

CARREFOUR GROUP BUILDING RESPONSIBLE RELATIONSHIPS



No.1 in Europe

30 countries

No.2 in the world

102.442

billion euros in sales
incl. VAT under
Goup banners



16,899,020 sq.m
of sales area

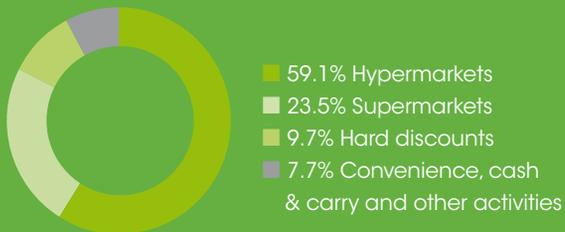
490,042

employees

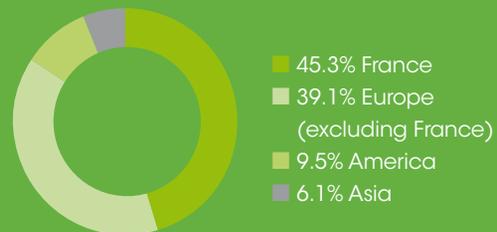
14,991 stores

More than **3** billion check-out operations
per year

Breakdown of sales incl. VAT under banners by format



Breakdown of sales incl. VAT under banners by geographic area



With three billion check-out transactions per year, tens of thousands of suppliers and over 490,000 employees worldwide, the Carrefour Group assumes significant economic, social and environmental responsibilities in its operations, and is committed to providing high quality products and ensuring customer safety. Each day, the Carrefour Group puts its skills, energy and resources to work to ensure that it remains a high-performing, socially responsible and sustainable company.

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MESSAGE FROM THE CHAIRMEN: CARREFOUR'S COMMITMENTS



The Carrefour Group has long been committed to keeping human welfare and environmental protection its key priorities while developing its operations. Sustainable development is an integral part of our corporate culture, and it does not hinder our economic performance but rather helps us identify opportunities for development, reduce costs and better anticipate and manage risk. It will generate future growth and create value for our Group and all our stakeholders. It is also a guarantee of our continuity.

■ Robert Halley
Chairman of the Supervisory Board

“Our goal is to achieve commercial and economic success, but it cannot be separated from our social and environmental responsibilities.”

José Luis Durán, Chairman of the Management Board

Now more than ever, we are convinced that Sustainable Development can generate growth and profitability. It's a great opportunity to develop our brand while strengthening consumers' trust in our products and services. The many initiatives you will discover here in our 7th Sustainability Report show that these commitments date back many years and have led to positive concrete action in all of the countries in which we are present.

We have decided to make the Carrefour brand the central axis of our strategy and are committed to strengthening its presence and content on all our markets. The challenge is to meet customers' pricing and quality needs better than our competitors, and meet their expectations in terms of responsible manufacturing, environmental protection and food and product safety.

Our goal is to achieve commercial and economic success, but it cannot be separated from our social and environmental responsibilities. Our performance can only be ensured if we make progress in all of these areas. For example, we have committed to reduce the Group's energy consumption by 20% by 2020 (compared to 2004 consumption levels).

As the 9th-largest private employer worldwide, we also have an obligation to provide our staff with a pleasant and stimulating work environment. This year, we have started making improvements in this area in order to attract and retain the very best talent.

Our approach also gives greater meaning to our employees' work and deepen their pride in being part of our Group.

Our 2007 Sustainable Development Report will inform you about our Values and initiatives as well as the key indicators we use to measure our progress. It also highlights five key areas on which we have placed special focus in 2007: nutrition, sustainable consumption, our image as a responsible employer, social conditions in production and combating climate change. The way we conduct our business demonstrates our dedication to developing concrete solutions to major challenges with the aim of becoming a creator of responsible relationships.



■ José Luis Durán
Chairman of the Management Board

ADHERENCE TO THE PRINCIPLES OF THE GLOBAL COMPACT



In 2001, the Carrefour Group joined the United Nations Global Compact, making the commitment to adhere to and promote its 10 principles in the areas of human rights, labour standards and the environment.

GLOBAL COMPACT PRINCIPLES

EXAMPLES OF CARREFOUR GROUP INITIATIVES

HUMAN RIGHTS

1. Support and respect the protection of internationally proclaimed human rights in its sphere of influence

2. Ensure that businesses are not complicit in human rights abuses

- The Carrefour Group is committed to voluntary policy of respecting the basic rights set out by the ILO and ensuring that its suppliers do the same, in particular by cooperating since 1997 with the International Federation for Human Rights (FIDH).
 - All of Carrefour's suppliers are contractually bound to the Group's Social Charter. To ensure that suppliers comply with the charter, Carrefour strengthened its social audit policy in 2003. By the end of 2007, 2,069 social audits had been performed.
 - Since 2006, in the framework of the CIES, Carrefour has been working towards a convergence of voluntary social audit initiatives.
- >See pp. VI-VII in the Challenges Booklet.

LABOUR STANDARDS

3. Uphold the freedom of association and the effective recognition of the right to collective bargaining

4. Eliminate all forms of forced and compulsory labour

5. Ensure the effective abolition of child labour

6. Eliminate discrimination in respect of employment and occupation

- Signing of an agreement with the UNI (Union Network International) in 2001 under which the Group commits to ensure the application of the principles set out by the ILO (in particular freedom of association, the right to collective bargaining and the abolition of child labour).
- >See pp. 38-39.
- In October 2004, the Carrefour Group signed the Corporate Diversity Charter, making a commitment to not discriminate at the time of hire or during a worker's employment.
 - Many employment programmes have been established for disabled persons.
- >See pp. 36-37 and pp. VIII-IX in the Challenges Booklet.

ENVIRONMENT

7. Support a precautionary approach to environmental challenges

8. Undertake initiatives to promote greater environmental responsibility

9. Encourage the development and diffusion of environmentally friendly technologies

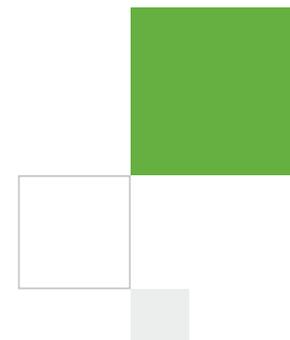
- Carrefour develops environmentally friendly own-brand and banner-brand products affordable for all budget: organic, eco-labelled and Carrefour Quality Line products, Responsible Fishing range etc.
- >See pp. 26-29 and 47-49/ Responsible Consumption, pp. IV-V in the Challenges Booklet.
- The Group committed to reducing its energy consumption by 20% by 2020 (compared with 2004 consumption levels).
 - Carrefour works to reduce the environmental impact of its stores:
 - it uses an environmental management system to minimize waste and optimize its consumption of energy, refrigerants and water;
 - it performs life cycle analyses to define policies on check-out bags and advertising catalogues.
- >See pp. 48-49/ Climate Change, pp. X-XV in the Challenges Booklet.
- Carrefour takes steps to reduce CO₂ emissions generated by logistics activities: streamlining flows, testing alternative shipping methods (rail/road and river/road combinations) and offering alternative fuels such as Aquazole and NGV.
- >See Climate Change, pp. X-XV in the Challenges Booklet.
- The Group deploys initiatives to raise awareness of Sustainable Development issues both internally and externally and works to promote responsible consumption.

ANTI-CORRUPTION

10. Work against corruption in all its forms, including extortion and bribery

- June 2004: a Code of Ethics was adopted to provide guidelines to employees and help them fight corruption. Now known as the Code of Conduct, it was updated and enhanced in 2007.
 - Awareness-raising and training initiatives – in particular for buyers – were deployed in the countries.
 - In particularly sensitive countries the Group implemented ethics hotlines that employees, suppliers or customers may use to alert us to any behaviour inconsistent with the Group's Values.
- >See p. 6.





RESPONSIBLE RELATIONSHIPS BENEFIT US ALL

Supported by the top level of the Group and upheld by all our employees, our commitments to responsible commerce are an extension of the Values underlying the Carrefour Group's strategy. They are also based on our firm belief that the Group has as much to gain from the promotion of Sustainable Development as its stakeholders.

COMMITMENTS

Objectives

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TOWARD FAIR AND SUSTAINABLE GROWTH

Not only does Sustainable Development closely match our own ethical standards and principles – it also creates value for the Group and its stakeholders. This is why we have placed Sustainable Development at the very heart of our profitable growth strategy.



The Carrefour Group's seven Values



Ethics hotline (Turkey)

A HISTORICAL CONVICTION AND STRONG VALUES

Tasty, authentic and safe fresh products, the precautionary principle, environmentally friendly production methods and fair compensation for suppliers are the cornerstones of Carrefour's strategy for long-lasting relations with all its stakeholders. In 1992, when Carrefour Quality Lines were created, the concept of Sustainable Development was not yet widely recognized. Yet its principles were already a part of the Group's corporate culture and strategy, and Carrefour has only strengthened this approach ever since.

In 2002, the Group defined its seven core Values: Freedom, Responsibility, Sharing, Respect, Integrity, Solidarity and Progress. They have been deployed in all countries as guidelines to be used by Carrefour employees in their relations with stakeholders. In 2005, to ensure compliance with these Values, Carrefour set up Carrefour Attitude, a management tool enabling Business Unit Executive Committees to self-assess their relationships with their stakeholders with regard to Group Values. Each year, managers are evaluated on their ability to integrate these Values into their duties. Some countries go even further - Brazil, for example, requires all applicants for senior managerial positions to complete a test measuring their aptitudes in relation to the Values.

A CODE OF ETHICS APPLIED THROUGHOUT THE GROUP

In 2004, the Carrefour Group adopted a Code of Ethics that translated these Values into guidelines to provide direction to employees and help them fight corruption. In 2007 it was enhanced, updated and renamed the Code of Conduct. It is now distributed to employees in all the countries.

The Business Units regularly focus their communications initiatives on the Values and the Group's Code of Conduct. Some of them also supplement these awareness-raising efforts with related training. Moreover, some sensitive countries, such as Argentina, Brazil, China, Colombia, Indonesia and Turkey, have set up ethics hotlines enabling their employees, suppliers or customers to alert to any behaviour inconsistent with the Group's Values.

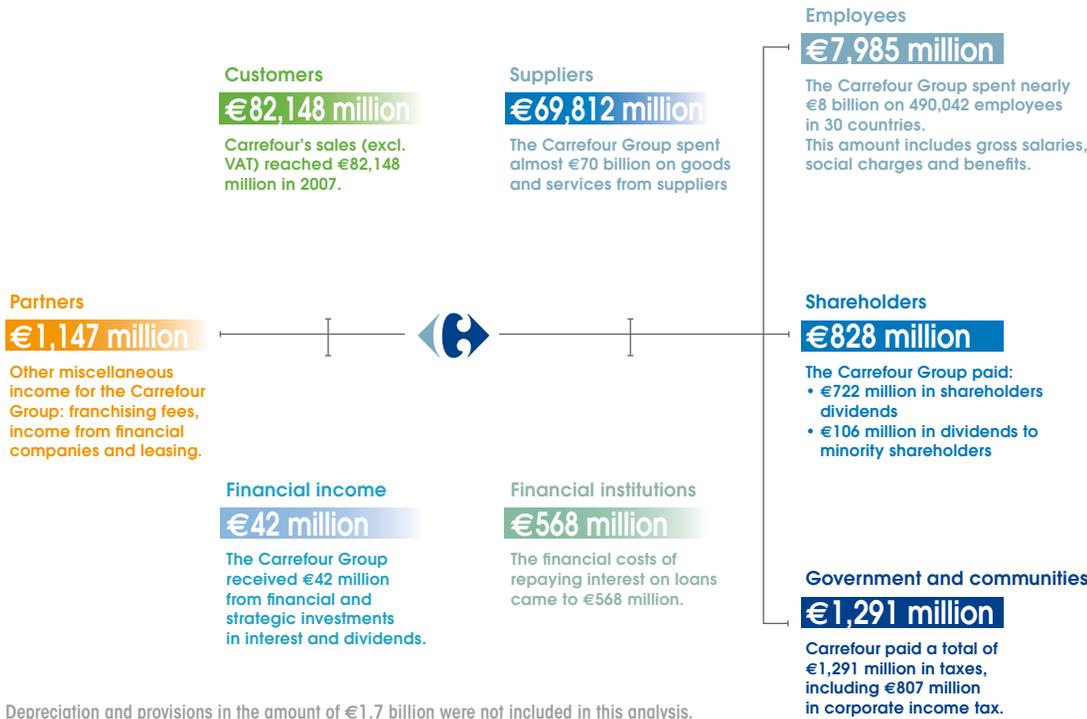
A DRIVING FORCE FOR DEVELOPMENT

For the Carrefour Group, Sustainable Development is a key factor in growth, profitability and continuity. The Group anticipates emerging trends by paying close attention to civil society. In 1997, for example, it launched the Carrefour Organic range and began marketing fair-trade products. By deploying a responsible human resources policy, it makes a positive contribution to employee performance. Reducing its energy consumption helps it save natural resources, play a role in the fight against climate change and cut costs. And by anticipating the various risks to which it is exposed, it is better able to ensure the continuity of its operations.

When Carrefour takes action to meet stakeholders' social and environmental expectations, it also creates value for the Group, its employees, shareholders and suppliers and the countries and communities in which it operates.

SHARING VALUE AMONG STAKEHOLDERS - 2007

(expressed in millions of euros)



Depreciation and provisions in the amount of €1.7 billion were not included in this analysis. The residual difference of €1.1 billion results from the increase in shareholders' equity.

FOCUS ON...

RESPONSIBLE COMMUNICATIONS

An internal communications code is being developed at Hypermarkets France to translate the values Carrefour already applies – honesty, transparency and simplicity – into formal obligations. In January 2008, Hypermarkets France also signed the Advertisers' Responsible Communications Charter drawn up by the Union des Annonceurs (UDA). It includes five commitments:

- apply the principles of responsible communications to all messages released externally;

- encourage target audiences to adopt responsible behaviour;
- make responsible use of end customers' private data in marketing and commercial initiatives;
- set up an internal procedure to approve communications before they are released externally;
- integrate environmental impact into the selection criteria for communications media.

15 YEARS OF COMMITMENT

- ▶ **1992** Carrefour Quality Lines. 
- ▶ **1996** Application of the precautionary principle to GMOs. 
- ▶ **1997** Carrefour Organic. 
- ▶ **2000** Social Charter to be signed by Group suppliers drawn up in cooperation with the International Federation For Human Rights. 
- ▶ **2001** Signature of an agreement with the UNI. 
- ▶ **2001** Membership in the United Nations Global Compact. 
- ▶ **2004** Adoption of the Group Code of Ethics; Signature of the Corporate Diversity Charter. 
- ▶ **2004** Carrefour Attitude. 
- ▶ **2005** Responsible Fishing Line. 
- ▶ **2006** Carrefour AGIR RANGE. 
- ▶ **2007** Commitment to reduce the Group's energy consumption by 20% by 2020 (compared with 2004 levels).

COMMITMENTS BEGIN

AT THE HIGHEST LEVEL

As with any strategic commitment, a Sustainable Development initiative cannot lead to concrete action unless the Group's managers personally lend their support. Carrefour's management rises to this challenge, helping translate commitments into action.

THE RULES OF SOUND CORPORATE GOVERNANCE

In 2005, in keeping with the decision taken by the shareholders at their 20 April Meeting, the Carrefour Group adopted a new system of governance ensuring a more balanced distribution of power between a Supervisory Board (the supervisory body) and a Management Board (in charge of Group management).

The Supervisory Board

The Supervisory Board comprises eleven members, including one woman, six independent directors and one foreign national. Representing the Shareholders' Meeting, it appoints Management Board members and approves any changes to the Group's structures and capital. It supervises and monitors the implementation of the Group's strategy, verifies that the annual accounts presented by the Management Board are in order and, upon completion of these tasks, produces a report for the Shareholders' General Meeting.

Specialized Committees

The Supervisory Board is assisted by two specialized committees whose members are chosen from its ranks. The Audit Committee examines the accounts, ensures respect for stock market regulations and evaluates the Group's internal and external supervision.

The Compensation, Appointments and Corporate Governance Committee proposes appointments and pay rates, evaluates staff performance shares and stock option packages and assesses the work of the Supervisory Board.

The Management Board

At its 22 January 2008 session, the Supervisory Board raised the number of Management Board members from five to seven. The Management Board acts by

consensus and ensures the general management of the Group, approves the accounts and convokes the General Meeting. It reports on its management to the Supervisory Board.

THE PRINCIPLE OF SUBSIDIARITY

As an international group operating in 30 countries, Carrefour increasingly emphasizes a decentralized management system that can be optimally adapted to the local context. The driving forces are the Business Units, each of which corresponds to one store format in a given country. All the Business Units share the Carrefour Values and apply the Group's policies according to the principle of subsidiarity.

ACTIVE PARTICIPATION BY THE MANAGEMENT BOARD

For Carrefour, Sustainable Development is a combination of three major priorities: quality products and services, responsibility to stakeholders, and risk management. In 2005, the Group placed Sustainable Development at the heart of its organization by creating the Quality, Responsibility and Risk Management Department, which oversees the Sustainable Development, Quality, Safety, Security, Insurance and Risk Management, and departments Lobbying and the Carrefour International Foundation.

The Quality, Responsibility and Risk Management department is a sign of the importance the Group places on Sustainable Development. The department reports directly to a dedicated member of the Management Board. Strategic directions in Sustainable Development are also presented and discussed at Management Board meetings. Their implementation in the field is then handled by the Executive Committees of the Business Units.

A WORD FROM THE MEMBERS OF THE MANAGEMENT BOARD



■ ■ ■ **JACQUES BEAUCHET** – member of the Management Board, Managing Director, Human Resources, Communication, Legal, Quality, Responsibility and Risk Management

Sustainable Development is a true driving force for our Group's long-term economic success. To this end, we have long maintained Sustainable Development as a central focus of our strategy. We also aim to uphold our economic, social and environmental responsibilities to our stakeholders. The members of the Management Board meet regularly throughout the year to discuss various strategic Sustainable Development issues, including our policies on wood, fish, labour, nutrition and energy.

Major decisions impacting our entire Group are taken during these meetings. This year, for example, we adopted new energy strategies and made progress on social issues with our decision to join the SAI (Social Accountability International) with a view to identifying the best ways of ensuring compliance with ILO principles worldwide. All Group business lines and levels – from the head office to the smallest store – are actively involved. This allows us to transform our objectives into realities and strengthen consumers' trust in Carrefour.

■ ■ ■ **JAVIER CAMPO** – member of the Management Board, Managing Director, Hard Discount

At Dia, we focus on all the ways we can make a better contribution to Sustainable Development, such as reducing energy consumption, recycling waste and developing more ecologically friendly packaging.

Since 2003, Dia has also been offering organic products. We work to continually improve nutritional information for our products, in particular with nutritional diols. Finally, our Quality department in Spain obtained ISO 9001:2000 certification in 2007 for its approval procedures for suppliers of own-brand produce.



■ ■ ■ **JOSÉ MARIA FOLACHE** – member of the Management Board, Managing Director, Commercial and Marketing

Product procurement is now both local and global. This is why all of our teams, whether overseas or close to home, strive to work closely with our suppliers to bring customers high quality, environmentally friendly products that are produced responsibly. We are verifying compliance with increased quality and social audits. We are committed to bringing our customers quality at the best price every day. We invite them to join us in our Sustainable Development efforts by buying the environmentally friendly, socially responsible and organic products in our Carrefour Agir range. We also work to develop products and services that help them reduce their energy consumption.

■ ■ ■ **THIERRY GARNIER** – member of the Management Board, Managing Director, International (excluding Europe)

You might think that Sustainable Development is a concept for developed countries only, but our experience in Asia and Latin America has shown us that consumers in these countries also value a balanced diet, environmental protection and product quality. With a view to meeting these expectations, we have launched initiatives such as Nutrition Week in Brazil, rolling out a range of iron-rich products, and created the Foundation for Food Safety in China.



■ ■ ■ **GILLES PETIT** – member of the Management Board, Managing Director, France

Our commitment to Sustainable Development is an indispensable condition for our economic success in France.

It gives greater meaning to our employees' work and strengthens our customers' trust in our brand. It also reinforces our relationships with our partners, whether they be suppliers, producers or franchisees. For this reason, we have been supporting the development of our Carrefour Quality Line producers for the past 15 years. We have also had a partnership with Reflets de France producers for the past decade.

■ ■ ■ **GUY YRAETA** – member of the Management Board, Managing Director, Europe (excluding France)

Thanks to the best practices we have developed and deployed in our countries in Europe, and the regular dialogue we encourage, Sustainable Development is now a firm part of the Carrefour strategy in all our countries. As a part of this approach, we roll out international initiatives such as Nutrition Week and World Environment Day and encourage many local initiatives.



INVOLVING ALL OF OUR ACTIVITIES

At the Carrefour Group, Sustainable Development is not a separate function. Like Quality, it is an attitude, a corporate culture shared by all our employees. It is therefore totally integrated into the Group's organization and management.



Involvement at all levels

A DEDICATED ORGANIZATION INVOLVING ALL OUR EMPLOYEES

The Sustainable Development Department's organization involves all business lines and levels of the Group. Reporting to the Quality, Responsibility and Risk Management Department, the Group Sustainable Development Department ensures its steering. Its role is to drive policy forward by bringing issues before the Management Board, ensuring the implementation of set strategies and spreading the use of best practices.

Combining internal and external expertise

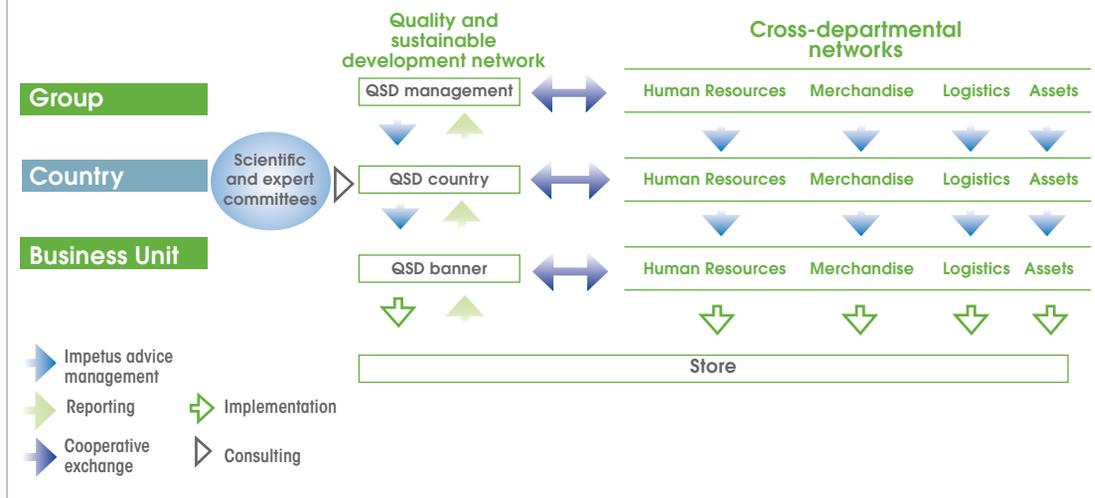
For this, it relies on resources such as scientific networks or committees and external specialists, and cooperates with the Group's operational and cross-functional departments: Human Resources, Merchandise, Logistics and Assets (stores, home offices,

etc.). This allows operational teams to exchange expertise and achieve a more effective application of Sustainable Development principles in the practices of each activity.

Adapting to local conditions

The same organization is duplicated at country and banner level. In each country, the Group Sustainable Development Department has Quality and Sustainable Development (QSD) relays through which it can communicate Group strategic directions. With its support, the QSD relays and operational and cross-functional departments of the Business Units work together to apply the Group's Sustainable Development policy from the highest level down to the stores, making adaptations to local contexts where necessary. The QSD also ensures reporting on deployed initiatives.

THE SUSTAINABLE DEVELOPMENT ORGANIZATION INVOLVES ALL ACTIVITIES





Carrefour employees at work on Sustainable Development projects in Malaysia, Brazil and Greece ■

Testimonial ■■■

SANDRINE MERCIER

Director for Quality,
Hypermarkets France
and Sustainable
Development France



■ The fact that we made Sustainable Development an integral part of our corporate organization rather than just delegating it to a specialized cell makes it more effective. It is impossible to deploy an initiative of this kind without the active involvement of operational teams. In our case, each activity truly took the challenges of Sustainable Development to heart and included them in its own strategy. As a result, we've made remarkably swift progress in a number of areas, taking real action rather than just talking about the issues. The Group's decentralized organization also allows each country to tailor its efforts to its own particular challenges. In France, for example, over the past two years, nutrition and responsible fishing issues have taken on more and more importance. We're therefore placing more emphasis on both of these fronts.

Testimonial ■■■

JANE LIN JING

Assistant Secretary General,
Carrefour China Foundation
for Food Safety



■ We work each day to raise awareness among Chinese consumers and facilitate food safety.

One of the main responsibilities of my position is to work in cooperation with various public administration institutions and key players in the production and distribution sectors, as well as with universities and consumers. We focus in particular on the central-western region, a strategic area for the government, with a view to improving its agricultural production methods.

In 2007, we organized seven training seminars with 325 producers and government officials covering the distribution, safety and quality of agricultural products in the central-western region. We also launched eight Nutrition Weeks and four Food Safety Weeks at our stores. Finally, in agreement with The Food Fortification Office, a government entity, we help promote iron-fortified soy sauces.

All these activities have allowed us to have a significant impact and, among other things, demonstrate Carrefour's leading role in the industrial sector in helping Chinese consumers better understand food safety and nutrition.



Logo: Carrefour China Foundation for Food Safety ■

MAKING PROGRESS

WITH OUR STAKEHOLDERS

For the Carrefour Group, Sustainable Development means using new working methods that involve Group stakeholders. The challenge is to take substantive action that simultaneously meets societal demands and its own objectives.

DIALOGUES TO IDENTIFY PRIORITIES

The Carrefour Group communicates regularly and transparently with its stakeholders through the Sustainable Development Department at Group level and through the countries, banners and stores at local level. Not only does this dialogue allow it to answer their questions, but it also helps it stay tuned to their expectations and more easily identify the priorities of tomorrow.

A key moment each year is the Stakeholders' Consultation Meeting, which brings together ratings agencies, funds managers, environmental and social NGOs, consumer organizations, unions, national and international bodies and Sustainable Development discussion groups.

Main topics of the 2007 stakeholders' meeting

The 2007 meeting, held on 7 December, was attended by 35 participants as well as José Luis Durán, Chairman of the Group's Management Board, and Jacques Beauchet, member of the Management Board. Managing directors and managers presented the results of Group initiatives in six areas selected by stakeholders prior to the meeting:

- listening to Staff surveys⁽¹⁾;
- responsible consumption⁽²⁾;
- assistance with the implementation of a Sustainable Development approach by own-brand and banner-brand suppliers⁽³⁾;
- implementation of socially responsible practices by suppliers in particularly sensitive countries⁽⁴⁾;
- Carrefour's energy consumption reduction policy⁽⁵⁾;
- the solidarity policy of the Group and the Carrefour International Foundation⁽⁶⁾.

Identifying our stakeholders' main expectations

This meeting was also an opportunity for our stakeholders to discuss issues with members of the Management Board and Group managers. Stakeholders had the chance to express their expectations from the Group on various issues including fish resources, environmental information on our products, relationships with small suppliers, the scarcity of raw materials and responsible communications. This 2007 Sustainable Development Report takes these expectations into account. It was designed to explain these issues and the Group's positions on them, as well as its policies and the initiatives it has deployed in the field.

PARTNERSHIPS FOR INCREASED EFFECTIVENESS

The complexity of Sustainable Development issues requires a combination of varied expertise. For over 10 years, the Carrefour Group has been relying on the expertise of its stakeholders, maintaining regular dialogue with them and forming many partnerships that allow it to make faster, more effective progress toward its goals. For example, since 1998 the Group has been working with the International Federation for Human Rights to ensure that its suppliers – especially those in particularly sensitive countries – comply with the standards set out by the International Labour Organisation (see Challenges Booklet, pp. VI-VII). It also has a partnership with the WWF, which helps develop a better management of the environmental impacts of its operations. It assists with waste reduction (see p. 48), biodiversity protection (see p. 46) and the fight against climate change (see Challenges Booklet pp. X-XV).

(1) see p. 38, (2) see Challenges Booklet p. IV, (3) see p. 28, (4) see Challenges Booklet pp. VI-VII, (5) see Challenges Booklet p. XIV, (6) see p. 40



Stakeholders' meeting ■

MAIN ENTITIES INVOLVED IN INFORMATION AND DIALOGUE

DIRECT STAKEHOLDERS

Customers	Satisfaction surveys, panels, Consumer Services, toll-free numbers, websites, loyalty cards, Environment survey.
Employees	Listening to Staff surveys, internal surveys, consultation bodies in all the countries, intranet, internal newsletters.
Shareholders	Shareholder Relations Service, Annual General Meeting and other shareholder meetings, the Salon Actionnaria, Annual Report, Shareholders' Guide, Letter to Shareholders, press releases, Group website, online journal accessible 24/7 via a toll-free number (0805 902 902).
Franchised stores	Annual conventions and special events, periodic meetings with Regional Managing Directors, training seminars.
Suppliers	Regular contacts at all levels, SME Manager, Quality Line and Reflets de France clubs in France and Belgium, supplier meetings in many countries.
Service providers	Participation in the "Demeter, logistics and environment" club in France, collaboration to identify opportunities for progress in all the countries.
Local authorities	Consultations with local residents, regular and sustained relations with local authorities.
Public powers	Meetings with local, national and international representatives, exchanges of information with national governments and bodies to identify opportunities.

INDIRECT STAKEHOLDERS

Professional organizations	Participation in national, European and international distribution federations (FCD, EuroCommerce, EFSA, GFSI-CIES), sharing of best practices (ERRT).
Media	Organization of an internal and external communications network to coordinate communications initiatives in all the countries.
NGOs/social and environmental organizations	Meetings at Group, country, and Business Unit levels with NGOs and organizations; local and national partnerships.
Financial community	Meetings with ratings agencies and SRI funds managers, completion of their questionnaires, road shows on Sustainable Development.

Testimonial ■■■

PEDRO BALLESTEROS
Main Administrator Manager,
Sustainable Energy campaign
European Commission



■ Retailers keep a day-to-day contact with the citizens. Their role to facilitate and foster action against climate change is crucial. The Commission welcomes Carrefour's vision to convey a message of consumer responsibility vis-à-vis our planet. The partnership between Carrefour and the European Commission in the framework of the Sustainable Energy Europe Campaign is a success for both parties and, most of all, for the society.

FAITES DES ÉCONOMIES !



Une ampoule à économie d'énergie, c'est 80% d'électricité en moins, soit jusqu'à 70€* d'économies.





J'agis responsable avec Carrefour 

PRACTICING

RESPONSIBLE LOBBYING

Carrefour uses its influence to further discussion on the future of its sector and the planet and to promote the sharing of best practices. The Group maintains a responsible dialogue with public authorities and with international, national and local bodies, and it supports initiatives promoting greater transparency in lobbying.

CONTRIBUTING TO DISCUSSION ON POLICY AND REGULATIONS

The Carrefour Group is present in nine EU member states (France, Belgium, Spain, Italy, Greece, Cyprus, Romania, Poland and Portugal). In 2007 it continued discussions with political decision-takers as a contribution to the construction of a competitive, high-performance internal market which would also protect consumer interests.

This year policy and regulatory discussions focused on major issues such as Europe's competitiveness compared with other regions of the world, the global fight against climate change and informing consumers as a way to promote responsible consumption.

KEY ISSUES IN 2007

■ European competitiveness: creating a true European internal market

Significant progress toward the internal payments market was made in 2007 with the adoption of the Payment Services Directive (SEPA) and the establishment of the Single Euro Payment Area, which should bring benefits for card payments, automatic deductions and transfers similar to the advantages the change over to the euro has brought to cash transactions. In the framework of its commitment to reduce fees associated with bank card use, Carrefour shared its expertise with decision-makers at various stages of these initiatives. This included the insights it has gained as an issuer of payment cards (nearly 10 million cardholders in France and Spain) and acquirer of large volumes of transactions. The Group hopes that the move to SEPA will bring a reduction in bank commissions on transactions, and that they be transparent and justified. Carrefour is also pleased by the European Commission's rulings against the abusive practices of MasterCard in Europe and GIE Cartes Bancaires in France.

Similarly, in June the European Commission initiated official infringement proceedings against Greece and Italy for their regulations governing the distribution of petrol. Carrefour hopes that the liberalization of these markets will lead to better service and more competitive prices for consumers.

■ Climate change: assuming our responsibilities and promoting sustainable solutions

The European Commission and member states have decided to make Europe a model region in terms of fighting climate change. The initiative has two main goals: reduce our energy consumption and increase the use of renewable energies.

The Carrefour Group is furthering this cause by sharing its expertise in these areas, in particular concerning consumer awareness. Its participation in the 2007 Green Week organized by the European Commission allowed the Group to strengthen this process of dialogue with the Commission and civil society.

The Carrefour Group's goal is to assume the responsibility it has as a global company on issues related to energy and sustainable production and consumption. In this regard, Carrefour would like to see the adoption of measures to facilitate access to green products, tax incentives to support initiatives undertaken by companies, and the creation of a database accessible by civil society that would include key environmental information for various product categories which could be useful in its call for tender.

■ Helping consumers make informed choices

In the end, consumers are the ones making the final purchasing decisions. This is why it is essential that they have accurate information on the products they buy. But too much information can make labels



Carrefour China's campaign to raise energy awareness



The Carrefour Group participated in the European Business Summit ■



The Carrefour Group participated in the CIES-GFSI ■

difficult to understand. The Carrefour Group therefore requires that information on its labels be legible, comprehensible and relevant. Several European initiatives aim to increase the amount of information on labels.

For food products, Carrefour promotes providing full nutritional information on the back of packages, since incomplete information on the front could easily mislead consumers. Similarly, the basic referents used to calculate nutritional content should be harmonized to allow for true product comparison.

Regarding the classification and labelling of dangerous substances and preparations (GHS), the Carrefour Group would like to see regulated and monitored labelling showing the substance or preparation's potential risk to the consumer, and relevantly assessed.

■ **European shipping policy: working towards increased mobility and sustainability for freight**

The European Union is working to achieve three main objectives in shipping: reduce European dependence on oil, cut emissions and lighten traffic flow at city entrances and intra-European congestion points. The Carrefour Group is pleased with these proposals, which are in line with our own shipping optimization strategy. We support the proposed urban mobility policy with its integrated and comprehensive approach. Certain Urban Transport Commission proposals have been tested in our European shipping network. The Group also hopes for the liberalization of rail freight, support for consistent common urban policies and the sharing of interprofessional experiences.

FOCUS ON...

CARREFOUR'S POSITION ON PRODUCT CARBON LABELLING

The goal is to provide consumers with clear and accurate information so they can compare the real environmental impact of products. But the Carrefour Group feels that carbon labelling not only fails to accomplish this goal but could even mislead consumers. By focusing only on greenhouse gas emissions, it obscures other environmental criteria, such as water consumption, waste, biodiversity and toxicity, which may be of paramount importance in the case of certain products. It is the Group's hope that the European Commission will prioritize the sharing of best practices in terms of eco-design and the use and accessibility of life-cycle analysis (LCA) findings. The creation of a public database would allow identification of the key factors in each product's environmental impact and enable consumers to access accurate information.

MANAGING OUR RISKS

Identifying and preventing all the risks to which Group operations are exposed and seeking out resources for efficient management of potential crisis situations are among the basic principles of a Sustainable Development strategy. In 2007, the Carrefour Group deployed a number of tools to make further progress in this regard.

FOOD SAFETY, A PRIORITY OBJECTIVE FOR THE GROUP

In 2007, as an extension of the efforts already in place for several years, the Group further expanded initiatives aimed at guaranteeing food safety. To better identify food-safety challenges and take the most appropriate decisions, it developed partnerships and established dialogue within the scientific community. The effectiveness of this policy also depends on all the operational and functional Carrefour teams that are particularly involved in concrete day-to-day action related to food safety.

Sharing best practices among countries is also facilitated by regular meetings of all internal stakeholders, in particular through the Quality and Sustainable Development network. This is supported by the "minimum ticket" (set of procedures essential for each Business Unit), which favours a homogenous corporate culture and the harmonization of procedures using common criteria.

In 2007 we deployed a more anticipative risk management approach. Among other actions, a Risk Prevention department was created within the Quality, Responsibility and Risk Management Department. This new department is involved in risk management on several levels in coordination with the other functional departments, and it provides support to the countries. The following examples of concrete achievements illustrate its mission.

ANTICIPATING RISKS: AN INTERNATIONAL CHALLENGE

Many of the countries in which the Group operates have experienced significant detrimental situations over recent years. In 2007, a mapping of "country risks" was produced to provide decision-takers with information allowing them to take decisions most suitable for Carrefour's development, taking into

account all the risks related to each location. The map includes all the countries in which the Group is now present or plans to set up operations, whether directly via its franchisees or through a purchasing office.

The situation in each country was assessed on the basis of nine areas (politics, health, economy, terrorism, nature, labour, infrastructure, crime and community/environment) using multiple reference sources to allow for regular updates and a combination of expert perspectives. For increased objectivity, the community/environment risk evaluation was calculated directly by ratings agency Ethifinance with its Global Risk Ratings tool.

These efforts will continue in 2008 with a detailed analysis of employee exposure to health risks and mapping of risks related to natural phenomena. The analysis will be accompanied by measures to reduce the impact of these risks on Group operations.

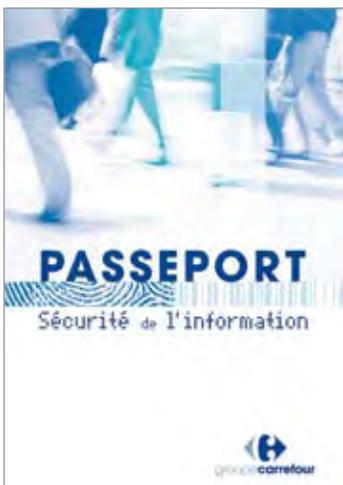
PROTECTING OUR INTANGIBLE ASSETS

As Group information is strategic and competitive, it constitutes one of our intangible assets and must be carefully protected. Carrefour launched several initiatives in 2007 to increase employee awareness of this priority. These included awareness-raising conferences organized with authorities at most central sites and special training modules created to help the countries adopt this approach quickly and without excessive cost.

Communications media such as the "Information Security Passport" and "Post-It" type reminders on the essential rules to respect were also distributed. All of these tools have been translated into English and Spanish and made available to the Business Units.

CRISIS MANAGEMENT TRAINING

Since 2006, the Business Units have made significant progress in their crisis management preparation,





Employees in Colombia



Certified fair-trade packaging centre in the Dominican Republic
(Carrefour AGIR Solidaire bananas)



Employee in Thailand

enhancing procedures and adding more professionalism to the approach. An audit of 10 Business Units in early 2007 confirmed this improvement and allowed us to identify several areas for further work, including forming crisis cells and organizing simulation exercises.

Many tools were developed at Group level to support the Business Units in their preparation efforts. An activity aimed at raising awareness of in-store crisis management was developed to help participants take into account all the impacts decisions can have on stakeholders – an important part of effective crisis management.

Simulation exercises adapted to local issues is one of the key elements of crisis preparation. In 2007, two exercises simulating an earthquake and rioting were organized in Turkey with the participation of the country's Executive Committee.

In compliance with the Management Board's decision, training in crisis management and communication will be deployed in all Executive Committees and simulation exercises will be developed in all Business Units.

Testimonial

ROLAND VAXELAIRE
Managing Director,
Group Quality, Responsibility and
Risk Management



■ Risk management is naturally indispensable for a group like Carrefour, but we see it first and foremost as a great opportunity to mobilize support among our teams for a proactive social and environmental approach. These initiatives allow us to develop a competitive advantage benefitting our customers, employees and all of our stakeholders.

Testimonial

EMMANUEL DE LA VILLE
EthiFinance



■ Carrefour invited us to participate in its "risk mapping" project, in particular to evaluate country-specific risks related to social, environmental and community challenges. Through our contribution, we gained insight into the relevance of the Group's approach in progressively and systematically integrating risk-related considerations into its development strategy.

Over
1,050
employees dedicated
to food quality and
safety Group-wide.

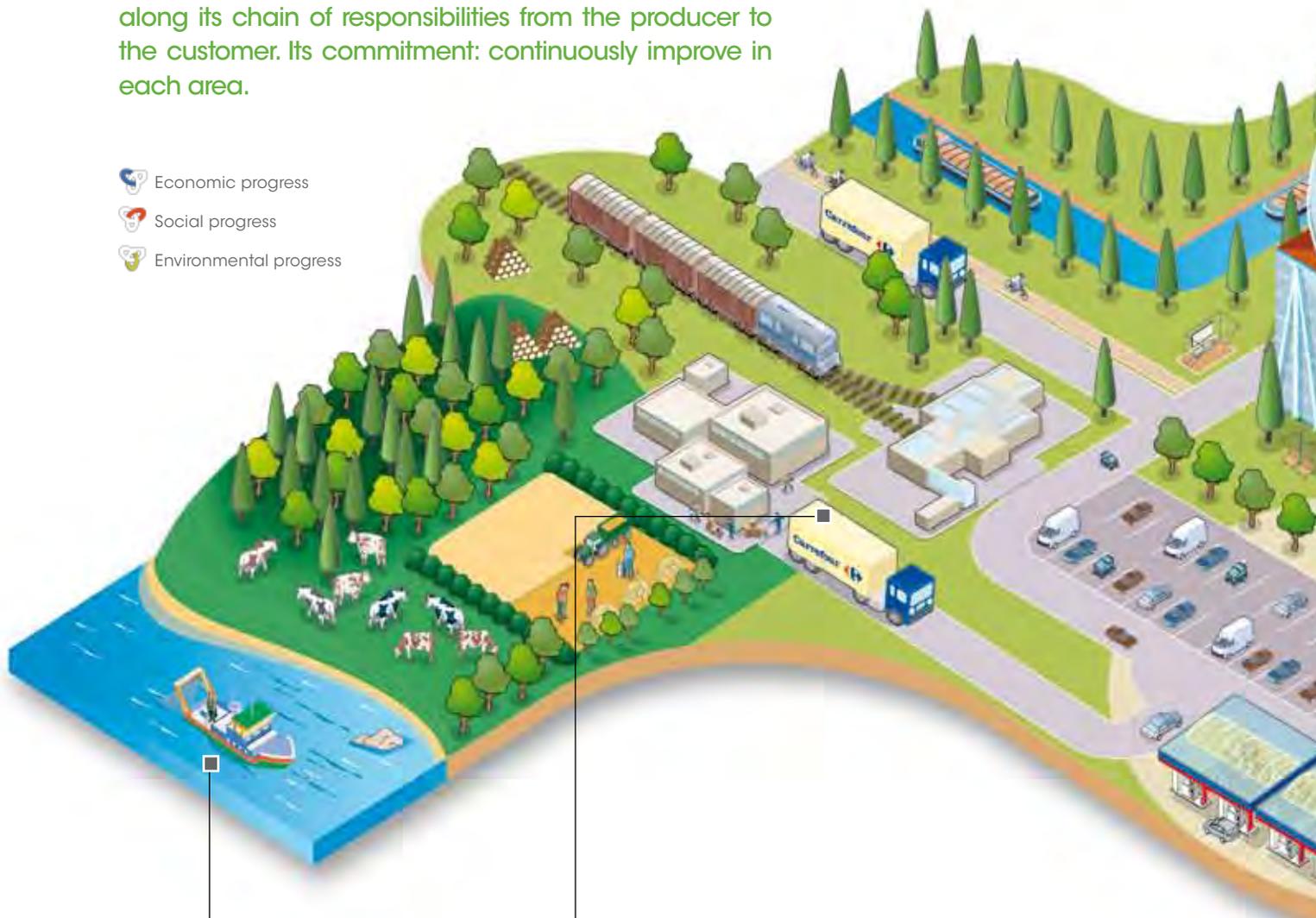
▶ More information

www.carrefour.com

ASSUMING OUR RESPONSIBILITIES

Based on its stakeholders' expertise and on its risk mapping, the Group has identified its challenges all along its chain of responsibilities from the producer to the customer. Its commitment: continuously improve in each area.

-  Economic progress
-  Social progress
-  Environmental progress



PRODUCTION CONDITIONS AND RELATIONS WITH SUPPLIERS AND THE AGRICULTURAL COMMUNITY

OUR RESPONSIBILITIES

- Sustainable relations with our suppliers.
- Promoting local suppliers and products.
- Responsible sourcing (social and environmental conditions of production, protection of natural resources).
- Promoting environmentally-friendly farming practices.

TRANSPORT OF PRODUCTS

OUR RESPONSIBILITIES

- Optimization of the logistics chain.
- Reduction of greenhouse gas emissions.
- Reduction of noise.

STORE MANAGEMENT

OUR RESPONSIBILITIES FOR THE STORES

- Reducing the consumption of natural resources and energy.
- Sorting waste and reducing wastage.
- Safety of people in the stores.
- Controlling pollution.
- Incorporating environmental criteria into the remodelling/renovation of stores.

OUR RESPONSIBILITIES FOR PRODUCTS

- Prices suitable for different purchasing powers.
- Large selection of products.
- Product quality and safety.
- Reducing packaging.
- Offering products that are suited to sustainable consumption.

2007 KEY ISSUES

In 2007, the Group particularly focused on 5 issues:

- balanced diet;
- sustainable consumption;
- manufacturing social conditions;

- being a responsible employer;
- climate change;

For further information on the Group's achievements, refer to the "Challenges Booklet" included in this report.



OUR RESPONSIBILITIES TO OUR EMPLOYEES

- Working conditions.
- Management of the teams.
- A fair reward.
- Respect for diversity.
- The safety of the personnel on our sites (stores, warehouses, etc.).

OUR RESPONSIBILITIES TO OUR CUSTOMERS

- Raise customers' awareness and understanding of sustainability in the stores.
- Promote the reduction, sorting and recycling of waste (collection points, alternatives to checkout bags, etc.).
- Accessibility for disabled people.
- Accessibility by public transport.

RELATIONS WITH CUSTOMERS AND COMMUNITIES

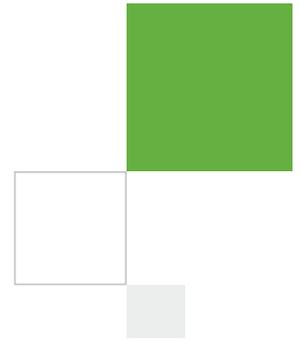
OUR RESPONSIBILITIES TO OUR CUSTOMERS

- Listening to customers and satisfying their needs.
- Democratizing consumption.
- Promoting sustainable consumption to customers.

OUR RESPONSIBILITIES WITHIN LOCAL COMMUNITIES

- Promoting local employment.
- Integrating into the urban setting.
- Creating living spaces.
- Charitable and solidarity activities.
- Dialogue with the local communities.





DEVELOPING SUSTAINABLE COMMERCE every day

We act on our commitments. Our mission: To make quality accessible, while supporting the development of our suppliers and franchise partners; to act as a responsible employer, concerned with promoting equal opportunity, skill development and social dialogue; to act as a socially aware company, respecting local communities and the environment.



COMMERCIAL AND ECONOMIC CHALLENGES

22



SOCIAL AND COMMUNITY CHALLENGES

34



ENVIRONMENTAL CHALLENGES

44

ECONOMIC SCORECARD

STAKEHOLDERS	KEY FIGURES	COMMITMENTS	OBJECTIVES
CUSTOMERS	25 million customers per day 14,991 stores worldwide 80,000 products in each hypermarket	Guarantee relevant, up-to-date product ranges	Make the price/quality ratio accessible in all segments: "first price", banner-brand products, organic, fair-trade, labelled etc.
		Guarantee product safety and quality	Ensure traceability, respect the temperature chain and monitor cleanliness
		Guarantee clear information and raise awareness on consumers about responsible consumption	Minimum ticket applied by all countries by the end of 2008
			Develop innovative communications tools to provide information on products' quality, nutritional qualities and environmental impact.
FRANCHISEES	7,085 franchise stores 47% of stores are held by franchisees 11 franchise partners in 16 territories	Support our partners in their development and continued operation	Develop a quality/price offer in all segments ("low price", own-brand and banner brands) in cooperation with our partners
		Uphold the Group's Values and positions	Promote our Values and raise our partners' awareness of environmental protection and social norms
		Promote respect for our commitments	Ensure compliance with regulations on hygiene, quality and safety in products and stores
		Contribute to local economic development and encourage business creation	Make franchise more accessible to our employees
SUPPLIERS	4,000 to 15,000 suppliers, depending on the country 78% of suppliers are local	Develop conditions for sustainable growth with our suppliers	Discuss our strategies, goals and development paths
			Share the value chain
			Set up sustainable partnerships
		Strengthen our partnerships with local companies	Promote local products and supply
		Guarantee loyal, transparent relationships	Guarantee ethical behaviour in business relationships Define, convey and respect commitments and rules of exchange
Promote Sustainable Development initiatives to our suppliers	Support our suppliers in their Sustainable Development initiatives		
SHAREHOLDERS	Listed in 9 SRI indices	Risk management	Launch an internal control mechanism that includes risk management
		Guarantee the reliability of environmental and social information on the Group's activities and commitments	Provide complete, reliable data
		Confirm the Group's Sustainable Development image	Provide investors and shareholders with a comprehensive cross-functional vision of the Group's operations

■ Launched ■ Underway ■ Implemented ■ Complete



PROGRESS	2007 ACHIEVEMENTS
■ ■ ■ ■	<ul style="list-style-type: none"> • About 1,000 "first-price" grocery products in the Group's hypermarkets (p. 26) • About 5,000 banner-brand products in the Group's hypermarkets (p. 26) • 348 national and own-brand fair-trade products sold in 4 countries (Challenges Booklet: pp. IV-V)
■ ■ ■ ■	<ul style="list-style-type: none"> • Quality Scorecard deployed in several countries • All of the Group's hypermarkets and supermarkets are audited several times annually (p. 56)
■ ■ ■	<ul style="list-style-type: none"> • Minimum ticket applied in 11 countries (p. 16)
■ ■	<ul style="list-style-type: none"> • Nutritional labelling placed on own-brand products in the European countries, including Dia products (Challenges Booklet: pp. II-III) • Packaging information placed on own-brand products (p. 48)
■ ■	<ul style="list-style-type: none"> • Nutrition Weeks organized in most countries (Challenges Booklet: pp. II-III) • Participation in World Environment Day in all countries (p. 51) • All of the Group's countries have held events to raise consumer awareness on the environment and/or responsible consumption (pp. 32, 50-51, Challenges Booklet: pp. IV-V and pp. X-XV)
■ ■ ■ ■	<ul style="list-style-type: none"> • Our partners benefit from the product ranges developed by the Group (p. 30)
■ ■ ■	<ul style="list-style-type: none"> • Awareness and information on our Values, crisis management and environmental and social issues at the annual meeting with our partners
■ ■ ■	<ul style="list-style-type: none"> • Quality signed by our franchise partners (pp. 30-31) • Support for our partners (training, knowledge transfer, exchange of information etc.) by teams from International Partnership Management, a dedicated structure (pp. 30-31) • Appointment of a Quality and Security Manager within the International Partnership Department • Insegna, the first training centre dedicated to the franchise, opened in Italy (pp. 30-31)
■ ■	<ul style="list-style-type: none"> • Gateway programmes and management leases to make franchise more accessible to employees (pp. 30-31)
■ ■ ■	<ul style="list-style-type: none"> • Carrefour Quality Line clubs for suppliers, Reflets de France, supplier meetings organized in many countries (p. 28)
■ ■ ■	<ul style="list-style-type: none"> • Club Demeter, work on retail-ready packaging
■ ■ ■	<ul style="list-style-type: none"> • 15 years of involvement with Carrefour Quality Lines producers and 10 years with Reflets de France producers (p. 28) • Carrefour Guaranteed Partnership in France: 224 suppliers involved in 2007 (p. 28)
■ ■ ■	<ul style="list-style-type: none"> • Develop the local product mix • Organization of awards for local SMEs (e.g., Indonesia and Spain) • Regionally dedicated product lines in five countries (p. 28)
■ ■	<ul style="list-style-type: none"> • Distribution of revised Code of Conduct to all employees (p. 6) • Ethics hotlines set up for suppliers in particularly sensitive countries (p. 6) • Analyses carried out in cooperation with suppliers to verify that commitments are kept
■ ■	<ul style="list-style-type: none"> • A self-diagnostic Sustainable Development tool developed by the banners in France: 212 suppliers of own-brand products performed self-evaluations in 2007 (p. 29)
■ ■ ■	<ul style="list-style-type: none"> • Training in crisis management by Risk Prevention Department (pp. 16-17)
■ ■ ■	<ul style="list-style-type: none"> • External audit raised to a moderate level of assurance for the 2007 Sustainability Report (p. 69) • Key Performance Indicators reported three times a year (pp. 66-68) • Enablon reporting tools deployed in all countries: 150 users (pp. 66-68) • Internal control and verification of reporting by the Internal Auditors (pp. 66-68)
■ ■ ■	<ul style="list-style-type: none"> • Included in nine SRI indices and in the main SRI funds (p. 54) • Answers to questionnaires from investors and rating agencies (p. 54)

RESPOND

TO CHANGES IN LIFESTYLE

Globalization does not mean standardization. The Carrefour Group has found growth opportunity in the diversity of its formats and in changes in lifestyle. A policy that also benefits the socio-economic development of the countries where it operates.



DEVELOP A MULTIFORMAT STRATEGY

Hypermarkets, supermarkets, hard discount, convenience stores or online commerce: The Group's multiformat strategy caters to the diversity of customer expectations. It also responds to changes in people's lifestyles. As more and more people live alone and the population is aging, the Group is creating more convenience stores. Young households are devoting less time to shopping: Carrefour is developing online shopping.

This approach benefits both its growth and its host communities. Fully involved in local life and creating social ties, its convenience stores help revitalize city centres and rural areas. The hypermarkets and supermarkets help create centres of activity and provide jobs in struggling neighbourhoods on the urban fringes.

Thus, in many countries, the Carrefour Group trains its employees on customers welcoming and develops loyalty programmes that enable more individualized marketing.

LISTEN TO CUSTOMER

This approach, focused on customers satisfaction, involves constant attention to their expectations. To better understand changes in lifestyles and consumption, the Group carries out studies in the countries where it operates, and conducts satisfaction surveys by consulting, among others, consumer panels. Thus, to deal with complaints as quickly as possible, the Group deploys Customer Services and toll-free telephone numbers, printed its own-brand product packagings.



OFFER MULTIPLE PRODUCTS... BUT ALSO MULTIPLE SERVICES

From a simple assortment of food, hygiene and household products, to "everything under one roof", product ranges vary with the format. Insurance, loans, investments, travel, entertainment, mobile phones, IT support and even personalized services: whatever the banner, the Carrefour Group offers more and more services, with the aim of making them affordable to more people. There also, it responds to changing lifestyles while driving growth.

OFFER PERSONALIZED SERVICE TO THE CUSTOMER

Another common trait among the formats: care in optimizing the shopping layout in order to offer the most, while favouring comfort, department differentiation and, increasingly, customer service. Because today's customers expect more than functionality. They also demand user-friendliness and personal relationships.





FOCUS ON...

CHINA: ALTERNATIVE MODES OF TRANSPORTATION FOR CUSTOMERS

In 2007, Carrefour China continued to set up bus lines to improve customer service, while fighting traffic problems, pollution and CO₂ emissions.

COLOMBIA: A PAYMENT SCHEME FOR TIGHT BUDGETS

In November 2007, Carrefour Colombia launched a bundle of services called "Carrefour in your life" ("Carrefour jen tu vida!") that includes various types of insurance (life, car, home etc.). Advantage: People on tight budgets can divide payment of their insurance premiums and pay at each check-out transaction.

FRANCE: CONVENIENCE FORMAT DEVELOPS PERSONAL SERVICES

Working women, an ageing population... In France, personal services (household help, school work support etc.) offer a source of employment, and the government has put tax incentives in place for households to use them. In 2007, Shopi and 8 à Huit seized on this opportunity to meet customer expectations, while contributing to employment in this sector. The two banners offer their loyalty card holders an array of personal services delivered by a partner company: Fourmi Verte.

FRANCE: CARREFOUR FINANCIAL SERVICES OFFERS THREE SOCIALLY RESPONSIBLE SAVINGS PRODUCTS

With Carrefour Référence, Carrefour is France's first mass retail banner to offer socially responsible saving products. Customers have a choice of three mutual funds that invest in companies chosen not only for their economic performance, but for their social and environmental performance as well.



Customer transportation in China



Carrefour Colombia's service pack

Testimonial

RICHARD EDERY
Director of Carrefour
Customer Service France



■ One of our banner's strongest commitments is to guarantee our customers the lowest prices. That's why in 2006 we established the Carrefour Price Alert Line. This tool works very simply and is one of the main ways we at Carrefour Customer Service listen to our customers. If a customer finds a lower price elsewhere, he or she can alert us to it by making a free call to 32 35 from a land line. Then, once we've verified it, our banner lowers the price of the concerned product. In-store signage will also indicate to our customers that the product's price has been lowered thanks to the Price Alert Line. This service allows us direct contact with our customers and to show that we react to customer expectations. It allows us to demonstrate our commitment to low prices and to defending customer buying power. Customer calls to 32 35 represented over 77,000 of the 7.7 million calls to Carrefour Customer Service.

53,528
cases resolved by the
the multi-banner
Customer Service
Department in France
(Dia excluded).

Or
+8%
compared with 2006.

▶ **More information**

www.carrefour.com

DEFEND

PURCHASING POWER, CHOICE AND QUALITY

The Group markets a very broad range of products that respond to diverse expectations. To make consumption affordable to all, it offers a particularly large choice under its own brands. These product ranges are themselves one of the cornerstone of its Sustainable Development policy.



Price Hotline tag



No.1 products



Quality labelling system for non-food products

MEET ALL EXPECTATIONS

Food, non-food, national or own brands: The assortment offered in the Group's stores guarantees choice. It also meets the goal of more socially aware consumption: Under its own brands, the Group lists and develops products that integrate social and/or environmental criteria to make them affordable to more consumers (see Challenges Booklet, p. IV). Among them are the ranges Carrefour Agir Bio (organic), Carrefour Agir Nutrition (for balanced diet), Carrefour AGIR Solidaire (fair-trade products or those from which a portion of the profit goes to humanitarian causes), Carrefour Agir Éco Planète (environmentally friendly products) and Carrefour Quality Line products (which integrate environmental and/or social criteria).

DEFEND PURCHASING POWER

The Group strives for the number-one price position in its catchment areas. To this end, the Group offers in each country own brand and retail banner brand products at low price, as well as "first price" products that are generally 5% to 7% cheaper than at hard discount. This assortment – particularly "first-price" products – spans all departments, including meat, dairy, produce, responds to one of the Group's main mission: put make balanced diet available for every budget (see Challenges Booklet, p. III).

GUARANTEE THE SAFETY AND QUALITY OF OUR PRODUCTS AND ENSURE THAT THEY ARE ENVIRONMENTALLY FRIENDLY

Carrefour has made product quality and safety a priority. Products are developed in coordination with our suppliers and our dedicated technical teams, who are supported, if necessary, by many external experts (nutritionists, toxicologists etc.). Our products conform to very strict specifications that are signed

by the suppliers. The Group's quality approach also includes in store products control plans, processing and logging of any non compliance along with monitoring customers complaints. To ensure this approach, audits that also include environmental criteria are systematically conducted at the production sites of own-brand product suppliers. For its food products, the Group has launched a "Quality Scorecard", a computerized tool for monitoring each item throughout its commercial life and for reacting quickly and effectively in the case of a crisis.

KEEP OUR CUSTOMERS INFORMED

To best inform customers about the quality of our non-food products, Carrefour included on the packaging of some of its banner brand products in Europe, a labelling system indicating the added value of the product, in terms of use, safety, health or environmental/social conditions of production.

PROMOTE ANIMAL WELFARE

Carrefour respects and anticipates local and European laws on animal welfare. Toward this objective, the Carrefour Quality Lines include specific criteria, particularly on animal living space, material that improves comfort at all the stages of rearing, and transportation and slaughtering conditions.



Carrefour Éco Planète product with european ecolabel



Carrefour Eco-Refills



Clothing offer for kids in Colombia

FOCUS ON...

GROUP: TOYS UNDER TIGHT SURVEILLANCE

Almost 8,000 tests, and 13% of items rejected: That's the result of the Christmas 2007 benchmarking campaign for toys. For this – the riskiest of all product categories – in 1997 Carrefour set up a control plan specifically for toys. The result: to date, not one reported issue or accident.

For own-brand products, the Group examines, among other things, mechanical, electrical and fire risks, as well as heavy metal migration. The tests are conducted in French laboratories on the first representative production samples, and then in rigorously selected Asian laboratories during mass production and before shipping. For national brands, the Group inspects the manufacturer's test reports and the conformity of production to specifications. For the past two years, with growing nonconformity among national brands, the procedure has been strengthened.

GROUP: STRENGTHENED VIGILANCE OVER CHILDREN'S CLOTHING PRODUCTS

In 2003, Carrefour developed a precise set of specifications to reinforce the safety of its clothing and textile products for babies and children. This requirement is backed up by close monitoring of all textile products, with the support of recognized laboratories and a toxicologist.

GROUP: A QUALITY AND SAFETY POLICY FOR HOUSEHOLD AND PERSONAL CARE PRODUCTS

The Group's policy for guaranteeing the safety and quality of its household and personal care products focuses on three principles: implementing the precautionary principle, researching environmental performance, and advising our customers on optimal use.

Products are selected after laboratory tests by a team of internal experts.

To ensure the commitment of its own brand suppliers, the Group get them sign the "Carrefour policy on cleaning, detergent and cosmetic products", which requires them neither test or have test any products on animals.

Beyond the regulatory aspect, the Group applies the precautionary principle by banning the use of ingredients which, although authorized, are still suspect in the scientific community as to complete harmlessness. In conformance with regulations, Carrefour has set up the "Cosmetic Vigilance" mechanism to record any problems encountered by a consumer after using, own brand cosmetic product. An Internet site managed with other distributors (info-detergent.com) has been created to give consumers access to information on the composition of detergents. At European level, the Group also supports the efforts of the AISE (International Association for Soaps, Detergents & Maintenance Products) to better inform consumers on product use and ingredients, and particularly on the use of its pictograms.

In 2007, the Group put the "Save water and energy" pictogram on its own-brand products.

More information

Nutrition (p. II in the Challenges Booklet)
Sustainable consumption (p. IV in the Challenges Booklet)
Key Performance Indicators pp. 56-63
www.carrefour.com

SUPPORT

OUR SUPPLIERS' DEVELOPMENT

Carrefour establishes true partnerships with its suppliers. This policy contributes to their Sustainable Development, while enabling the Group to offer customers the best quality/price ratio.



Reflets de France products

APPLY TRANSPARENT RULES

Carrefour bases its supplier relationships on respect and ethics. Its purchasers sign the Group's Code of Conduct, its market assignment rules are transparent, and the countries watch over their strict enforcement. Certain particularly sensitive countries have established ethics hotlines that allows suppliers to alert them to any behaviour inconsistent with the Group's Values.



Carrefour Quality Lines products in Thailand

PROMOTE LOCAL PRODUCTS

Carrefour works with multinationals, but above all we include in our growth thousands of SMEs and small agricultural producers around the world. For its own-brand food products, the Group favours local supply, which, among other things, leads to an increase in Carrefour Quality Lines (398 at the end of 2007), but also to the development of brands dedicated to regional products: Reflets de France (France), De Nuestra Tierra (Spain), Terra d'Italia (Italy), Souvenirs du Terroir (Belgium) and Tierra de Colombia (Colombia). This policy contributes to developing the countries in which it is established, while avoiding CO₂ emissions due to the shipping of imported products.

Carrefour also contributes to the development of very disadvantaged regions by marketing fair-trade products under national brands and our own (see Challenges Booklet, p. V).

OFFER STABLE COMMERCIAL OUTLETS

The Group offers true partnerships to its suppliers and assures them sustainable markets. Launched in France in July 2006, the Carrefour Partnership Guarantee illustrates this. This innovative approach guarantees perfectly secure, stable outlets to regional producers in

France, as the hypermarkets contractually commit themselves to the purchase volumes even before production begins. In 2007, this involved 224 suppliers of 220,000 tonnes of produce.

DEVELOP LONGTERM PARTNERSHIP

The Group guarantees outlets and sustainable partnerships to our suppliers. In return, it expects from them competitive offer of assured quality, that are produced with respect for the environment and Human rights. For this purpose, it supports them with a continuous progressive approach, which is based on shared information and skills (organization of forums, conventions, supplier clubs etc.) and regular audits of their performance in quality, safety, the environment and social responsibility.

The Carrefour Group also assures promotion of their products by highlighting them in their regions, organizing marketing events, and, in many countries, a "best supplier" award. This policy promotes producer loyalty and ensures the success of its own brands. For example, 80% of the 140 SMEs producing for Reflets de France have worked with Carrefour since the brand was launched 10 years ago.

Lastly, the Group helps SMEs export their products, while helping them prospect for new markets and connecting them with local teams.



FOCUS ON...

FRANCE: SUPPORT SUPPLIERS IN THEIR SUSTAINABLE DEVELOPMENT APPROACH

In 2006, the Group's banners in France made a computerized self-diagnostic tool available to over 70 suppliers of own-brand products to help them set up their Sustainable Development policy and share best practices. The self assessment is performed on a grid of 49 criteria drafted by the WWF. To back up this approach, in 2007 the Group launched the first campaign of consultation visits for controlling the suppliers' informations and to help them implement their action plans, which Carrefour will follow up.

In 2007, 212 suppliers self assessed. A positive outcome: the suppliers are very motivated and appreciate Carrefour's support. The objective is to extend the approach to other countries.

THE GROUP: SUPPORT SUPPLIERS IN IMPLEMENTING REACH

In effect since June 2007, with requirements phasing in until 2018, the REACH law has direct impact on Carrefour, which must identify chemical substances of concern within its products, including their packaging. Parallel with actions taken by the Group to respond to this law (adding a REACH clause in its business contracts, creating a dedicated team, training internal teams, developing tools, technical documents etc.), Carrefour has set up specific support for its own-brand suppliers (often SMEs). It first identified their obligations, which vary in each case, and since November 2007 has carried out audits. Each supplier is informed about REACH and his obligations under it, and then is evaluated for his ability to conform. The results are translated into a reliability index, which, below a certain level, triggers a corrective action plan, followed by another audit. Carrefour helps the supplier implement the action plan. For his part, the supplier is committed to improving his index.



Award for best SME in Navarre, Spain



Carrefour Actua Tierra de Colombia product

Testimonial

Luc Chabert Partner,
Reffet de France



Our history with Reflets de France began in 1995. When I came into the family company at the end of 1994, my father had just lost an important client. This is why, in 1995, I turned to the Normandy banner PROMODES, with which I worked exclusively in the region. And, at the end of 1995, they proposed production of cheeses under Reflets de France, a regional brand created in 1996. Reflets de France marked our real entry into mass merchandising. Moreover, we were able to maintain and increase production of cheeses like Emmenthal de Savoie or Abondance, while making important investments, such as Fruitière du Semnoz (3 million euros, 15 people), a site dedicated to manufacturing Abondance. For an AOC cheese, such as Abondance, Reflets de France has made national distribution possible. The Carrefour Group became our first customer. And, since 1996, we have doubled our revenue from 25 million to 50 million euros today. The family business employs 180 people, compared to 80 in 1996. The Reflets de France experience has brought a lot to me personally. Despite difficult moments, a true partnership has developed. That is vital to a family SME, such as ours.

28,459
producers of Carrefour
Quality Line products
for the Group.

78%
of the controlled
food products
supply is local.



AUTO DIAGNOSTIC DEVELOPEMENT
DURABLE FOURNISSEURS

More information

Challenges Booklet pp. VI-VII
www.carrefour.com

SHARE

GROWTH WITH OUR FRANCHISE PARTNERS

As the number-one franchisor in France and Europe, Carrefour has made this development method the key to its strategy. We support sustainable growth among our franchise partners while transmitting to them our Values and expertise.



ENCOURAGE ENTREPRENEURSHIP

From hypermarkets to convenience stores, the Group makes all formats available to partnership or franchising. This allows individual or group investors to join a banner.

It develops franchises in "consolidated" countries – France, Spain, Belgium, Greece, Portugal, Brazil and Argentina – and rely on a network of 11 groups partners in 16 countries and regions: Algeria, Saudi Arabia, French overseas territories, Egypt, the United Arab Emirates, Japan, Jordan, Kuwait, Oman, Qatar, the Dominican Republic, Tunisia and Belgium.

To encourage careers and support entrepreneurship, the Group also facilitates employee access to franchising by offering them gateway systems.

TRANSFER OUR EXPERTISE

The Carrefour Group helps its partners and franchisees with sustainable development, not only by making a banner available, but also by providing expertise. They profit from a modern approach, from choice, and from the quality/price ratio of the Group's products and services. In addition, they are monitored by operational teams dedicated to each format, who ensure that the Carrefour Values and skills are imparted through exchange of information, training programmes, technical support, and constant updating of business concepts.

The Group also supports its franchisees and partners in their location strategy and development by adapting their store's concept to local consumers, by broadening their assortment, and through their pricing policy.

Carrefour also involves them in its quality and Sustainable Development approaches. Since 2004, they have all had access to the Carrefour Quality standard and have signed the Carrefour Quality Charter.



Convenience banner in Italy



Convenience banners in France

FOCUS ON...

ITALY: A TRAINING CENTRE DEDICATED TO FRANCHISE PARTNERS

On 3 October 2007, Carrefour Italy became its country's franchise innovator, when it opened the first training centre dedicated to its franchise partners: Insegna. Very modern, equipped with state-of-the-art educational tools, it contains two experimental instructional laboratories that simulate full-size retail locations, where participants can test their new techniques. The sessions are conducted by Carrefour Italy employees or outside speakers, and cover four topics: law, skills, employees and customers. They are open to all Carrefour Italy partners and their employees. Their objective: to develop the franchisees' management skills, to show the importance of departmental jobs and customer relations, all for improving the performance of the Group's partners.

FRANCE: FACILITATE ACCESS TO THE FRANCHISE

To open the franchise to all talents, the convenience banners Shopi, 8 à Huit and Marché Plus have set up innovative projects, among which is a partnership with the French Post Office that allows its employees to train to become franchisees. These banners also offer a formula that enables to become a store owner in three or four years with a small initial loan. They also offer a training programme that allows assistants to become store operators.

Testimonial

CAROLE MARTIN,

Owner of a Marché Plus franchise store in Versailles, France



I have always dreamt of having my own store someday, and that's why I took the ECAL course (the distribution academy). I began with the Carrefour Group in 1995 by participating in the opening of the first hypermarket in the Middle East (Dubai). I was the department manager for cheese, delicatessen and meats. In 1997, I returned to France to join the Trans-en-Provence store. The next year, I went to Turkey to apply my fresh food experience to stores that were opening. After four years in the stores, I moved to the Group's International Partnership department. I was a fresh products Expert for internationally franchised Carrefour stores, but I never forgot my original ambition: to run my own store. In 2007, I seized the opportunity the Group offered me and took a convenience store franchise. The gateway between Business Units were set up very quickly to ease my integration into this new team. Within the Convenience branch, I benefited from the lease management process to gain the capital necessary to purchase goodwill and become a store owner. Today I'm the happy operator of a Marché Plus store located in Versailles (78). Thanks to the Carrefour Group, I live my childhood dream every day. And I've rediscovered true customer contact.

1,786
health quality audits of franchised stores in 2007.

▶ More information

www.carrefour.com

ECONOMIC AND COMMERCIAL CHALLENGES

KEY MOMENTS IN 2007

PRODUCT QUALITY AND SAFETY



Animal welfare and product quality go hand-in-hand. Since October, all Carrefour brand eggs sold at Carrefour, GB and Express have come from free-range chickens, currently fed a 100% organic diet without GMOs. **Carrefour Belgium's Quality policy was recognized at the Libramont Agricultural Fair** in July: The International Taste and Quality Institute, an association of chefs and wine experts, bestowed 69 Superior Taste Awards to Sélection Carrefour and Carrefour Quality Lines products.



For better monitoring of the quality and safety of sensitive food products, **Carrefour has opened mini-laboratories** in 10 large cities. There, laboratory technicians test in particular for the presence of pesticide residue in fruit and vegetable produces, a common problem in China.

RESPONSIBLE CONSUMPTION



The banners have continued their promotion of socially responsible products. Among other results was the sale of 450,000 packs of Quinoa Bio under the brands Carrefour AGIR Bio, Champion Bio and Grand Jury Bio. Since 2003, for each pack sold, Carrefour has donated 0.10 euros to the NGO Point d'Appui to finance social projects in the Bolivian Altiplano, which produces quinoa: founding community clinics, installing small traditional mills to grind grain, equipping schools with computers etc. A Carrefour representative visits the site regularly to ensure that the installations have been set up and operate well.

The Group is also involved in many awareness raising operations, with two particularly original initiatives. In April, Champion, which has made organic fruit and vegetable produces a strong axis of its Sustainable Development policy, held an Organic Festival. The objective: to encourage customers to discover organic products, while increasing their interest in the environment and offering promotional prices. In May, for the two-week Fair-



Trade fair, the hypermarkets organized a contest among the stores for events organization and fair-trade product sales. The winners (a Trans-en-Provence store) visited a fair-trade coffee production cooperative in Mexico.



In August, Carrefour introduced a range of organic products under the Country Farm brand at its first store in Subang Jaya. The Country Farm company is dedicated to marketing high-quality organic products at accessible prices, a goal coinciding with that of Carrefour.



2007

PARTNERSHIP WITH SUPPLIERS



In July, Carrefour has launched the first five products of the new fruits and vegetable line of Terra d'Italia. This high quality line is produced by small suppliers. Fifteen more products will follow. To support local production, GS has also signed sponsoring agreements with the provincial councils of Varese and Verbania to sell typical Lake Maggiore products in its stores in that region.



With a strong commitment to local development, in February Carrefour signed an agreement with the Polish ecological association Stowarzyszeniem Polska Ekologia to list and market organic products from Poland. An initial assortment has been put on sale at a pilot store, Carrefour Arkadia. Moreover, in June, the banner trained its produce suppliers on the demands of Europe's EUREP-GAP certification (agricultural product quality, products, environmental protection etc.).



In October, Carrefour brought its Carrefour Quality Lines suppliers together to inform them further of its expectations, to help them resolve their problems, and to establish a sustainable partnership with them. In November, a new Quality Line product was launched: cantaloupe (a type of melon). The Quality Department trained store teams on its specifics and organized a visit to the producers.



CUSTOMER SERVICE



Promocash has become involved with customer service, particularly by providing restaurateurs with its expertise in hygiene and managing the cold chain. In October, the banner devoted a report to the subject in its external magazine,

along with standard for self-auditing. It also provides information on the topic in its stores, and distributes a document on the regulatory requirements, practices and solutions for transporting fresh and frozen products in complete safety.

NUTRITION



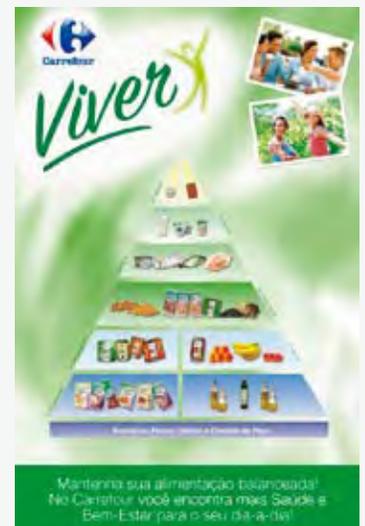
To protect the health and safety of those customers afflicted with celiac (a gluten allergy), all Carrefour stores have brought low-gluten products together in a specific department that is easy to identify. The product selections have been guaranteed by patient advocacy groups.



In December, the Carrefour Institute held its traditional Nutrition Week by gathering Carrefour Brazil stakeholders at a conference on health and nutrition. Throughout the week, the 20 stores involved in the event promoted balanced diet products, including Carrefour Brazil's "nutrition" range: Viver. Nutritionists answered questions from customers and employees.



In September, Carrefour Singapore organized its third Nutrition Week. On the agenda: Spot-lighting balanced diet products from national brands and Carrefour Agir, free body mass indexing for customers, and yoga sessions. Carrefour is associated with a public organization, the Health Promotion Board, to recommend balanced diet products in its catalogues.



SOCIAL SCORECARD

STAKEHOLDERS	KEY FIGURES	COMMITMENTS	OBJECTIVES	
EMPLOYEES	490,042 employees	Respect and raise awareness of our Values, Code of Conduct and Sustainable Development	Distribute and raise awareness of the Code of Conduct in all countries	
			Raising awareness of and providing training in Values	
			Raising awareness of Sustainable Development	
	More than 14,000 employees dedicated to safety/security in the Group	Ensure the safety and quality of working conditions	Guarantee quality working conditions	
			Reduce accidents in the workplace	
			Adapt job task organization to company requirements and the needs of employees	
	20,054 employees surveyed in 2007	Promote social dialogue with employees and their representatives	Recognize social partners as the company's legitimate contacts	
			Ensure regular employee feedback	
			Promote equal access to information and develop internal communications	
		32% of women managers in the Group	Promote diversity and equal opportunities within the company	Enforce a diversity policy in all countries
				Enforce an equal opportunities policy
		8,196 disabled employees in the Group	Support skills development and ensure employee motivation	Implement appropriate training plans, give priority to internal promotion and personal development
Coordinate a personal career management strategy				
2,067 social audits performed over 7 years	Promote the social responsibility of suppliers	Offer a global, competitive remuneration policy that rewards individual performance.		
		Guarantee respect for Human rights in the controlled products supply chain		
LOCAL COMMUNITIES	4.57 million euro budget for the Carrefour International Foundation	Work in partnership with local communities	Promote local employment	
			Promote social assistance initiatives and the fight against exclusion	

■ Launched ■ Underway ■ Implemented ■ Complete



PROGRESS	2007 ACHIEVEMENTS
■ ■	<ul style="list-style-type: none"> • All employees supplied with an updated Code of Ethics – the Group Code of Conduct (p. 6) • Ethical hotlines set up in particularly sensitive countries (p. 6)
■ ■ ■ ■	<ul style="list-style-type: none"> • Raising awareness of and/or providing training in Values of most countries (p. 6 and 37)
■ ■ ■ ■	<ul style="list-style-type: none"> • Raising awareness at head offices in France: distribution of an Environmental Guide for offices • Raising awareness of Sustainable Development via internal communication tools (p. 32-33, 48, 50-51) • Organization of internal events: World Environment Day, Nutrition Weeks, etc. (p. 32-33, 50-51 of the Sustainability Report and Challenges Booklet: p. II-II and X-XV)
■ ■	<ul style="list-style-type: none"> • Stress survey in some selected stores - tests in French Hypermarkets (p. 36) • Training - psychosocial risk prevention (currently available in France and Belgium) (p. 36) • Responsible employer survey (to be conducted in 2008) (p. 38)
■ ■ ■ ■	<ul style="list-style-type: none"> • Workplace accidents prevention campaign in Poland (p. 43) • Welcome Manual featuring safety rules handed out at DIA Portugal (p. 43)
■ ■	<ul style="list-style-type: none"> • Pooling schedules since 1999 in French Hypermarkets (p. 36)
■ ■ ■ ■	<ul style="list-style-type: none"> • Signing of a collective agreement between Carrefour Turkey and local trade union as part of a social partnership between the Carrefour group and UNI Commerce (p. 39)
■ ■ ■ ■	<ul style="list-style-type: none"> • Listening to staff survey rolled out in 12 countries (extended to Argentina and China in 2007) (p. 39) • Manager Surveys: more than 2,100 managers contacted in all countries (p. 39)
■ ■ ■ ■	<ul style="list-style-type: none"> • Communication network • Internal communication tools developed in most countries • HR Marketplace organized to identify and speed up the exchange of best practices
■ ■ ■ ■ ■	<ul style="list-style-type: none"> • 4th Handicap Mission Agreement for French Hypermarkets and 2nd for Champion, renewed for three years (Challenges Booklet: p. VII-IX) • Signing of an agreement with the Colombian army to employ 50 disabled and rehabilitated former soldiers (Challenges Booklet: p. VIII-IX) • Carrefour received an award in Poland as part of the “Ending Prejudice” competition organized by the Polish disabled workers association • Test campaign based on job applications sent to French Hypermarkets to check the implementation of the diversity policy.
■ ■ ■ ■	<ul style="list-style-type: none"> • Skills-based recruitment implemented by the French banners in partnership with the ANPE: 2,000 assessments performed by hypermarkets in 2007 (Challenges Booklet: p. VIII-IX)
■ ■ ■ ■	<ul style="list-style-type: none"> • 9 training centres within the Group • Launch of training leading to certification in Colombia (p. 37)
■ ■	<ul style="list-style-type: none"> • Testing of Cap Career, a career management tool, in 5 pilot countries/Business Units. Objective: deploy Cap Career in all countries by 2010. (Challenges Booklet: p. IX)
■ ■ ■ ■	<ul style="list-style-type: none"> • WEKTOR prize awarded to Carrefour Poland for its contribution to the Polish economy and the development of its image as a responsible employer • 1st Employment Day in France, in partnership with the ANPE
■ ■ ■ ■	<ul style="list-style-type: none"> • 609 social audits (including 117 re-audits and 492 initial audits) performed in 2007 • Group Social Charter signed by all suppliers of controlled products • Membership of SAI to promote best practices in the field of Human rights • Participation in the GSCP project (Challenges Booklet: p. VI)
■ ■ ■ ■ ■	<ul style="list-style-type: none"> • In all countries, the Group gives priority to employing local people as representative of the neighbourhood in which the store operates (p. 36 of the SDR and Challenges Booklet: p. VIII)
■ ■ ■ ■ ■	<ul style="list-style-type: none"> • Almost 50 projects supported by the Carrefour International Foundation in 2007 in 14 countries (p. 40) • 5 countries have dedicated social organizations (p. 40) • Solidaritest Award given to Carrefour Belgium by Vigeo Belgique for its solidarity actions (p. 43) • More than 15,000 tonnes of products given out in 9 group countries

PROMOTING TALENT AND WELL-BEING AT WORK

490,042 employees worldwide, around 100,000 people recruited every year: the Carrefour group is a major employer. The company aims to promote diversity and the professional development of its employees, and to create working conditions that suit everyone.



Carrefour Express, Poland



Carrefour Hypermarket, Poland

GROUP HUMAN RESOURCES POLICY

The Carrefour group's human resources policy is based on:

- job task organization that reconciles efficiency with employee fulfilment;
- training that promotes the transfer of knowledge and personal development;
- internal promotion is given top priority at Carrefour and employees come from a range of different backgrounds;
- an attractive remuneration policy that recognises individual and team performance.

LOCAL RECRUITMENT TO FOSTER DIVERSITY

With stores in so many countries, the Carrefour group gives priority to local recruitment, to better integrate the local community. We offer more than thirty professions to people from all backgrounds. The group's entities have launched a series of practical initiatives in line with the Business Diversity Charter, signed by Carrefour in 2004.

CAREER OPPORTUNITIES FOR EVERYONE

Each country defines its own training strategy according to its priorities and strategy. All offer training path designed to help employees develop their skills. We give people from all backgrounds the chance to succeed through internal promotion, a key element of the policy and a major motivating factor at Carrefour.

WORK/LIFE BALANCE

The Group monitors working conditions and identifies and implements work organization systems to promote a healthy work/life balance. That's why, since 1999, the French Hypermarkets have developed the self-regulated pooling of work schedules in the checkout departments. This enables employees to select the hours they work from a predefined work schedule. This solution allows for a better organization of inconvenient working times, such as late evenings, divided shifts and weekend work.

SAFETY ACROSS OUR SITES

Carrefour endeavours to ensure the safety of its employees and customers across its sites. In countries without specific safety regulations, hypermarkets and supermarkets adopt French safety standards, which are generally more strict. Another of our priorities is to reduce workplace accidents through prevention training and awareness raising campaigns. The Group ensures teams understand health and safety regulations, provides training, enforces procedures, and performs regular audits on sites.

PSYCHOSOCIAL RISK PREVENTION

The Carrefour group takes into account new risks, such as rudeness and verbal and physical aggression, inflicted on our employees by third parties. In France and Belgium, specific training is provided to prevent and manage such situations. French Hypermarkets have set up a joint Professional Equality Committee responsible for identifying and assessing psychosocial risks, among other tasks. A risk analysis audit was performed in several test stores, along with a work stress survey.



FOCUS

TAIWAN: IN-DEPTH RESEARCH IN CARREFOUR VALUES

Rather than providing a general training course on the Group's 7 Values, Carrefour Taiwan provides in-depth training in one or two values a year, including Progress and Sharing in 2007, Solidarity in 2006 and Respect in 2005. A half-day training course is devoted to each value (602 sessions, 1,775 hours in 2007), with examples of best practices in stores, and the screening of videos or movies relating to the value in question. After the training, employees are given a booklet of do's and don'ts to ensure the Value is respected. The Value(s) of the year is (are) also the focus of an internal communications campaign.

TURKEY: SPOTLIGHT ON ETHICS

In 2007, Carrefour Turkey trained all of its employees in the Group's ethical guidelines. That's a total of 17,348 hours of training. A communications campaign was organized in all stores to coincide with the training. Before each major commercial operation, the company now systematically sends a letter to its suppliers outlining its ethical guidelines.

COLOMBIA: LAUNCH OF TRAINING LEADING TO CERTIFICATION

In 2007, Carrefour Colombia launched an initiative to gain official recognition for its research centre as a technological study centre from the National Ministry of Education and SENA, a certified Colombian organization. Its employees now enjoy high quality, certification leading and officially recognised training that benefits their careers and the company.



Carrefour Hypermarket, Indonesia



Carrefour Hypermarket, Italy

Testimonial

CARREFOUR IS AWARDED THE FIRST FINANSOL LABEL FOR AN INVESTMENT SCHEME

GUY COURTOIS, Chairman of the Finansol Label Committee



■ The Finansol Label is awarded to socially-responsible investment funds. Since 1997, it has provided a guarantee to savers that their investment is being used to finance socially-responsible projects, such as job creation schemes for people in difficulty and housing for vulnerable families. The Finansol Label supports the development of socially-responsible employee savings schemes (up 47% in 2006) and is glad that the Carrefour group's employees are one of the biggest groups of socially-responsible savers.

MICHEL ENGUELZ

Chairman of the Carrefour FCPE Supervisory Board



■ With the creation of a Company Mutual Fund (FCPE), Carrefour Équilibre Solidaire, meets the joint objective of Management and the members of the FCPE Supervisory Board, appointed by trade union organizations, to offer employees the possibility to invest and save, while ensuring the profitability and success of socially-responsible businesses (social housing, microcredit, integration enterprises, etc.). Its position as a core fund ensures the FCPE benefits from a regular flow of savings essential to its long-term future.

32%
of women managers
in the Group in 2007.

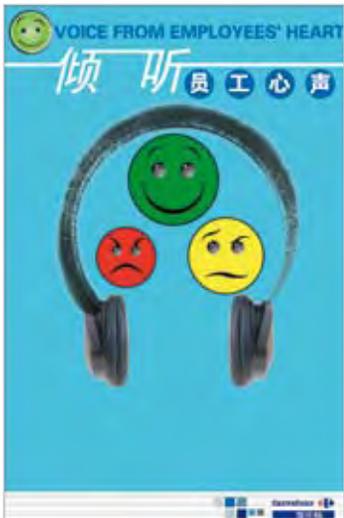
8,196
disabled employees
in the Group in 2007.

More information

P.VIII and IX of the Challenges Booklet, Key Indicators p. 56 to 63.
www.carrefour.com

FOSTERING DIALOGUE TO PROMOTE SOCIAL PROGRESS

For Carrefour, involving and motivating its employees is the foundation for effective and responsible management. This is the reason why much importance is given to social dialogue and employees listening.



Listening to staff in China

RESPECTING THE PRINCIPLES OF THE ILO

Respecting Human rights at work is one of the Group's fundamental principles and in May 2001 the business signed a memorandum of understanding with an international trade union federation, the UNI (Union Networks International). The Group aims to monitor the application of the principles set out by the International Labor Organization (ILO) in the countries in which it operates, and in particular freedom of association, collective bargaining, and a ban on child labour.

FOSTERING CONSULTATION AT EVERY LEVEL

The Group promotes constructive social dialogue, in line with its Values and commitments. Jointly improving working conditions, negotiating and signing collective agreements, providing information, and exchanging points of view:

- within the sector, Carrefour and UNI meet within the framework of Eurocommerce (European trade federation) and social sectoral dialogue in Europe;
- within the Group, Carrefour has a European Information and Consultation Committee (CICE), consisting of trade union representatives from the European countries in which it operates. Since 2006, the management committee of the CICE meets with Management several times a year to discuss the Group's sustainable development initiatives;
- within countries, Management oversees local labour/management dialogue and contacts.

ADVANCING THROUGH DIALOGUE

In order to assess labour relations in each country, the Group has developed the Listening to staff survey. A neutral moderator invites groups of 12 representative employees to express their opinions, in total anonymity, on various subjects relating to work and the company. Passed on to all employees, the results enable the identification of areas of progress and to draw up action plans. The scheme was extended to Argentina and China in 2007. It will be deployed in Malaysia, Romania, Taiwan and Thailand in 2008. The Group also performs regular surveys to assess the level of satisfaction of its managers. To assess and improve its image as an employer among managers and senior managers in Europe and Latin America, in March 2008 the Group also took part in an inter-business survey conducted by a human resources research association, Corporate Leadership Council, in partnership with the European Commission.

SOCIAL BENEFITS FOR EVERYONE

The Group respects the basic legal and mandatory social welfare requirements for its employees and their family in all countries, and covers their national insurance and health contributions. Although the situation differs according to local circumstances, the Group also frequently offers additional social security schemes. More than 85% of employees worldwide are covered by a mutual life assurance scheme (with accidental death coverage as a minimum) or coverage of all or part of healthcare and hospital expenses. In addition, for almost half of its employees, Carrefour goes beyond the basic legal requirements by offering paid bank holidays and annual leave.



Listening to staff in Malaysia



FOCUS

FRANCE: MANAGING EMPLOYMENT THROUGH CONSULTATION

In 2006, the Group signed two agreements (GPEC and Method) relating to occupation and skills forecasting, and collective redundancy negotiation in France to enforce common rules to prepare for, manage and provide guidance through dialogue on the consequences of economic, structural and technological changes on employment conditions.

An equality committee of management and labour representatives was set up at the same time. It is regularly informed of future developments and takes part in analyzing the impact and monitoring of support measures. In 2007, a plan to reduce the workforce at centralized facilities in France was developed in consultation with and with respect for the employees in question by offering them the possibility to be redeployed, start up a business, launch a new career, learn new skills, etc.

A dedicated equality working group is also exploring the possibility of creating links between entities to offer additional opportunities for redeployment or professional development.

GROUP: GREATER SATISFACTION AMONG MANAGERS

In 2007, more than 2,100 managers and senior managers from all countries were asked to take part in the Carrefour group Managers Survey. The response rate was 69% (up from 58% in 2005), and manager satisfaction was higher in all areas (careers, remuneration, training, communication, organization, management, corporate image and work). Strong points included: 94% are proud to work for Carrefour and 93% enjoy their work. Among the areas of progress: clear career management rules and greater transparency for appointment opportunities within the Group..



Employee Feedback in Hypermarkets France



Carrefour Hypermarket, Italy

Testimonial

SIGNING OF A COLLECTIVE AGREEMENT BETWEEN THE COMMERCE TRADE UNION AND CARREFOUR IN TURKEY



JAN FURSTENBORG
Chairman of UNI Commerce

The social partnership between UNI Commerce Global Union and Carrefour is well established since many years back. It is based on a global agreement which ensures Carrefour's full respect for the fundamental rights of its employees all over the globe. In close cooperation with UNI Commerce, these principles are applied in all countries where Carrefour is present. Recognition, social dialogue and collective agreements with national trade unions are the cornerstones for giving Carrefour's workers a voice and making sure that they enjoy decent employment and working conditions. A recent example that this works is the collective agreement in Turkey between the commerce trade union and Carrefour. Here the group management and UNI Commerce played an active role in bringing the local partners to the negotiating table in good faith and with positive intentions. Of course there are occasional problems, like always in the world of work, but the solid social partnership and the mutual confidence that is part of it give the tools for finding fair and just solutions.

20,504
employees in 11 countries took part in the Listening to staff survey in 2007.

More than
2,100
Group managers and senior managers were asked to take part in Manager Surveys in 2007.

More information

P.VIII and IX of the Challenges Booklet, Key Indicators p.56 to 63.
www.carrefour.com

SUPPORTING LOCAL COMMUNITIES

The Group's contribution to local development is not confined to its activities or the jobs it creates. Carrefour's employees are also dedicated to embodying one of their core Values, *Solidarity*, in the communities they serve.



A LOCAL SOCIALLY AWARE EMPLOYER

Wherever the Carrefour group operates, it respects local values and ways of life. Group, country, trade name, stores... at each level of the business, we aim to build a constructive dialogue with international, national and local authorities, ensuring Carrefour plays an active role in the community. Each is committed to promoting socially-responsible development to help the Group strengthen local ties.

PROMOTING SOCIAL ACTION

The Carrefour International Foundation (www.fondation-internationale-carrefour.org), was founded to meet the Group's corporate social responsibilities. It supports and finances local initiatives in the countries in which the business operates, by supporting local store teams and partner NGOs. Its dual aim is to provide assistance to people in emergency situations and to fight against poverty and exclusion.

In both cases, its initiatives focus on the Group's areas of expertise: logistical support and the supply of essential items in the event of a humanitarian disaster, the financing of business creation microprojects (the products of which are often subsequently sold in Carrefour stores), support for social grocery stores offering products at 80% off their usual retail price, and the inclusion of people in vulnerable situations.

ACTION IN THE FIELD

The Group's initiatives are not limited to projects supported by the Carrefour International Foundation. Our trade names and stores also develop their own social action policies at both national and local level, by involving employees in a range of schemes. Five countries – Argentina, Brazil, Spain, France and Taiwan – have set up dedicated solidarity organizations. These initiatives also often relate to emergency situations and, above all, the fight against exclusion (poverty, disease, disability, etc.), and the protection of children.



Sport-based education programme in Brazil



FOCUS

MALAYSIA: EMERGENCY AID FOR FLOOD VICTIMS

The State of Johor was devastated by flooding in December 2006 and again in January 2007. Carrefour stores in Batu Pahat and Johor immediately distributed 10,400 euros worth of essential products to the flood victims. Carrefour Malaysia then organized customer collections and raised the equivalent of 14,000 euros in cash and products for the affected communities. With the financial support of the Carrefour International Foundation, which donated 114,000 euros, Carrefour Malaysia and the Malaysian Red Cross began rebuilding Kampung Peta, a village devastated by the flooding. The project ran from April to November. 50 Carrefour employees volunteered to take part in the project.

BRAZIL: LITERACY CAMPAIGN FOR DISADVANTAGED COMMUNITIES

Since 2002, Carrefour Brazil has financed literacy campaigns targeted at local communities. Adults from disadvantaged communities in Cabedelo City (State of Paraiba) benefited from the campaign in 2007. Organized by the NGO AlfaSol, the literacy programme runs a total of 15 classes. Since poor eyesight is one of the major causes of school absenteeism, Carrefour pays for students to receive ophthalmological care. Courses are also an opportunity to provide students with nutritional supplements.

SPAIN: VOLUNTARY MISSION IN ECUADOR

In 2007, the Carrefour Spain Foundation and a Spanish NGO, the Fondation Codespa. Codespa offered Carrefour Spain employees the chance to perform voluntary work in Ecuador to assist micro businesses with their expertise by helping to market food products produced by local cooperatives, for example, and advising on the sale of agricultural produce. The Carrefour Spain Solidarity Foundation financed the trip to Ecuador and covered the expenses of the 13 employees who devoted three weeks of their holidays to the project.



Hope School education programme in China



Opening of the first social grocery store in Greece

Testimonial

GUILLAUME BAPST
Chairman of A.N.D.E.S.



■ Since June 2007, the Carrefour International Foundation has supported the A.N.D.E.S. structuring project by providing logistical support and supplies to social grocery stores.

This support financed the creation of two new posts within the A.N.D.E.S. association, chaired by Jérôme Bonaldi. These positions in the logistical and social divisions help to enhance professional standards in the association. This financing will help us run two innovative projects scheduled for launch in the first half of 2008:

■ The first project is related to the creation of an inclusion initiative in the "MIN de Rungis" employing 14 beneficiaries of the exclusion scheme from the end of March 2008. They will select and deliver 5 tonnes of fresh fruit and vegetables to 4 government-certified food aid networks – Banque Alimentaire Paris/ Ile-de-France, Restos du Cœur, Secours Populaire, Croix Rouge and to all 60 social grocery stores in the Paris region.

■ The second project, based on the support of numerous local communities, the government and private businesses, will enable us to supply 150 social grocery stores throughout the year by offering and delivering 150 products on-site, selected for their nutritional quality, thereby helping the store's users rediscover the pleasure of preparing food and rebuild their self-esteem by sharing a meal with others.

4.57
million euros:
annual budget of
the Carrefour
International Foundation.

More information

www.fondation-internationale-carrefour.org
www.carrefour.com

SOCIAL AND COMMUNITY CHALLENGES HIGHLIGHTS 2007

RECRUITMENT AND DIVERSITY



Very few people work part time in Colombia. To help women aged between 35 and 45 find or return to work, Carrefour has created a number of part-time check-out assistant positions, enabling women to work for four hours a day. This provides them with extra income while allowing them to look after their families.



To give people from all backgrounds the chance to succeed, hypermarkets have diversified their recruitment channels and introduced a number of innovations. In September, they formed a partnership with the youjob.com site, where jobseekers can post a video CV. Applicants can also chat live with the Human Resources Department on recrute.carrefour.fr during recruitment campaigns. The most recent chats, in March 2007, attracted more than 18,000 visitors, 2,700 connections and 2,500 questions. Lastly, with the support of Mobilijob, the banner provides real time access to all job offers via mobile telephone.



To attract talented young applicants, Carrefour organized a meeting with 4,000 newly-qualified students. The initiative was followed by an open day that attracted 200 people and led to the recruitment of 40 young people.



Carrefour set up a training programme to help cashiers and check-out managers to rise to one of the Group's strategic challenges – excellent customer service. The programme is highly original since it kicks off with a "team building" stage that includes physical team building challenges.

DEVELOPING SKILLS



To support its growth strategy, Carrefour Malaysia has set up two fast-track training programmes for managers in sales-related positions. Laksamana (35 days) provides training to young graduates and Carrefour employees hoping to become section supervisors; Bendahara (48 days) is targeted at future store managers.

SOCIAL BENEFITS



Since 2007, all Carrefour Italy employees have benefited from the "Solo per noi" card that entitles them to a 10% reduction on purchases made in the banner stores at Christmas time, and 5% at all other times. Ten agreements were also signed with external bodies to allow employees to enjoy special benefits when purchasing products and services from its partner networks.



Laksamana Training in Malaysia



2007

HEALTH AND SAFETY



"Carry less" training in Poland



Carrefour is a member of the Polish Work Inspection campaign, which aims to prevent risks associated with the handling of heavy objects. Target public: its own employees, but also customers. Stores organize demonstrations of good handling skills. Work Inspection agents provide advice and hand out brochures to employees and customers.



Publication and distribution of a Welcome Manual in stores and warehouses, setting out safety rules and the employee's rights and responsibilities, in-house safety regulations, and various other issues such as alcoholism. Staff were also provided with a first aid manual.

In 2007, Dia doubled its efforts to ensure the health and safety of its

employees. This programme was supported by a communications campaign on the prevention of accidents in the workplace.



Carrefour donated 250,000 pesos to the Manos Abiertas Foundation to provide vocational training and microcredit to young people suffering from exclusion and wishing to create their own business..



Last summer, huge fires ravaged the Peloponnesian region. In collaboration with the local authorities, employees at Carrefour Marinopoulos and Champion Marinopoulos supplied 30 villages devastated by the fires, which were often difficult to access and to which no emergency aid had been provided. Carrefour sent 50 tonnes of essential items.



Carrefour once again organized its traditional autumn "Sichuan Pepper Fairs" to market pepper produced by small-scale farmers in Minshan, home to the giant panda. These annual promotional operations form part of Carrefour's partnership with the WWF to support conservation and sustainable development in the region. In 2007, they were extended to 78 stores in



Sichuan Pepper Fairs China

22 towns (17 more than in 2006). Carrefour marketed 15 tonnes of pepper, ten times more than in 2006.

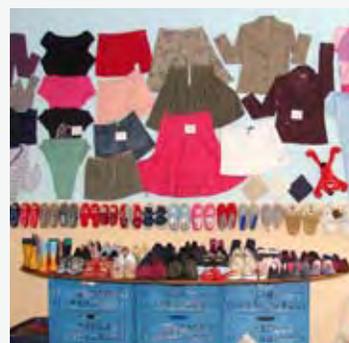


Carrefour has launched a Sustainable Products initiative to help people on low incomes. The first product, Java Soap, a 100% natural toilet soap which provides employment for 45 villagers under the management of one of the banner's partners, was launched in May 2007 in the BG Junction Carrefour Hypermarket, in Surabaya. This initiative was followed by the launch in Bandung of a second product - embroidered bags - that provides employment for 80 local women.

SOLIDARITY



Schemes to include people with disabilities in the workplace, child protection programmes, assistance for excluded individuals, etc. In May, Carrefour Belgium received a "Solidaritest Award" for its wide-reaching social action strategy. The prize was awarded by the social grading agency Vigeo Belgique following a survey performed in major businesses, in association with various organizations.



PACTE, Belgium

ENVIRONMENTAL SCORECARD

KEY FIGURES	COMMITMENTS	OBJECTIVES
<p>398 Carrefour Quality Lines products in 14 countries</p> <p>1,276 own-brand organic products in 11 countries</p>	<p>Promote and develop offer of environmentally friendlier products</p>	Offer the CQL range in all the countries in which we develop products
		Promote and develop a range of organic products in all our countries
		Offer eco-labelled products (wood, fishing etc.)
		Offer products that contribute to sustainable consumption
		Offer alternative fuels
<p>Over 35,000 own-brand products in the Group</p>	<p>Strengthen environmental considerations in the design of our products and packaging</p>	Deploy best practices in packaging design in all the countries to ensure reduction of waste at the source
		Raise awareness among controlled-product suppliers to promote environmental considerations in the design and production of their products
<p>-9.2% energy consumption (kWh/sq. m) for the Group in 2007, compared with 2004</p> <p>50% fewer check-out bags/sq. m for the Group compared with 2004</p>	<p>Reduce the environmental impact of store and head office construction and operation</p>	Reduce greenhouse gas emissions linked to store operation
		Reduce energy consumption 20% by 2020 (compared with 2004 levels) for the entire Group
		Ensure waste sorting and recycling
		Reduce the amount of paper used for commercial publications
		Reduce the number of disposable check-out bags distributed
<p>250 tonnes of CO₂ emissions saved through the use of river transport in France</p>	<p>Strengthen environmental considerations in our logistics activities</p>	Reduce greenhouse gas emissions linked to logistics
		Develop alternative modes of transport
<p>100% of the countries in the Group participate in World Environment Day</p>	<p>Raise awareness of and distribute information on environmental issues both internally and externally</p>	Implement internal awareness-raising campaigns
		Implement external awareness-raising campaigns

■ Launched ■ ■ Underway ■ ■ ■ Implemented ■ ■ ■ ■ Complete



PROGRESS	2007 ACHIEVEMENTS
■ ■ ■ ■	<ul style="list-style-type: none"> • 60 new Carrefour Quality Lines products in 2007 (pp. 28, 32-33 and Challenges Booklet pp. IV-V) • 744 million euros of purchase amount for CQL (+2.3% from 2006)
■ ■ ■	<ul style="list-style-type: none"> • Five countries (France, Spain, Italy, Greece and Poland) developed over 30 own-brand organic products in 2007 • 142 million euros of purchase amount for organic products (+42.8% from 2006) (Challenges Booklet pp. IV-V)
■ ■	<ul style="list-style-type: none"> • 10.4 million euros of purchase amount for European eco-labelled products • 72 eco-labelled HPC and non-food products • MSC products developed for launch at hypermarkets in France in 2008 • Responsible Fishing product range in France and Belgium (Challenges Booklet pp. IV-V) • Bluefin tuna marketing discontinued in Spain and Italy (pp. 46-47) • 80% of the products in the assortment offered by the international purchasing office are FSC certified and 20% are in the VFTN process (p. 46)
■ ■ ■	<ul style="list-style-type: none"> • Low-energy light bulb campaign supported by the European Commission (p. 13, Challenges Booklet p. XV) • Range of reusable batteries, low-energy light bulbs and water savers (Challenges Booklet pp. X-XV)
■	<ul style="list-style-type: none"> • 42 super-ethanol pumps in France and the first NVG pump for individuals in Toulouse opened (Challenges Booklet pp. X-XV) • Second-generation biofuels promoted, for example: used frying oil recycled for biodiesel in Brazil and Thailand (Challenges Booklet pp. X-XV)
■ ■	<ul style="list-style-type: none"> • Group packaging standard updated and deployed (p. 48) • New packaging materials identification, such as calcium-carbonate-based Ecolean and recycled PET (p. 48)
■ ■	<ul style="list-style-type: none"> • Banners in France developed a self-diagnostic Sustainable Development tool for their suppliers of controlled products: 212 suppliers completed self-assessments in 2007 (p. 29) • Sustainable Development visits launched to provide progress plan support to suppliers (p. 29) • Membership in the SCLC programme : in 2008, the Group will send a questionnaire to 2,000 suppliers to raise their awareness of their CO₂ emissions
■ ■	<ul style="list-style-type: none"> • Survey and awareness-raising of controlled-products suppliers regarding the use of soy and palm oil • 128,883 tonnes of CO₂ saved - equivalent to 53,700 fewer cars on the roads • -5% kg CO₂e emissions per sq.m of sales area in 2007 compared to 2006
■ ■	<ul style="list-style-type: none"> • Energy reduction programmes set up in Europe, Latin America and Asia and energy efficiency solutions deployed. For example: <ul style="list-style-type: none"> - 17% energy consumption for hypermarkets in China from 2006 to 2007 and - 20% energy consumption for hypermarkets in France in 2007 compared to 2004, thanks to the many initiatives that have been in place for several years • Carbon assessment performed for the Group head office in Levallois-Perret (France) (Challenges Booklet p. XI)
■ ■	<ul style="list-style-type: none"> • 449,172 tonnes of waste recycled thanks to the implementation of waste sorting and recycling at Group stores • 944 tonnes of used batteries collected Group-wide
■ ■	<ul style="list-style-type: none"> • 6.8% less paper purchased for commercial publications per sq. m of sales area in 2007 compared with 2005 • 5.3% reduction in average grammage of paper used for Group commercial publications in 2007 compared to 2006
■ ■ ■	<ul style="list-style-type: none"> • Disposable check-out bag distribution discontinued at hypermarkets in France and Belgium • 25% fewer check-out bags per sq.m of Group sales area, equivalent to 23,000 tonnes of CO₂ saved, or 9,500 fewer cars on the road. • Alternatives to disposable check-out bags available in most countries
■ ■	<ul style="list-style-type: none"> • Consolidation platforms constructed; delivery rounds optimized; backhauling developed in many countries
■ ■	<ul style="list-style-type: none"> • 35% of non-food imports into France transported by river (Challenges Booklet pp. X-XV) • Alternative modes of transport used in several European countries (Challenges Booklet pp. X-XV)
■ ■ ■	<ul style="list-style-type: none"> • Sustainable Development kit distributed at all hypermarkets in France • Eco-guide at workplace distributed at head offices • Awareness-raising initiatives for employees in all the countries in the Group (pp. 50-51, Challenges Booklet pp. X-XI)
■ ■ ■ ■	<ul style="list-style-type: none"> • All countries participated in World Environment Day (pp. 50-51, Challenges Booklet pp. X-XV) • In-store events organized in all countries throughout the year (pp. 48, 50-51, Challenges Booklet pp. X-XIV)

PROTECTING

NATURAL RESOURCES AND BIODIVERSITY

The Group has long been working to minimize its impact on natural environment and biodiversity, both as a socially responsible practice and to ensure the long-term continuity of its operations. The products the Group markets use resources that must be protected.



Carrefour Quality Line salmon

CARREFOUR'S PRECAUTIONARY APPROACH TO GMOs

Since 1996, the Group has taken a precautionary approach to GMOs. In Europe, none of its own-brand products carry GMO labels. In Asia and Latin America, the Group has taken a progressive approach, offering choice to consumers by developing products without GMOs.

A PROACTIVE APPROACH TO RESPONSIBLE WOOD SOURCING

Since 1997, Carrefour has been working to control its wood supply and has been collaborating with the WWF since 1998 to develop FSC (Forest Stewardship Council) certified wood from sustainably managed forests.

As part of its combat against illegal trade, and to improve traceability of wood, it also signed the FLEGT proposal for European regulations against illegal wood commerce. The Group promotes FSC wood for garden furniture in its main European markets. It discontinued sales of Teak in France in 2006, and Keruing the year after. In 2007, the Group's international purchasing office confirmed its commitment with an assortment of outdoor furniture made from FSC Amurana, FSC Eucalyptus and Acacia (non-endangered species according to the IUCN list). Currently, no endangered species is included in list assortment, of which 80% are FSC certified and 20% are in the VFTN process. Moreover, in 2007 the Group closely monitored its wood sourcing in order to better trace their origins and to manage risks associated with illegal trade. In 2007, WWF Belgium's survey on tropical wood ranked Carrefour in third place, recognizing thus its responsible sourcing policy. Since 1999, the Group has also been promoting the use of paper made with recycled wood fibres and/or wood from forests under certified management for its catalogues and advertising brochures. Carrefour's policy, in line with the findings of the life cycle analysis on catalogues has continued to focus on reducing paper grammage in its commercial publications.

SUSTAINABLE SOURCING FOR PALM OIL AND SOY

The rapidly increasing demand for palm oil and soy is leading to serious consequences for biodiversity and the greenhouse effect (extensions to plantations of these crops are often made at the expense of primary forest land) and local populations (expropriations of populations and difficult working conditions in the plantations). Carrefour's response was to support the establishment of sustainable agriculture practices by joining the Roundtable on Sustainable Palm Oil (RSPO) in 2006 and the Roundtable on Responsible Soy (RTRS) in 2007. In 2007, the Group carried out a survey on the palm oil and soy used in its controlled products and took steps to raise awareness among its suppliers.

A RESPONSIBLE FISHING POLICY

In France, compliance with regulatory fish sizes is included in suppliers' specifications. Since 2000, at Carrefour platforms, inspectors have been monitoring the compliance of incoming fish (over 3,000 controls annually in France).

In 2005 in France and Belgium, the Group launched a line of Responsible Fishing frozen products, guaranteeing optimal traceability and stock management as well as respect for the ecosystem. Finally, in 2008 Hypermarkets France are launching Marine Stewardship Council (MSC) frozen products under the Carrefour Agir Éco Planète brand, as well as MSC fresh products.

Over the past several years, the Group has been developing a range of quality farm-raised fish with limited environmental impact (example: Carrefour Quality Lines). To reduce flour milling fishing (fish used in animal meal production), it supports raising species such as tilapia, claria and pangasius, which feed mainly on vegetation. It also replaces a part of the animal-origin nutrients for carnivorous fish with plant products in a way that preserves the nutritional characteristics.



France: campaign to raise awareness of natural resource protection



FOCUS

BELGIUM, ITALY AND FRANCE: SUPPORTING THE POPULATIONS AROUND LAKE VICTORIA

The populations around Lake Victoria in East Africa live under difficult conditions. For their livelihood, they depend on the Nile perch, whose numbers are decreasing dramatically. Since 2007, to help them move toward more sustainable activities, Carrefour Belgium and Carrefour Italy have been donating a part of the income from their Nile perch sales to WADAF/ADEPA, an African association for the development of artisanal fisheries. Through this association, Carrefour Belgium and Carrefour Italy have supported three field projects aimed at developing the raising of tilapia and catfish for food, as well as various agricultural activities in Tanzania and Uganda. Carrefour Italy financed three catfish and Nile perch raising projects in Uganda. Since 2006, Carrefour France has been donating part of its income from Nile perch sales to UNICEF.

SPAIN, FRANCE AND ITALY: PROTECTING THE BLUEFIN TUNA

For several years, Carrefour Spain and Carrefour Italy have been raising customer awareness of the increasing scarcity of the Mediterranean bluefin tuna. In 2007, both countries suspended marketing of the fish. In Europe, the Group now markets bluefin tuna only in France, but nonetheless reduced sales by half in 2007, just as it did the previous year. To avoid encouraging its customers to consume this fish, the Group removed it from its catalogues and magazines. It does not buy bluefin tuna from Turkish or Libyan fishing boats (countries which do not comply with quotas). It has also taken measures guaranteeing traceability and origin monitoring. Finally, it does not sell bluefin tunas raised in cages as the fish does not reproduce under such conditions. In 2008, the Group will increase initiatives to raise awareness among its teams and customers, with a view to continuing the progressive reduction of bluefin tuna sales in France. As a socially responsible company, however, it cannot abruptly and unilaterally discontinue its marketing of the bluefin tuna, as this would have a severe impact upon fishermen.



The Group supports various Lake Victoria projects



Carrefour AGIR Éco Planète MSC products

Testimonial

CHARLES BRAINE

Head of WWF's Sustainable Fishing programme



Seafood consumption has increased considerably over the past 50 years, rising from under 20 million tonnes to nearly 92 million tonnes per year worldwide. Today, 75% of marketed stocks are either overfished or fished to the limit of what the species are able to support. If we want to leave our oceans in good condition for future generations, it is imperative that we change our consumption in order to use our resources more sustainably and ensure the survival of the various species. In August 2007, as a part of our partnership with Carrefour, we created a working group on responsible fishing. Our goal is to collaborate in identifying alternatives in order to establish seafood consumption patterns that are more respectful of marine ecosystems. This work will result in a sourcing policy that gives greater consideration to the state of fish resources, as well as awareness-raising initiatives for purchasers and Carrefour customers in 2008. Finally, Carrefour will participate in the WWF's international dialogues to establish specifications for sustainable aquaculture.

142
million euros
of purchase amount
for organic product
in 2007.

Or
+48%
compared with 2005,
with like-for-like
Business Units.

More information

Key indicators pp. 56 to 63.
www.carrefour.com.

REDUCING

THE IMPACT OF OUR COMMERCIAL AND LOGISTICS ACTIVITIES

Electricity, refrigerants, water, waste... For many years, Carrefour has been increasing initiatives to reduce the environmental impact of its stores, warehouses and merchandise shipping – putting particular emphasis on reducing greenhouse gas emissions. These initiatives often represent financial savings as well.



Reusable bags in China ■

ENERGY AND WATER SAVINGS

The Group has committed to reducing its energy consumption by 20% compared with 2004 levels. In most countries, it has already taken measures to reduce the energy consumed at stores and in merchandise shipping (see page XIV in the Challenges Booklet). It also deploys a policy of monitoring and reducing its water consumption.

“GREENER” STORES

When renovating or constructing stores, Carrefour tests sustainable materials and works toward optimum integration of the sites into the surrounding landscape. Pilot stores testing the use of renewables energies, new materials and technological solutions to reduce environmental impact were built in Europe, Latin America and Asia. The most conclusive innovation are then deployed in the countries.

WASTE REDUCTION AT WAREHOUSES AND STORES

To limit its waste production, the Group now replaces wooden crates and cardboard boxes used in merchandise shipping by reusable plastic containers. It encourages its stores and warehouses to sort their packaging waste. In places with specific waste recycling streams, it also collects other types of waste, such as neon tubing and cooking oil used at its stores.

ELIMINATING EXCESSIVE PACKAGING AND DISPOSABLE CHECK-OUT BAGS

For over 10 years, the Group has been optimizing its own-brand products packagings. In 2007, the Group packaging standard – a guide to best practices in packaging – was updated and deployed. To protect resources, it uses recycled and recyclable materials such as recycled PET, and prioritizes single-material packaging, which is easier to recycle.

It has also taken proactive measures in all its countries to reduce the distribution of disposable check-out bags by selling customers reusable bags at cost price. Carrefour Taiwan, Carrefour Belgium and, since March 2007, Hypermarkets France have completely discontinued distribution of disposable check-out bags.

COLLECTION POINTS TO ENCOURAGE CUSTOMERS TO SORT WASTE

In compliance with European legislation, the Group has set up collection systems for customers' waste electrical and electronic equipment (WEEE) as well as used batteries. It is also developing this practice in other countries. Additionally, it participates in the operation of recycling networks. In France, it is administrator of Éco-systèmes, the eco-agency managing the WEEE network, and a shareholder of Éco-Folio, which collects funds for recycling advertising catalogues.

AWARENESS-RAISING AMONG STAFF AND CONSUMERS

Every year, all the countries have a number of campaigns using their communications media and stores to raise customer and employee awareness of ecological initiatives. These campaigns are often set up in cooperation with partners such as NGOs, suppliers and organizations. Furthermore, the French banners' own-brand products include packaging information developed with the assistance of ADEME to explain the advantages of sorting and recycling. Since 2007, the Group uses AISE (European detergent association) logos to encourage consumers to save water and energy associated with the use of households and personal care products.



Used-battery collection container
at GS in Italy ■



FOCUS

FRANCE AND BRAZIL: SUSTAINABLE CONSTRUCTION

In 2007, the Group used sustainable materials and technologies at several French hypermarkets. For a waterproof roofing material for its stores in Sens Voulx, Sens Maillot and Crèches, it switched from asphalt to a flexible membrane. The membrane's white colour reflects heat, limiting the building's air-conditioning needs. As it is very lightweight, it does not require reinforcing of the roof's steel structures, thereby eliminating the need to consume metal and energy. Furthermore, it can be incinerated once it has reached the end of its useful life. A planted roof system was installed at the Saint-Quentin-en-Yvelines store. This type of roofing favours rainwater retention, provides thermal and acoustic insulation, and helps integrate the store into its natural surroundings. In Rambouillet, the new façade is made of wood, a renewable material, while expansive glass walls and skylights limit the need for artificial lighting. In Nevers, Carrefour studied the feasibility of a system to filter rainwater collected on the roof for reuse in toilets and for hosing floors. Work will begin in 2008.

Carrefour Brazil launched a similar project to reuse rainwater in toilets as well as for hosing car parks and docks and watering the green spaces around 11 stores in São Paulo. This solution made it possible to save over 3,150 cubic meters of water in 2007.

GROUP: PACKAGING DILEMMA

For 10 years, the Group has been making efforts to minimize the weight and volume of its products' packaging. It also opts for materials that can be recycled, incinerated with energy recovery or converted into compost. In France, from 1996 to 2007, this policy allowed it to save some 14,000 tonnes of materials in the packaging of Carrefour, Champion and Grand Jury products. Today, however, it faces a dilemma: minimizing packaging further could compromise its ability to protect the products. This could lead to product loss, which in turn would result in a much heavier impact on the environment. To reduce the environmental impact of packaging even more, it is therefore exploring another possibility: materials made from renewable or abundant resources, such as bioplastics based GMO-free cornstarch, or calcium carbonate.



Carrefour waste-sorting centre in Greece



Awareness-raising campaigns in France

Testimonial

Carine Seror
WWF China



In 2007, Carrefour committed to promoting WWF China's national energy savings campaign in its hypermarkets. With this joint effort, Carrefour implements simple energy efficiency actions and helps promote products with enhanced energy performance. WWF volunteers also participate actively, helping emphasize key messages to consumers. One of the main parts of this campaign concerns check-out bags. WWF China and Carrefour worked together to create a reusable bag that is now offered at check-out as an alternative to the traditional disposable check-out bags. Pollution associated with check-out bags is now commonly known as "white pollution" and represents a growing problem in developing countries such as China, where aggressive collective action will be needed if they are to be eliminated completely. Contributions from companies such as Carrefour play a key role in informing the public. WWF China hopes that Carrefour will continue this campaign in 2008, and that when the time comes to assess our progress we will find that together we have contributed to a real and very sustainable change.

944

tonnes of batteries brought in by customers for recycling at Carrefour stores in 2007.

Number of disposable bags distributed at check-out compared with 2006, by sq. m:

- 77% in France
- 58% in Belgium
- 19% in Spain
- 16% in Colombia
- 20% in Thailand

More information

pp. X-XV in the Challenges Booklet.
www.carrefour.com.

ENVIRONMENTAL CHALLENGES HIGHLIGHTS 2007

WASTE MANAGEMENT



Awareness-raising campaign in France



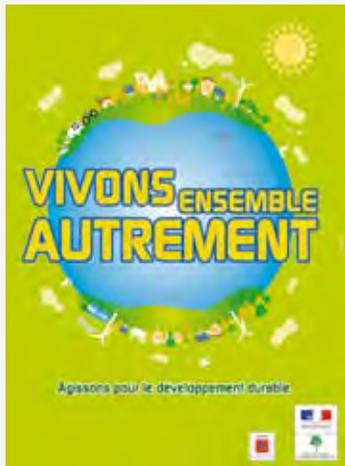
Ooshop, Sustainable Development Week



Since April, Carrefour's online sales banner Ooshop has been collecting and recycling the plastic packaging it uses for deliveries to customers. Ooshop also replaced its paper billing system with electronic billing in July.



In October, the new Comprehensive Waste Management Plan was deployed at hypermarkets and supermarkets. It covers all the types of waste that is collected, including packaging, organic waste, and waste electrical and electronic equipment from both stores and customers. One of its goals is to improve and expand cardboard and plastics recycling. To this end, each store has a designated staff member to manage the treatment of all collected waste.



Awareness-raising campaign in France



Carrefour has set up a programme to collect its customers' waste electrical and electronic equipment and used packaging. The project began at Carrefour Alimos (Athens) and will gradually extend to almost all the stores. It should enable each centre to recycle 145 tonnes of materials annually.



Since October, 12 stores in Bangkok have made containers available for customers to drop off their plastic, metal and paper waste as well as used glass bottles and drink containers. Profits from sales of this waste to recycling networks is donated to a charitable organization.



Earth Day, Singapore

PROMOTING REUSABLE BAGS



Campaign for energy awareness in China



Carrefour has launched many initiatives to promote reusable shopping bags. It is continuing this programme in 2008, in cooperation with the WWF, as part of an energy efficiency campaign aimed at encouraging consumers to purchase products associated with lower energy consumption.



For Earth Day in April, Carrefour joined in the "Bring Your Own Bag Day" campaign organized by Singapore's National Environment Agency. Ever since, on the first Wednesday of each month, customers are asked to either bring their own basket or pay \$0.10 for each disposable check-out bag they use. Profits go to the Singapore Environment Council.

2007



ENERGY CONSUMPTION



In 2007, Carrefour began using new reusable plastic boxes to transport fruits and vegetable products. They weigh 16% less than the previous boxes, on average, and have up to 10% greater capacity. This streamlining allows for a 2.3% reduction in the mass of merchandise transported by truck, which in turn cuts fuel consumption. In 2008, 75% to 80% of all produce flow involved the use of these boxes.

PROTECTING THE ENVIRONMENT



Champion is testing professional cleaning and disinfecting products for its stores' preparation rooms. These environmental biotech products are biodegradable and received the European ecolabel as well as an WWF approval. Testing is underway at 15 supermarkets.



Dia worked with the Ecology and Development Foundation to spread the "Alliance for Water" campaign, which aims to raise awareness of responsible water consumption and promote solidarity with Central American countries.



Planting trees in Malaysia



In November, to inaugurate the new Carrefour Ampang store, 35 store employees participated in a tree planting campaign in partnership with a local organization. 900 trees were planted in a park and along an avenue near the supermarket. Similarly, for the opening of Carrefour Melaka, store employees took part in a waste collection initiative in the city.

RAISING AWARENESS



In June, Carrefour launched its annual programme Mundo al Rescate ("Rescue the World") aimed at raising young people's awareness of natural resource protection. 3,000 youths from 300 schools were invited to attend classes given by the Junior Achievement Foundation and to participate in an environmental project. Carrefour supplied them with an environmental information kit.



As in 2006, the hypermarkets launched an initiative together with ADEME and France Nature Environnement during the Waste Reduction Week in November. Several stores set up shelf stoppers to draw customers' attention to products that generate lower levels of waste. Special events were held at the hypermarkets to show consumers that buying "responsibly" often means saving money too. Customers also received the Guide to Smart Shopping and reusable bags made from fair-trade cotton.



For World Environment Day, 134 Carrefour stores organized informational campaigns on protecting the Earth. All store managers received a Greenpeace CD on climate change to share with their employees and customers.

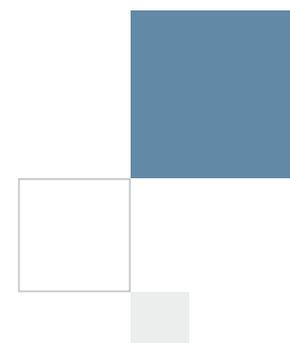


For World Environment Day in June, stores in five cities organized an initiative promoting waste sorting to customers, schools and local services in charge of ecological issues. In honour of Earth Day, Carrefour teamed up with national forest authorities to organize an educational forest excursion for some 300 children from 10 primary schools.



Forest excursion in Poland





MAKING GREATER PROGRESS TOWARD SUSTAINABLE COMMERCE EVERY YEAR

We have been using key indicators since 2002 to measure the progress of our Sustainable Development policy. The tracking and reporting of key performance indicators allows us to identify action plans to improve our economic, social and environmental performance. It's also a guarantee of transparency for our stakeholders.

OUR PERFORMANCE

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ASSESSING

OUR OVERALL PERFORMANCE

Assessments of our extra-financial performance are an excellent complement to the analysis of our financial results. They allow us to measure the Group's ability to anticipate and manage the risks and opportunities inherent to its operations.

ESTABLISHING A FULLY TRANSPARENT DIALOGUE WITH THE SRI (Socially Responsible Investment) WORLD

The Carrefour Group maintains an ongoing and transparent dialogue with extra-financial ratings agencies, SRI indices, investors and insurance companies through evaluations of its overall performance by the agencies and SRI investors. The Sustainable Development Department completes questionnaire and responds to occasional requests

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

CARREFOUR GROUP'S PRESENCE IN THE MAIN SRI INDICES

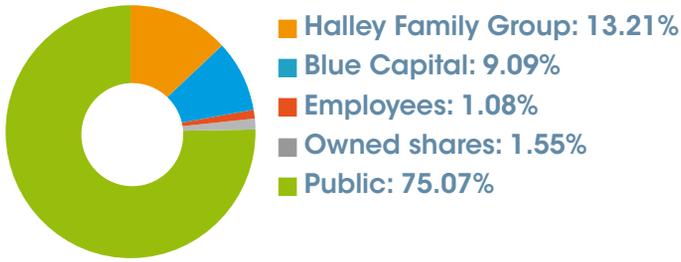
SRI INDICES		CARREFOUR'S PRESENCE IN THE INDICES IN 2007
Aspi Eurozone	Vigeo - France	■ (since 2002)
DJSI Stoxx Europe	Dow Jones - USA	■ (since 2003)
DJSI World	Dow Jones - USA	■ (since 2002)
ECP Ethical Index Euro	E. Capital Partners - Italy	■ (since 2002)
ECP Ethical Index Global	E. Capital Partners - Italy	■ (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

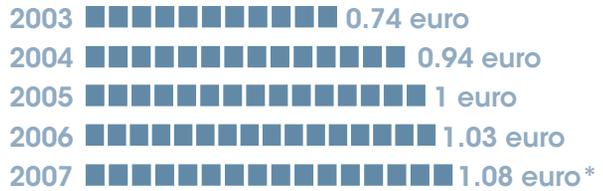
MAIN SRI FUNDS	VALUE*	INVESTMENT**	CARREFOUR'S PRESENCE IN 2007
Banque Paribas SA	€4.778 billion	€7 million	■
BNP Paribas AM	€1.937 billion	€5 million	■
Dexia AM	€17.6 billion	€10 million	■
Natixis AM	€3.3 billion	€21.9 million	■
F&C AM	Ethical funds	0	
	Equity funds***	€88.2 billion	■

* Total value of SRI funds as of 31 December 2007. ** Total value of Carrefour shares held in the SRI fund as of 31 December 2007. *** Fund covered by the SRI initiative and commitment of F&C AM to integrate environmental, social and governance criteria into its assessments.

CAPITAL BREAKDOWN AS OF 31 DECEMBER 2007



DIVIDEND PER SHARE (2003 - 2007)



At 31 December 2007, Carrefour's share capital came to **1,762,256,790 EUROS**. This was composed of **704,902,716** shares. For 2007, there will be a proposal to distribute a dividend of **1.08 euro*** per share.

(*Subject to shareholder approval at their General Meeting of 15 April 2008.)

A WORD FROM SRI FUNDS ANALYSTS

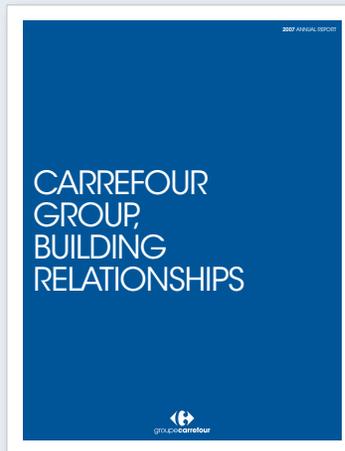
BETH WILLIAMSON,
Research Analyst
Portfolio 21 Investments, US

Carrefour meets our environmental sustainability criteria.

As required by Portfolio 21's biotechnology policy, Carrefour has a global GMO-free policy on the ingredients in its own-brand products. Carrefour has a variety of organic food and ecologically preferable products in its offerings, and is developing non-food lines that promote the use of sustainable materials, such as Forest Stewardship Council certified garden furniture. Carrefour works to reduce the impacts of product distribution by optimizing delivery routes and using alternative modes of transport with lower greenhouse gas emissions. The company also regularly retrofits its stores with energy efficient technologies. Carrefour's environmental key performance indicators are comprehensive, including water, waste, energy, paper usage, and shipping CO₂, reported by store type and by operating country. However, Portfolio 21 has asked the company to increase its transparency regarding products that include organic ingredients and other environmentally preferable materials, as well as increasing its commitment and investments in green design for its facilities.

RELATIONS WITH OUR SHAREHOLDERS

The Carrefour Group regularly provides shareholders with fully transparent information on its economic and financial results. This information is available in the Annual Report, the Shareholders' Guide, the Shareholders' Newsletter, press releases and the Group's website as well as an online newsletter available 24/7 on a toll-free telephone number (0805 902 902). The Group also meets with its shareholders to answer their questions at the Annual General Meeting, Shareholders' Meetings and the Salon Actionaria. For more information about the Carrefour Group's corporate governance and its 2007 economic results, see the Annual Report at www.carrefour.com.



Presence in
9
SRI funds

[▶ More information](#)

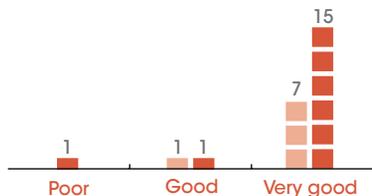
www.carrefour.com

KEY INDICATORS

BY GEOGRAPHIC REGION

Indicators selected for their pertinence in regard to the impact of Group operations measure the effectiveness of its policy and the progress of its action plans

KEY INDICATORS QUALITY

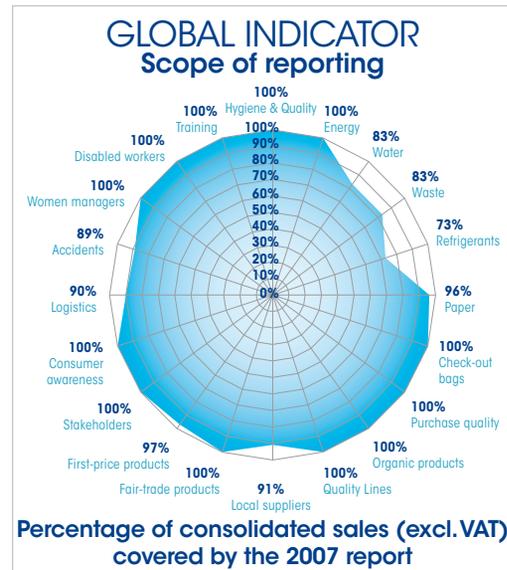
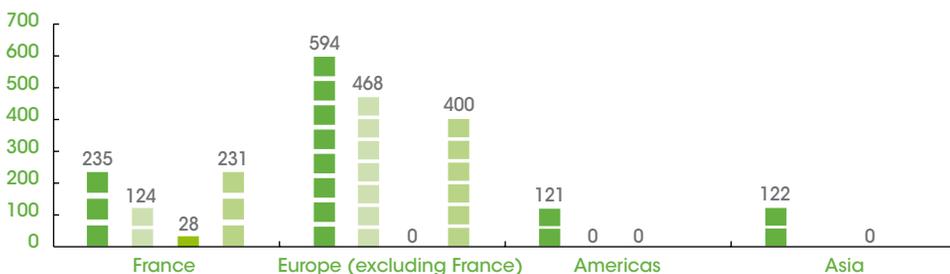


Level of quality procedure for controlled food products (in number of countries)

Very good maturity level. This indicator assesses specifications updates, implementations of supplier audits, product inspection systems, non compliance monitoring and consumer complaints.

■ HM, SM, Convenience & C&C ■ HD

KEY INDICATORS PRODUCTS

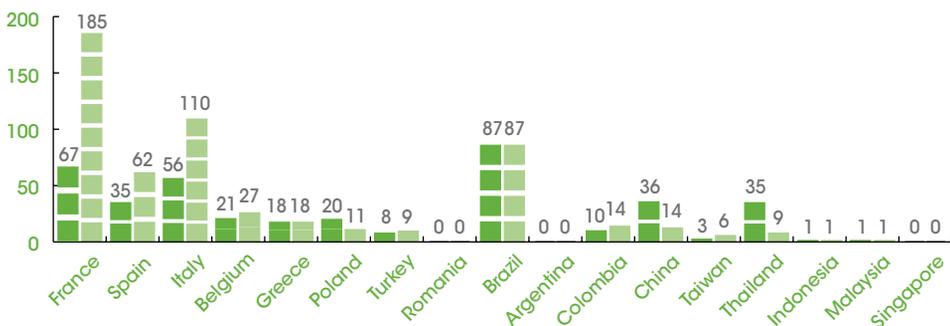


Percentage of consolidated sales (excl. VAT) covered by the 2007 report

Number of listed organic or ecological own brand and retail banner brand products by region and format

The range of organic or ecological own-brand products continues to expand, particularly in European countries with a high convergence of banners. The Group's other countries offer an organic assortment mainly made up of national brands. Purchases of own-brand organic products increased 43% from 2006 (like-for-like BUs).

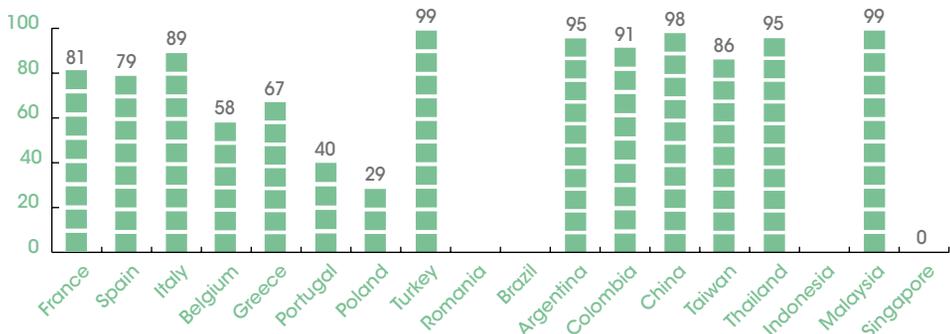
■ HM ■ SM ■ HD ■ Others



Number of Quality Line products by country and Number of Quality Line contracts by country

To ensure adequate supply to all stores, a given Quality Line product may be covered by several contracts and suppliers. 60 new lines were added in 2007, bringing the total number to 398. The purchase amount for Quality Line products also rose by 2.3% (like-for-like BUs) from 2006 to 2007.

KEY INDICATORS LOCAL DEVELOPMENT

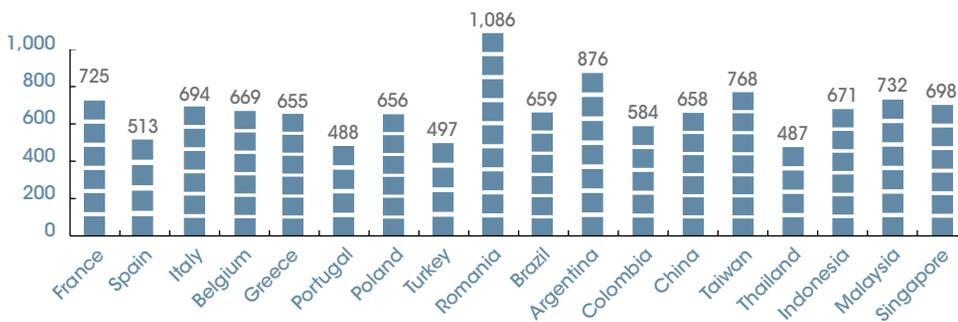


Percentage of local purchases in controlled food products by country

A local product is an own-brand food product produced in the country in which it is marketed. With its own brands, Carrefour contributes to the development of local economies and reduces the environmental impact of product shipment.

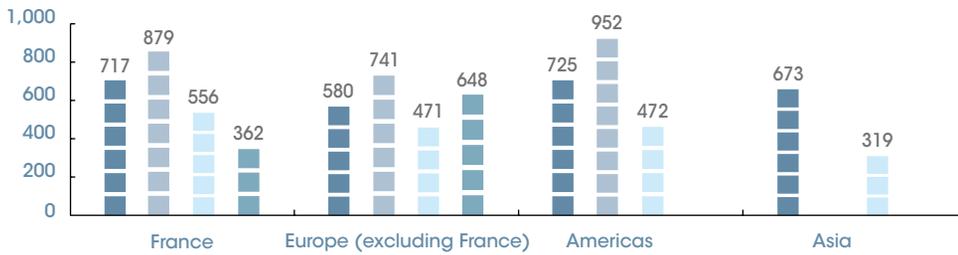
Excluded:
HM: RO, BR, ID
SM: BR
HD: BR

KEY INDICATORS STORES



Energy consumption by country (in kWh/sq. m of sales area)

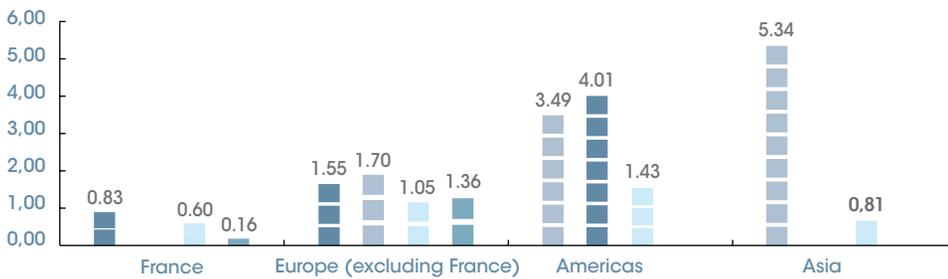
Energy consumption dropped in most countries, resulting in a 5% overall reduction at Group level (like-for-like BUs). Yet there are large disparities in consumption by country due to store formats (structurally, supermarkets consume more per square metre than hypermarkets) and local particularities (Romania's summer heat wave had a major impact on electricity consumption).



Energy consumption by region and format (in kWh/sq. m of sales area)

Hypermarkets, representing 64% of the Group's energy consumption, reduced their consumption by 7.2% over 2007. Particularly noteworthy efforts were made in the Asia region, where China, Taiwan, Thailand and Malaysia launched centralized energy management systems to streamline consumption.

■ HM ■ SM ■ HD ■ Others



Water consumption by region and format (in cubic m/sq. m of sales area)

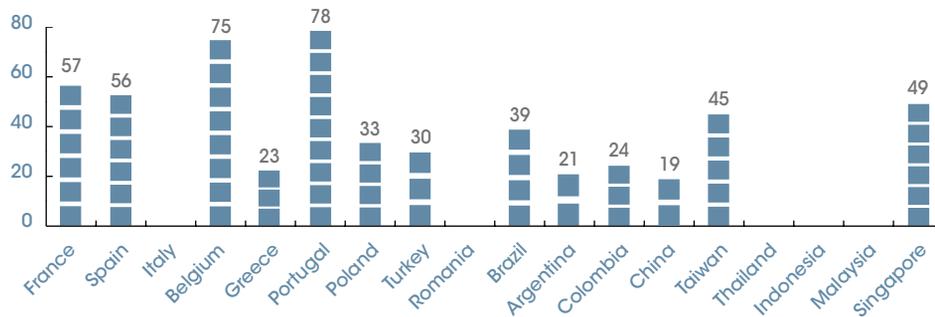
Average water consumption per square metre (like-for-like BUs) dropped 3.6% from 2006. Hypermarket and supermarket formats accounted for over 90% of the Group's water consumption due to their size and specificities of certain facilities (fish departments, food preparation rooms, etc.) In Asia, where store water consumption is conceptually highest, optimization initiatives such as closed-circuit water systems are being tested.

Excluded:

HM: BE

SM: FR, BE

■ HM ■ SM ■ HD ■ Others



Recycled waste by country (in kg/sq. m of sales area)

Many of the countries where the Group is present lack an official waste collection network, making it difficult to produce accurate reports on quantities of waste recycled. Where possible, Carrefour works with local authorities to ensure that waste is sorted and recycled.

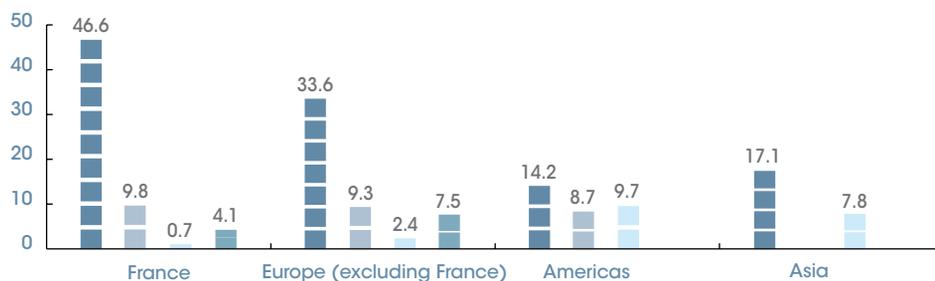
Excluded:

HM: IT, TR, RO, CN, TH, ID, MY

SM: IT, BE, GR, TR

Convenience: FR, IT, BE, GR

C&C: IT



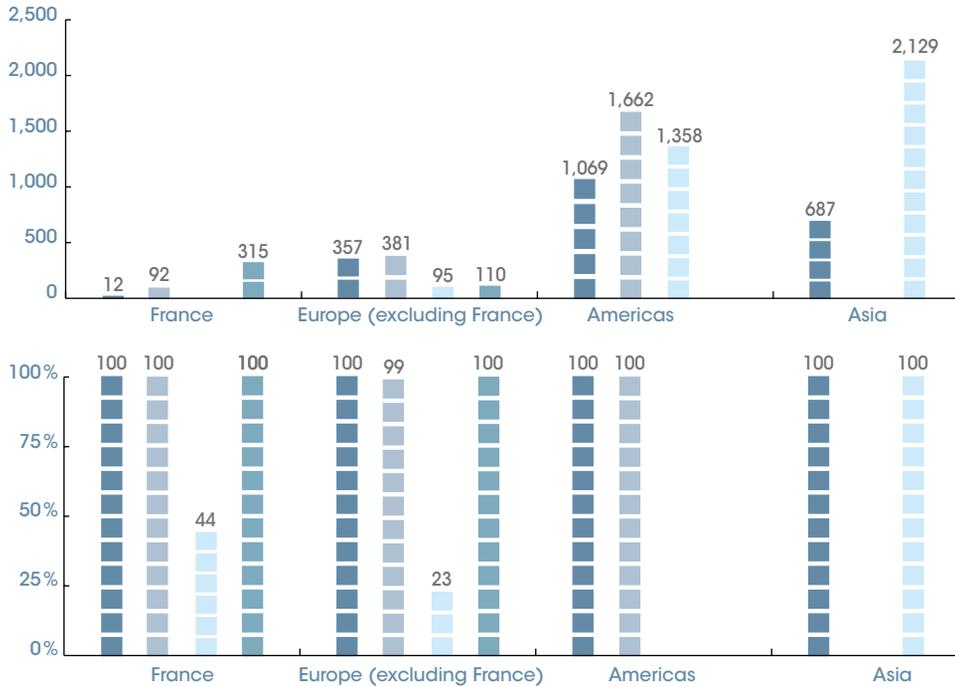
Quantity of paper purchased for commercial publications, by region and format (in kg/sq. m of sales area)

The Group achieved a 13.2% reduction (like-for-like BUs) in paper purchased per square metre of sales area compared with 2004. Advertising catalogues are an important tool for reaching customers, especially for hypermarkets. In 2007, the France Hypermarket and Supermarket Business Units, which represent about 40% of Group paper purchases, began implementing reduction initiatives (4.5% grammage reduction for publications) launched in Italy the previous year. These efforts contributed to a reduction of 4% for hypermarkets and 23% for supermarkets in France.

Excluded: HM: CO, CN

■ HM ■ SM ■ HD ■ Others

KEY INDICATORS STORES



Number of free disposable check-out bags distributed per sq. m of sales area, by region and format

The Group continued its policy of cutting the number of disposable check-out bags distributed at its stores, achieving a 25% reduction over the year (like-for-like BUs) per square metre of sales area. The reduction for Europe reached 40% due to the discontinuation of disposable bags in Belgian hypermarkets and the continuing policy of eliminating check-out bags in France. Initiatives to raise customer awareness have been launched in Asia and Latin America. A campaign in which customers are offered alternatives to disposable plastic bags (for example, canvas bags in Thailand) at check-out have yielded encouraging results in Brazil, Colombia and Thailand.

■ HM ■ SM ■ HD ■ OTHERS

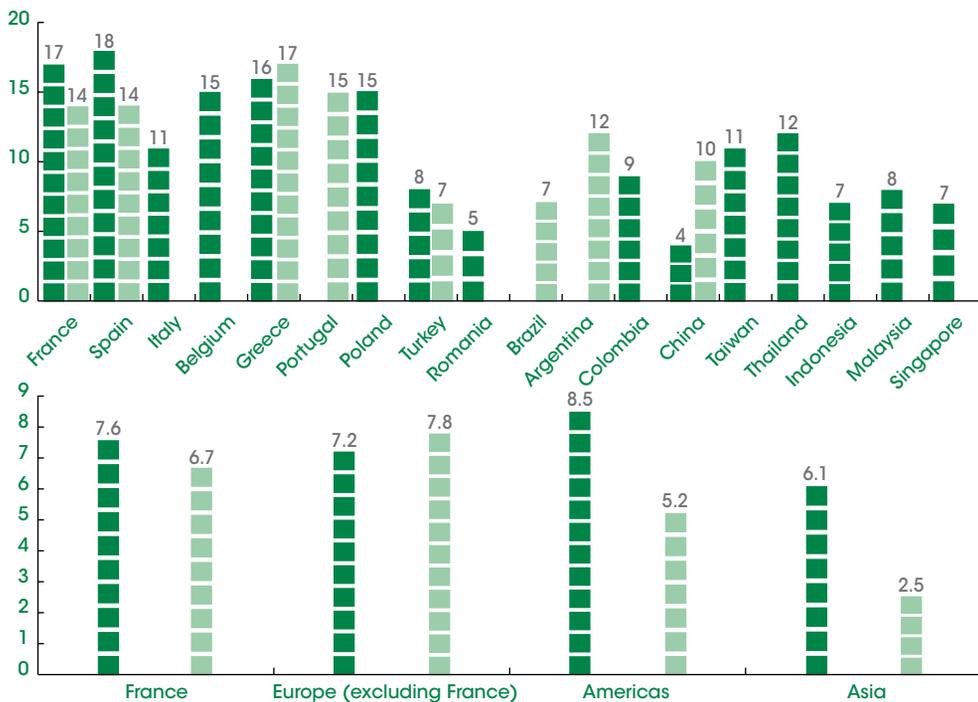
Percentage of consolidated stores audited on hygiene and quality criteria, by region and format

One annual audit by an independent laboratory is required at formats that are equipped with food preparation rooms and have traditional fresh food service counters. Hypermarkets in France are audited six times a year, while supermarkets undergo a minimum of two audits.

Moreover, in 2007 all supermarkets in Europe and hypermarkets in Latin America were audited. Ed stores in France also showed progress in this indicator, despite their low share of fresh food service counters.

■ HM ■ SM ■ HD ■ OTHERS

KEY INDICATORS LOGISTICS



Level of maturity of logistics process by country

The self-assessed logistics process covers implementation of massification, traceability, the cold chain, streamlining and environmental management. Eight Carrefour countries and five Dia countries have now launched these Sustainable Development practices in their supply chains.

Interpreting the graph:

- between 1 and 5: testing phase;
- between 5 and 10: initial implementation;
- between 10 and 15: full implementation;
- between 15 and 20: ongoing improvement.

Excluded: HM: BR, AR

■ HM, SM, OTHERS ■ HD

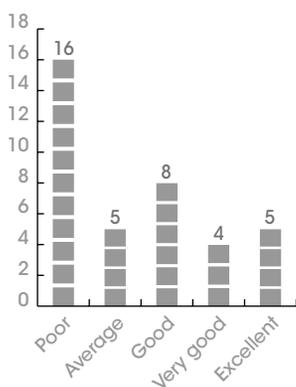
CO₂ emissions per shipping unit (kg) by region and format

In Latin America, country size and distance from distribution centres contribute to higher emissions levels for hypermarkets and supermarkets. In Asia, the hard discount format concerns only Dia China and more specifically operations in Shanghai, which has a high density of stores.

Excluded: HM: RO, BR, CN

■ HM, SM, OTHERS ■ HD

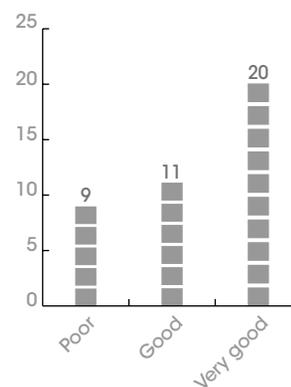
KEY INDICATORS COMMUNICATIONS



Level of information provided to consumers (in number of Business Units)

Level of information provided to consumers to help them choose and develop a responsible consumption. In 2007, Italy achieved excellence with multimedia communications focusing on the discontinuation of bluefin tuna.

Excluded: HM: MY



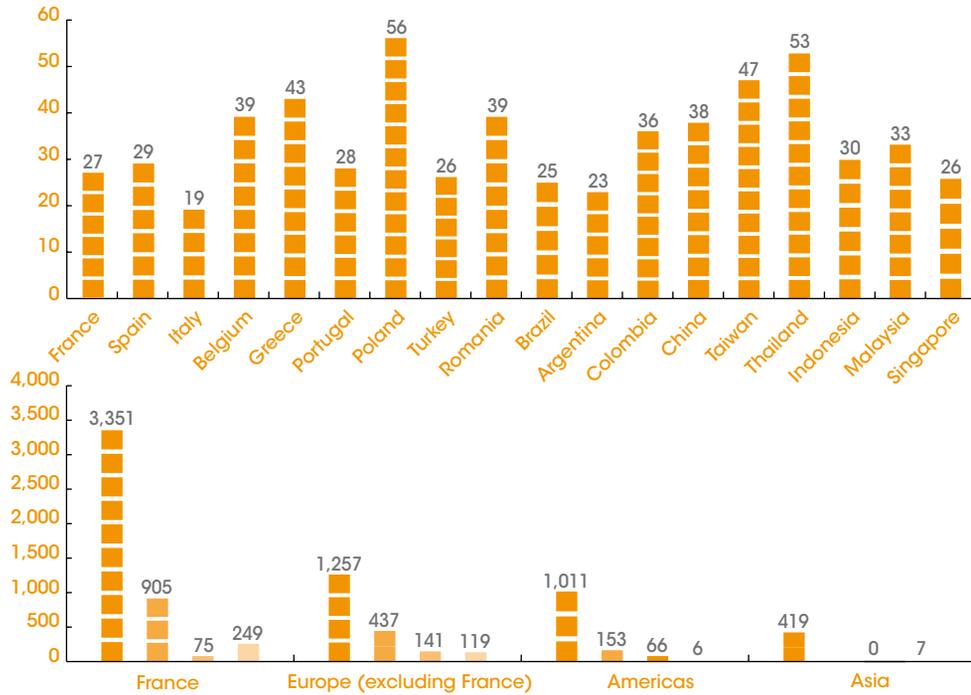
Level of dialogue with stakeholders (number of Business Units)

Measures the level of each Business Unit's dialogue with its stakeholders.

This indicator improved significantly in 2007. In China, customers, employees, NGOs, the government and suppliers all participated actively in programmes covering energy efficiency, nutrition, local procurement and reusable bags.

Excluded: HM: MY

KEY INDICATORS HUMAN RESOURCES



Percentage of women in management, by country

This indicator continued to increase in almost all countries, reaching 32% at Group level. To optimize gender equality in management positions, several countries, including France and Italy, have launched gender equality programmes or signed workplace gender equality agreements.

Number of employees recognized as disabled workers, by region and format

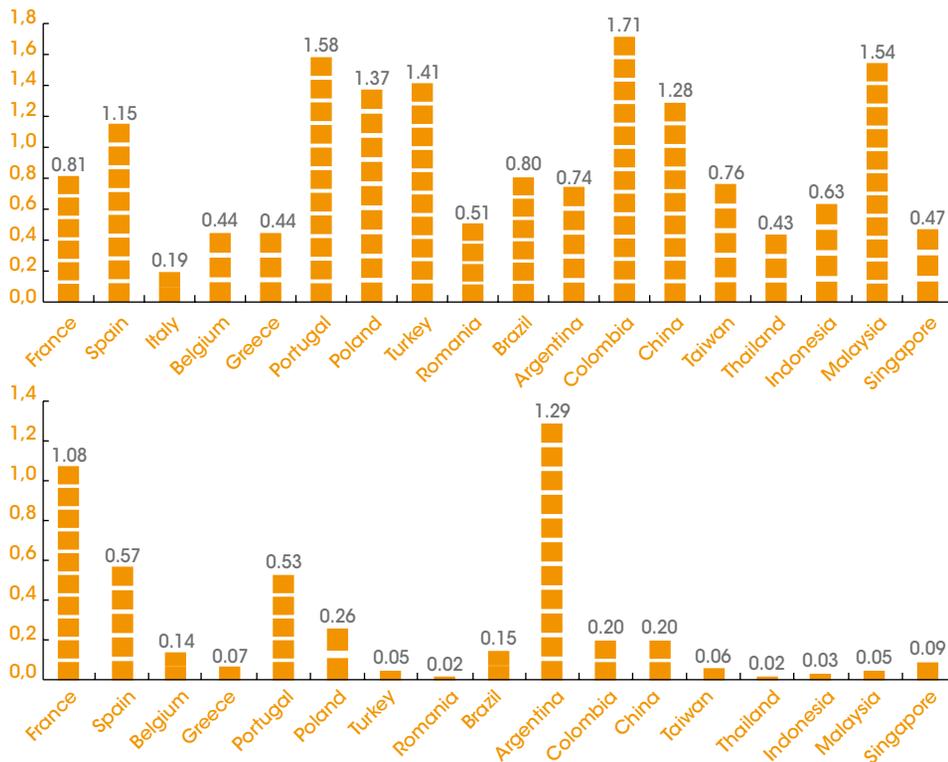
The number of employees recognized as disabled workers increased by 9% at Group level (like-for-like BUs) from 2006 to 2007.

This ongoing improvement is the result of a dynamic policy applied daily by all of the Group's entities. France thus renewed the commitments in the "Missions Handicap" agreements for the Carrefour and Champion banners. Carrefour Poland won an award in the "Ending Prejudice" competition organized by the Polish Disabled Workers Association.

■ HM ■ SM ■ HD ■ OTHERS

Training rate by country (%)

The Group's training rate rose 14.8% (like-for-like BUs) from 2006. Over half of the countries in the Group now have a training centre specific to Carrefour's business activities.



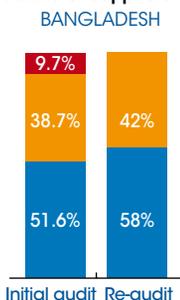
Rate of absence due to accident, by country (%)

Differences in accident reporting methods and social coverage make country comparisons difficult. The Group ensures all its teams are aware of health and safety issues by implementing procedures, providing staff members with training at the beginning of their employment and systematizing audits of stores and warehouses.

Excluded: HM: IT, CN
SM: IT
Convenience: IT
C&C: IT

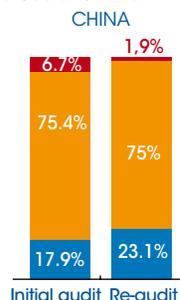
KEY INDICATORS GROUP

Audits of suppliers' plants regarding compliance with the Social Charter



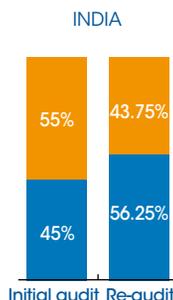
31 initial audits
43 re-audits

Despite the fact that the political situation in Bangladesh had been stable for several months, Carrefour decided to stay vigilant. Our 2007 social audit campaign almost doubled from 2006. This campaign was composed of 58% follow-up audits and allowed us to verify application of the Law of October 2006 concerning a raise in the minimum wage. It also maintains the minimum age for workers at 15 years even though the new local law authorized a minimum age of 12. It should be noted that in 92% of cases, suppliers were not given advance notice of the audits.



340 initial audits
52 re-audits

Recurring problems: work hours - wages - freedom of association (specific to China).
Improvements: - establishment of a system for dialogue between management and employees - production of booklets outlining company policy and workers' rights - formalization of pay slips - overtime pay - elimination of excessive deposits.
Audits performed in 2008 will verify application of the new labour law in China covering employment contracts and trial periods, and will assess the extent of dialogue between management and employees. To combat the use of false documents, we have increased the number of unannounced audits conducted. We downgrade our ratings in the case of suspicious findings.



60 initial audits
16 re-audits

Our purchasing office in India has developed significantly. Findings: rare major conformities. Non-conformities mainly concern work hours and wages and are caused in large part by insufficient formalization of information. During re-audits, we observed that our suppliers implemented corrective action with relatively little difficulty. India has a particular economic structure with a great number of subcontractors, so we extended social audits to the subcontractors of our major suppliers, in keeping with our 2006 commitments.

■ Compliance with the implementation of best practices. ■ Compliance with Carrefour guidelines and Social Charter. ■ Request for corrective action with respect to local regulations and the Carrefour Social Charter. ■ Request for major corrective action requiring immediate, imperative action. Refusal to make improvements.

KEY INDICATORS BY FORMAT

	Hypermarket	Supermarket	Others	Hard Discount
PRODUCTS				
<input checked="" type="checkbox"/> Number of controlled organic listed food products (units)	1,072	592	583	28
<input checked="" type="checkbox"/> Purchase amount of controlled organic food products (in millions of euros)	68	60	9	5
<input checked="" type="checkbox"/> Purchase amount of Quality Line products (in millions of euros)	651	89	3	–
Number of fair-trade listed products:	272	144	85	1
Number of first-price listed food products	9,091	3,764	4,064	273
LOGISTICS				
<input checked="" type="checkbox"/> CO ₂ emissions per shipping unit (in kg)		7.4		7.1
<input checked="" type="checkbox"/> CO ₂ emissions (in tonnes)		401,921		102,594
STORES				
Percentage of consolidated stores audited on hygiene & quality criteria (%)	100%	99%	100%	29%
Percentage of franchise stores audited on hygiene & quality criteria (%)	100%	81%	34%	11%
<input checked="" type="checkbox"/> Energy consumption (in kWh/sq. m of sales area)	659	821	494	489
<input checked="" type="checkbox"/> Energy consumption (electricity, gas, fuel) (in GWh)	4,984	1,756	133	922
<input checked="" type="checkbox"/> CO ₂ emissions generated by fuel, gas and electricity consumption (in millions of tonnes of CO ₂ e)	1.73	0.45	0.05	0.30
<input checked="" type="checkbox"/> Water consumption (in cubic m/sq. m of sales area)	2.6	2.1	0.6	1.0
<input checked="" type="checkbox"/> Water consumption (in millions of cubic m)	18.5	2.0	0.1	1.8
<input checked="" type="checkbox"/> Consumption of refrigerants (in kg/1,000 sq. m of sales area)	57	70	22	34
<input checked="" type="checkbox"/> Waste recycled (in kg/sq. m of sales area)		48		62
<input checked="" type="checkbox"/> Recycled waste (in tonnes)		332,862		116,310
<input checked="" type="checkbox"/> Quantity of paper purchased for commercial publications (in kg/sq. m of sales area)	32.7	10.1	5.3	2.8
<input checked="" type="checkbox"/> Quantity of paper (in tonnes) purchased for commercial publications	224,266	33,391	6,791	6,063
<input checked="" type="checkbox"/> Number of free disposable plastic bags distributed at check-out (in unit/sq. m sales area)	460	291	176	193
<input checked="" type="checkbox"/> Number of free disposable plastic bags distributed at check-out (in millions)	3,581	960	180	409
HUMAN RESOURCES				
<input checked="" type="checkbox"/> Rate of absence due to accidents (%)	0.47%	0.69%	0.45%	1.05%
<input checked="" type="checkbox"/> Percentage of women in management (%)	28%	33%	40%	33%
<input checked="" type="checkbox"/> Number of employees recognized as disabled workers	6,038	1,495	381	282
Number of hours of training	4,847,356	741,123	304,053	1,131,841

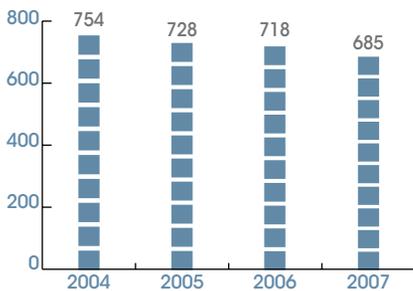
Definition of indicators	Comments
Number of listed food products declared as organic or ecological and developed under retail banner or own brands.	The number of controlled organic listed products increased in all formats. The range increased by 22% in hypermarkets and 38% in supermarkets in 2007 compared with 2006. Ed France expanded its range of discount organic products with 23 new items in 2007. Meanwhile, purchases of controlled organic products rose 43% at Group level in 2007 compared with 2006. The supermarket format experienced the greatest increase.
Purchase amount of organic or ecological food products developed under retail banner or own brands.	
Purchase amount of agricultural products meeting the requirements of specifications that ensure product traceability and include social and environmental requirements.	The Group counted 398 Quality Line products at the end of 2007 for 28,459 producers. The Quality Lines, initially launched at hypermarkets, are marketed at the other formats. The purchase amount of Quality Line products thus rose 31% in 2007 for supermarkets, while this figure increased only 2.3% at Group level.
Number of national-brand or own-brand fair-trade listed products. A fair-trade product is certified by an independent body (such as FLO or ESR) according to recognized criteria.	In 2007 several own-brand fair-trade products were launched, making a total of 34 products offered in three countries. The main products in the range were the national-brand products in France, Italy, Belgium and Spain. The purchase amount of own-brand and national-brand fair-trade products rose 26% in 2007 compared to 2006 (like-for-like Business Units).
First-price products are controlled food products offered at the lowest price in the range per unit of requirement.	In addition to first-price products, the Group offers retail banner-brand and own-brand controlled products. Controlled products cover both food and non-food sectors and have a variety of price ranges, thus guaranteeing Group customers a wide choice of quality products at the best prices.
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.	Despite a drop in CO ₂ emissions per shipping unit in hard discount (-11%), the Group's overall emissions rose 2% from 2006. This increase is a result of the Group's significant growth in 2007, which was not accompanied by immediate adaptations to logistics infrastructure, and also by Carrefour's taking charge of the transport for certain merchandise that was previously handled by suppliers (in France and Italy, for example.)
Percentage of consolidated/franchise stores audited during the reporting period on the basis of the quality standard defined for each Business Unit.	Consolidated stores maintained a very high level of performance. Hypermarket and supermarket format stores are generally audited several times per year. In regard to franchise stores, there was a slight increase in audits at hard discount and other formats.
Consumption of electricity, gas and fuel required to run the consolidated stores.	There was a 5% overall reduction in average energy consumption in kWh per square metre of sales area compared with 2006 (like-for-like Business Units). This represented a 7% reduction for hypermarkets, 2% for supermarkets and 3% for hard discount.
Emissions in CO ₂ e linked to electricity, gas and fuel consumption required to run consolidated stores.	At Group level, direct emissions (scope 1 - gas and fuel) account for 7% and indirect emissions (scope 2 - electricity) represent 93%. The Group reduced its CO ₂ emissions by 5% from 2006 to 2007, with an average of 213 kg of CO ₂ e per square metre of sales area.
Water consumption at consolidated stores.	It is difficult to obtain a high level of accuracy with this indicator as water distribution systems and pricing differ significantly from country to country. The hypermarket and supermarket formats consume the most water, mainly because of their fish departments and preparation rooms for fresh products.
Quantity of refrigerants used (CFCs, HCFCs, HFCs and others). Scope: cold cabinets for food and air-conditioning in consolidated stores.	Hypermarkets, followed by supermarkets, have the greatest amount of cold storage and air-conditioning. Supermarkets have the highest consumption per square metre of sales area due to the predominance of food areas. In Argentina, a programme to repair and replace old equipment led to large reductions in consumption at hypermarkets and supermarkets.
Waste recycled by consolidated stores: paper/carton, plastic and others.	This indicator demonstrates with certain difficulty, the efforts made by the Group to increase the percentage of recycled waste. This is because tracking waste collection data is very much dependant on the waste management system in place.
Consumption of paper for commercial publications (catalogues, brochures, magazines, etc.) expressed in kg of paper per sq. m of sales area.	In 2007, the Group consumed over 270,000 tonnes of paper. The increase in tonnage resulting from the Group's expansion was tempered by the reduction in grammages. Beginning in 2004, the Group reduced the average grammage of its papers by 8% (like-for-like Business Units). The Group also gives priority to uncoated paper, thereby saving resources and additives (such as kaolin, talc, binding agents etc.) It reduced the use of coated paper in Europe by 86% from 2005 to 2007.
Quantity of paper purchased for commercial publications.	
Number of disposable bags purchased for free distribution at check-out per sq. m of sales area.	Hypermarkets in France and supermarkets and convenience stores in Belgium stopped distributing free disposable check-out bags in 2007. This had already been done at hypermarkets in Taiwan and Belgium. For hard discount, only Turkey, Brazil and China distribute check-out bags free of charge. Overall, at like-for-like Business Units, the Group distributed 25% fewer free disposable check-out bags per sq. m of sales area in 2007 compared with 2006.
Number of disposable check-out bags purchased for free distribution at check-out.	
Number of hours of absence due to accidents occurring at work or during commutes to work/ number of theoretical work hours (excluding work-related illness).	Frequency rate: 39 (number of accidents / millions of work hours). Level of severity: 0.64 (number of days of absence due to work-related accident/1,000 work hours).
Proportion of women in management positions ("manager" defined as an independent employee with decision-taking authority holding a supervisory position).	At like-for-like Business Units, the proportion of women in management positions rose by 11% for hard discount, 8% for supermarkets and 2% for hypermarkets from 2006 to 2007. In Brazil, the implementation of a policy favouring equal opportunity resulted in a 22% increase in the proportion of female managers at hypermarkets.
The status of a disabled person is defined by the legislation in force in each country. By default, this is any person with at least a 10% physical disability.	In 2007 the Group employed 8,196 declared disabled workers, which represented a 9% increase from 2006. All Group formats increased the number of disabled employees, particularly hypermarkets with a 12% increase.
Number of training hours officially counted.	The Group reached seven million training hours over the year, in particular as a result of training given to new employees at stores and consolidated Group entities. Training amounted to an average of 14 hours for employees and 30 hours for managers. The "other" category includes headquarters staff.

Progression OF OUR PERFORMANCE

With its Sustainable Development reporting, the Carrefour Group ensures monitoring and operational management of its performance. Over and above simple objectives, our key performance indicators illustrate the efforts the Group makes on a daily basis.

All the progressions presented here are for like-for-like Business Units and for a representative scope (at least 75% of the Group's 2007 consolidated sales, excl. VAT). We have voluntarily excluded any BU for which we did not have data for one of the years in the comparison. The BUs excluded from the scope are indicated alongside each graph.

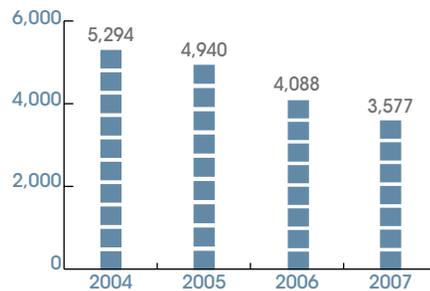
STORES



Energy consumption (in kWh/sq. m of sales area) - Group

-9.2% in 2007 compared with 2004

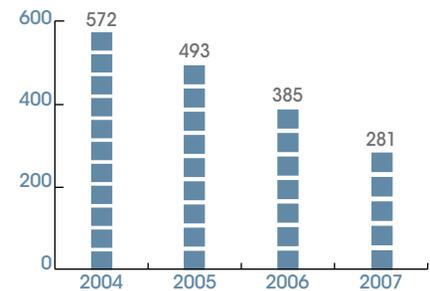
- Like-for-like BUs (scope: 64% of total sales area and 76% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: PL, TR, RO, BR, CO, CN, TW
 - SM: PL, TR, BR
 - C&C: FR
 - HD: ES, PT, TR, AR, CN



Number of free disposable check-out bags (millions) - Group

-32.4% in 2007 compared with 2004

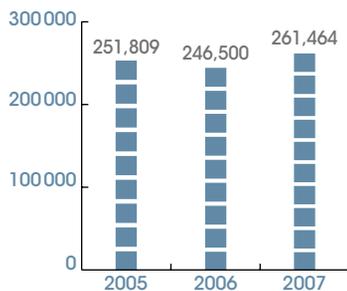
- Like-for-like BUs (scope: 87% of total sales area and 90% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: TR, RO, BR, ID
 - SM: TR, BR
 - HD: TR, CN



Number of free disposable check-out bags per sq. m of sales area - Group

-50.8% in 2007 compared with 2004

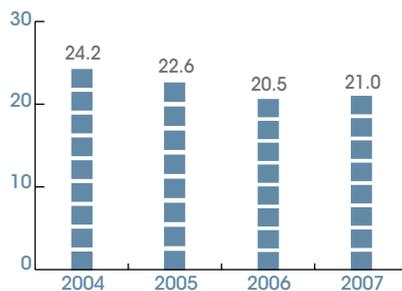
- Like-for-like BUs (scope: 87% of total sales area and 90% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: TR, RO, BR, ID
 - SM: TR, BR
 - HD: TR, CN



Quantity of paper (in tonnes) purchased for commercial publications - Group

+3.8% in 2007 compared with 2005

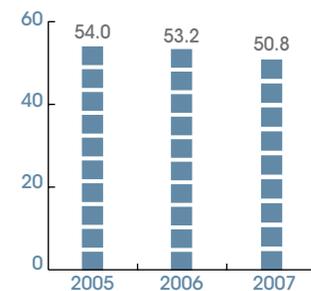
- Like-for-like BUs (scope: 85% of total sales area and 92% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: RO, CO, CN, ID, MY
 - SM: TR
 - C&C: FR
 - HD: TR, AR



Quantity of paper purchased for commercial publications (in kg/sq. m of sales area) - Group

-13.2% in 2007 compared with 2004

- Like-for-like BUs (scope: 78% of total sales area and 88% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: RO, CO, CN, TW, TH, ID, MY
 - SM: TR
 - Convenience: GR
 - C&C: FR
 - HD: GR, PT, TR, AR, CN

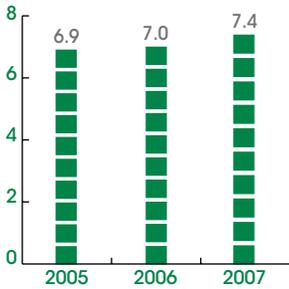


Average grammage of purchased paper (g/sq. m) - Group

-6.0% in 2007 compared with 2005

- Like-for-like BUs (scope: 67% of total sales area and 81% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: RO, AR, CO, CN, TH, ID, MY
 - SM: TR, BR, AR
 - C&C: FR
 - HD: FR, ES, GR, TR, AR

LOGISTICS

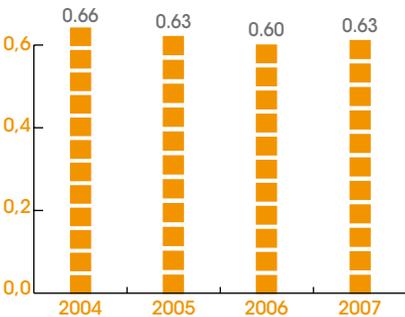


CO₂ emissions (kg) per shipping unit - Group

+7.6% in 2007 compared with 2005

- Like-for-like BUs (scope: 80% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: TR, RO, BR, CO, CN, ID, SG
 - SM: TR, BR
 - HD: ES, PT, TR, AR, CN

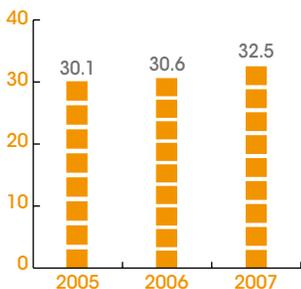
HR



Rate of absence due to accident (%) - Group

-4.8% in 2007 compared with 2004

- Like-for-like BUs (scope: 84% of the consolidated 2007 sales excluding VAT)
- Excluded:
 - HM: TR, RO, CN, TH
 - SM: TR, BR
 - Convenience: IT
 - HD: PT, TR, AR, CN

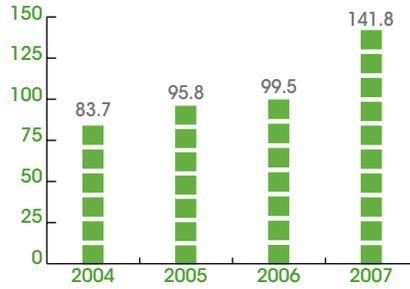


Women in management (%) - Group

+7.8% in 2007 compared with 2005

- Like-for-like BUs (scope: 96% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: TR, RO, ID
 - SM: TR, BR
 - HD: TR, AR

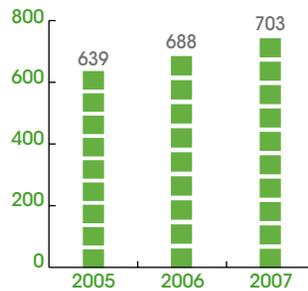
PRODUCTS



Purchase amount of organic food products (own-brand or retail banner brands) (in millions of euros) - Group

+69.4% in 2007 compared with 2004

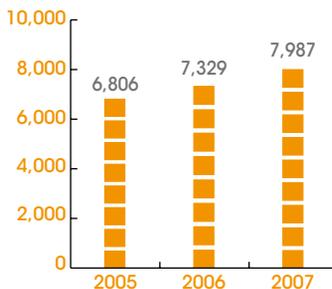
- Like-for-like BUs (scope: 94% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: PL, TR, RO, ID
 - SM: TR, BR
 - HD: TR, AR



Purchase amount of Quality Line products (in millions of euros) - Group

+10.0% in 2007 compared with 2005

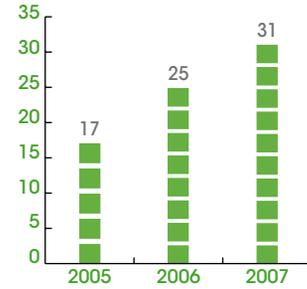
- Like-for-like BUs (coverage: 96% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: TR
 - SM: BE, TR, BR, AR
 - NET: FR



Number of employees declared as disabled workers - Group

+17.4% in 2007 compared with 2005

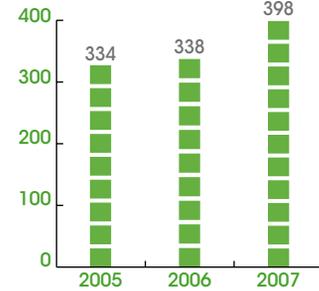
- Like-for-like BUs (scope: 98% of the consolidated 2007 sales excl. VAT)
- Excluded:
 - HM: RO
 - SM: BR
 - HD: TR, AR



Purchase amount of own-brand and national-brand fair-trade products (in millions of euros) - Group

+87.2% in 2007 compared with 2005

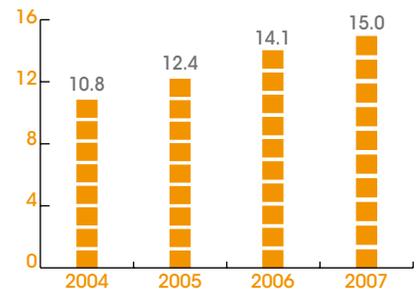
- Like-for-like BUs (scope: 100% of the 2007 consolidated sales, excl. VAT)



Number of Quality Line products in units - Group

+19.2% in 2007 compared with 2005

- Like-for-like BUs (scope: 100% of the 2007 consolidated sales, excl. VAT)



Average number of training hours per employee - Group

+38.8% in 2007 compared with 2004

- Like-for-like BUs (scope: 94% of the 2007 consolidated sales, excl. VAT)
- Excluded:
 - HM: PL, TR, RO
 - SM: PL, TR
 - C&C: IT
 - HD: PT, TR, AR

CROSS-REFERENCE TABLES

GRI (G3), GLOBAL COMPACT AND OECD GUIDELINES

GRI REFERENCE	GLOBAL COMPACT PRINCIPLE	OECD PRINCIPLE	PAGE(S) OF REPORT
---------------	--------------------------	----------------	-------------------

Vision and strategy

1.1	Principle 9	General policies 1	pp. 2, 22-23, 34-35, 44-45
1.2			pp. 6-19

Profile

2.1		Disclosure 3	Cover
2.2			Inside front cover
2.3		Disclosure 3	Inside front cover, pp. 70-71
2.4		Disclosure 3	Inside back cover
2.5		Disclosure 3	Inside front cover, pp. 70-71
2.6		Disclosure 3	Outside back cover, pp. 54-55
2.7		Disclosure 3	Inside front cover, pp. 70-71
2.8		Disclosure 3	Inside front cover, AR
2.9			p. 65
2.10			p. 43

Management systems

3.1			pp. 66-68
3.2			pp. 66-68
3.3			pp. 66-68
3.4			Inside back cover
3.5			pp. 8-9, 12-13, 66-68
3.6			Inside front cover, pp. 56-63, 66-68
3.7			pp. 56-63, 66-68
3.8			pp. 66-68
3.9			pp. 56-63, 66-68
3.10			pp. 56-63, 65-68
3.11			pp. 56-63, 65-68
3.12			pp. 64-65, Inside back cover
3.13		Disclosure 2	p. 69

Governance

4.1		General policies 6	pp. 8-9
4.2		General policies 6	AR
4.3		General policies 6	pp. 8-9, AR
4.4 - 4.7		General policies 6	AR
4.8		General policies 7 and 8	pp. 6-7, 28, 46
		Disclosure 5	Responsible employer and Manufacturing Social Conditions issues in Challenges Booklet
4.9			pp. 6-7, 56-63
4.11		Environment 3 and 4 Principle 7	pp. 6-7, 16, 26-27, 46
4.12		General policies 7 and 8 Disclosure 3, 5 and 12	pp. 3, 7, 26-27, 36, 38-39, 46, 48
			Responsible employer and Manufacturing Social Conditions issues in Challenges Booklet
4.13			pp. 3, 6-7, 12-15, 27, 42-43, 46-51
4.14			pp. 12-13, 24-25
4.15			pp. 12-13, 22-23, 34-35, 44-45
4.16			pp. 12-13, 24-55
4.17		Disclosure 5	pp. 12-13, 24-55

Legend

GRI = Global Reporting Initiative
AR = 2007 Annual Report

GRI REFERENCE	GLOBAL COMPACT PRINCIPLE	OECD PRINCIPLE	PAGE(S) OF REPORT
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Economics

Economic performance	EC1		Inside front cover, p. 7, AR
	EC2		Climate Change
	EC6		pp. 7, 56-63
Indirect economic impact	EC8		pp. 25, 40-41, 48-49, 50-51

Environment

Raw materials	EN1	Principle 8	pp. 47, 56-63
	EN2	Principle 8	p. 42
Energy	EN3	Principle 8	Climate Change pp. 56-63
	EN5	Principle 8	Climate Change
	EN6	Principle 8	Climate Change
Water	EN8	Principle 8	pp. 57, 60-61
	EN12	Principle 8	pp. 46-47, Sustainable Consumption (see Challenges Booklet)
Emissions, Effluents and waste	EN14	Principle 8	pp. 46-47, Sustainable Consumption (see Challenges Booklet)
	EN16	Principle 8	pp. 56-63, Climate Change (see Challenges Booklet)
	EN17	Principle 8	Climate Change (see Challenges Booklet)
	EN18	Principle 8	pp. 48-49, Climate Change (see Challenges Booklet)
	EN22	Principle 8	pp. 56-63
Products and services	EN26	Principle 8	Environment 6.b pp. 46-51, Sustainable Consumption and Climate Change (see Challenges Booklet)
Transport	EN29	Principle 8	Climate Change (see Challenges Booklet)

Labour/management

Employment	LA1		Inside front cover, pp. 65, 70-71
Industrial health and safety	LA7		pp. 56-63
Training and education	LA10	General policies 4	pp. 56-63

Human rights

Investing contracting practices	HR1	Principle 1	General policies 2	pp. 3, 34-35, Manufacturing social conditions
	HR2	Principles 1 and 2	General policies 10	p. 57, Manufacturing social conditions
Child labour	HR6	Principle 5	Employment and industrial relations 1.b	pp. 3, 34-35, Manufacturing social conditions

Society

Community	S01		General policies 3 Environment 3	pp. 22-51
Corruption	S03	Principle 10	Fight against corruption 1, 2, 3, 4 and 5	pp. 3, 6-7
Public affairs	S05			pp. 14-15

Product responsibility

Health and safety	PR1		Consumer interests 1 and 6	pp. 15, 22-23, 26-27, 46-47
	PR5		Consumer interests 3	pp. 22-25

INFORMATION TABLE ON ARTICLE 116 OF THE FRENCH LAW ON NEW ECONOMIC REGULATIONS

ARTICLE 1	SOCIAL INFORMATION	ARTICLE 2	ENVIRONMENTAL INFORMATION
1.1 a	<p>Total employment: 490,042 employees Of which:</p> <ul style="list-style-type: none"> – Long-term: 85% – Short-term: 12% – Temp: 3% – Long-term hires: 110,000 – Share of part-time employees: 29% 	2.1	Consumption of water, raw materials and energy: pp. 44-51, 56-57, 60-63, 70-71 and Challenges Booklet: Climate Change, pp. X-XV
1.1 b	<p>Information related to staff reduction, job protection and support measures: The Carrefour Group's operations in Switzerland and Carrefour Portugal have been sold. The staff were retained. In France, Carrefour reduced staff within its centralized structures and, as in 2006, accompanied this with social dialogue and the use of agreements on applying the GPEC negotiated in 2006. – See p. 39 In France, Promocash sold 41 stores to managing tenants who retained the employees.</p>	2.2	Actions intended to limit violation of biological equilibrium: pp. 44-45, 46-47, 50-51 and Challenges Booklet: Sustainable Consumption, pp. IV-V
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 country where the Group is established. Thus, it varies according to each country's local regulations. – See p. 36 – See pp. 59 and 60-61</p>	2.3	Approach to corporate evaluation and certification: pp. 26-27, 28-29, 46-47 and Challenges Booklet: Sustainable Consumption, pp. IV-V
1.3	<p>Wages and expenses: p. 7, and see also the 2007 Annual Report Gender equality within the company: pp. 3, 36-37 and Challenges Booklet: Responsible Employer, pp. VIII-IX</p>	2.4	Compliance with legal measures: the Carrefour Group takes measures to ensure the company's compliance with legal and regulatory measures.
1.4	<p>Labour/management relations: pp. 3, 38-39, 42-43</p>	2.5	Expenditures made to prevent the company's environmental impact: The costs incurred to lessen the company's environmental impact correspond to operating costs of the Quality, Responsibility and Risk Management department and its networks in the countries as well as budgets for specific projects and external consultants.
1.5	<p>Health and safety: pp. 22-23, 26-27, 42-43, 56-63</p>	2.6	Organization dedicated to environmental management and risk prevention: pp. 10-11 and 16-17
1.6	<p>Training: pp. 34-35, 36-37, 42-43</p>	2.7	Amount of provisions and guarantees for environment zero (scope: France).
1.7	<p>Hiring and integration of disabled workers: pp. 34-35, 37, 42-43 Challenges Booklet: Responsible Employer, pp. VIII-IX</p>	2.8	Amount of indemnities paid during the year for execution of a legal decision on environment zero (scope: France).
1.8	<p>Social solidarity: pp. 34-35, 40-41, 42-43</p>	2.9	Components on previously stated environmental objectives, assigned by the company to its foreign subsidiaries: pp. 32-33, 50-51, 56-63 and Climate Change in Challenges Booklet, pp. X-XV
Article 1	<p>– Local impact on regional employment and development: pp. 2, 26, 28-29, 30-31, 36-43 and Challenges Booklet: Responsible Employer, pp. VIII-IX – Stakeholder relationships: pp. 12-13, 18-19, 23-55 – Subcontracting: pp. 3, 34-35 and Challenges Booklet: Manufacturing Social Conditions , pp. VI-VII – Foreign subsidiaries: pp. 28-29, 30-31, 32-33, 37, 39, 40-41, 42-43, 47, 49, 50-51 and Challenges Booklet: Responsible Employer, p. IX; Sustainable Consumption, p. V</p>		



METHODOLOGY

The Sustainability Department relies on a multidisciplinary committee for the preparation of the 2007 Sustainability Report. This committee brought together all the relevant Group departments (Quality, Responsibility and Risk Management, Human Resources, Internal Audit, Legal, Marketing, Assets, Purchasing, and Logistics) with representatives from the Quality and Sustainable Development network in the key European countries.

PRINCIPLES FOR DRAWING UP THE SUSTAINABLE DEVELOPMENT REPORT

Based on the reporting principles of the GRI G3 (Global Reporting Initiative), the Carrefour Group's Sustainability Report employs the following principles:

Sustainability context

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

Stakeholder inclusiveness

The approach based on permanent dialogue with stakeholders (customers, employees, franchisees, 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 Sustainability Department, or at local level by the countries, the banners and the stores. The annual highlight is the Stakeholder Consultation Meeting with José Luis Durán, Chairman of the Management Board, and Jacques Beauchet, a member of the Management Board.

Materiality

The content of the Sustainability Report is focused on the most relevant social, economic and environmental issues. The sections on nutritional equilibrium, the labour rights or climate change are just a few examples.

Timeliness

For the past seven years, Carrefour has produced and published an annual 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 we deploy our approach in 18 consolidated countries, and the Key Performance Indicators (KPI) cover 94.9% of the Group's pre-tax turnover.

Comparability: The figures are presented over several years, and their progression 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 2007

The Sustainable Development KPI reporting applies to all of the Group's BUs. The chart below indicates the Group's BUs in 2007.

COUNTRY	ABBREVIATIONS	HM	SM	PRX	C&C	HD	NET
FRANCE	FR						
SPAIN	ES						
ITALY	IT						
BELGIUM	BE						
GREECE	GR						
PORTUGAL	PT						
POLAND	PL						
TURKEY	TR						
SWITZERLAND	CH						
ROMANIA	RO						
BRAZIL	BR						
ARGENTINA	AR						
COLOMBIA	CO						
CHINA	CN						
TAIWAN	TW						
THAILAND	TH						
INDONESIA	ID						
MALAYSIA	MY						
SINGAPORE	SG						

■ The Group's Business Units
■ NA - no format in the country

FORMATS	ABBREVIATIONS
Hypermarket	HM
Supermarket	SM
Convenience store	PRX
Cash & Carry	C&C
Hard Discount	HD
Electronic commerce or Internet	NET

Scope variation

The variations in scope are related to creations, acquisitions, transfers and closure of stores.

If a BU was created or acquired after 1 January 2007, it is not included in our reporting.

If a BU was transferred or sold in 2007, it is completely excluded from the reporting.

For 2007, the hypermarkets in Portugal and Switzerland were excluded; these BUs were sold during 2007.

SUSTAINABLE DEVELOPMENT INDICATORS

Principles applied

Our Sustainability Report employs the following principles:

Accuracy: The Carrefour Group strives to ensure the precision of its published data, while increasing its internal controls, both manual and automatic.

Comparability: The Group strives to maintain homogeneity throughout its reports. Figures presented for several years are calculated in like-for-like BUs.

Choice of indicators

Since 2003, the Carrefour Group has had 20 key performance indicators (KPI) that are associated with its strategic priorities for Sustainable Development. These indicators are designed to follow 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 to regulatory obligations.

References used

The 2007 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 the cross-reference table, pp. 64-65). It also complements the Annual Report on the demands of Article 116 of the French law on New Economic Regulations (see p. 65).

A Sustainable Development reporting protocol was prepared by the Group's Sustainable Development Department. It provides the rules for information gathering and for the Group's calculation and consolidation.

Furthermore, through Enablon, our computerized reporting application, each reporting correspondent has access to a data collection procedure, an Enablon user and application guide, definitions for each KPI, and a checklist of control points, which is also distributed internally to Sustainable Development managers.

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.

Methodological information on environmental and social indicators

CO₂ Emissions: To evaluate the CO₂ emissions related to the stores' energy consumption (fuel, gas and electricity) and refrigerant fluids, we use conversion factors (of kWh and kg equivalent to kg of CO₂). The factors employed come from recognized international bodies, such as the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

For CO₂ emissions related to logistics activity, 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). This indicator counts CO₂ emissions related to transportation of merchandise between the warehouses and the stores. Not taken into account are CO₂ emissions produced by "spotters", CO₂ emissions

produced during transportation of merchandise upstream to the warehouse, or CO₂ emissions related to direct deliveries and transportation of employees and customers.

Number of organic or ecological product references: The number of references to organic or ecological products that are reported depends on the number of references identified.

Theoretical number of working hours for staff during the period: We count the hours of all persons recorded in the country. In France, this includes interns, who receive an internship benefit 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 has occurred in the workplace and has caused a work stoppage of at least one hour".

The absentee hours reported due to a workplace accident are the hours of absence in a given year.

In some cases, some KPI 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 BU must specify and justify 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 harmonization among national and international laws and definitions (e.g., workplace accidents), and/or due to the qualitative, and thus subjective nature of certain data (such as indicators for purchase quality, logistics approach, stakeholders and consumer awareness).

Concerning greenhouse gas emissions (indicated by equivalent CO₂ tonnage) related to refrigeration fluids, we have noticed an overestimation of the indicators for certain BUs following examination by external audit. The reported data take into account the amount of fluid used to fill new equipment and the amount used for refill after recovery to eliminate spent refrigerant fluids, in addition to the amount filled, to compensate for atmospheric emissions (due to recurring and accidental leakage). We have excluded those BUs from our consolidation.

For the Logistics KPI, in the vast majority of cases, our CO₂ emissions related to merchandise transport are calculated on the basis of distance covered, because there is no actual data on the fuel consumption from our service providers.

In regard to the Waste KPI, we have noticed the difficulty of consolidating the indicator, considering that in the many countries where the Group is established, there is no formal tracking procedure for waste collection. Due to this fact, it is difficult to have an exhaustive reporting on the amount of waste recycled and not recycled.

Considering the methodological limits outlined above, and the difficulties in gathering data, the reporting scope may vary, depending on the indicator. It is mentioned when an indicator is operating on a limited scope. For assessing 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 conducted annually: one annual Sustainability Report published each year for the Annual Shareholders Meeting, and two interim reports (30 June and 30 September).

The period used for the annual report is the fiscal and calendar year (1 January to 31 December).

Data collection methods

The system in place is based on dule 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 implemented in the countries. For quantitative data, the Enablon application was set up in 2005 for reporting Key Performance Indicators. Correspondents identified in each country are responsible for coordinating their country's reporting.

Data consolidation methods

The Sustainable Development indicators are consolidated at a Group level via the Enablon application by the Sustainable Development Department.

Data control methods

Our computerized reporting application includes automatic consistency checking so as to avoid data collection errors. It also allows the documentation of source files and insertion of explanatory comments, which makes internal audits and controls easier. Each reporting manager verifies the collected data before it is consolidated at the Group level, with the help of a checklist 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 revealed are reviewed by the countries and corrected as needed.

INTERNAL AND EXTERNAL AUDIT

Principle applied

Reliability: The calculated data are produced, consolidated, analyzed, published and verified by our internal and external auditors.

Internal audit

At the request of the Sustainable Development Department, the Group's internal auditors have, for the sixth consecutive year, proceeded to verify the Sustainable Development indicators shown in this report. The scope covered by the 2007 internal audit concerns the Hypermarket BUs in China, Turkey and Brazil.

The internal audit managers have been closely associated with the process of developing the Key Performance Indicators. They were involved in collecting the elements necessary to validate the indicators and have verified them in conformance with the rules of the profession and with a notable level of commitment. This level of commitment

expresses the degree of certainty in the audit's judgments. The criteria used to decide on the commitment level are comprehensiveness, relevance, reliability, impartiality and comprehensibility. Three commitment levels are used:

- High commitment level: Probative data were obtained and an internal control system exists that is connected to the consolidation process; this allows a guarantee as to the precision of the information presented.

- Moderate commitment level: Data obtained is not probative, but reporting system documents were obtained. The level of control related to the system allows verification that the information is reliable.

- Low commitment level: There is insufficient data and the reporting system is unreliable.

External audit

The reporting procedures received outside verification from our statutory auditors KPMG Audit, for a selection of the main 2007 environmental and social indicators. These indicators are flagged with the symbol page XI in the Challenges Booklet, and in the table see pages 60 and 61. The nature of the examination carried out and the conclusions of this examination are shown on page 69.

The confidence level in our reporting for fiscal 2007 has risen to a rating of "moderate".

CONTINUOUS IMPROVEMENT

In a spirit of continuous improvement, for some indicators, methodological details have been made in relation to the previous fiscal year.

Moreover, in order to meet the expectations of our stakeholders, we have added some new indicators.

We now provide information on CO₂ related to consumption of energy and refrigerant fluids. For the indicator Refrigerant Fluids, reporting and calculation changes do not allow restatement of historic data.

We have also included new social indicators. These include the indicators Number of Workplace Accidents, the Frequency Rate and the Severity Rate of workplace accidents.

STATUTORY AUDITORS' REPORT ON A SELECTION OF SOCIAL AND ENVIRONMENTAL PERFORMANCE INDICATORS FOR 2007

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 indicated by the symbol  page XI and in the table of key performance indicators presented on pages 60 to 61 in the Sustainability Report for fiscal year 2007.

These data have been prepared under the responsibility of the Sustainable Development Division of the Carrefour Group, in accordance with the internal Sustainability KPI Reporting Procedure which is available for viewing at the Sustainable Development Division. The summary of the reporting methodology provided on pages 66 to 68 specifies the data collection method used for the calculation of the indicators disclosed. The conclusions expressed below apply only to these data and not to all of the Sustainability Report.

NATURE AND SCOPE OF THE WORK

We performed a review to provide moderate assurance that the selected data does 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 and the Internal Audit Divisions in order to obtain up-to-date details on the existing reporting process and the systems in place, to ensure that the reporting procedure had been applied properly.

■ We performed tests on the application of the procedure on a sample of 8 Business Units ⁽¹⁾, representing, except for one indicator, between 15% and 56% of each of the selected indicators. The Business Units 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 sampling basis, on the calculation of the key performance indicators. We also reconciled the data with supporting documentation and performed consistency tests on the data consolidation.

We were assisted in our work by the Environment and Sustainable Development experts of our firm.

COMMENTS ON THE GROUP'S REPORTING PROCEDURE AND IMPLEMENTATION

In 2007, the Group further improved the reliability of the data reporting process, in particular by defining the key performance indicators used in the Sustainability Reporting Procedure and enhancing the reporting tool to facilitate the controls performed by the Group.

We have the following comments to make regarding the social and environmental data reporting procedure:

■ Information is provided on the scope covered by each of the key indicators published.

■ The controls performed by the persons responsible for data validation in the Business Units need to be more stringent, in particular for the key indicators "Water consumption" and "Recycled waste".

■ 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 calculation methods and definitions need to be defined more clearly, particularly with regard to the key indicator "Hours of absence due to work-related and on-the-way-to-work accidents".

CONCLUSION

During our review, we noted that the key indicator "CO₂ emissions relating to refrigerants" had been overestimated. Some Business Units included the quantities of refrigerant fluid used to fill new equipment along with the quantities of fluid recharged after being recovered in order to replace used refrigerant fluids. These quantities should not have been counted because they do not generate CO₂ emissions.

Based on our review and taking into account the above-mentioned comments, we did not find any material irregularities that could call into question the compliance of the data examined with the above-mentioned reporting procedure.

Paris La Défense, March 17, 2008
KPMG Audit
Department of KPMG S.A.

Jean-Luc Decornoy
Partner

Philippe Arnaud
Partner
In charge of KPMG
Environmental and Sustainable
Development Department



(1) - BU Hypermarket France, BU Supermarket Champion France, BU Proximity France, BU Cash & Carry France, BU Hard Discount ED France, BU Hypermarket Italy, BU Supermarket Italy, BU Proximity Italy.

OPERATIONS AS OF

31 DECEMBER 2007

Date established
 Number of employees
 Turnover including tax
 Group banners
 (in millions of euros)
 Prog. Turnover
 including tax
 Group banners
 on a like-for-like
 basis
 Energy
 consumption
 (GWh) by
 country

TOTAL FRANCE	1963	140,218	46,470	1.6	2,522.6
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EUROPE (excluding France)

Belgium	2000	16,567	5,370	-0.2	335.3
Spain	1973	72,282	14,749	4.7	1,181.1
Greece and Cyprus	1991	15,528	2,784	9.6	289.9
Italy	1993	26,770	7,771	1.2	572.2
Poland	1997	25,724	1,952	38.8	266.5
Portugal	1992	3,512	883	11.2	64.8
Romania	2001	7,102	866	36.2	65.7
Turkey	1993	10,143	1,641	10.5	160
TOTAL EUROPE (excluding France)		177,628	36,016	5.8	

LATIN AMERICA

Argentina	1982	22,821	2,053	35.9	473.2
Brazil	1975	60,027	6,591	37.3	591.0
Colombia	1998	8,552	1,049	23.0	119.1
TOTAL LATIN AMERICA		91,400	9,693	35.3	

ASIA

China	1995	48,687	2,964	24.4	532.9
Indonesia	1998	10,638	763	20.8	154.8
Malaysia	1994	3,593	281	14.2	74.9
Singapore	1997	518	96	-3.4	8.9
Taiwan	1989	10,551	1,391	10.2	258.4
Thailand	1996	6,809	558	5.3	123.8
TOTAL ASIA		80,796	6,052	17.5	

PARTNER FRANCHISE COUNTRIES

Algeria	2006				
Belgium	2000				
Dominican Republic	2000				
Egypt	2002				
French Overseas Territories	1988				
Japan	2005				
Jordan	2007				
Kuwait	2007				
Oman	2000				
Qatar	2000				
Saudi Arabia	2004				
Tunisia	2001				
United Arab Emirates	1995				
TOTAL Partner franchise COUNTRIES			4,211	10.5	

GROUP TOTAL		490,042	102,442	6.9	
--------------------	--	----------------	----------------	------------	--

NUMBER OF STORES PER COUNTRY

	HYPERMARKETS		SUPERMARKETS		HARD DISCOUNT		CONVENIENCE		CASH & CARRY		TOTAL
	Franchisees		Franchisees		Franchisees		Franchisees		Franchisees		
TOTAL FRANCE	218	24	1,021	417	897	57	3,245	3,245	134	73	5,515
EUROPE (excluding France)											
Belgium	56	-	280	201	-	-	257	257	-	-	593
Spain	161	6	87	1	2,912	840	3	-	-	-	3,163
Greece and Cyprus	28	-	210	13	397	97	216	184	-	-	851
Italy	59	1	485	236	-	-	1,015	838	20	3	1,579
Poland	72	-	277	30	-	-	-	-	-	-	349
Portugal	-	-	-	-	471	123	-	-	-	-	471
Romania	11	-	-	-	-	-	-	-	-	-	11
Turkey	19	-	99	-	519	103	-	-	-	-	637
TOTAL EUROPE (excluding France)	406	7	1,438	481	4,299	1,163	1,491	1,279	20	3	7,654
LATIN AMERICA											
Argentina	59	-	103	-	395	66	-	-	-	-	557
Brazil	150	-	38	-	300	57	5	-	-	-	493
Colombia	46	-	-	-	-	-	-	-	-	-	46
TOTAL LATIN AMERICA	255	-	141	-	695	123	5	-	-	-	1,096
ASIA											
China	112	-	-	-	275	-	-	-	-	-	387
Indonesia	37	-	-	-	-	-	-	-	-	-	37
Malaysia	12	-	-	-	-	-	-	-	-	-	12
Singapore	2	-	-	-	-	-	-	-	-	-	2
Thailand	27	-	-	-	-	-	-	-	-	-	27
Taiwan	48	-	-	-	-	-	-	-	-	-	48
TOTAL ASIA	238	-	-	-	275	-	-	-	-	-	513
PARTNER FRANCHISE COUNTRIES											
Algeria	1	1	-	-	-	-	-	-	-	-	1
Belgium	-	-	65	65	-	-	-	-	-	-	65
Dominican Republic	1	1	-	-	-	-	-	-	-	-	1
Egypt	3	3	-	-	-	-	-	-	-	-	3
French Overseas Territories	11	11	40	40	-	-	59	59	-	-	110
Japan	7	7	-	-	-	-	-	-	-	-	7
Jordan	1	1	-	-	-	-	-	-	-	-	1
Kuwait	1	1	-	-	-	-	-	-	-	-	1
Oman	1	1	-	-	-	-	-	-	-	-	1
Qatar	2	2	-	-	-	-	-	-	-	-	2
Saudi Arabia	7	7	-	-	-	-	-	-	-	-	7
Tunisia	1	1	3	3	-	-	-	-	-	-	4
United Arab Emirates	10	10	-	-	-	-	-	-	-	-	10
TOTAL PARTNER FRANCHISE COUNTRIES	46	46	108	108	-	-	59	59	-	-	213
GROUP TOTAL	1,163	77	2,708	1,006	6,166	1,343	4,800	4,583	154	76	14,991

GLOSSARY

ADEME: French Agency for the Environment and Energy Management (Agence de l'Environnement et de la Maîtrise de l'Énergie).

AISE: The International Association for Soaps, Detergents and Maintenance Products.

AISE SUSTAINABLE CLEANING CHARTER:

The Sustainable Cleaning Charter aims at promoting sustainable practices among companies that produce detergents and other industrial and residential cleaning products.

ANPE: French state unemployment agency.

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 Carbone™) Software developed by the ADEME to measure greenhouse gas emissions.

CFC: Chlorofluorocarbons.

CICE: Carrefour Centre for Information and European Coordination.

CIES: (Food Business Forum) Global network of the independent food industry.

CONTROLLED PRODUCT: An own-brand or retail banner product for which Carrefour participates in the preparation and packaging, choice of producer, quality control, marketing and so on.

ECO-AGENCY: An agency of producers that assumes financial and/or organizational responsibility for dealing with products at the end of their lifecycle.

ÉCOCERT: French certification and control agency.

EMS: Energy Management System

EUROCOMMERCE: An association for retail wholesale and international trade interests.

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.

FIDH: International Federation for Human Rights.

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 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 ten 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 system for managing food safety.

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.

MSC: (Marine Stewardship Council) – independent non-profit global organization created in order to find a solution to the problem of overfishing that 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 account for “the social and economic consequences of their activities”.

NETWORK: Network organization specific to an activity and cross-departmental to BUs.

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.

PEFC: Programme for Endorsement of Certification Schemes.

QS: Quality scorecard.

REACH: Registration, Evaluation et Authorization of Chemical substances. A regulation instituting a new European policy on management of chemical substances.

ROUNDTABLE ON RESPONSIBLE SOY (RTRS):

An initiative meant to bring together various stakeholders and promote soy production, processing and marketing that is socially responsible and environmentally and economically viable.

RSPO: Roundtable on Sustainable Palm Oil – a global, multiparty initiative concerned with the production of sustainable palm oil.

SRE: Socially responsible enterprise.

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”. Bruntland Commission, “Our Common Future”, 1987.

UNI: Union Network International. Trade union with 15 million members in about 150 countries.

VTFN: Vietnam Forest and Trade Network (Vietnam FTN). See the definition of FTN.

WWF: The World Wide Fund for Nature.

FOR FURTHER INFORMATION:

About the Carrefour Group and its commitments

www.carrefour.com
www.fondation-internationale-carrefour.org
www.carrefour.fr (Social action section)

About corporate social responsibility

www.csreurope.org
www.unglobalcompact.org
www.globalreporting.org

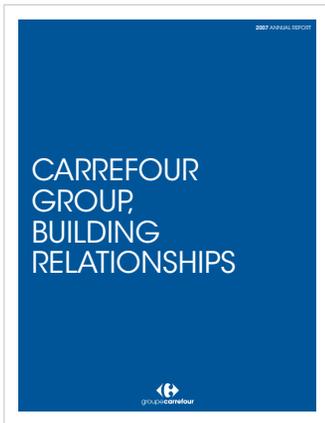
About the environment

www.uneptie.org
www.greenpeace.org
www.wwf.org

About social issues

www.fidh.org
www.ilo.org
www.union-network.org

OTHER EDITIONS:



2007 Annual Report



2007 Financial Report

WE WOULD LIKE TO THANK ALL OF OUR EMPLOYEES AND STAKEHOLDERS WHO HAVE HELPED PREPARE THIS 2007 SUSTAINABILITY REPORT.

EXPRESS YOUR OPINION

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groupe**carrefour**

Carrefour SA with capital of 1,762,256,790 euros

RCS Nanterre 652 014 051

www.carrefour.com

MEETING SOCIETY'S MAJOR CHALLENGES

CARREFOUR GROUP: BUILDING RESPONSIBLE RELATIONSHIPS



A GLOBAL APPROACH COMBINING:



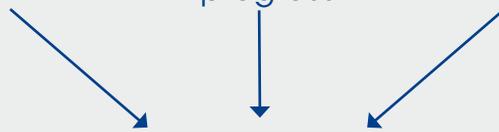
economic
progress



social
progress



environmental
progress



For a Sustainable Development

OUR ANSWERS TO FIVE KEY CHALLENGES OF SOCIETY

IN ADDITION TO THE COMMITMENTS WE HAVE MADE AND PUT INTO PRACTICE, THIS BOOKLET SETS OUT FIVE ISSUES WE CONSIDER KEY GROUP CHALLENGES. IN 2007, CARREFOUR PUT PARTICULAR EMPHASIS ON:

- BALANCED DIET
- RESPONSIBLE CONSUMPTION
- MANUFACTURING SOCIAL CONDITIONS
- BEING A RESPONSIBLE EMPLOYER
- CLIMATE CHANGE

THIS GUIDE SETS OUT CARREFOUR'S POLICY AND PRACTICAL SOLUTIONS TO MEET THESE FIVE KEY ECONOMIC, SOCIAL AND ENVIRONMENTAL CHALLENGES.

CONTENTS

Balanced diet	II
Responsible consumption	IV
Manufacturing social conditions	VI
Being a responsible employer	VIII
Climate change	X



A BALANCED DIET FOR EVERYONE

A factor in many diseases, obesity affects adults and, above all, children in most countries worldwide. Carrefour combats this problem by providing consumers with information and raising their awareness, as well as by offering them accessible products to ensure that everyone – children and adults alike – can enjoy a tasty yet balanced diet.

There are

300

million obese children and adults worldwide, and 7% of the European Union's health expenditure is related to this problem.



QUESTIONS for Juan Cubillo, Group Food Director



■ Juan Cubillo

How does the Carrefour Group help combat obesity?

As Europe's leading retailer and the world's second largest, the Group has a particular responsibility in this area. We are addressing the problem head on, in all countries, by ensuring that our message reaches the 25 million customers who visit our stores every day, based on two key levers: our products and services, and consumer information.

What is your product policy?

We aim to offer a varied, balanced, tasty range of food products for everyone to enjoy. Wherever we operate, our banners sell an assortment of products – in particular own-brand products and fresh products, such as fruit and vegetables – that make a balanced diet available to every budget. We also ensure that our own-brand products contain, as appropriate, only a limited amount

“Propose a varied, balanced, tasty range of food products available to every budget.”

of salt, sugar and/or fat (in particular trans-fatty acids). This formed part of a commitment made in 2007 by Carrefour Spain and our French banners to the Ministries of Health of their respective countries. In addition, several other countries have developed “Nutrition” ranges consisting of health-food products and “Kids” ranges developed by nutritionists.

How do you raise customer awareness?

There's no such thing as a good or bad product. On the other hand, studies show that consumers are often unaware of their nutritional needs and the cornerstones of a healthy lifestyle. That's why we focus on education, essentially by providing information on our labels that's easy to understand, so that customers can be sure they're eating a balanced diet. We also promote physical activity, organize nutritional events in our stores, and communicate via our websites, catalogues and magazines. Lastly, our banners also raise the awareness of their employees through internal communications media.

RAISING AWARENESS IN STORES

France, Italy, China, Singapore and Thailand: more and more countries are taking part in the Nutrition Weeks launched by the Carrefour Group in 2005 to raise customers and employees awareness. In 2007, the concept was launched in Poland, with Nutrition Days held in six stores in Warsaw and Krakow that included exhibition stands and advice from nutritionists. Information booklets were also handed out.



Leaflet handed out during Nutrition Week in Poland



Second-generation nutrition boxes

INFORMATIVE LABELLING

In 2005, in association with the Confédération Consommation, Logement et Cadre de Vie (CLCV), a French consumer association, Carrefour created the first generation of simple "nutrition boxes" labelling for its own-brand products. The "nutrition boxes" were designed to indicate the percentage of recommended daily amounts of protein, fibre, salt and fat contained in the product. The French banners extended their use to all products, including first-price products. Belgium, Spain, Greece, Poland, Italy and Argentina also use these "nutrition boxes" or other forms of nutritional labelling. This year, a second generation of "nutrition boxes" has been developed to keep up with advances in consumer awareness.

100%
of our controlled product specifications include nutritional requirements.

DEVELOPING HEALTHY HABITS AT A YOUNG AGE



Champion France: encouraging children to eat fruit and vegetables

Children are among the primary focuses of the Group's initiatives. In 2007, for example, Carrefour Spain reformulated its Carrefour Kids range with the help of a nutritionist to remove or reduce saturated fats, artificial colorants, flavour enhancers and so on. Hypermarkets and supermarkets in France sell miniature fruit in fun-sized, appealing packaging to encourage children to eat more of it. Ed organizes learning activities for young people with the help of a dietician. And the Carrefour International Foundation supports the Epode European programme "Together, we can prevent childhood obesity", which promotes a balanced diet and physical activity. In France, for example, hypermarkets used a series of regional football tournaments to put the network's message across to children.

In Forma range in Italy



Viver range in Brazil



NUTRITION RANGES IN STORES

Some countries have developed nutrition products that are low in simple sugars and cholesterol or are naturally rich in Omega 3, fibre or vitamins. In 2007, Carrefour Italy, for example, extended its "In Forma" range, developed in association with a nutritionist (58 products). In France, hypermarkets offer some 20 AGIR Nutrition Carrefour products. Carrefour Brazil created the "Viver" range, which comprises 300 products. In China, where 15-20% of the population suffers from anaemia, Carrefour has signed an agreement with the public Food Fortification Office to market condiments fortified with iron.

Carrefour AGIR Nutrition range

For more information

www.carrefour.com

DEMOCRATIZING SUSTAINABLE CONSUMPTION

Organic products, fair trade, responsible tourism and ethical savings: consumers are increasingly interested in products and services that respect people and the environment. As the world's second-largest retailer, the Carrefour Group ensures that the largest number of people have access to these products.

20%

of French consumers have bought a responsible product in the last six months.

Source: Credoc, March 2007.

► **QUESTIONS** for Nadège Claudel, Group Non-Food Quality Director, and Hervé Gomichon, Group Food Quality Director



■ Nadège Claudel



■ Hervé Gomichon

How does Carrefour contribute to responsible consumption?

First of all, we work with our suppliers to ensure the social working conditions in production plants where our products are made, by including an more and more environmental criteria in our specifications and promoting internal and external awareness. We are also committed to providing all of our customers with the chance to buy responsible products. To do this, we sell national-brand products and, above all, we have developed our own brand responsible products at prices everyone can afford. In France, for example, Ed offers organic products at discount prices through to its Dia brand.

Which areas are covered by the Group's products and services?

Food, non-food and services: since 2007, customers in France, for example, have benefited from three ethical savings schemes and two socially-responsible holiday offers. Our offering is essentially based on the Carrefour Quality Lines, which include environmental criteria, and the Carrefour AGIR range, which covers a complete range of sustainable-development issues: AGIR Bio (organic) and Carrefour AGIR Solidaire

for fair trade products and those whose sale results in a percentage of profits being donated to humanitarian associations, and Carrefour AGIR Éco Planète for environmentally-friendly products. Carrefour AGIR is available in Belgium, Spain, France, Greece and Italy. Colombia launched its own equivalent, Carrefour ACTUA, with an organic range and two special lines: Carrefour ACTUA Tierra de Colombia for responsible local products and Carrefour ACTUA Substitution for products that substitute for illegal crops.

“We have developed our own brand of responsible products at prices everyone can afford.”

How do you encourage your customers to be responsible consumers?

In every country, our banners promote responsible products on shelves by providing specially designed signs, giving out buyers' guides, communicating via their websites and in their magazines, organizing specific events, taking part in World Environment Day, to the Sustainable Development Week and the “Quinzaine du Commerce Équitable”, a two-week fair trade event.

SAVING OUR PLANET

The Group has developed the Carrefour AGIR Éco Planète range, which comprises products that are certified (European Ecolabel, FSC, MSC and so on) or which carry an external support. In 2007, the HPC range was extended to include 13 eco-label products marketed in four countries: France, Belgium, Spain and Greece. The non-food sector also offers AGIR Éco Planète products, including a fertilizer range suitable for use in organic cultivation (15 products) and a window cleaner produced using natural ingredient. Carrefour also offers numerous national-brand products and/or environmentally-friendly products, including recycled or certified paper, water savers, energy-saving products and more.



Organic ranges: DIA, Carrefour AGIR Bio and Selgobio in Italy ■

SOCIALLY RESPONSIBLE PRODUCTS AND SERVICES



Shared products: Carrefour AGIR Solidaire ■

The Group markets 348 fair trade products in four countries. For its own-brand products, the Group works with two certifying organizations: Flo-cert and Ecocert. In France, Carrefour's range of 18 Carrefour AGIR Solidaire Max Havelaar-labelled products gives everyone the opportunity to enjoy fair trade products while ensuring that disadvantaged producers in developing countries benefit from commercial opportunities on fair terms. Carrefour is also developing shared products and services such as Carrefour AGIR Solidaire dog biscuits, the sale of which benefits an association that trains dogs for those with disabilities.

10 YEARS OF ORGANIC PRODUCTS

Carrefour launched its first organic own-brand products in 1997. It now offers food products, including children's food, plus textile products in some countries. The Group plans to launch 18 organic cosmetic products in France in 2008. Hypermarkets and Supermarkets France have the widest range of organic products, with 235 own-brand products and 1,370 national-brand products in hypermarkets.

6,700
organic products in Group hypermarkets, of which 16% are own-brand products.



CARREFOUR QUALITY LINES: REQUIREMENTS FOR A SUSTAINABLE DEVELOPMENT



Carrefour Quality Line: prawns in Indonesia ■

In 2007, Indonesia launched its own Carrefour Quality Line products, starting with a range of farmed prawns. Developed according to the same principles as other Quality Lines, this line complies with strict quality, traceability and environmental standards. What's more, no antibiotics are used: to prevent prawn diseases, producers ensure the quality of the living environment (the presence of phytoplankton, for instance) by using natural agents (probiotics). It also promotes local development by giving medium-sized producers the resources to develop and improve their cultivation practices. The Group has a total of 398 Carrefour Quality Lines in 14 countries.

PROMOTING RESPONSIBLE FISHING

Since 2005, the Group has offered a responsible-fishing range in France and Belgium comprising four frozen products – sold at "core market" prices – that guarantee sustainable stock management and respect for the ecosystem. In 2008, the Group plans to launch MSC-certified frozen seafood products under the Carrefour AGIR Éco Planète brand.



► For more information

www.carrefour.com

MANUFACTURING SOCIAL CONDITIONS

The Carrefour Group closely monitors working conditions at production plants where its products are manufactured. To this end, the Group is working in partnership with the International Federation of Human Rights (FIDH) since 1997. To go further, the Group is now promoting the implementation of common rules to ensure greater transparency regarding companies' social responsibility efforts.

► QUESTIONS for Véronique Discours-Buhot, Group Sustainable Development Director



■ Véronique Discours-Buhot

What concrete advances have been made following your partnership with the FIDH?

Since 2000, with the FIDH's support, we have drawn up a Social Charter signed by all of our own brand product suppliers. To ensure that these companies comply with the Charter, especially in countries requiring particular attention like China, India and Bangladesh, we conduct social audits outsourced to independent bodies. These audits are based on a grading system, from A (compliance with Charter and best practices implementation) to D (critical situation requiring major corrective actions). In the event of non-conformity, a corrective action plan is put in place. The Group gives priority to assisting its suppliers, only removing them from supplier lists if they are in serious breach of the charter or refuse to apply corrective measures.

Is this monitoring procedure enough to tackle all of the problems you encounter?

No, we don't claim that. The problem is complex, varies according to each country and requires concrete initiatives on the part of the businesses involved, and governments also need to make a contribution. The social audit is a necessary tool, but not sufficient in itself. That's why in Bangladesh, for example, we have been working since 2004 with a local NGO, Karmojibi Nari, which

trains our suppliers' employees and managers in their prerogatives and duties regarding labour rights. We're convinced that this should not be a source of competition, and we were among the co-founders of the "Social Clause" initiative in France, which helps French businesses share tools and audit results. We went even further in 2006 when we took part in the creation of the Global Social Compliance Programme (GSCP), part of the CIES. Bringing together such retailers as Tesco, Wal-Mart, Metro and Migros along with several manufacturers, the programme aims to promote the harmonization of social-audit standards and the sharing of best practices.

In what way is this harmonization a step forward?

There are more than 1,000 standards around the world. A single supplier could conceivably submit to social audits several times per month by different companies and according to different criteria; this is a source of confusion. It is essential to put across a single, consistent message to suppliers and to invest in raising awareness and training rather than multiplying the number of audits performed. The challenge is to bring together the best practices as a means of raising standards. Carrefour monitors this process, as do all of the other members of the GSCP advisory committee (the FIDH, UNI, CSR Asia and United Nations Bureau for International Partnerships); this is a vital element of our programme.



A SIX-POINT SOCIAL CHARTER

Updated in 2005, the Social Charter signed by all Carrefour's suppliers requires them to respect six obligations included in the Universal Declaration of Human Rights and the principles of the ILO (International Labour Organization):

- A ban on slavery and forced labour.
- A ban on child labour for children under 15.
- Freedom of association and collective bargaining.
- Adequate remuneration for workers to meet their basic needs.
- Decent working hours and conditions.
- Respect for equal opportunities.

MONITORING THE APPLICATION OF THE SOCIAL CHARTER AND IMPLEMENTATION OF CORRECTIVE ACTIONS

Carrefour's 2007 campaign was particularly effective, with 609 social audits (117 re-audits and 492 initial audits) compared with 390 in 2006; 20% of audits performed in 2007 were follow-up audits. Carrefour has increased the number of unannounced audits performed in Bangladesh and China. Since the supplier is not given advance warning, a different approach can be taken with the audit. At the end of 2006, the legal minimum wage in Bangladesh was raised following pressure from a number of different stakeholders, including major international buyers. Based on our audit campaign in Bangladesh, this entailed checking that the law was being applied, among other things. Numerous initial audits were performed in India, where the Group renewed its partnerships with a large majority of its suppliers.

In China, our audits have highlighted recurrent problems, such as non-conformities relating to our chapters on "working time", "salary" and "freedom of association," the latter of which does not exist there. Carrefour nevertheless encourages suppliers, when implementing corrective actions, to set up discussion groups that allow employees to talk with managers. Follow-up audits are then organized to verify that corrective actions requested during the initial audit have been properly implemented.



Antoine Bernard

ANTOINE BERNARD, DIRECTOR OF THE FIDH

The Global Social Compliance Programme (GSCP) received significant support from Carrefour in 2007. This programme raises a number of major challenges: unifying the world's biggest retail companies, along with several manufacturers, according to a public commitment to ensure that their suppliers respect the highest international standards in terms of human rights, including those covered in ILO standards. The programme develops a common approach and monitoring and began examining a number of sensitive issues, such as guaranteeing freedom of association and purchasing practices. This year, in keeping with its partnership with Carrefour, the FIDH has followed these developments very closely in the hope that they will also be applied by the companies concerned. It joined the GSCP advisory committee, alongside the UNI (Union Network International), the UN Public-Private Partnership bureau and CSR Asia. Our aim is to influence this new initiative which has major potential for mobilizing support amongst many employees around the world. Carrefour is the leader in this initiative, and the FIDH will continue to encourage the company to meet its responsibilities. We will be performing an initial assessment in a year's time.

AUDIT RESULTS

INDIA

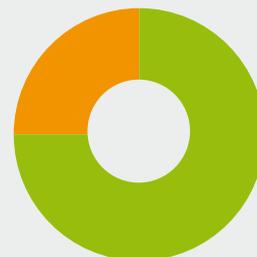
After taking into account the specific requirements of India's industrial structure, and in line with commitments made in 2006, we have extended our social audits to our main suppliers' subcontractors.

General working conditions



Initial audits

- 48.3% compliance
- 51.7% non-compliance



Re-audits

- 75% compliance
- 25% non-compliance

BANGLADESH

Following political unrest in 2006 and the passing of a new law relating to the national minimum wage, Carrefour stepped up its follow-up audit operations.

92%

of audits in Bangladesh in 2007 were unannounced audits.

58%

of audits performed in Bangladesh were follow-up audits.

For more information

www.carrefour.com

BEING A RESPONSIBLE EMPLOYER

With a presence in 30 countries, the Carrefour Group helps to create jobs while respecting local rules and regulations. Our employees are recruited locally. We identify talented staff members and, over time, entrust them with organizational and managerial responsibilities. There's no better example of the Group's commitment to diversity and respect for various cultures and local practices than its 490,042 employees. This diversity is something we value very deeply at Carrefour.

More than

100

nationalities are employed by Carrefour's banners in France.

► **QUESTIONS** for Cécile Cloarec, Group Human Resources Director



How significant is Carrefour as an employer?

Carrefour is the leading private employer in France and ninth in the world. We hire some 100,000 people per year worldwide, recruiting locally for the most part, including for management positions. The Group therefore strongly contributes to employment in the countries where it operates. In

France, for example, 60,000 people should be recruited in 2008, including 15,000 on permanent contracts. By signing an apprenticeship charter in 2005, Hypermarkets France developed a sound policy for employment and the training of young people.

How do you ensure equal opportunities in your recruitment and career-management procedures?

Carrefour is naturally open to people from all backgrounds: men, women, the young and not-so-young, and graduates and those without qualifications. We not only offer some 30 very different professions, but our stores also recruit most of their staff from their catchment areas, which sometimes include quite disadvantaged districts. Their employees reflect the diversity of the local population. Moreover, the Group plays

an important role in promoting social progress. At Carrefour, talent counts for more than qualifications: a young person without qualifications can still become a department manager. 75% of managers and 92% of store directors of the French hypermarkets are appointed via internal promotion. However, as far as our processes and behaviour are concerned, there remains room for improvement. That's why, by signing the Corporate Diversity Charter in 2004, the Group committed itself to enhancing its equal-opportunity policy.

What steps have been taken since the Diversity Charter was signed?

Our banners have built on the Charter according to their specific requirements. For example, they have signed agreements with stakeholders such as the ANPE (the French employment agency), the national education system, various associations, etc. to help people who would otherwise have difficulty finding work. Our disabled persons employment policy is a good example of this. Our stores also work hard to eliminate discriminatory factors in their recruitment and career-management processes, and they continue to raise the awareness of managers and recruiters to diversity issues.

► **A QUESTION** for Henri de Reboul, Executive Officer of the IMS-Entreprendre pour la Cité association



IMS-Entreprendre pour la Cité is a network that promotes corporate social responsibility. What do you think of Carrefour's role as a member of your association over the last 10 years?

Carrefour signed the Diversity Charter when it was launched in 2004 and is

committed to promoting equal opportunity. The company regularly provides its own best practices to other companies that have also signed the Charter. In particular, it aims to diversify where it recruits its employees and how it recruits them. This is the case, for example, with its employment policy for those with disabilities. It is also reflected in the partnership agreement signed in France by the Group's banners and the ANPE to recruit people using simulation method.

MANAGING DIVERSITY

Our banners ensure that they have the resources required to manage the diversity of their employees. Hypermarkets France have a Diversity Manager and Diversity Steering Committee, and since 2007 have implemented a store-by-store Diversity pilot programme. They have also adopted recruitment and career-management charters. Internal recruiters sign a Code of Deontology, and their contracts with recruitment and temp agencies also include a non-discrimination clause.

Some **30,000** employees and 7,000 managers working for Hypermarkets France were given diversity awareness training in 2007.

WELCOMING DISABLED EMPLOYEES



Several countries have implemented recruitment programmes targeting disabled people. Hypermarkets France signed its fourth three-year agreement in 2008 (the first was in 1999). By the end of 2007, 3,351 people with

disabilities were working for this entity. Champion hypermarkets in France completed their first agreement (signed in 2005) at the end of 2007, which enabled them to double the number of people with disabilities working in their stores (286 employees). This agreement has been renewed. Carrefour Colombia has signed an agreement with the army to employ 50 disabled former soldiers (victims of anti-personnel mines) in its stores. And Carrefour Poland received an award in an "Ending Prejudice" contest organized by the Polish Disabled Workers' Association.



PROMOTING GENDER EQUALITY

To promote gender equality in management positions, several countries including France have launched gender-equality programmes and/or signed professional gender-equality agreements. At Group level, the percentage of women in management positions was 32% in 2007.

FAIR CAREER MANAGEMENT

In order to more effectively identify and boost its talented employees, the Group develops effective, fair career-management tools like Cap Careers, an IT system that helps us assess managers' skills and performance in the most comprehensive, objective way possible during individual interviews. Following tests in France, Poland and Belgium in 2007, the system will be deployed to all countries. The Group is also developing a system of Career Committees, which allow managers to jointly decide on the positions offered to their N-1s. This practice enables them to exchange opinions and get a more accurate overview of each employee's potential.



SKILLS-BASED RECRUITMENT

In partnership with the ANPE, our French banners have used skills-based recruitment since 2005 to ensure that they attract applicants from a variety of backgrounds. Using practical exercises, applicants are assessed on their actual professional skills and not on the basis of their qualifications or experience. In 2007, our hypermarkets performed more than 2,000 assessments of this type.

► For more information

See pages 36-39 of the 2007 Sustainability Report.

CLIMATE CHANGE

Reducing greenhouse gas emissions caused by human activity is a major challenge worldwide. The Group plays an active role in this process by reducing its own emissions and encouraging its suppliers, service providers, employees and customers to reduce theirs.

World temperatures will have risen

by **1.1°C**
to **6.4°C**

as of 2100, according to the IPCC.*

* Intergovernmental Panel on Climate Change.

QUESTIONS for Jean-François Brunet, Group Assets Manager



What is the Carrefour Group doing to combat climate change?

The asset teams' priority is to reduce Group electricity consumption in both new and existing stores. At a time of rising oil prices, this enables us to combine enhanced environmental performance with improved economic performance. We have made

a commitment to the Management Board to reduce the Group's consumption of electricity by 20% by 2015, compared with 2004, which exceeds the goals set by the European Commission. In order to achieve this, we primarily need to gain a precise understanding of our consumption to more effectively control it. This is based on the deployment of the EMS (Energy Management System) project, which will enable telemetry and remote control of equipment. Based on the highest-consuming equipment, we will channel investment into new equipment, such as closed

freezers, night covers for cold units and low-energy lamps. We also work with merchandise departments on sales equipment to promote the use of low-energy lighting, for example. Since 2004, based on our previous efforts and initiatives, the Group has reduced its consumption of electricity by 8.5%. At the same time, we are still currently looking into the possibility of using photovoltaic technology, following tests in France and Spain. Although promising, this technology remains unsuitable for our business – even if widely deployed, the equipment would still cover less than 5% of our consumption.

What do you think of the purchase of renewable energy (green certificates)?

We prefer to direct our resources toward efficient investment in the short-term and reducing our consumption rather than toward this solution, which is simple to implement but less efficient for the environment. Better environmental efficiency comes from the energy we don't use!

A QUESTION for Jean-François Caillaud, Group Supply Chain Director



What are the measures taken by logistics to reduce the Group's environmental impact?

Carrefour works on a daily basis to reduce the number of kilometres travelled to deliver goods to stores based on more effective filling procedures and a more efficient use of trucks. Moreover, Carrefour selects environmentally-

friendly partners to process its logistical requirements: in terms

of transport, we use hauliers equipped with Euro4 fleets, and for storage purposes, we encourage ecological initiatives such as the new Laudun warehouse, which is equipped with a photovoltaic energy system that produces the equivalent of the electricity consumed by 500 households. In countries with suitable infrastructures like France, Belgium and Spain, we use such road-transport alternatives as waterways and rail services. We have also made changes to flows between factories and warehouses, working closely with our suppliers to reduce the number of empty kilometres.

MEASURING FOR IMPROVING

1 • KPI REPORTING: PERFORMANCE MONITORING AND OPERATIONAL MANAGEMENT

In addition to achieving its goals, the Group monitors its performance via Key Performance Indicators (KPIs): energy, refrigerants, emissions, logistics, paper for commercial publications and disposable checkout bags. Monitored by all Business Units and verified by our auditors, the Group's KPIs provide a benchmark to ensure in-house progress and help to compare our performance with other groups.

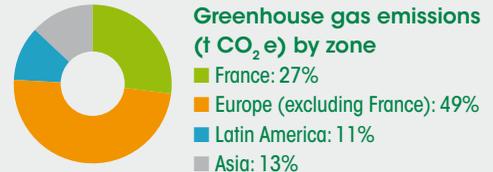
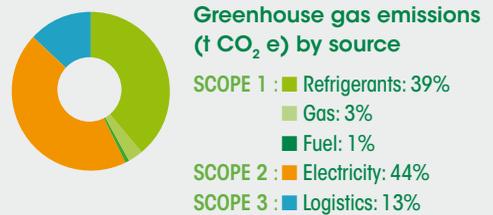
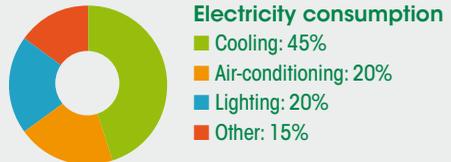
2 • OUR CARBON FOOTPRINT *

In order to measure our carbon footprint, we have implemented reporting for our greenhouse-gas emissions (GHG) based on the guidelines set out in the GHG Protocol, the international accounting tool for quantifying GGEs. In 2007, our direct emissions (scope 1 of the protocol: refrigerants, gas and fuel) were 1.27 million t CO₂ e, and indirect emissions (scope 2: electricity, and scope 3: transport of merchandise) were 1.68 million t CO₂ e.

Excluded from the scope: HM: IT, TR, RO, BR, CN, TH;
SM: IT, TR, BR; Proxi: IT; C&C: IT; HD: FR, ES, TR, CN.

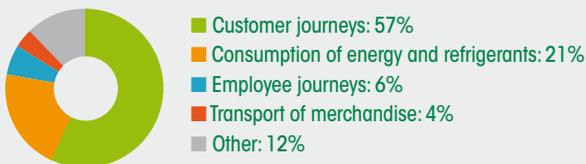
CARBON ASSESSMENT AND LIFE-CYCLE ASSESSMENT: IDENTIFICATION OF PRINCIPAL EMISSION SOURCES

The Group uses assessment tools to identify the major types and sources of environmental impact with a view to improving its performance. The carbon assessment (Bilan Carbone) is a French tool developed and promoted by ADEME to assess the carbon footprint of specific activities. In France, Carrefour was one of the first companies to perform this assessment, in 2002. Since then, the Group has performed carbon assessments in various stores, including the Chambourcy hypermarket in 2007. In 2007 and for the first time, it also carried out a carbon assessment at Group head office in Levallois-Perret.



A Life-Cycle Assessment (LCA) measures the environmental impacts of a product at each stage of its life-cycle, from raw-material production to waste disposal. Carrefour was one of the first retailers to implement LCAs: it performed its initial LCA on disposable bags in 2003, in compliance with ISO 14040 standards, and an LCA on its advertising catalogues in 2005, and launched new LCAs on fast moving consumer goods in 2007.

The Chambourcy hypermarket's carbon assessment: 15,021 tonnes of CO₂



Despite generating high journey-related emissions, the hypermarket format allows customers to do a "big" shop, thereby optimizing customer journeys. The Group also has a network of local supermarkets and convenience stores to enable customers to conduct convenience shopping using public transport, by foot, on bicycle and via on-line shopping.

Carbon assessment of Group head office: 18,082 tonnes of CO₂ in 2007



The Group has identified a number of opportunities to reduce emissions at head office by promoting teleconferencing and videoconferencing, the use of trains for professional journeys, public transport (already used by 46% of employees at head office), car-sharing for home/work journeys, the reduction of energy consumption, the rationalization of IT equipment and a reduction in paper consumption.

* 2007 figures verified by a statutory auditor from KPMG Audit.

Reducing carbon emissions throughout

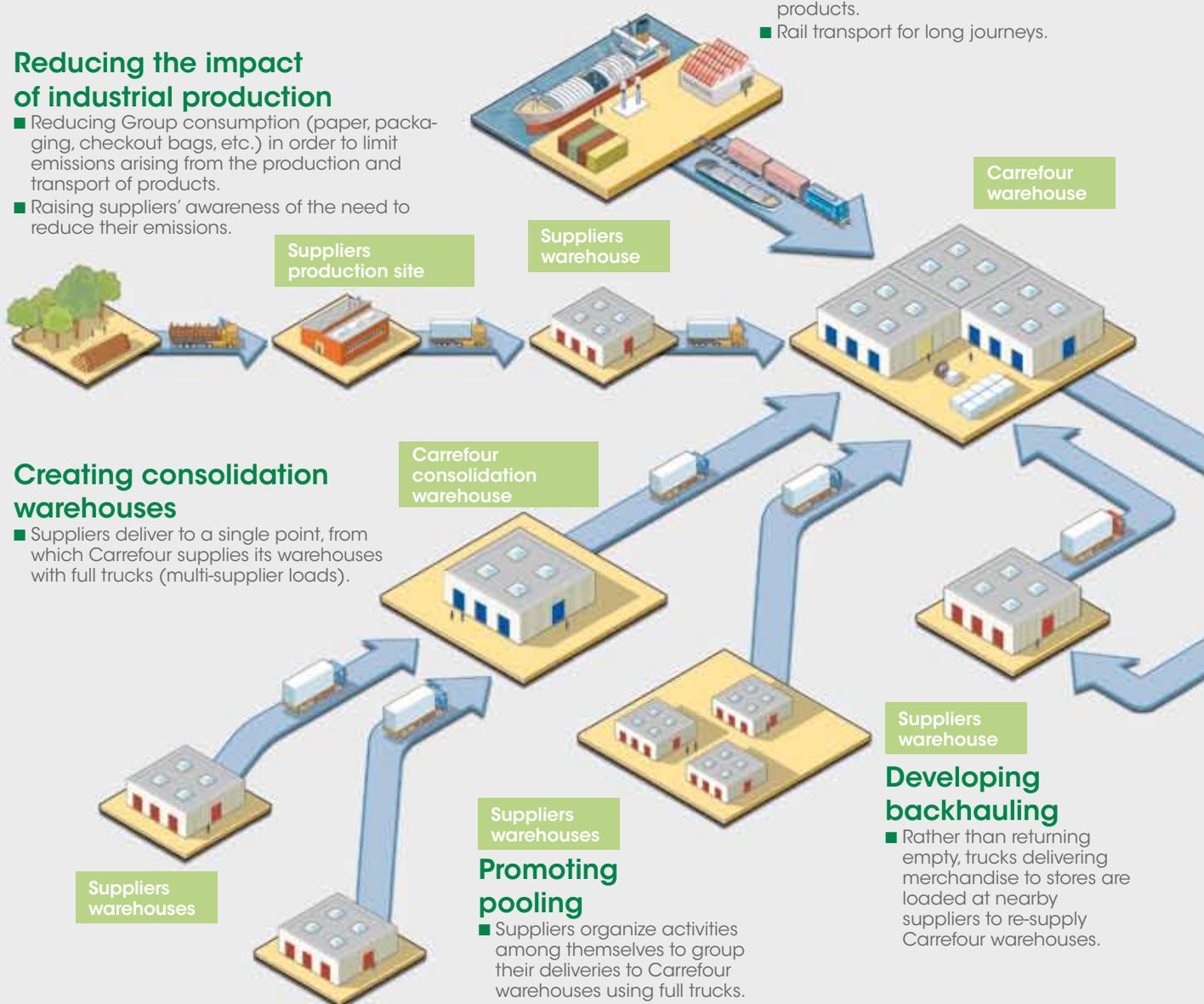
The Group aims to reduce its CO₂ footprint and to help its customers do the same. By improving the efficiency of its retail activities and its product offer, in particular through the promotion of energy-saving products, the company contributes to reducing greenhouse-gas emissions. This diagram illustrates the direct and indirect emissions linked to its activities and examples of initiatives taken to reduce them.

Reducing the impact of industrial production

- Reducing Group consumption (paper, packaging, checkout bags, etc.) in order to limit emissions arising from the production and transport of products.
- Raising suppliers' awareness of the need to reduce their emissions.

Using alternative modes of transport

- River transport from ports for imported products.
- Rail transport for long journeys.



Creating consolidation warehouses

- Suppliers deliver to a single point, from which Carrefour supplies its warehouses with full trucks (multi-supplier loads).

Promoting pooling

- Suppliers organize activities among themselves to group their deliveries to Carrefour warehouses using full trucks.

Developing backhauling

- Rather than returning empty, trucks delivering merchandise to stores are loaded at nearby suppliers to re-supply Carrefour warehouses.

the supply chain

Optimizing downstream logistics

- Implementing tools to reduce the number of trucks and kilometres travelled.
- Optimizing the number of pallets per truck and boxes per pallet.
- Developing co-deliveries: the same truck delivers to several adjacent stores.
- Sustainable technology in new warehouses.

Reducing store carbon footprints

- Store Energy Management Systems.
- Use of closed freezers.
- Energy-efficient lighting.
- Natural air-conditioning.

Promoting sustainable consumption

- Energy-efficient product offering, and awareness raising.
- Development of eco-labelled products.
- Raising awareness on reusable bags and reduction in the number of disposable bags.

Stores

Optimizing transport of customers and employees

- Rationalizing customer journeys based on the hypermarket format, which allows customers to do a "big" shop.
- Supermarkets and convenience stores accessible by foot, on bicycle or via public transport.
- Developing online commerce and home delivery.
- Sale of alternative fuels.

Waste-recycling plant

Promoting recycling

- Establishing collection, sorting and processing for waste streams.
- Raising awareness among the various stakeholders.

Reducing the impact of our head offices

- Use of teleconference and videoconference services.
- Reduction of energy and paper consumption, etc.



CONTROLLING AND REDUCING OUR CONSUMPTION

► IN STORE MOBILIZATION

In France, hypermarkets reduced their energy consumption per square metre of sales area by 20% between 2004 and 2007 thanks to an energy-saving programme that included EMS, closed freezers, energy-saving lighting and more. Similar activities in Italy have led to energy-consumption reductions of more than 26% in hypermarkets and more than 10% in supermarkets over the same period. Carrefour China is committed to reducing its energy consumption by 20% by the end of 2008. Renovation works undertaken since the end of 2007 have enabled 90% of stores to achieve a 15% reduction. From 2008, all new stores will be equipped with systems allowing them to make energy savings of 20%. Carrefour Taiwan has launched several projects – the optimization and automatic management of store lighting, the automatic regulation of air-conditioning, etc. – and recorded a 7% drop in consumption in 2007 compared with 2006.

Argentina and Brazil have also acquired lighting equipment that enables stores to make energy savings. Best management practices identified at country level were included in during a major training programme given in 2008 to all of the Group's Business Units.

► REDUCING REFRIGERANT EMISSIONS

Leaks from refrigeration equipment and store air-conditioning systems are a major source of greenhouse-gas emissions (44% of store emissions). To encourage its service providers to practice more efficient management, some countries make them pay the costs generated by such leaks. Carrefour also tests the use of fluids like CO₂ in France, the emissions of which contribute less to global warming than those of HCFCs and HFCs. In Italy, CO₂ is being tested in supermarkets in Maestri Campionesi in Milan and a supermarket in Pavia that opened at the end of 2007.

PROMOTING THE REDUCTION OF EMISSIONS UPSTREAM AND DOWNSTREAM OF OUR BUSINESS ACTIVITIES

► LIMITING UPSTREAM CO₂ EMISSIONS FROM TRANSPORT

Carrefour increasingly replaces its suppliers in transporting merchandise upstream of its warehouses. The company requires its transport service providers to load merchandise directly at supplier sites, for example, or at consolidation warehouses located close to their production plants. This enables us to optimize the loading of trucks on journeys upstream of Carrefour warehouses and thus reduce overall CO₂ emissions. In 2006, Hypermarkets France opened its first consolidation warehouse in the south of the country for certain products from southern Europe.

This initiative was extended to northern Europe with the creation of a grouping hub in northern France. This practice supplements existing practices, such as "pooling" (suppliers jointly organize grouped deliveries to ensure that trucks are full) and "backhauling" (after delivering to the store, trucks are reloaded with merchandise to supply warehouses instead of returning empty). For import flows, Carrefour gives priority to waterways and rail transport. In France in 2007, almost 35% of import flows were transported by waterway from Le Havre and Fos, representing savings of 250 tonnes of CO₂ in 2007. For 2008, the goal is to transport 40% of flows by waterway or rail.

250 t Co₂e

saved in 2007 through
the use of river transport
in France.

► RAISING SUPPLIER AWARENESS

The Carrefour Group joined the Supply Chain Leadership Collaboration programme of the Carbon Disclosure Project in January 2008. This programme brings together the leaders of various sectors with the aim of measuring greenhouse-gas emissions throughout the supply chain with a view to controlling and reducing them. This approach should enable the Carrefour Group to get a better overview of its greenhouse-gas emissions across its supply chain, to raise supplier awareness and, in the long run, to reduce the emissions linked to its products.

► PROMOTING THE DEVELOPMENT OF ALTERNATIVE FUELS

The second-largest fuel retailer in France, Carrefour has agreed, in partnership with the government, to promote the use of Natural-Gas Vehicles (NGVs). In November 2007, the Group opened the first French NGV pump for use by individual customers at the Toulouse Purpan hypermarket. The Group is also widening access to biofuels. A signatory of the charter for the development of super-ethanol in France in 2006, the company opened 42 E85 super-ethanol pumps in 2007 at Carrefour and Champion service stations, making it the largest retailer of this fuel in France. The Group is now keen to promote the use of second-generation biofuels. Carrefour Brazil and Carrefour Thailand have started recycling used frying oil for biodiesel. In Brazil in 2007, more than 8,000 litres of oil were collected from store customers.



Carrefour is one of the leading retailers (in volume transported) in use of river transport in France ■

8,045 t Co₂e

less in 2007 following a drop
in the use of disposable bags.

► EXTENDING OUR PRODUCT RANGE

In 2007, Carrefour continued to expand its product ranges to help households save energy. Dynamo torches, thermostats and programmers, insulating material, solar energy-powered products and wood fuel were added to our existing range of low-energy light bulbs and rechargeable batteries.



► RAISING THE AWARENESS OF CUSTOMERS AND EMPLOYEES

Throughout the year, the Group highlights the ways in which its customers and employees can reduce CO₂ emissions. In 2007, the Group distributed 475 million fewer disposable checkout bags – a saving of 8,000 tonnes of CO₂ – thanks to customer awareness. Backed by the WWF and the European Commission, and in partnership with the European Sustainable Energy campaign, Carrefour promotes its customers' use of low-energy bulbs with special store signage and website information. In June, in partnership with the WWF, Carrefour China organized a screening of Al Gore's film, *An Inconvenient Truth*, for its head-office employees. In September, Carrefour Thailand, Bangkok Metropolitan and other private and public players organized a climate-change awareness operation – "Let's make Bangkok cool" – that included a climate-change exhibition organized in association with Greenpeace and displayed in stores.

► For more information

Consult pages 48-49.
www.carrefour.com

