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| <p style="text-align: center;"><b>ANNEXE</b></p> <p style="text-align: center;"><b>SUPPLIERS' CHARTER CARREFOUR</b></p> |
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## **I - FOREWORD**

The current Charter aims for the effective recognition and respect by CARREFOUR and its suppliers of:

- National and international human rights' standards contained in the Universal Declaration of Human Rights and the ILO instruments;
- Ethical principles;
- Local and international environmental regulations.

Suppliers are required to respect and implement all the requirements of this Charter, or its equivalent, and the principles which underpin them. These requirements are part of the 10 principles of the Global Compact.

This Charter is based, in particular, on the international labour standards defined in the ILO Declaration on Fundamental Principles and Rights at Work and its follow-ups (in particular the C87 convention (1948 ), C98 (1949), C29 (1930) , C105 (1957), C138 (1973), C182 (1999), C100 (1951), C111 (1958)) and other applicable international labour standards.

In all instances, the international, national and/or local legislation and standards that ensure the highest a level of protection to the workers and the environment shall be applied.

The provisions of this Charter constitute minimum levels of requirements and not maximum.

This Charter shall not be used as an excuse not to exceed the international, national and/or local legislations regarding labour standards and environmental protection.

This charter was written in the continuity of the collaborative work with the FIDH (International Federation for Human Rights) that was initiated in 1998 on the social responsibility of CARREFOUR.

## **II – OBLIGATIONS OF THE SUPPLIERS**

The suppliers commit to comply with the following principles.

He also commits to ensure that his own suppliers and subcontractors comply with those same principles. It is therefore the full responsibility of the supplier to make sure that his own suppliers and subcontractors meet the requirements of the charter and that the latter have the same level of requirement regarding their suppliers and subcontractors and so on throughout the whole supply chain.

### **1. Prohibition of Forced, bonded, indentured and prison Labour**

1.1 All work must be conducted on a voluntary basis, and not under threat of any penalty or sanctions.

1.2 The use of forced or compulsory labour in all its forms, including prison labour when not in accordance with Convention 29, is prohibited.

1.3 Suppliers shall not require workers to make deposits/financial guarantees and shall not retain identity documents (such as passports, identity cards, etc.), nor withhold wages outside a legal contractual agreement.

1.4 Bonded labour is prohibited. Suppliers shall not use any form of bonded labour nor permit or encourage workers to incur debt through recruitment fees, fines, or other means.

1.5 Indentured labour is prohibited. Suppliers shall respect the right of workers to terminate their employment after reasonable notice. Suppliers shall respect the right of workers to leave the workplace after their shift.

### **2. Prohibition of Child Labour**

2.1 Suppliers shall comply with:

- i) the national minimum age for employment;
- ii) or the age of completion of compulsory education;
- iii) or any otherwise specified exceptions;

and shall not employ any person under the age of 15, whichever of these is higher. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply, provided that special protection measures are taken.

2.2 Suppliers shall not recruit child labour nor exploit children in any way. If children are found to be working directly or indirectly for the supplier, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first.

2.3 Suppliers shall not employ young workers under 18 years of age at night, or in conditions which compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

### **3. Respect for Freedom of association and effective recognition of the right to collective bargaining**

3.1 Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorization from suppliers' management. Suppliers shall not interfere with, obstruct or prevent such legitimate activities.

3.2 Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers shall not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labour standards.

3.3 Suppliers shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation with a trade union, or their legitimate trade union activity, in accordance with international labour standards.

3.4 Suppliers shall give worker representatives access to the workplace in order to carry out their representative functions, in accordance with international labour standards.

### **4. Prohibition of Discrimination, harassment and abuse**

4.1 Suppliers shall respect equal opportunities in terms of recruitment, compensation, access to training, promotion, termination or retirement.

4.2 Suppliers shall not engage in, support or tolerate discrimination in employment including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination or retirement on the basis of gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations including unions, political affiliation, sexual orientation, or any other personal characteristics.

4.3 Suppliers shall treat all workers with respect and dignity.

4.4 Suppliers shall base all terms and conditions of employment on an individual's ability to do the job, not on the basis of personal characteristics or beliefs.

4.5 Suppliers shall not engage in or tolerate bullying, harassment or abuse of any kind.

4.6 Suppliers shall establish written disciplinary procedures and shall explain them in clear and understandable terms to their workers. All disciplinary actions shall be recorded.

### **5. Health and safety**

Provisions under Health and Safety shall be further defined to cater for specific conditions and related hazards pertaining to different industries, in accordance with the relevant applicable Health & Safety principles:

5.1 Suppliers shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.

5.2 Suppliers must take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Appropriate and effective personal protective equipment shall be provided as needed.

5.3 Suppliers shall provide access to adequate medical assistance and facilities.

5.4 Suppliers shall provide all workers with access to clean toilet facilities and to drinkable water and, if applicable, sanitary facilities for food preparation and storage.

5.5 Suppliers shall ensure that residential facilities for workers, where provided, are clean and safe.

5.6 Suppliers shall assign the responsibility for health and safety to a senior management representative.

5.7 Suppliers shall provide regular and recorded health and safety training to workers and management, and such training shall be repeated for all new or reassigned workers and management.

5.8 Suppliers shall provide adequate safeguards against fire, and shall ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.

5.9 Suppliers shall undertake sufficient training of workers and management in waste management, handling and disposal of chemicals and other dangerous materials.

### **6. Decent Wages, benefits and terms of employment**

6.1 Work performed must be on the basis of a recognised employment relationship established in compliance with national legislation and practice and international labour standards, whichever affords the greater protection.

6.2 Labour-only contracting, sub-contracting or home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, excessive use of fixed term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.

6.3 Suppliers must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/ or industry benchmark standards and/ or collective agreements, whichever is higher. Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.

6.4 Suppliers shall provide all workers with written and understandable information about their employment conditions, including wages, before they enter into employment; and about details of their wages for the pay period concerned each time that they are paid.

6.5 Suppliers shall not make any deductions from wages which are unauthorised or not provided for by national law. Suppliers shall not make any deduction from wages as a disciplinary measure.

6.6 The supplier shall provide all legally required benefits, including paid leave, to all workers.

6.7 Suppliers shall always compensate all workers for all overtime at a premium rate, as required by law and, where applicable, by contractual agreement.

### **7. Working Hours**

- 7.1 Suppliers shall set working hours that comply with national laws or benchmark industry standards or relevant international standards, whichever affords greater protection to ensure the health, safety and welfare of workers.
- 7.2 Suppliers shall respect that the standard allowable working hours in a week are 48, excluding overtime. Workers shall not on a regular basis be required to work in excess of 48 hours per week.
- 7.3 Overtime shall be voluntary, shall not exceed twelve hours per week and shall not be requested on a regular basis.
- 7.4 Suppliers shall respect all workers right to breaks during work shifts and to at least one free day following six consecutive days worked as well as public and annual holidays.

## **8. Ethics**

- 8.1 Supplier shall commit to carrying out its activities in strict accordance with the law.
- 8.1.1 Implementation and compliance with national and international regulations in place in all the countries where it operates.
- 8.1.2 Avoid any illegal activity, behaviour or agreement.
- 8.1.3 Respect regulations regarding intellectual property and prohibition of any type of counterfeit.
- 8.2 Prohibition of any obstacle to competition law
- 8.2.1 Prohibition of any price-fixing agreement or any unfair practice hindering the free exercise of competition
- 8.2.2 Avoidance of any situation where the supplier is economically dependent on CARREFOUR.
- 8.3 Preventing conflicts of interest
- 8.3.1 Avoidance of any situation in which the decision or assessment of any employee can be influenced or altered from their independence and integrity because of personal considerations.
- 8.4 Supplier must reject any act of corruption
- 8.4.1 Prohibition of any kind of payment, direct or indirect, to CARREFOUR's employees involved in the purchasing process or likely to influence the sales of products or services.
- 8.4.2 Prohibition of any payment to public officials in exchange of an undue advantage.
- 8.5 Suppliers shall guaranty confidentiality
- 8.5.1 Any information disclosed by CARREFOUR must be deemed as confidential in relation to other current or potential clients of the supplier, and its own suppliers, providers or subcontractors.
- 8.5.2 Information provided shall only be used in the framework of the agreed business relationship.
- 8.5.3 Suppliers must ensure the proper implementation of and strict compliance with the confidentiality agreements by its employees or any involved stakeholder.

## **9. Protection of the environment (Natural environment and resources)**

- 9.1 The supplier shall comply with national and international regulation and possess the corresponding and up to date administrative documents on its sites.
- 9.2. The supplier must prevent any pollution through risk analysis and implementation of adequate prevention means.
- 9.3. The supplier must minimize the impact of its activity on the environment through impact assessment and process optimization with the best available technologies.

No provision of the Charter herein may be interpreted as exempting the supplier from his duty to comply with the obligations imposed on him by national or international law, wherever the national or international law imposes more severe requirements regarding the respect of the fundamental principles and rights on labour, environmental protection and ethical principles.

## **III – CONTROLS AND SUPPORT**

The supplier accepts to be subjected to the control methodology:

- Preliminary visit by CARREFOUR teams: before any collaboration and so as to witness production conditions, CARREFOUR may undertake a visit on the production lines with external observers if necessary. This visit will be the subject of a report which will assess the respect, by the supplier, of the obligations contained in the Charter herein. During this visit, the Charter and its implementation control are presented and discussed with the supplier.
- Before any product is ordered and throughout the business relation, external audits on the respect of all or part of the Charter's commitments are carried out in all the production facilities of the supplier and its sub-contractors by independent audit firms selected by CARREFOUR. Audits are unannounced.
- The costs of the initial and follow-up audits will be charged to the supplier.
- The supplier commits to display the Charter in the local language or in the illustrated version, in a visible place of the production site and to distribute it to all its employees and the unions present in the company.

- Implementation of a corrective action plan within a defined and limited timeframe: monitoring visits are subject to a report, together with a corrective action plan that is discussed with the supplier and has to be implemented by the supplier. One or several re-audits may be organised to measure the implementation of the corrective action plan.
- Acceptance of unannounced visits by partners selected by CARREFOUR: The supplier authorises CARREFOUR, or any other person authorised by virtue of the internal and external audit mechanism defined by CARREFOUR, to carry out unannounced audits regarding the respect of the commitments undertaken through the signature of this Charter and the corrective action plan defined after the audits.
- The supplier accepts the organisation of capacity building sessions regarding human rights at work or environment for workers and management by local independent organisations selected by CARREFOUR or its partners.
- The supplier also commits to ensure that the manufacturing stages considered as sensitive and performed outside the selected production site are controlled.

The failure by the Supplier to comply with any of its obligations under the present Charter shall result in the immediate termination of commercial relations with the production site where the breach was noticed or the immediate and automatic termination of the General Terms of Supply by CARREFOUR and shall, as applicable, be the subject of damages and interests which may be claimed from the Supplier.

#### **IV – CARREFOUR’S COMMITMENTS VIS-À-VIS ITS SUPPLIERS**

Conscious that the respect of this Charter can only be possible through a collaborative relationship with its suppliers, CARREFOUR commits not to impose conditions on its suppliers that would prevent them from implementing the present Charter. CARREFOUR further commits to accompany its suppliers, to the extent possible, in the implementation of this Charter, especially during the implementation of corrective action plans.