

# SOCIAL AND ETHICAL CHARTER FOR OUR SUPPLIERS

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Carrefour's commitment for  
*responsible trade*



## Carrefour's social and ethical responsibility

The Carrefour Group, in regular contact with millions of customers and thousands of suppliers in the countries where it operates, is aware, since its origins, of the economic and social impact of its activities. Carrefour's responsible commitment is **central in the Group's strategy** and relies on two main lines: **the respect of Human Rights** throughout its supply chain and the ethical conduct in its operations.



## A commitment respecting international references

Carrefour's approach relies on the respect and promotion of universally recognized international references, in particular: the Universal Declaration of Human Rights, the International Labour Organisation (ILO) Declaration on the fundamental labour standards, as well as the pertinent conventions of the ILO and the OECD guidelines.

Carrefour is committed to respect and promote respect of such international legal standards in its field of activity. In addition, it commits itself to conducting its activities carefully, taking into account the local conditions of each country and the impact of those activities. It undertakes to avoid, particularly, any complicity in human rights abuses via its relationships with business partners, entities in its value chain, States and non- State actors.



## Commitment to ethical and legal trade

Carrefour prioritizes the development of ethical and legal trade. To this end, it encourages all its employees and contracting partners to implement responsible business practices. Carrefour has put in place the "**Carrefour Code of Business Conduct**" for its employees. Carrefour reiterates in this document the undertakings shared with its contracting partners and that it expects from them in terms of commercial ethics.

Carrefour has formalised its commitments in the area of professional ethics in the "**Carrefour Code of Business Conduct**" out of a concern to develop a culture of trust and integrity at all levels of the company and with all its partners.



This code consists of **10 principles**. It establishes the reference framework in which Carrefour and its employees carry out their trade on a day-to-day basis. In particular, it ensures that fair and transparent commercial practices are developed. →

## Carrefour's commitments are in line with the ten principles of the UN Global Compact:



### Human rights

**Principle No. 1:** Businesses should support and respect the protection of internationally proclaimed human rights;

**Principle No. 2:** make sure that they are not complicit in human rights abuses.



### Labour

**Principle No. 3:** Businesses should uphold the freedom of association and the effective recognition of the right of collective bargaining;

**Principle No. 4:** the elimination of all forms of forced or compulsory labour;

**Principle No. 5:** the effective abolition of child labour;

**Principle No. 6:** the elimination of discrimination in respect of employment and occupation.



### Environment

**Principle No. 7:** Businesses are asked to support a precautionary approach to environmental challenges;

**Principle No. 8:** undertake initiatives to promote greater environmental responsibility;

**Principle No. 9:** encourage the development and diffusion of environmentally friendly technologies.



### Anti-corruption

**Principle No. 10:** Businesses should work against corruption in all its forms, including extortion and bribery.



Carrefour supports the further development of internationally agreed legal standards related to corporate responsibility to respect human rights. Carrefour also actively supports the harmonisation and convergence of voluntary initiatives by companies to improve respect of existing international legal standards in the field of human rights, including labour rights.

## Carrefour and its suppliers jointly commit to respect commercial ethics

Carrefour wishes to establish relations of trust and loyalty with its suppliers in all countries where it operates and in all concerned product and service categories.

These relations guarantee joint success, which can only be founded upon exemplary ethical and legal commercial practices.

Carrefour thus expects its suppliers to make a commitment to comply with the following 5 principles in all stages of the commercial relationship:

### 1 Strict observance of legality

- Each supplier must **ensure that it complies** with the legislation in force **in the country where its head office is located** and with that of the countries **in which its production sites are located**, in particular those manufacturing products marketed by the Carrefour Group.
- In particular, it must **prohibit** all **business activity that could directly or indirectly lead Carrefour or one of its employees into an illegal practice**, and harm the image of Carrefour.
- In addition, each supplier undertakes to **comply** with all **national laws and international treaties** in force in relation to intellectual property, both in the case of trademarks and patents.

### 2 Prohibition of any obstacle to competition law

- Competition law guarantees **healthy and fair competition** between companies, which is an important factor in growth and innovation.
- All suppliers are **prohibited** from participating in **any unfair practice hindering the free exercise of competition**, particularly those intending to push a competitor out of the market or restrict access to the market for new competitors by illegal means.

### 3 Preventing conflicts of interest

A conflict of interests is a business situation in which the ability of a Carrefour employee to make independent or honest decisions or assessments may be influenced or altered by personal considerations.

→ **These situations may be derived from:**



direct or indirect **links of friend and family** between the representatives of the supplier and the Carrefour employees involved in purchasing, or likely to have an influence on purchasing,



**the involvement of former Carrefour employees** who are now representatives of the supplier in business dealings with Carrefour,



the intervention of Carrefour employees or people close to them who are **managers** or direct or indirect shareholders of the supplier's company or one of its subsidiaries.

Any familiarity or personal link between the supplier and the individuals involved in the purchasing process or likely to influence the sale of products or services to Carrefour or one of its subsidiaries must therefore be avoided.

### 4 Rejecting all acts of corruption

- Any direct or indirect **reward** for Carrefour employees involved in the purchasing relationship on any level (e.g. Client, Buyer, User, etc.) or having the power to influence the purchasing decision is strictly prohibited regardless of the purpose and form.
- All suppliers are **prohibited** from making offers or accepting requests from any Carrefour employee concerning **financial benefits or provisions in the form of discounts, gifts, trips, invitations, loans, bonuses, or any other benefit** as part of the sale of products and services to Carrefour or its subsidiaries.
- Invitations to Carrefour employees for **research trips or seminars** organised by the supplier **may only be envisaged if** these events are **of a strictly professional nature** and are directly related to the functions of the person concerned.

### 5 Confidentiality guarantee

- Any **information disclosed by Carrefour must be deemed as confidential** in relation to other current or potential customers of the supplier and its own suppliers, providers, or subcontractors.
- All information concerning the commercial relationship between the supplier and Carrefour may only be used **in the strict scope of this relationship, and may under no circumstances be disclosed to third parties** without the prior, written consent of Carrefour.
- Each supplier must **ensure the proper implementation of and strict compliance with the confidentiality agreements by its employees** or any involved stakeholder.

Each supplier undertakes to inform and promote the awareness of its employees in relation to compliance with these principles.

Any supplier that does not comply with these principles risks being held liable and harm the image of its company.

In order to ensure a chain of trust between all parties involved, Carrefour also expects its suppliers to take measures to inform and raise awareness, and implement reference frameworks on ethics and integrity, in relation to their own suppliers, providers, and subcontractors.





## Cooperation with FIDH

In 1997, Carrefour asked **the International Federation for Human rights (FIDH)**, an international human rights NGO, to help Carrefour to establish a policy and instruments aiming at the respect of human rights, in particular of labour rights by suppliers, agents and subcontractors. With the help of FIDH, Carrefour drew up a 'suppliers' charter and an audit document together with a user guide. This documentation is the result of two years of legal consultations and practical applications aimed at drawing up and creating a methodology for controlling compliance with the principles from the 'suppliers' charter.

FIDH and Carrefour have together created **an advisory committee: INFANS**, a statutory association. INFANS is run by two representatives of FIDH and one representative of Carrefour. This committee is in charge of **monitoring Carrefour's overall approach and formulating recommendations to Carrefour.**



## Promotion of social responsibility among supply chain players: an action where pooling individual efforts should lead to a general improvement in employee's living and working conditions.

Carrefour has put in place a policy which aims to **promote, respect and ensure respect for human rights** by all its **suppliers and its subcontractors.**

Thanks to an initiative by the Carrefour Group, which convinced its competitors and other supply chain players to take a joint approach and to establish the **ICS (Social Clause Initiative)**, French retailers have been sharing tools and audit results.

Carrefour's social and ethical Charter now integrates the reference code drawn-up by the GSCP based on **international legal standards and on the best practices of all its members.**



## Carrefour's suppliers commitment toward social responsibility

→ Carrefour's suppliers must commit to respect the following fundamental legal standards:



- 1. **Prohibition of forced, bonded, indentured and prison Labour:** all work must be done on a voluntary basis and any kind of threat, penalty or sanction must be eradicated.



- 2. **Prohibition of child Labour:** not to employ children under the age 15.



- 3. **Respect for freedom of association and effective recognition of the right to collective bargaining:** to ensure workers have the right to organise themselves freely into unions and be represented by organisations of their choice so as to carry out collective bargaining.



- 4. **Prohibition of discrimination, harassment and physical or psychological abuse:** to respect equal opportunities from the recruitment to the employ termination by not practising any discrimination based on ethnic groups, colour, gender, political or religious convictions, belonging to a union or a specific social environment, or any other situation.



- 5. **Health and safety:** to guarantee that all the corresponding provisions are defined to cater for specific conditions and related hazards pertaining to their specific industries, in accordance with the relevant applicable health & safety principles.



- 6. **Decent wages, benefits and terms of employment** in line with local legislation.



- 7. **Working hours:** to guarantee workers working hours which comply with **local legislation.**

The implementation of **those standards** is the subject of **an internal audit** initiated by Carrefour, and an unannounced external audit carried out by independent audit firms selected by Carrefour. The INFANS advisory committee may also carry out ad hoc visits.

This ad hoc **independent external control** is carried out confidentially except if the committee, considering that its recommendations have not been satisfactorily implemented, and at the end of the maximum period of four months following their formulation, decides to make its observations public.

Signed on behalf of  
the Supplier

Signed on behalf  
of Carrefour

year



If you notice any practices or actions inconsistent with applicable law or the ethical principles of Carrefour, please report them to the Carrefour Polska hotline (tel. 801 200 000) available 24/7, by email at [kontakt@carrefour.pl](mailto:kontakt@carrefour.pl) or through the website [ethics.carrefour.com](http://ethics.carrefour.com).