of September). The period used for the annual report is the calendar year (1st of January to 31st of December).

Data collection methods

The system in place is based on dual information reporting that allows rigorous collection of qualitative and quantitative data from the various countries and banners. For qualitative information, a dedicated "e-room" makes it possible to report the best practices applied in the countries. For quantitative information, the Enablon application

was implemented in 2005 for reporting key environmental performance indicators. With regard to key social performance indicators, they were reported through the Group's human resources reporting tool this year. Reporting correspondents identified in each country are responsible for coordinating their country's environmental and social reporting in their respective countries.

Data consolidation methods

Consolidation of 2009 Sustainable Development indicators at Group level are handled through our Enablon application by the Sustainable Development Department for all indicators.

Environmental data control methods

Enablon, our computerized reporting application, features automatic consistency checks to prevent data entry errors. It also provides 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. Inconsistencies and errors that are found are reviewed together with the countries and corrected as needed.

Social data control methods

Social data are locally checked before being entered into the Group human resources and audit tool. The Group's Human Resources Department carries out a second level of data control for possible modifications.


EXTERNAL AUDIT

Principle applied

Reliability: Quantified data are produced, consolidated, analysed and published. Selection is subject to verification by an outside third party.

External audit


The reporting procedures have been verified by our external KPMG Audit auditor for some of

the main 2009 environmental and social indicators. These indicators are marked with a symbol  on page 90 and in the table (*see page 130*). The nature of the work carried out and the findings of this work are presented on pages 143-144. The level of assurance of our fiscal year 2009 reporting is moderate.

CONTINUOUS IMPROVEMENT

In 2009, in order to be close to the various figures disclosed by the Group, business volumes for organic, Carrefour Quality Line and fair trade products were tracked in sales including VAT.

Statutory Auditors' Report on a Selection of Social and Environmental Performance Indicators for 2009

As requested and in our capacity as Statutory Auditors of Carrefour Group, we have performed a review to enable us to provide a moderate level of assurance on the social and environmental performance indicators selected by the Carrefour Group and identified by the symbol  on page 90 and in the table of key performance indicators by format presented on pages 130 in the Sustainability Technical Report for fiscal year 2009.

These data were prepared under the responsibility of the Carrefour Group's Sustainable Development Department and Human Resources Department, in accordance with the internal Sustainability KPI Reporting Procedure, which may be consulted at the Sustainable Development Department. The summary of the reporting methodology provided on pages 137 to 142 specifies the data collection method used for calculating the indicators disclosed. Our role is to provide a conclusion on the data selected based on our audit. The findings expressed below apply only to these data and not to all of the Sustainability Technical Report 2009.

NATURE AND SCOPE OF THE WORK

We took the following actions to provide moderate assurance that the data reviewed do not contain any material anomalies. A higher level of assurance would have required a more extensive review.

- We assessed the reporting procedure relating to environmental and social performance indicators with regard to its relevance, reliability, neutrality, understandability and completeness.

- We conducted interviews with the Sustainable Development Department in order to update our knowledge of the reporting process and of the organization in place, as well as to ascertain that the reporting procedure had been applied correctly.

- We performed tests on a sample of nine Business Units¹, representing between 11% and 78% of each of the verified indicators. They were selected according to their contribution to the Group's key performance indicators, their representation of the diversity of the Group's formats and the results of the work we conducted in previous years. For the selected Business Units, we verified that the procedure had been understood and implemented correctly, and we performed arithmetic tests, on a spot check basis, on the calculation of these indicators, reconciliations with supporting documents and consistency tests on their consolidation.

We were assisted in our work by the Environment and Sustainable Development professionals of our firm.

¹BU Hypermarkets France, BU Supermarkets Champion France, BU Hard Discount (DIA) France, BU Hypermarkets Greece, BU Supermarkets Greece, BU Hard Discount (DIA) Greece, BU Hypermarkets Belgium, BU Hypermarkets Indonesia, BU Hypermarkets China.

COMMENTS ON THE GROUP'S REPORTING PROCEDURE AND IMPLEMENTATION

In 2009, the Group further improved the reliability of the data reporting process, in particular by implementing a follow up of the Bio and Quality Lines Products activities in sales amount in order to be consistent with other communications done by the Group.

We have the following comments to make regarding the selected data reporting procedure:

- Information is provided on the scope of each key performance indicator.
- During our work at Business Unit level, we found that the Group reporting procedure had been understood and correctly implemented by the Business Units audited. However:
- The methods used for calculating the emissions due to logistic could still be improved; the Group's definitions concerning this indicator could be made more accurate in the associated indicator's sheet;

- The consistency check procedures need to be applied more stringently at the Business Unit level.

- Changes have been made this year concerning the social reporting process, in particular concerning the reporting procedure and the reporting tool used for data collection. A better anticipation of these changes could have eased the appropriation by the Business Units of the new reporting procedure, as well as the distribution of roles and responsibilities in terms of social data collection and controls. These points should be quickly clarified.

CONCLUSION

Based on our review, we did not find any material anomalies that could call into question the compliance of the data examined with the above-mentioned reporting procedure.

Paris La Défense, April 2nd, 2010

KPMG Audit
Department of KPMG S.A.

Eric Ropert
Partner



Philippe Arnaud
Partner
In charge of the Environmental
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Department

ADEME: French Agency for the Environment and Energy Management (Agence de l'Environnement et de la Maîtrise de l'Energie).

ANPE: French state unemployment agency (Agence Nationale pour l'Emploi en France).

BACKHAULING: Process wherein trucks that have completed store deliveries then collect goods ordered by a supplier and deliver them to warehouses.

BUSINESS UNIT: Corresponds to a store format in a particular country.

CARBON ASSESSMENT (BILAN CARBON): Software developed by ADEME to measure greenhouse gas emissions.

CICE: Carrefour Centre for Information and European Coordination.

CIES: (Food Business Forum) Global network of the independent food industry.

CSR: Corporate social responsibility.

CTM: Centralized technical management of electrical equipment in stores.

ECO-AGENCY: An agency of producers that assumes financial and/or organizational responsibility for dealing with products at the end of their life cycle.

ÉCOCERT: French certification and control agency.

ERRT: European Retail Roundtable (Table Ronde des Distributeurs Européens).

ESR: A private set of standards developed by Écocert for certification of fair trade products (Équitable Solidaire Responsable).

FAIR TRADE*: Fair trade is a trading partnership based on dialogue, transparency and respect, aimed at fostering increased fairness in international trade. Fair trade contributes to Sustainable Development by offering optimal trade conditions to disadvantaged producers (essentially in the countries of the southern hemisphere) and by protecting their rights.

*This definition is taken from the consortium of the Fair-Trade Labelling Organization, International Federation for Alternative Trade, Network of European Workshops, and the European Fair Trade Association.

FLO-CERT: Certification company for fair-trade products.

FSC: (Forest Stewardship Council) The FSC label guarantees consumers that their wood products come from sustainably managed forests.

FTN: (Forest Trade Network) Network created 15 years ago by the WWF to support companies committed to a responsible wood purchasing policy.

GFSI: Global Food Safety Initiative.

GHS: Globally Harmonized System of classification and labelling of chemicals.

GLOBAL COMPACT: Global contract between the United Nations, Member States, signatory business corporations and NGOs aimed at promoting responsible action through compliance with 10 fundamental principles of Sustainable Development.

GMO: Genetically Modified Organism.

GRI: (Global Reporting Initiative). An international multi-stakeholder initiative that provides an international standard for environmental and social reporting and defines guidelines and key performance indicators.

GSCP: Global Social Compliance Programme.

HACCP: (Hazard Analysis Critical Control Point) A food safety management system.

HCFC: Hydrochlorofluorocarbons. Chemical products containing chlorine and fluoride as well as hydrogen, which makes them less stable and thus less harmful to the ozone layer than CFCs.

HFC: Hydrofluorocarbons. Chemical products containing fluoride and hydrogen, but not chlorine or bromide, and thus not harmful to the ozone layer.

HPC: Household and Personal Care products.

IFHR: International Federation for Human Rights.

ILO: International Labour Organisation.

LCA: The Life Cycle Analysis is an environmental assessment method used to quantify the impact of a product over its entire life cycle, from extraction of its raw materials to disposal at the end of its life, including manufacture, distribution and use.

MSC: (Marine Stewardship Council) Independent non-profit global organization created in order to find a solution to the problem of overfishing and which has developed an international standard for sustainable, well-managed fishing.

NER LAW: French law of 15 May 2001 on New Economic Regulations which in Article 116 requires French companies listed on the stock exchange to report on "the social and economic consequences of their activities".

NETWORK: Network organization specific to an activity and cross-departmental to BUs.

OECD: Organisation for Economic Co-operation and Development.

OEKO-TEX: Private European certifying body which certifies the safety of textile products.

ORGANIC AGRICULTURE: Farming methods that sustain ecosystems and reduce pollution. Such methods avoid the use of pesticides, herbicides and antibiotics, as well as genetic manipulation.

OWN-BRAND PRODUCTS: An own brand or banner product for which Carrefour participates in the preparation and packaging, choice of producer, quality control, marketing and so on.

PEFC: Programme for the Endorsement of Forest Certification Schemes.

QS: Quality Scorecard.

REACH: Registration, Evaluation and Authorization of Chemical substances. A regulation instituting a new European policy on management of chemical substances.

REAP: (Retailers Environmental Action Programme) Programme created in connection with the collaboration between the European Commission, EuroCommerce and ERRT.

ROUNDTABLE ON RESPONSIBLE SOY (RTRS): An initiative meant to bring together various stakeholders to promote soy production, processing and trade which is socially and environmentally responsible and economically viable.

RSPO: (Round Table on Sustainable Palm Oil) A global, multi-party initiative concerned with the production of sustainable palm oil.

SEAFOOD CHOICES ALLIANCE: International programme of SeaWeb (ocean conservation organization) which aims to create opportunities for change within the seafood sector.

SRI: Socially Responsible Investment.

STAKEHOLDERS: All of the various groups that participate in the economic life of the company (employees, customers, suppliers and shareholders), who monitor the company (unions, NGOs), or who are more or less directly influenced by it (civil society, local government, etc.).

SUPPLY CHAIN: Supply chain.

SUSTAINABLE DEVELOPMENT: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Brundtland Commission, "Our Common Future", 1987.

UNI: (Union Network International) Trade union with 15 million members in about 150 countries.

VFTN: Vietnam Forest and Trade Network (Vietnam FTN). See the definition of FTN.

WEEE: Waste from Electric and Electronic Equipment.

WWF: World Wide Fund for Nature.

For further information

On Carrefour in 2009

2009 Annual Activity and Sustainability Report (available for download at www.carrefour.com)
2009 Financial Report (available for download at www.carrefour.com)

About Carrefour and its commitments

www.carrefour.com
www.fondation-carrefour.org
www.carrefour.fr (Social action section)

About corporate social responsibility

www.csreurope.org
www.unglobalcompact.org
www.globalreporting.org

About the environment

www.uneptie.org
www.greenpeace.org
www.wwf.org

About social issues

www.fidh.org
www.ilo.org
www.union-network.org

We would like to thank all of our employees and stakeholders who have participated in preparing this 2009 Sustainability Expert Report.

SEND YOUR OPINION

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