

Corporate Policy - PTC	Issue Date: <b>10/09/2024</b>
<b>Human Rights and Working Conditions in Value Chains Policy</b>	Identification: <b>PTC.XXX</b>
	Version - 01
Issuing Area: Sustainability Holding	Information Classification: <b>Public</b>

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## 1. OBJECTIVE

To establish general and specific guidelines, supported by universally recognized principles of Human Rights and Brazilian legislation, to guide the strategies and actions of the Carrefour Group aimed at ensuring Human Rights and dignified working conditions throughout its supply chains.

Through this policy, the Carrefour Group sets expectations, standards of conduct, and compliance criteria to be followed by employees, merchandise suppliers, and business partners in order to uphold the company's commitment to the promotion and protection of Human Rights and dignified working conditions within its value chain.

Adherence to the guidelines of this policy is a fundamental and mandatory condition for suppliers and business partners to establish and maintain relationships with Carrefour. Each Carrefour employee is responsible for assessing and monitoring the activities of suppliers and business partners to ensure compliance with these guidelines.

## 2. APPLICATION

This applies to the entire Carrefour Group Brazil and its stakeholders, including all merchandise suppliers and business partners, as well as their own supply chains and subcontractors. Special attention is given to suppliers of goods originating from chains with a material risk of human rights violations.

The policy does not apply to indirect suppliers and service providers.

## 3. ACRONYMS AND DEFINITIONS

**ABVTEX:** Brazilian Association of Textile Retail, the main entity that brings together various actors from the textile retail chain, recognized for its initiatives related to responsible sourcing and the promotion of decent work through the ABVTEX Program, the largest social responsibility certification program for suppliers and subcontractors in the textile sector.

**Social Audits:** Audits conducted by independent verification bodies on suppliers and business partners to assess their compliance with social requirements of internationally recognized programs.

**BSCI:** Business Social Compliance Initiative, an internationally recognized social compliance certification program.

**Employees:** All permanent or temporary staff, directors, committee members, interns, and apprentices who have contractual obligations with Carrefour Group Brazil.

**Suppliers and Business Partners:** Providers of goods or services that act on behalf of or in the interest of Carrefour Group Brazil.



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**ICS:** Initiative for Compliance and Sustainability, an international retail sector initiative aimed at improving working conditions throughout the global supply chains of its retail members, including an auditable code of conduct that integrates social requirements.

**Investors:** Shareholders and holders of stocks and securities of Carrefour Group Brazil.

**Slave Labor Dirty List:** A public registry of employers who have subjected workers to conditions analogous to slavery, regulated by Interministerial Ordinance MTPS/MMIRDH Nº 4 of 05/11/2016.

**SDGs:** Sustainable Development Goals, a set of global development goals adopted during the 2015 United Nations Summit, consisting of 17 goals and 169 targets to be achieved by 2030.

**Global Compact:** A United Nations initiative that establishes ten universal principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption for companies worldwide to align their operations and strategies and develop actions that contribute to addressing societal challenges.

**National Pact for the Eradication of Slave Labor in Brazil:** A collective action that outlines 10 core commitments to eradicate slavery-like labor conditions in production chains operating in Brazil.

**Traditional Peoples and Communities:** Culturally distinct groups that self-identify as such, with their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral, and economic reproduction, using knowledge, innovations, and practices generated and transmitted through tradition.

**SMETA:** Sedex Members Ethical Trade Audit, an internationally recognized social compliance certification program.

## **4. GENERAL GUIDELINES**

### **4.1 Policy Context**

#### **4.1.1 General Context**

The supply chains of companies distributing fast-moving consumer goods on a global scale are complex systems composed of an extensive network of suppliers and business partners. These chains encompass a wide range of products and production processes across multiple regions and countries, requiring various types of labor and involving thousands of workers. Carrefour Group Brazil recognizes that business activities can impact Human Rights in supply chains in the regions where companies operate, whether through their own operations or their sphere of influence.

In this context, Human Rights impacts in supply chains not only pose a reputational risk for companies but can also result in financial, operational, and legal risks. Civil society and consumers demand greater transparency and ethics from companies, driving the adoption of measures to protect Human Rights throughout global supply chains.

Companies are therefore challenged to ensure that their standards, policies, and codes of conduct are upheld throughout their entire supply chains. At the same time, there are opportunities for innovation and



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continuous improvement in operations to meet the demands of a constantly evolving global market. In fact, companies have made progress in incorporating social criteria into their internal processes and relationships with business stakeholders, by implementing policies, setting goals, and monitoring indicators. These can be enforced through audits, aimed at ensuring commercial and labor relations that respect Human Rights, both within their internal environment and throughout supply chains.

Carrefour Group Brazil acknowledges its commitment to promote, respect, enforce, and protect Human Rights within its field of activity and sphere of influence. The company is dedicated to assessing risks present in its supply chains and the social and environmental compliance of its suppliers, as well as promoting best sustainability practices throughout its value chain.

Carrefour's approach is grounded in internationally and universally recognized instruments, such as the Universal Declaration of Human Rights, the Global Compact, and the United Nations Guiding Principles on Business and Human Rights. It is also based on the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as its Conventions and Recommendations, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, and applicable Brazilian legislation and standards. Carrefour also aligns with the Sustainable Development Goals (SDGs), particularly SDG 8, which seeks to "promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all." The company further adheres to guidelines from agreements and commitments made with civil society.

#### 4.1.2 Sustainability at Carrefour Group Brazil

Sustainability is a central pillar guiding all operations at Carrefour Group Brazil, reflecting its commitment to creating shared value for the company, its stakeholders, and society as a whole. The company acts responsibly throughout its value chain, implementing traceability and monitoring practices to identify and mitigate social and environmental impacts and risks.

This approach aligns with Carrefour Group Brazil's mission to offer high-quality products and services at affordable prices in a sustainable manner. Carrefour's sustainability strategy is based on three pillars: fighting hunger and inequality, promoting inclusion and diversity, and protecting the planet and biodiversity. These pillars are embedded across the organization, extending to suppliers and partners, positively influencing business systems and practices.

In this way, Carrefour Group Brazil aims to mitigate social and environmental risks, contribute to the development of communities, and promote a more responsible and inclusive business ecosystem, where human rights are an integral part of daily operations.

#### 4.2 Carrefour's Commitment

Through this Policy, Carrefour Group Brazil reaffirms its commitment to respect and promote Human Rights in all its interactions with stakeholders. It recognizes the importance of adopting responsible business practices that involve these stakeholders in developing fair supply chains that respect Human Rights and individual dignity, aligned with the company's socio-environmental responsibility and governance framework.



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Carrefour Group Brazil incorporates Human Rights and working conditions into its management practices. This is supported by promoting information and guidelines on conduct and relationships to all stakeholders, identifying, classifying, and preventing various types of risks related to internal control systems, violations of Human Rights, and dignified working conditions in the supply chain. The company also monitors such risks, mitigating, correcting, and reporting adverse impacts on society resulting from its operations and activities. With a strategy based on these principles and supported by governance and transparency actions, Carrefour Group Brazil aims to adopt measures and implement processes aligned with its integrity system, contributing to the promotion of basic labor rights, safe, productive, and quality working conditions, as well as the promotion of social protection and social dialogue.

To achieve these objectives, Carrefour Group Brazil recognizes key aspects of Human Rights related to working conditions and establishes the following commitments as the most relevant for addressing labor rights in its operations, to be incorporated into the company's plans and actions:

- **Decent Work:** Carrefour Group Brazil is committed to promoting decent work throughout its value chain and contributing to the fight against poverty and social inequalities. This is achieved through respect for fundamental labor rights and the promotion of labor relations regulated by law and through agreements negotiated in a dialogue process, ensuring social protection, fair remuneration, and the performance of work under conditions of freedom, equity, and safety.
- **Fundamental Labor Rights:** Carrefour Group Brazil is dedicated to ensuring that its supply chains are free from any form of child labor and conditions analogous to slavery, as stipulated by Brazilian law. Suppliers and business partners must implement and establish labor practices that value diversity and inclusion, respect equality in terms of job opportunities, and recognize the legitimacy of freely constituted workers' organizations and their right to collective bargaining.
- **Violence, Abuse, and Harassment:** Carrefour Group Brazil condemns and is committed to identifying and combating all forms of violence, abuse, or harassment in labor relations. It expects its suppliers and business partners to do the same by adopting practices to prevent and address any form of violence, abuse, or harassment in the workplace and in their own supply chains.
- **Labor Legality:** Carrefour Group Brazil is committed to promoting legally regulated labor relations throughout its value chain. The company's suppliers and business partners must comply with applicable laws and ensure working and employment conditions in accordance with applicable labor and social security laws.
- **Rights of Traditional Peoples and Communities:** Carrefour Group Brazil's commitment to the rights of traditional peoples and communities is reflected in various actions stemming from the company's sustainability strategy. Carrefour recognizes the importance of these groups in biodiversity conservation, the sustainable management of natural resources, and the preservation of cultural heritage. The company ensures the recognition and protection of their territorial rights and way of life, as well as support for the sustainable development of their communities, extending this commitment to its suppliers and business partners.

These commitments are formalized by Carrefour Group Brazil through its adherence to the Global Compact, a global corporate sustainability initiative that establishes principles related to Human Rights, Labor Rights, Environmental Protection, and Anti-Corruption. Carrefour is committed to adopting these principles as part of its strategy and embedding them in its organizational culture and daily operations, as well as promoting them within its sphere of influence, including employees, suppliers, business partners, customers, and the general public.



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Carrefour Group Brazil also expresses its commitment to Human Rights as a signatory of the National Pact for the Eradication of Slave Labor in Brazil and through the adoption of the commitments established by the Pact to guide the development and enhancement of processes addressing and combating slave-like labor in its supply chains.

To promote respect for Human Rights within its value chains, Carrefour Group encourages its direct and indirect suppliers to adhere to these commitments. This includes promoting decent work for all, especially for workers in vulnerable situations such as migrants; eradicating forced or compulsory labor and child labor; fighting discrimination and violence, including the sexual exploitation of children and adolescents; and ensuring the rights of indigenous and traditional communities. Additionally, Carrefour Group emphasizes the importance of respecting Human Rights by private and security agents.

## 4.3 Guidelines

### 4.3.1 General Guidelines

The commitments undertaken by Carrefour Group Brazil regarding Human Rights and decent working conditions in its supply chains are integrated into the company's daily operations through supply guidelines aimed at establishing conduct compatible with its integrity system and aligned with the company's Sustainability context.

These guidelines aim to promote dialogue and cooperation with suppliers and business partners, seeking their engagement and shared responsibility, as well as establishing the supply rules and control and monitoring procedures necessary to mitigate the risks of impacts related to Human Rights and decent working conditions identified in the supply chains.

Carrefour Group Brazil requires all its suppliers and business partners to acknowledge and respect human rights, in line with Carrefour's established commitment (as described in paragraph 4.2). Therefore, suppliers must strictly comply with local and international legislation that prohibits child labor, ensuring the minimum working age is respected. Moreover, they must guarantee that all workers are hired voluntarily, with the freedom to leave employment upon proper notice. It is also essential that they implement effective measures to prevent accidents, promoting health and safety in the workplace through regular training. Lastly, they must maintain an inclusive work environment, ensuring equal opportunities for all employees.

As part of the control and monitoring process, Carrefour Group Brazil may, depending on the type of supplier and the supply chain's vulnerability, use questionnaires, request documents, conduct audits, and establish mandatory contractual clauses in supply agreements with suppliers and business partners. Carrefour Group Brazil also commits, as far as possible, to engaging and supporting its suppliers in implementing these guidelines in their own value chains.

#### 4.3.1.1 Approval Process

Carrefour Group Brazil strictly respects all laws and regulations applicable to its operations and activities and declares itself unable to establish relationships with suppliers and business partners who do not pass the approval process (as described in item "4.3.2 - Specific Guidelines").



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In the registration platform environment, the new supplier or business partner must share documents for evaluating compliance with Carrefour Group Brazil's transparency, accountability, integrity, and ethics requirements. Additionally, through the platform, the supplier or business partner is required to answer relevant questions as part of the approval process.

#### 4.3.1.2 Code of Conduct for Suppliers and Partners

All suppliers and business partners must sign and adhere to the Code of Conduct for Suppliers and Partners, available in full on the approval platform, as well as the Ethical and Social Charter.

The Code of Conduct outlines all necessary requirements that must be met by suppliers and business partners, including specific clauses on Human Rights and decent working conditions, such as labor and employment relations in accordance with labor and social security laws, fair working conditions and professional development, promotion of diversity and inclusion in the workplace, combatting abuse, harassment, and discrimination, ensuring freedom of association and political affiliation, combatting child and slave-like labor, and ensuring working conditions that promote health, safety, and worker well-being, among other aspects. Specifically on the topics of diversity and inclusion, Carrefour Group Brazil provides an informational guide on the approval platform to assist suppliers and business partners in implementing their own diversity, equity, and inclusion programs (ANNEX 2).

The Code of Conduct for Suppliers and Partners also sets out Carrefour Group Brazil's expectations that suppliers and business partners extend these requirements to their own supply chains and implement monitoring and control processes for their suppliers, service providers, and subcontractors, refraining from partnering with those who violate any of the Code's requirements.

The Ethical and Social Charter, on the other hand, is the document through which the supplier or business partner must formally commit to the requirements of the Code of Conduct for Suppliers and Partners, through the signature of the legal representative of the supplier or partner company (ANNEX 3).

#### 4.3.1.3 Contractual Clauses on Human Rights

As part of the process to mitigate risks related to Human Rights and working conditions in the supply chain, and to reinforce the commitment of suppliers and business partners to complying with the guidelines of this policy, Carrefour Group Brazil establishes contractual clauses on these topics in its commercial supply agreements. These contracts are signed by suppliers and business partners and registered in a notary's office to allow public access and ensure the transparency of the commitments made by both parties.

The clauses in the commercial agreement and/or supply contract provide clear and detailed guidelines regarding each of the Human Rights and working conditions requirements that must be met by suppliers and business partners. These include promoting diversity and inclusion, combatting violence, harassment, discrimination, and abuse, establishing labor relations in compliance with labor and social security regulations, implementing health and safety management systems, combatting all forms of child labor and working conditions that resemble slave-like labor, among other aspects.



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The commercial agreement and/or supply contract explicitly states the duty of suppliers and business partners to expressly recognize that adherence to Human Rights and decent working conditions is a fundamental element of the contractual relationship, to respect labor rights as established by Brazilian law and international treaties to which Brazil is a signatory, and to monitor compliance with these rights in their linked production chain. The commercial supply agreement also requires suppliers and business partners to include similar clauses in contracts with their own suppliers, service providers, and subcontractors, and to establish communication channels and awareness mechanisms within their supply chains.

The commercial supply agreement also includes clauses related to compliance with the specific guidelines of this policy concerning mandatory social audits in the supply chains of Carrefour's private label and textile products.

#### 4.3.1.4 Ethics Channel

Carrefour Group Brazil must make available to all its suppliers and business partners a communication channel for receiving and handling complaints, grievances, and reports of violations of ethics guidelines, anti-corruption, discrimination, racism, or any other type of Human Rights violation within its operations or supply chains.

In addition to establishing an Ethics Channel accessible to all employees, this policy includes the availability of a specialized team for investigating reports. This team consists of impartial and technically qualified professionals, ensuring that all reports are investigated with due seriousness, confidentiality, and objectivity. Continuous training of this team is a priority, ensuring they are always up to date on best practices and current standards in corporate investigations and business ethics.

It is important to emphasize that, although the Ethics Channel and the Investigation Team are distinct entities, they are inseparable when it comes to the effectiveness of ethics within the company. The effectiveness of the Ethics Channel directly depends on the competence and impartiality of the Investigation Team, and vice versa. Together, these entities ensure that all ethical matters are handled with the seriousness and rigor necessary to maintain a fair and integral work environment.

Reports can be made through the following channels:

Website: [conexaoeticacarrefour.com.br](http://conexaoeticacarrefour.com.br) (available 24/7)

Tel: 0800 772 2975 (Monday to Saturday from 08:00 to 20:00)

Reports can be made anonymously, and the whistleblower has the option to track the actions taken by Carrefour Group Brazil directly through the Ethics Channel website. The company must ensure the confidentiality of the information and guarantee that there will be no retaliation against whistleblowers who act in good faith.

#### 4.3.2 Specific Guidelines

##### 4.3.2.1 Requirements for Carrefour Group Brazil's Private Label Products



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Carrefour Group Brazil enforces stricter requirements for all suppliers of products specific to its private labels (Carrefour Private Labels - Carrefour Mercado, Carrefour Classic, Carrefour Selection, Carrefour Especial, Carrefour Original, Sabor & Qualidade, Carrefour Bio, Viver), and Member's Mark.

The International Labour Organization (ILO) has categorized countries based on the level of risk concerning working conditions. As such, all suppliers of Carrefour's private labels located in Medium or High-Risk regions, as defined by the ILO, must obtain a Social Responsibility Audit before supplying Carrefour Group. This is required during the selection, approval, and contracting process, and throughout the term of the supply agreements. These audits cover compliance requirements related to Human Rights and decent working conditions, and they must be conducted by independent verification bodies accredited by the organizations responsible for the audit protocols and registered with Carrefour Group Brazil's Business Units.

For any non-conformities identified during the social audit, even in cases of approval, the audited supplier commits to establishing corrective actions within a previously determined period. Carrefour Group Brazil monitors the audit results of its private label suppliers and follows up on corrective actions. This monitoring is reported to Carrefour Group Brazil's departments, and if the requirements are not met, the supplier may be blocked, or its commercial supply contract suspended or terminated.

The validity of social audit reports and the frequency of audits during the supply contracts are determined according to the audit results, as set out in Carrefour Group Brazil's Purchasing Rules, specifically in the "Social and Environmental Compliance Rules for Purchasing Controlled and Non-Salable Products." The Responsible Purchasing area monitors the results of suppliers' social audits and controls the validity periods of these audits. This allows Carrefour to require its suppliers to renew their audits before they expire, ensuring no gaps in compliance.

The social and environmental compliance rule is respected by all entities within Carrefour Group Brazil, and its implementation control is integrated into the Group's audit processes. The Responsible Purchasing area is accountable for suppliers' social compliance, implementing corrective actions, and communicating with the Sustainability, Commercial, and Private Label departments.

The entire social audit process is the responsibility of the supplier, from hiring the independent verification body to correcting any deviations and non-conformities identified during the audit. Carrefour Group Brazil, through the Responsible Purchasing team, supports its suppliers, as much as possible, in addressing non-conformities identified during social audits.

The recognized social audit protocols by Carrefour Group Brazil are listed below and generally cover compliance requirements related to the following Human Rights topics:

- Implementation of a management and transparency system;
- Labor relations regulated by law;
- Prohibition of child labor, compliance with minimum employment age, and rules for hiring workers under 18;
- Prohibition of forced labor and working conditions resembling slavery;
- Guarantee of non-discriminatory work environments;
- Combating all forms of harassment, abuse, and violence;
- Guarantee of the right to freedom of association and collective bargaining, and implementation of grievance mechanisms;



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- Establishment of open dialogue processes with workers;
- Transparent contracts with workers;
- Working hours and overtime in accordance with national legislation;
- Wages and benefits as required by law;
- Safe and healthy working conditions, implementation of accident prevention measures, and promotion of occupational health and safety in the workplace;
- Ethical business behavior;
- Guarantee of privacy and confidentiality of information;
- Monitoring and management of the supply chain.

### ICS (Initiative for Compliance and Sustainability)

ICS is an international sectoral initiative aimed at improving working conditions throughout the global supply chains of retail companies. The requirements of the ICS Social Code of Conduct are based on the UN Guiding Principles on Business and Human Rights, international human rights conventions, and International Labour Organization (ILO) conventions and recommendations.

The ICS social audit is structured in a dual classification system, consisting of the percentage of compliant requirements (0 to 100%) paired with a letter (A, B, C, D, E), which indicates the degree of severity associated with major non-conformities identified. The detailed requirements of the ICS Social Code of Conduct, as well as the audit rules and classification system, are available at: <https://ics-asso.org/resources/>

### SMETA (Sedex Members Ethical Trade Audit)

SMETA is a widely used social audit methodology developed by Sedex (Supplier Ethical Data Exchange) based on the ETI (Ethical Trade Initiative) Base Code to assess working conditions in supply chains and ensure suppliers comply with ethical and legal standards.

SMETA audits can be conducted based on two or four pillars. The two mandatory pillars for any SMETA audit cover requirements related to labor rights and occupational health and safety. The two additional pillars in a four-pillar audit cover environmental aspects and business ethics. To conduct a SMETA audit, the supplier must be a member of Sedex, and only associated members have access to SMETA audit documentation.

The SMETA audit does not provide a score for the supplier. Instead, non-conformities and opportunities for improvement are recorded. Carrefour Group's Responsible Purchasing team will convert the SMETA report into an ICS report, considering the severity of the requirements according to the ICS standard. After the ICS-converted score is assigned, the supplier will be classified according to ICS rules.

### BSCI (Business Social Compliance Initiative)

The BSCI social audit protocol, developed by Amfori, is a system designed to identify and remediate risks related to working conditions in global supply chains. BSCI provides a code of conduct and a set of guidelines for companies that want to ensure their suppliers respect human and labor rights, based on international standards such as ILO conventions, OECD guidelines, and the UN Guiding Principles on Business and Human Rights.

The BSCI protocol assigns grades associated with letters A, B, C, D, and E to form the final audit result for the supplier, based on the classification and number of non-conformities identified during the audit.



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The detailed requirements of the BSCI Code of Conduct and social audit rules are available at: <https://www.amfori.org/en/solutions/social/about-bsci/resources>

#### **SA8000**

SA8000 is an internationally recognized corporate social responsibility standard developed by Social Accountability International (SAI). It is a process for verifying and certifying an organization's social responsibility management system to ensure continuous compliance with the social and ethical standards defined by the norm. This includes implementing policies and procedures to ensure workers' rights and monitoring and improving working conditions, health and safety, recruitment practices, and labor relations. The SA8000 Standard is based on internationally recognized decent work standards, including the Universal Declaration of Human Rights, ILO conventions, and applicable national laws. Carrefour Group Brazil fully recognizes the SA8000 certification. Documents related to the SA8000 certification process are available at: <https://sa-intl.org/resources/sa8000-resource-center/>

In addition to social audit protocols, Carrefour Group Brazil also accepts the following socio-environmental certification protocols

#### **BAP (Best Aquaculture Practices)**

BAP is an international certification program that ensures sustainability and responsibility in aquaculture. Developed by the Global Aquaculture Alliance (GAA), it can be applied at every stage of the aquaculture production chain, including farms, processing units, feed mills, and hatcheries, addressing environmental, social, animal welfare, and food safety issues. Socially, BAP certification ensures that workers in aquaculture facilities are treated fairly and that their working conditions are safe and dignified. This includes the prohibition of child and forced labor and guarantees of fair wages and adequate working conditions.

#### **FAIRTRADE**

Fairtrade certification is an international certification program that promotes fair trade practices for agricultural and manufactured products. Developed by Fairtrade International, one of the first fair trade initiatives, the certification aims to improve the living and working conditions of producers and workers in developing countries, ensuring they receive a fair price for their products and that their rights are respected.

The Fairtrade certification protocol covers Human Rights issues such as child labor, forced labor, equality and diversity, workers' rights, community rights, freedom of association, among others, based on risk assessments and systems for identifying, monitoring, and responding. Regional coordinators of Fairtrade International support producer organizations in implementing Human Rights due diligence systems, adopting living wages, and remediation processes, among other aspects relevant to fair trade objectives.

#### **SIZA (Sustainable Agriculture in South Africa)**

SIZA is a certification program focused on promoting sustainability and fair trade practices in South Africa's agroindustry. It is recognized by various international sustainability initiatives and standards, facilitating access for South African products to global markets that value responsible practices. SIZA promotes fair labor practices, ensuring that the rights of agricultural workers are respected. This includes safe and healthy working conditions, prohibiting child and forced labor, fair wages, and equal treatment for all workers. Among its social requirements, SIZA also promotes community development by encouraging practices that benefit local communities, such as investments in education, health, and infrastructure.

#### **4.3.2.2 Specific Requirements for the Textile Chain**



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Carrefour Group Brazil recognizes the ABVTEX (Brazilian Textile Retail Association) certification as the social compliance verification methodology for suppliers of textile products (including clothing, footwear, fashion accessories, home textiles, and bedding). ABVTEX is a sectoral initiative that brings together various entities related to textile retail and is known for its initiatives in promoting compliance, responsible sourcing, and decent work through the ABVTEX Program. Since 2012, Carrefour Group Brazil has required that 100% of its direct and indirect (subcontracted) suppliers of textile products manufactured in Brazil be audited by ABVTEX.

ABVTEX textile chain audits are conducted annually by independent bodies accredited by ABVTEX, covering both direct textile suppliers and subcontractors in their supply chains.

The ABVTEX audit and certification system establishes Gold, Silver, and Bronze certification levels, reflecting different degrees of compliance with social, environmental, and supply chain management responsibility requirements. These allow suppliers to be recognized according to the maturity of their sustainability and responsibility practices. According to ABVTEX standards, if a supplier fails the audit by not reaching the minimum score, they are immediately excluded from the supplier list and prohibited from supplying to the retail network until non-conformities are resolved and a new ABVTEX audit is conducted.

Detailed requirements of the ABVTEX Program are available at: <https://www.abvtex.org.br/>

#### 4.3.2.3 Specific Requirements for the Beef Supply Chain

In the context of specific guidelines for certain products or supply chains, all beef suppliers must commit to the terms of Carrefour Group Brazil's Sustainable Beef Purchasing Policy, which includes implementing monitoring and risk mitigation measures related to deforestation and biodiversity protection, as well as child labor, slavery-like labor, and the protection of indigenous and quilombola communities in the supply chain. The commitment of beef suppliers is formalized through the signing of the Declaration of Commitment for Beef Supply, outlining the principles underpinning Carrefour Group Brazil's commitments to this supply chain and detailing the criteria monitored under the sustainable beef purchasing policy.

The criteria that Carrefour monitors and requires its suppliers to commit to not tolerating include:

- Deforestation and conversion of native vegetation;
- Child labor and conditions resembling slavery;
- Environmental embargoes;
- Invasions of indigenous and quilombola lands;
- Invasions in conservation areas.

Among these responsibilities is the sharing of georeferenced data on beef sourcing, linked to a supplier's CNPJ or CPF, which Carrefour Group Brazil uses to conduct weekly checks on compliance with the socio-environmental criteria defined in its policy. These checks include verifying the Ministry of Labor's Dirty List of Slave Labor and overlapping with indigenous and quilombola lands. In cases of suspected non-compliance, the supply from the referred farm is suspended until documentation proving compliance is provided. If the documentation is not accepted or not sent, the farms are permanently suspended from the supply register. Farms with accepted compliance documentation have their supply restored.



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#### 4.3.2.4 Other Certification Programs

The complexity of agri-food systems involving global supply chains, such as soy and palm oil, can significantly impact Human Rights in the countries where these commodities originate. Carrefour Group Brazil recognizes the importance of specific certification programs for these supply chains in addressing Human Rights requirements.

Specifically for the palm oil supply chain, Carrefour Group Brazil requires RSPO SCC (Roundtable on Sustainable Palm Oil – Supply Chain Certification) certification for all raw materials used in private label products containing palm oil or its derivatives, at least at the Mass Balance level. RSPO SCC certification ensures the traceability and transparency of palm oil produced sustainably according to RSPO Principles and Criteria throughout the supply chain.

For the soy supply chain, Carrefour Group Brazil is a member of RTRS (Round Table on Responsible Soy), a non-profit international association that promotes sustainable soy production and certification through a global platform for multilateral dialogue on responsible soy and the development, implementation, and verification of a global certification standard, the RTRS. Although not a purchasing requirement, Carrefour Group Brazil strives to acquire RTRS-certified soy whenever possible.

Similarly, Carrefour Group Brazil recognizes the importance of other socio-environmental certification and verification programs such as Proterra, Bonsucro, FSA (Farm Sustainability Assessment), Fairtrade, Rainforest Alliance, and the Brazilian Organic Compliance Evaluation System (SisOrg), among others. These programs encompass Human Rights and working conditions requirements, serving as good practice tools for suppliers to meet Carrefour Group's expectations concerning the commitments outlined in this policy.

## 5. RESPONSIBILITIES

### COMPLIANCE

- Evaluation of reports related to potential non-compliance with this Policy, and referral to the Consequence Management Committee for deliberation when necessary.
- Management of the Ethics Channel and investigation of reports.

### LEGAL

- Insertion of human rights clauses in the standard supply contract template registered at a notary's office.

### COMMERCIAL / PRIVATE LABELS

- Communicate the rules in commercial negotiations with merchandise suppliers.
- Halt commercial negotiations with suppliers who do not meet the audit and/or certification requirements, until compliance is proven.



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## QUALITY - RESPONSIBLE PURCHASING

- Management of social audits for private label and textile suppliers (ABV/Tex).
- Accountability for the social compliance of suppliers, implementation of corrective actions, and communication with the Sustainability, Commercial, and Private Label departments.

## SUSTAINABILITY

- Verification of merchandise suppliers' certifications, if necessary.
- Management of beef supplier approval, including, among other topics, compliance with human rights criteria.

## CSC - REGISTRATION

- Verification of the compliance of the registration process for new suppliers.

## 6. ASSOCIATED DOCUMENTS

- 6.1 Code of Ethical Conduct.
- 6.2 Code of Conduct for Suppliers and Partners.
- 6.3 Diversity, Inclusion, Respect, and Anti-Racism Policy.
- 6.4 Stakeholder Engagement Policy.
- 6.5 Sustainability Policy.
- 6.6 Social and Environmental Policy for Beef Purchasing.
- 6.7 Purchasing Rules (Social and environmental compliance rules for controlled and non-marketable product purchases).
- 6.8 Commercial Contract / Supply Terms.
- 6.9 Social audit rules and requirements.

## 7. DOCUMENT REVIEW AND UPDATING

This regulation must be reviewed every two years for compliance with Policies, Standards, and Procedures or whenever significant changes in processes are identified.



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## **8. CONSEQUENCE RULES**

Non-compliance with these regulations may result in applicable disciplinary measures, as permitted by current legislation and the internal rules of Carrefour Group Brazil.

In cases of non-compliance with these guidelines, reports can be made through:

CONEXÃO ÉTICA: Website: [conexaoeticacarrefour.com.br](http://conexaoeticacarrefour.com.br) or telephone: 0800 772 2975

The confidential Conexão Ética channel is managed by an external and independent company, ensuring absolute confidentiality and non-retaliation for good-faith whistleblowers. All communications, as far as legally permitted, will be treated confidentially, with the prohibition of all forms of retaliation against good-faith whistleblowers.

## **9. REVISION HISTORY**

DATE	VERSION	DESCRIPTION	AUTHOR
10/09/2024	01	Policy Drafting	Julia Carlini

## **10. DOCUMENT RESPONSIBLE PARTIES**

RESPONSIBILITY	VERSION	NAME	DEPARTMENT	POSITION
Drafting	01	Julia Carlini	Sustainability	Manager
Approval	01	Danilo Bonfim	Compliance	Director
Approval	01	Jessica Ribas	Contracts	Manager
Approval	01	Ana Tambasco	Private Labels Commercial	Director
Approval	01	Elizeu Almeida	Quality	Director
Approval	01	Leandro Sousa	CSC	Director
Approval	01	Susy Yoshimura	Sustainability	Director



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