



GRUPO  
CARREFOUR  
BRASIL

2019

# ANNUAL REPORT SUSTAINABILITY







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# MESSAGE FROM MANAGEMENT

[GRI 102-14]

## Another year of results that confirm the vigor of our ecosystem

Our food retail leadership position was further consolidated in 2019, a year marked by major achievements. We met targets, accelerating our ecosystem. We opened 20 new Atacadão stores, plus five Carrefour Express and three Carrefour Market units, reinforcing our proximity strategy. As a result of this expansion, we generated 4,000 new jobs, contributing to the country’s economic and social development.

We strengthened our omnichannel strategy, leveraging synergies between formats to enhance the client’s shopping journey. We are boosting the food e-commerce supply through investments aligned with our ambition to become the leader of this segment in the country. In this channel, the gross merchandise volume (GMV) grew 398% in the year. For its part, the fast delivery service, in partnership with Rappi, kept up with the rising pace of expansion, covering 138 stores in 34 cities. We opened 12 side stores, a distribution hub for food products and extended services to clients who want to pick up their online purchases in the stores in person. Click&Retire Drive was available in 110 units, and Click&Retire in 54. In the non-food category, 34% of our sales already are conducted online. We ended the year with more than 3,000 sellers, surpassing four million items available in the marketplace.

The food transition strategy also progressed in line with Carrefour’s global Act for Food initiative, which we introduced in Brazil in 2018, of which we are very proud. Hence, we have boosted the supply of healthy and organic food available through our stores, always at a fair price, making these





products increasingly more accessible to all. Toward this end, we created “Healthy Spaces” in 82 hypermarkets, dedicated to the sale of healthful and organic foods. We also invested in our own private label brand, which already covers more than 2,600 products, making it possible to boost the share of these items in retail sales to 13% in the period.

Such initiatives have contributed to another year of profitable growth, as well as securing investments for the future. Results evolved favorably and consistently throughout the year, with contributions from all the formats. Gross sales totaled R\$ 62.2 billion, 10.4% higher than in the previous year. Adjusted net income, in turn, was up 5.1%, to R\$ 1.97 billion, presenting a 3.5% margin. Cost dilution and efficiency gains led to a strong expansion of the EBITDA, which totaled R\$ 4.5 billion, up 7.4%, with an EBITDA margin of 7.9%.

I would like to highlight the performance of Banco Carrefour. Its results, expressed in all its indicators, were significant, setting new records and opening doors for other clients to enter our ecosystem. In the period, it issued 2.4 million credit cards and recorded 31.4% growth in insurance underwriting sales, driven by the launch of an online platform. To continue expanding the financial solutions portfolio, we acquired the Ewally Tecnologia fintech, a move aimed at our entry into digital wallets, a segment with high potential in Brazil.

We expanded our partnerships, a fundamental strategy for the transformation of our business. We kicked off the regional partnership project with the Super Nosso chain of Minas Gerais, involving the joint operation of 16 supermarkets in the Greater Belo Horizonte region. Through this venture, we will be able to further enhance the client experience and leverage our strengths.

In early 2020, we announced the purchase commitment of 30 Makro stores, to be approved by CADE. This deal will move Atacadão up to an even higher level, moving up the expansion we previously blueprinted by a year and a half and further consolidating our leadership in the wholesale food sector. The stores are extremely well located and have enormous sales potential. We will contribute our know-how to generate efficiencies and scale, which will revert in value to the Company.

Once again, our results demonstrate the strength of the Grupo Carrefour Brasil’s ecosystem and confirm that we have made the right decisions. We are reaping the fruits of an inside out transformation, aimed at upgrading the client’s shopping experience. We are more than 88,000

talents engaged in a culture of innovation, based on simplicity, agility and paradigm breakdown, placing the client at the center of decisions. We will continue with this strategy, which has been proven successful. Our ecosystem is in full swing and will continue to deliver great results.

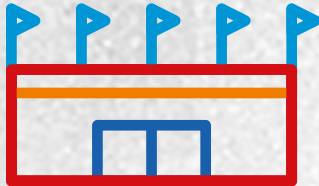

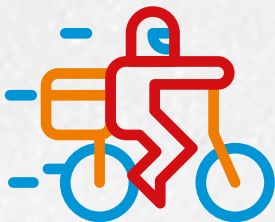



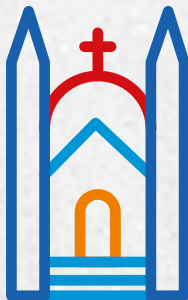

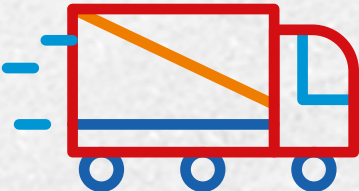

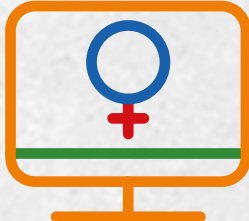

Because we operate in an essential sector for the country, as we finalized this report we were fully focused on contributing to the challenges presented by the Covid-19 pandemic. Our commitment has been to assure the health of our families, co-workers and clients. Based on our international experience, we adopted stringent measures in all stores to maintain the safety of our employees and customers. In these difficult times, I greatly appreciate the dedication of our partners and suppliers in the food industry, and the commitment of our employees. We cannot stop and this moment is one of unity. Demonstrating solidarity and respect, we will get through this phase.



**NOËL PRIoux,**  
**CEO of the Grupo Carrefour Brasil**



# HIGHLIGHTS

<div>JAN</div> <div></div> <div>1st Atacadão store opened in the year, in the city of Maringá (PR). Throughout 2019, there were 20 openings, meeting the investment plan.</div>	<div>FEB</div> <div></div> <div>Creation of Carrefour eBusiness Brasil (CeBB), a business unit to head up initiatives aimed at accelerating the digital transformation of the businesses.</div>	<div>MAR</div> <div></div> <div>Partnership with Rappi, a startup for delivery of food products. At the end of the year, 138 stores from 34 cities were covered by this service.</div>	<div>APR</div> <div></div> <div>Opening of the exhibition PRATODOMUNDO – Food for 10 billion, at the Museum of Tomorrow (RJ). Over 300,000 people visited the show.</div>	<div>MAY</div> <div></div> <div>Promotion of the Viver organic own brand line at the APAS Show food and beverage event in which Carrefour participated for the first time.</div>	<div>JUN</div> <div></div> <div>Healthy for All premiere, a program that teaches healthful, accessible and easy to make recipes, with portions that cost up to R\$ 10.00, and that can be accompanied through CyberCook.</div>
<div>JUL</div> <div></div> <div>Opening of the Carrefour Express store in the Sé neighborhood, in the São Paulo capital, one of the five inaugurated in 2019, strengthening the proximity strategy.</div>	<div>AUG</div> <div></div> <div>Launch of the Insurance and Services Marketplace, a 100% digital platform for the sale of insurance, developed in partnership with the Suthub startup.</div>	<div>SEP</div> <div></div> <div>Inauguration of the new distribution center (DC) in Cajamar (SP), intended for the electronics logistics operation, serving the brick-and-mortar channels and e-commerce.</div>	<div>OCT</div> <div></div> <div>Acquisition of 49% of fintech Ewally 's capital, which expands Carrefour's activity in financial services, marking the entry into the digital accounts segment.</div>	<div>NOV</div> <div></div> <div>Launch of Tina, a channel for a welcoming assistance to employees in situations of violence.</div>	<div>DEC</div> <div></div> <div>Establishing a public commitment to swine welfare, unprecedented in the food retail sector, fostering good practices in the supply chain.</div>



# HIGHLIGHTS



R\$ 62.2 billion  
GROSS SALES

R\$ 56.5 billion  
NET SALES

R\$ 2.0 billion  
ADJUSTED NET PROFIT, CONTROLLER

R\$ 2.8 billion  
0.58X NET CASH / ADJ. EBITDA LTM



46,356 kg  
WASTE COLLECTED AT 312 DELIVERY POINTS



3,887 tons  
FOOD DONATIONS



5.5 million  
NON-RECYCLABLE PACKAGING REPLACED  
BY RECYCLABLE OPTIONS

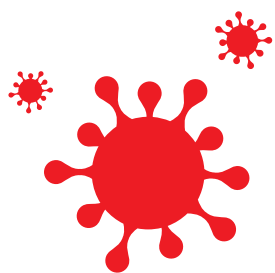


3% decline  
IN ENERGY CONSUMPTION AT CARREFOUR'S STORES



5% reduction  
IN TOTAL CO<sub>2</sub> EMISSIONS IN THE LOGISTICS NETWORK,  
EQUIVALENT TO 1,300 TONS





# COVID-19

## Commitment to health

The Grupo Carrefour Brasil began monitoring the evolution of COVID-19 in other countries as of the beginning of 2020, **preparing in advance** to act if it also reached Brazil. This enabled the Company to quickly react to the challenges posed by the pandemic.

A number of initiatives have been adopted since then. The immediate collaboration between the business areas was reflected in measures aimed primarily at the health and safety of employees, family members, clients and partners, as was continuity of the activity, considered essential for the entire population. To support the units, 5,000 employees were hired, and to disseminate the actions and contribute to the sector, a booklet of good practices for retail was published, available [here](#).

Grupo Carrefour Brasil's effort to keep stores prepared and consumers informed further bolstered customers' confidence in the Company, as demonstrated by a survey that pointed to Carrefour as one of the ten brands with the best recall rates in Brazil during the pandemic, and the only one in the food retail sector.

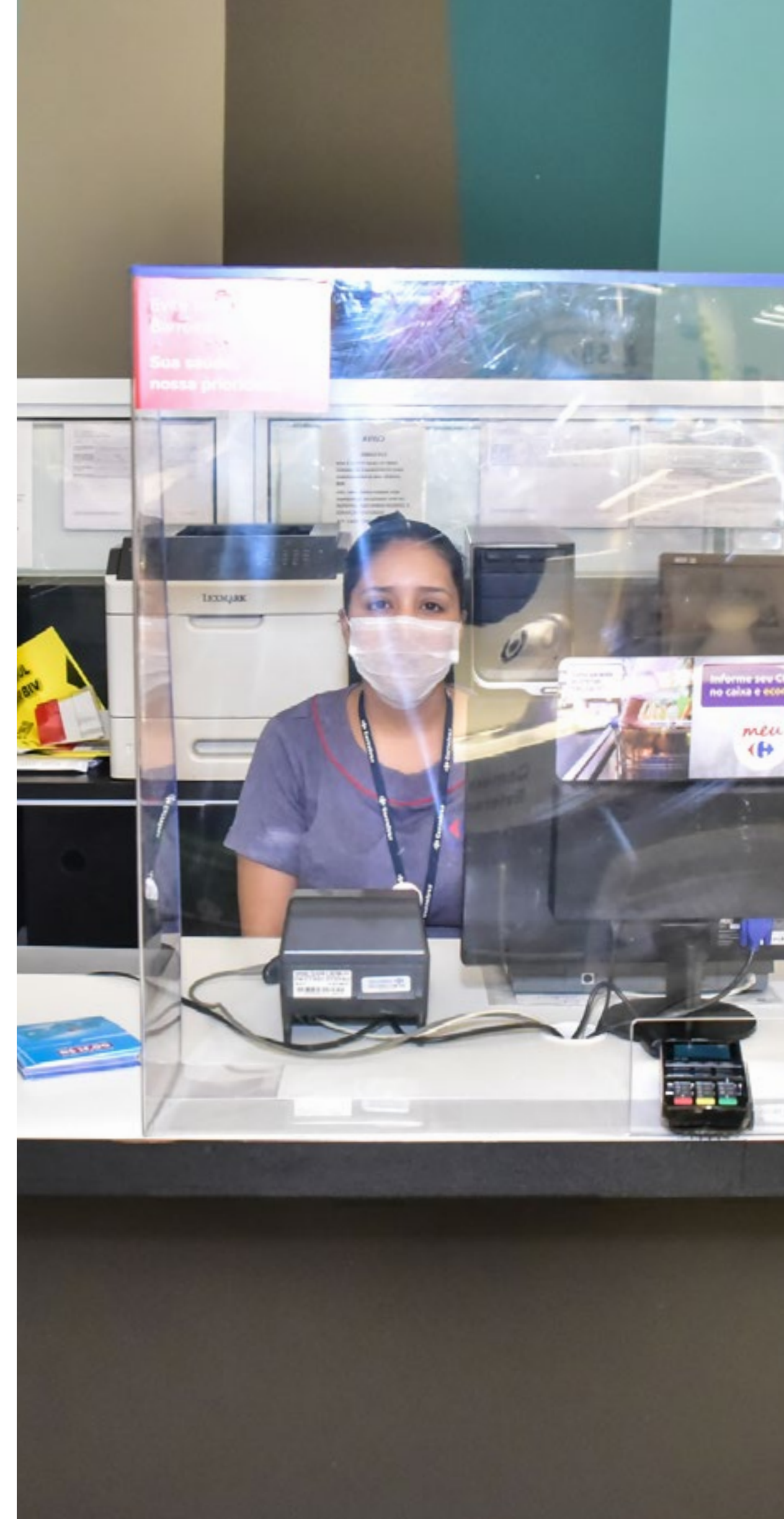
### EMPLOYEES

#### Personal protection

- Distribution of:
  - **82 THOUSAND** acrylic masks
  - **11 MILLION** surgical mask
  - **600 THOUSAND** fabric masks
  - Individualized **alcohol gel**
- **11.8 THOUSAND** acrylic panels installed at checkouts
- **8% increase in cleaning teams**, reinforcing hygiene protocols
- **Distribution of mask kits to family members**

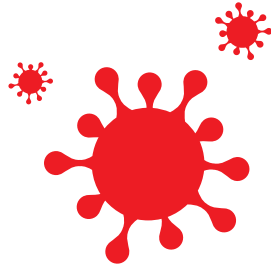
#### Health Care

- **75 THOUSAND** employees/day submitted to **body temperature measurements**
- **App created** to identify and assist internal suspected cases
- **Hotline with medical support** and active monitoring
- **Rapid tests** for COVID 19
- **Social distancing** measures in operations and sales areas



<sup>1</sup> Source: Consultoria Croma, published in Exame magazine





## CLIENTS

- **900 THOUSAND** clients/day **body temperature checks** in the stores
- Increased **priority** checkouts for risk group customers and healthcare professionals
- **Cleaning protocols** for shopping carts and checkouts
- **Strengthening hygiene** and **cleaning protocols** in all operations
- **Social** distancing on the front lines of cash and service counters
- **Limitation of customers per store** (1 per 10m<sup>2</sup>)
- **Waiver of garage parking fees** in stores
- Implementation of **nebulizer and atomizer term** in stores
- Supply of **gel alcohol** and **disposable gloves** for the fruit, vegetables and vegetables sector
- In-store **tasting products restrictions**
- Customer guidance **Pamphlet** in the stores. Learn about it [here](#)
- Review of **e-commerce delivery** protocols (digital signature on mobile phones)

## COMMUNITIES

- **R\$ 15 MILLION** in food donations, through hampers or vouchers
- **Emergency support** for states and municipalities upon the purchase of hampers for vulnerable communities
- **40 THOUSAND** cloth masks made by low-income women, acquired for the families of collaborators and residents of the community of Heliópolis in the capital of São Paulo
- **15 THOUSAND** masks donated to indigenous Amazonian communities
- **Guide to the Solidarity Neighbor**, a booklet with guidelines for people who are willing to help those in risk groups. Learn about it [here](#)

## SOLIDARITY PURCHASE

Campaign kicked off on 4/15, inviting society to also contribute. Carrefour proposed to have an amount corresponding to the sum of the donations collected, limited to the maximum amount of **R\$5 MILLION**. Resources will be allocated for food purchases. The initiative counts on the partnership with entities and NGOs that work with people in highly vulnerable situations, and that support the Company regarding the distribution of donations.



# ACKNOWLEDGEMENTS

## CARREFOUR

- **1st POSITION** in the ranking of the Brazilian Supermarket Association (Abras). In its 42nd edition, the survey highlights the **main food retail players**.
- **MOST REMEMBERED BRAND among supermarkets**, in Folha Top of Mind. The survey indicates the most cited brands in a survey of the general population, carried out by Datafolha, in 170 cities. In this poll, people over the age of 16 are approached.
- **1st PLACE in sales** in the ranking of the Brazilian Institute of Retail Executives & Consumer Market (IBEVAR), in which the 120 largest companies in the sector are spotlighted.
- **WINNER in the Innovation in store formats category** of the Lide Retail Award, an initiative that recognizes the work and performance of companies in the sector on ten different fronts. The highlights are based on surveys of potential clients, suppliers, shareholders and possible groups affected by the performance of the company and its leaders.
- **1st PLACE** in the Modern Consumer Award **for Excellence and Customer Services**.
- **HIGHLIGHT**, in the **Sustainable Category**, in the EY Entrepreneur of the Year Program, the EY consulting firm's initiative that recognizes entrepreneurs with different career paths. For this specific topic, it recognizes innovative actions that generate socio-environmental value, enhancing a company's business.
- **BEST COMPANY in the retail sector in Exame's Diversity Guide**, a publication that focuses on the companies that are considered points of reference in this question. A pioneering initiative, it highlights companies, from different segments that adopt the best diversity and inclusion practices, based on online research. The first edition, in 2019, was the result of a partnership between Exame and the Ethos Institute.

## ATACADÃO

- **Most Valuable BRAZILIAN BRANDS**, ranking prepared by the Interbrand consulting firm encompassing 25 companies. It was the first time Atacadão was on the list, coming in 23rd.
- **ACIRP AWARD 2019**, in the Project of the Year category, awarded to Atacadão by the Commercial and Business Association of São José do Rio Preto.
- **MOST RECALLED BRAND** in the wholesale market category, went to Atacadão. Award granted by the A Tribuna, of Santos (SP) communications group.
- **COMPANIES THAT MOST RESPECT the Consumer**, awarded by Consumidor Moderno Magazine based on a study covering 200 companies. In this 17th edition of the award, Atacadão was the highlight of the wholesale sector.



# ABOUT THE REPORT

For the second consecutive year, the Grupo Carrefour Brasil is publishing its Annual Sustainability Report wherein it presents the business strategy, which includes the ambition to be the food transition leader, and the respective goals and actions established. It also reports on its performance in 2019's economic, social and environmental spheres, assembling information about the corporate and operational structures, markets served and management and governance practices, among other subjects. [GRI 102-1; 102-50; 102-51; 102-52]

Two methodologies are again used as a basis for accountability: the Global Reporting Initiative (GRI) guidelines, Standards version, Essential option; and the principles and elements advocated based on the framework determined by the International Integrated Reporting Council (IIRC) for Integrated Reporting. In this format, the goal is to explain how the organization generates value over time and allocates capital. The material also indicates how the Company has contributed, through its performance, to the achievement of the targets established by global movements such as the United Nations' Sustainable Development Goals (SDGs) and the Global Compact, also UN initiatives, to which the Company is a signatory. [GRI 102-54]

The financial statements ([available here](#)), in turn, follow the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB) and are audited by KPMG Auditores Independentes. Doubts about the information presented here, as well as the forwarding of comments, suggestions or criticisms, can be made through the following e-mail address: [sustainability@carrefour.com.br](mailto:sustainability@carrefour.com.br). [GRI 102-53]

Enjoy your reading!





# HOW CARREFOUR GENERATES VALUE

The leadership position in the food retail sector, the capillarity of stores, the strength of the brand, the expertise in services and products and the relationships of partnerships are used by the Grupo Carrefour Brasil to generate value for stakeholders. Its business strategy is customer-centric, and the resources used to generate value are classified into six categories, according to the model established by the IIRC, and orient the content presented in this report. Organized as types of capital, the inputs are divided into:



**PRODUCTIVE CAPITAL.** The Carrefour ecosystem. With the customer at the center of the strategies and decisions, it is comprised of the brick-and-mortar and e-commerce stores, in addition to Banco Carrefour. Convenience services also are included.



**NATURAL CAPITAL.** Encompasses efforts to be the market leader for the supply of healthy and sustainable food, minimizing the environmental impacts of production chains, ensuring the health of people, animals and the planet, and combating waste of food and in the production processes.



**CAPITAL HUMAN.** Encompasses the employees, essential to the ecosystem. There are nearly 90,000 persons dedicated to improving the experiences of the client when in contact with the Grupo Carrefour Brasil.



**SOCIAL AND RELATIONSHIP CAPITAL.** Consisting of interactions with stakeholders, with emphasis on customer contact channels and social responsibility actions.



**INTELLECTUAL CAPITAL.** Refers to technical capacity, which includes the development and professional training of the people who make up Carrefour, and the strategies and actions aimed at accelerating the Company's digital transformation.



**FINANCIAL CAPITAL.** Comprised of the financial resources available, either own or third-party, for the operation and development of its businesses.



# MATERIALITY MATRIX

[GRI 102-47]

The aspects relevant to the continuity and sustainability of the business, in the view of the Grupo Carrefour Brasil, currently are made up of nine issues:

- 1. **FOOD QUALITY AND ACCESS TO THE PRODUCTS**
- 2. **PARTNERSHIPS WITH LOCAL SUPPLIERS AND CIVIL SOCIETY**
- 3. **RESPONSIBLE PURCHASE**
- 4. **RAISING CONSUMER AWARENESS ABOUT HEALTHY FOOD**
- 5. **WORKERS’ HEALTH AND DIVERSITY**
- 6. **DIGITAL TRANSFORMATION IN THE CLIENT EXPERIENCE**
- 7. **COMBATING FOOD WASTE**
- 8. **CIRCULAR ECONOMY**
- 9. **ECOEFFICIENCY**

These topics were identified through an online survey of clients, employees, suppliers, customers, press and civil society organizations. Conducted in January and February 2020, it involved 121 participants. In addition to the results obtained through the survey, the definition of material themes - in line with the methodology established by the Global Reporting Initiative (GRI) - took into account the business strategy adopted by the Company, in line with the Group’s global guidelines, materials survey and press publications. [GRI 102-42; 102-44; 102-46; 102-49]

GRI topics, defined based on this Materiality Matrix, are detailed in the [GRI Content Summary](#).





# MATERIALITY AND ITS LIMITS

[GRI 102-40; 103-1]

TOPIC	DESCRIPTION	WHERE IT OCCURS	RELATED GRI TOPICS
Food Quality and Access to the Products	Customer health and safety; marketing and labelling	Inside and Outside	103-1; 103-2; 103-3; 416-1; 417-1; 417-2; 417-3
Partnerships with Local Suppliers and Civil Society	Topic Management type	Inside and Outside	103-1; 103-2; 103-3
Responsible Purchase	Purchasing practices; environmental and social assessment of suppliers; combating forced or slave-like labor	Inside and Outside	204-1; 308-1; 308-2; 409-1; 414-1; 414-2; 103-1; 103-2; 103-3
Raising consumer awareness about Healthy Food	Communication and awareness actions	Inside and Outside	103-1; 103-2; 103-3
Workers' Health and Diversity	Occupational health and safety; diversity and equal opportunities	Inside	103-1; 103-2; 103-3; 403-1; 403-2; 403-3; 403-4; 405-1
Digital Transformation in the Client Experience	Consumer privacy	Inside and Outside	103-1; 103-2; 103-3; 418-1
Combating Food Waste	Food recovered, avoiding waste; correct disposal of packaging	Inside and Outside	103-1; 103-2; 103-3; 301-3
Circular Economy	Correct disposal of solid waste	Inside and Outside	103-1; 103-2; 103-3; 306-2
Ecoefficiency	Rational energy and water consumption	Inside	103-1; 103-2; 103-3; 302-1; 302-3; 302-4

## AGENDA 2030

The strategies and initiatives developed by the Grupo Carrefour Brasil, related to material issues, seek to contribute to the 2030 Agenda, an initiative headed up by the United Nations to eradicate poverty, protect the planet and ensure that people achieve peace and prosperity. The impacts caused by the Company’s actions are linked with 13 of the 17 Sustainable Development Goals (SDGS) pursued by the UN. [GRI 102-12]





# ABOUT THE GRUPO CARREFOUR BRASIL

**Food retail leader in the country**, the Grupo Carrefour Brasil **owns the Atacadão and Carrefour brands**, which are among the most recognized in the wholesale self-service and hypermarket formats, respectively.

Present in more than 150 cities, it is the only company in the sector with own stores throughout the national territory, present in the 26 states and the Federal District. It sells food and non-food products through **a client-focused multiformat and omnichannel ecosystem** aimed at monitoring and meeting the needs and fostering the evolution of this group's purchasing habits.

In food retail operations, it has 278 outlets, including **Carrefour** (hypermarket), **Carrefour Market** and **Carrefour Bairro** (Neighborhood) (supermarkets) formats, as well as **Carrefour Express** (proximity retail). In the cash&carry segment, it has 186 **Wholesale** stores and 28 **Wholesale delivery**. Furthermore, it also has **Carrefour.com** e-commerce platform and marketplace, as well as 76 fuel stations and 124 pharmacies, as complementary formats. Retail operations include a real estate division, Carrefour Property, which operates two shopping malls and administers the real estate portfolio, including the rental of space in its stores.

Among retailers, it is the largest credit card operator in the country, an activity carried out by **Banco Carrefour**, an institution that also offers credit solutions to the consumer and operates in the insurance market.

The Carrefour Group complete 45 years of activities in Brazil in 2020. Established as a publicly traded corporation, it is one of the 20 largest companies listed on the B3 stock exchange, with shares traded in the Novo Mercado, a segment that is a point of reference for differentiated Corporate Governance practices. From its headquarters in São Paulo, it manages more than 88,000 employees distributed throughout the operation, making it one of the largest employers in the country. [GRI 102-1; 102-3; 102-5; 102-7]

The Grupo Carrefour Brasil is the Carrefour Group's second largest global operation. It is just behind France, which is the organization's headquarters country. Adding Europe, Asia and Latin America, there are 321,000 employees and 12,225 stores, reaching more than 100 million customers. In 2019, Carrefour Group's global sales totaled € 80.7 billion.

<sup>1</sup> Listed on the B3 - Brasil, Bolsa Balcão under the name Atacadão S.A.



**N. 1**  
IN BRAZILIAN FOOD RETAIL



**2nd largest**  
OPERATIONS OF THE CARREFOUR  
GROUP, IN GLOBAL TERMS



**+88,000**  
EMPLOYEES IN BRAZIL



**+150 cities**  
NATIONAL PRESENCE



**278 stores**  
MULTIFORMAT (RETAIL)



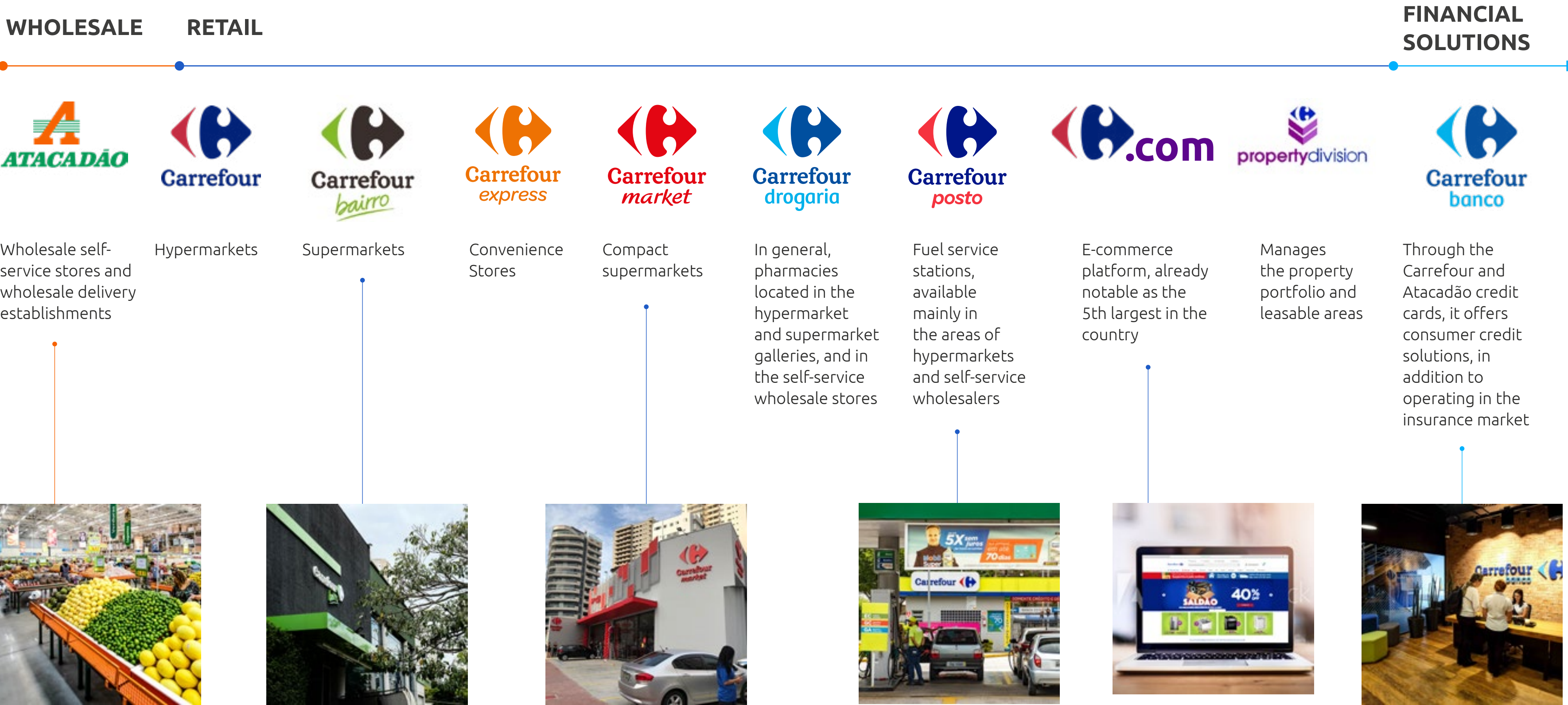
**186 stores**  
ATACADÃO



# GRUPO CARREFOUR BRASIL

[GRI 102-2]

Businesses divided into **THREE MAJOR SEGMENTS**, which offer options aimed at meeting different target audience profiles:





# MANAGEMENT AND GOVERNANCE

## CORPORATE GOVERNANCE

The management of the Grupo Carrefour Brasil is based on the best Corporate Governance practices, a fundamental principle to generate value for the Company and the stakeholders with whom it relates, and to ensure business continuity. This commitment includes observing the laws and regulations that address the issue, such as the Novo Mercado, B3’s listing segment on which the Company’s shares are transacted.

The governance model adopted is sustained by two hierarchical instances: the Board of Directors and the Executive Board, which act in line with the provisions set forth in the Company’s Bylaws. This structure also comprises three Board of Directors advisory committees, created to assist it in specific issues, and the provision of a Fiscal Council to be established, if requested by the shareholders.

### CORPORATE GOVERNANCE STRUCTURE

#### Board of Directors [GRI 102-18]

The highest governance body, which defines the central business lines, observing the responsibilities assigned to it under the Bylaws and respective Internal Regulations. The Board of Directors decides on strategic issues for the Company’s longevity and sustainability. This includes setting performance targets in the economic, financial, social and environmental spheres.

At the end of 2019, it had nine members, all elected by the General Shareholders Meeting to one-year terms, with reelection allowed. The members have a solid command of the retail sector, in Brazil and abroad. Representatives of the controlling shareholder and minority shareholders – in addition to independent members, who represent about 20% of the total – have contributed to improve the strategies adopted, from business models and store formats through to decisions related to the growth and profitability of the business, also including customer relations management.

### COMPOSITION OF THE BOARD OF DIRECTORS



#### Executive Board

Responsible for the management and administration of the activities of the Grupo Carrefour Brasil, complies with the strategic guidance determined by the Board of Directors. At the end of 2019, it had ten members, four of whom were statutory members. The executive team is appointed by the Board of Directors to three-year terms, which end in 2020, with re-election allowed. It is made up of experienced professionals, who have 12 years of experience in the retail sector, on average. The executive board composition and profile of the members is available [here](#).



Fiscal Council

Forseen in the Bylaws, it may be established at the request of the shareholders. In this case, it shall be composed of three to five members, with an equivalent number of alternates. Once established, it begins to supervise the activities of the management, reviews the financial statements and reports the conclusions to the shareholders, functions that today are adequately fulfilled, in the view of Carrefour, by the Audit Committee.

Advisory Committees

Three statutory committees support the Board of Directors to help assure the best performance of its activities:

**AUDIT** – oversees internal processes to ensure integrity and effectiveness of controls used in financial reporting.

**STRATEGY** – recommends alternatives and possibilities for the business, and examines the plan proposed by the Executive Board, before submitting it to the Board of Directors, among other issues provided for in the Internal Regulations of the Advisory Committees to the Board of Directors.

**HUMAN RESOURCES** – reviews the evaluation criteria for the Executive Board and evaluates the performance of executives, among other topics provided for in the Internal Regulations of the Advisory Committees.

All members of the committees are appointed by the Board of Directors. More information [here](#) about the composition of these committees.

Policies

Corporate Governance practices are guided by a set of rules and procedures, which basically deal with the following issues:

- Disclosure of information and trading of securities
- Risk management
- Related party transactions and conflict of interest management
- Officers compensation
- Appointment of executive officers

The full policies are available on the [IR website](#).

**THE ETHICS AND INTEGRITY PROGRAM WAS ENHANCED IN 2019 THROUGH THE CREATION OF A SPECIFIC DEPARTMENT AND PUBLICATION OF NEW POLICIES, AMONG OTHER ACTIONS.**

ETHICS AND COMPLIANCE

[GRI 102-16]

In conducting business, the Grupo Carrefour Brasil values ethics, transparency and integrity, and repudiates any form of corruption, fraud or influence trafficking. It relies on the **Ethics and Integrity Program** to disseminate these values among employees, suppliers and other business partners. The initiative, which combines a number of mechanisms and standards for this purpose, was improved throughout 2019, including the creation of a specific department, publication of new policies and other actions.

ETHICS AND INTEGRITY PROGRAM

Set of mechanisms, procedures, rules, policies and practices based on eight pillars:

- Governance and Compliance Strategy
- Integrity Risk Assessment
- Code of Conduct, Policies and Procedures
- Integrity Due Diligence and Third-Party Management
- Communication and Training
- Incident Reporting and Investigation Channel
- Consequences Management
- Ongoing Monitoring



ETHICS AND INTEGRITY PROGRAM PROGRESS IN 2019

**CREATION OF THE COMPLIANCE DEPARTMENT.** Linked to the holding company’s Risk Management Department, it is involved in all the business areas. Its main mission is to ensure that all employees, suppliers and business partners respect the Company’s ethical principles and Code of Conduct. It also prevents, detects and corrects Integrity Risks, characterized by actions or omissions that affect Carrefour Brasil’s reputation or respect for the institutional mission, or that favor the occurrence of any form of corruption, influence trafficking, conflicts of interest or non-compliance with anti-corruption standards.

**PUBLICATION OF NEW POLICIES.** Four new Compliance policies were published: Anti-Corruption and Prevention of Influence Trafficking; Integrity Due Diligence; Accounting Controls; and Compliance Monitoring and Reporting.

**SUPPLIER MANAGEMENT.** The Code of Ethical Conduct and the Social Charter was revised. It must be signed by all suppliers and business partners to indicate they are aware of the standards of ethical conduct required and that they will maintain an attitude of unconditional refusal of all forms of corruption.

**MAPPING OF THE INTEGRITY RISKS.** A survey of the entire Group’s business integrity risks was conducted to identify, evaluate and address the risks linked to the operational processes and Compliance structures. This matrix will be reviewed annually, a process to be oriented by its own methodology, also developed in 2019. The document follows the legal parameters and international regulatory frameworks, as well as recommendations of the French Anti-Corruption Agency pursuant to the Sapin II Law, and the ISO 31000:2009 and ISO 37001:2007 standards.

**TRAINING:** 2,440 employees were trained on Compliance standards and guidelines in 43 live sessions in all business units. This agenda supplemented the continuous dissemination of information and recommendations on the topic through our in-company communication channels.

**MONITORING PLAN.** A monitoring plan was developed to track the efficiency of the mechanisms adopted. These guidelines will be implemented over the course of 2020, with actions based on the policy published in 2019 on this topic.

Violations of the standards of the Grupo Carrefour Brasil’s Ethics and Integrity Program are considered serious infractions, subject to disciplinary sanctions. Suppliers and partners, for their part, may have their business relationships discontinued.

COMPLAINT CHANNEL

The Grupo Carrefour Brasil offers the employees employees and business partners the Ethical Connection channel, through which they can report any violation of the Code of Ethical Conduct and other policies, suspicion of irregular behavior or eliminate any doubts related to the application of these standards. Operated by an outside and independent company, it guarantees individuals who make denunciations absolute secrecy and protection against retaliation. In 2019, more than 3,000 allegations were registered via the channel.

All complaints are monitored by the Compliance Board, which supervises the channel’s operation, monitors the application of the case investigation methodology and periodically reports the results and activities to the Statutory Audit Committee.

 **ETHICAL CONNECTION**  
Website: <https://conexaoeticacarrefour.com.br>  
Telephone: 0800 772 2975



# RISK MANAGEMENT

In order to preserve and develop its values, assets and reputation, and meet business goals, the Grupo Carrefour Brasil adopts a risk management dynamic integrated into the decision-making process. It therefore includes strategic planning, investment definitions and projects and encompasses all business fronts.

The assessment of the main risks and uncertainties is based on 23 factors, grouped into five categories. Tolerance of the risks identified and the definition of the structure that will be dedicated to the subject is made by the Board of Directors of the Grupo Carrefour Brasil’s holding company. This decision-making sphere, with the support of the Risk Management Department, also periodically evaluates the risks, coordinating and monitoring the systems used to manage them. **[GRI 102-11]**

Grouping of risks

- Business environment
- Strategy and administration
- Operations
- Financial risks
- Financial services

All risk factors can be found on [the Reference Form](#).

## Risk Management Systems

Based on the Risk Management Policy and in compliance with ethical principles, the structure of the risk management department is divided into seven areas:

**RISK AND LOSS PREVENTION:** responsible for the security of the Company’s properties, equipment and intangible assets, and the safety of people present at its facilities. It defines and constitutes the human, organizational and technical resources necessary to manage accidental and intentional risks, such as natural disasters, malicious acts and theft, among others.

**RISKS, SUPPLY AND ONLINE:** acts so that all processes related to the areas of the matrix and units are applied without impacting the good progress of activities, always aligned with ethical standards.

**ETHICS AND COMPLIANCE:** ensures respect for the Group’s ethical principles. Prevents, detects and treats situations that may constitute any form of corruption, influence trafficking and conflicts of interest, in accordance with applicable anti-corruption laws.

**INTERNAL CONTROL:** monitors the Company’s exposure to operational risks and continuously checks if the guidelines are adopted by the headquarters and units. It also internally disseminates the risk management culture.

**QUALITY:** protects consumer health and the Carrefour brand through compliance with relevant legislation, avoiding health violations and legal sanctions.



**HSE:** ensures business continuity, mitigates risks, ensures legal compliance, implements policies and procedures, and promotes continuous improvement of processes related to occupational health, work and fire, as well as the environment and insurance matters.

**INFORMATION SECURITY:** Defends the businesses from attacks against technology systems. Protects business-critical data, including employee and client personal information, and maintains adequate cybernetic resilience.

**THE RISK MANAGEMENT** department also provides methodological support to the operational and functional areas, with tools to control and map the activity risks. It also assists the Executive Committee to oversee the large-risk assessment process, which includes convening risk committees each quarter.



# HOW CARREFOUR GENERATES VALUE

[GRI 103-2; 103-3]

Among the pillars that sustain the value creation strategy directed to the public relating with Carrefour Brazil Group are: to consolidate the group’s presence in the country; integrate physical and virtual outlets; accelerate digital transformation and lead food transition by democratizing the access to healthy foods.

To the Company, the reason for establishing this strategy is the client. In order to maximize the experience of this public it is during their shopping journey that the Grupo Carrefour Brasil, through communicability and multi format, creates an ecosystem increasingly integrated and more interconnected.

## CARREFOUR PLAN FOR 2022

The Carrefour 2022 Global Plan business will be conducted under the company’s global guideline that developed five clear goals:

**TO LEAD FOOD TRANSITION.** Democratize access to fresh and healthy products, so that all clients have the option to acquire quality food at fair prices. This ambition takes place in the **Act for Food**, an institutional positioning that brings together initiatives and investments undertaken with these purposes.


**TO CONSOLIDATE THE LEADERSHIP AND NATIONAL PRESENCE.** To expand the number of physical outlets, particularly those in the Atacadão format and nearby, guaranteeing return and high growth. Opportunities areas also evaluated for the purchase of local or regional companies either in physical or digital format, and partnerships that may reinforce even more the ecosystem.

**TO STRENGTHEN THE ECOSYSTEM.** Integrate the physical network of shops with the platform of e-commerce, accelerating digital transformation, an effort which is continuous and driven by the endeavor of reaching financial solutions. By means of communicability, with more and more interlinked formats, Carrefour works to offer a good purchasing experience, offering services that translate into comfort and convenience at the same time that opportunities for connection and adhesion increase.

**TO DEVELOP A SIMPLIFIED AND OPEN ORGANIZATIONAL STRUCTURE.** To offer excellent attendance, maximize the buying experience and establish ever more personalized relationships through the continuous improvement of operations. The actions include from new processes in the shop’s organizations or the improvement of distribution models up to technologies that upgrade customization of offers, among others.





CARREFOUR BRASIL			
GOVERNANCE			
● BUSINESS STRATEGY	<p><b>STRENGTHEN THE CULTURE CONTINUOUSLY.</b> To engage almost 90 thousand employees in efforts to always offer better shopping experiences. For this reason, Carrefour encourages cooperative work and offers ambience that give enhances diversity and the inclusion, besides promoting opportunities for professional development.</p>		
PRODUCTIVE CAPITAL			
HUMAN CAPITAL			
INTELLECTUAL CAPITAL	<p><b>ADVANCES IN 2019 STRATEGIC FRONTS</b></p> <p><b>Expansion:</b>  <b>692 OUTLETS</b>, connecting clients to Carrefour ecosystems</p> <p><b>28 NEW SHOPS:</b> 20 Atacadão, 5 Carrefour Express and 3 Carrefour Market</p> <p><b>ACQUISITION</b> of participation at Fintech EWALLY, in 2019, and of 30 MAKRO SHOPS in 2020</p> <p><b>Omnichannel:</b>  <b>110 SHOPS</b> with CLICK&amp;RETIRE, of which 98 operate with their own stock and option for The client that prefers to withdraw personally purchase of non-food products acquired online</p> <p><b>54 SHOPS</b> with CLICK&amp;RETIRE DRIVE, a format similar to drive thru, an alternative for clients that prefer to take away in actual shops the food acquisitions that took place via e-commerce</p>		
SOCIAL AND RELATIONSHIP CAPITAL			
NATURAL CAPITAL			
FINANCIAL CAPITAL			
GRI			
ANNUAL REPORT SUSTAINABILITY 2019		<p><b>138 SHOPS</b>, spread in 34 cities, already covered by Rappi, deliveries startup which is a Carrefour partner for the delivery of food bought via the app</p> <p><b>Customer service:</b>  <b>17 MILLION CLIENTS</b> registered in CARREFOUR BRASIL, a discount program via applicative</p> <p><b>2 MILLION+</b> conversations with CARINA, a Carrefour virtual assistant which attends the client through WhatsApp</p>	<p><b>Corporate Culture:</b>  <b>15,390</b> Carrefour shops employees trained in Technical Schools</p> <p><b>2,540 PARTICIPANTS</b> of Continuous Education Program (Programa de Educação Continuada-PEC), offered to Atacadão executives</p> <p><b>1,650 COOPERATORS</b> graduated from Atacadão's Academy of Leaders</p>



# LEADER OF FEEDING TRANSITION

[GRI 103-2; 103-3]

Milestone in the business strategy, the Act for Food is a global movement launched in October 2018, to use the strength of the Carrefour brand, the capillarity of performance and the influence exerted over the value chain – due to the position of the segment’s leader to make healthy and accessible food for everyone.

Within the objective of leading food transition, the company adopts initiatives to make people aware about this theme, through guidelines and information about the importance of adopting healthier eating habits. Carrefour also works to increase the availability and offer of fresh and quality products in the shops and encourage more sustainable production practices, inking partnerships with suppliers besides minimizing waste.

## MAKING HEALTHY FEEDING AVAILABLE TO EVERYONE.

### To disseminate healthy habits

Several actions have been developed in the shops to encourage clients to adopt healthier eating habits. To help clients to identify these types of products, the items produced with social environmental responsibility offered at accessible prices are identified with the stamp Act for Food and the signature “Everyone deserves the best” (“Todos merecem o melhor”).

The after sales, the client count with an ample choice of healthy recipes in the CyberCook, gateway which also counts with functionalities so that the client accesses options in line with his profile, with costs estimates. The page already has more than 1 million registered users and in 2019 registered 500% increase in search for healthy recipes.

### To increase availability of healthy products at fair prices

One of the initiatives include Healthy Spaces (Espaços Saudáveis), corridors installed in hypermarkets to concentrate supply and increase the variety of healthier foodstuffs. In these areas, available in 82 hyper markets by the end of 2020, more than 3 thousand items are part of the assortment.

The offer of fresh and healthy products is also a priority. In this sense, more than 1,000 organic product items started being available in the shops in 2019. In this period, more than 50% growth took place in the sale of this category. Besides this, Carrefour’s commitment to offer quality products cause the retailer to gain attention as the retailer with the largest index of analyses concerning utilization of agricultural pesticides in fruits, greens, and vegetables commercialized.



### Combating waste

To avoid the loss of food for consumption, Carrefour and Atacadão shops developed various Strategies, which go from granting discounts in products near the expiration date or outside the aesthetic pattern, up to the donation of food for people in social vulnerability through the Partnership that Feeds (Parceria que Alimenta).

Waste is also avoided through initiatives that promote a circular economy, designed to give the correct destination to organic residues, materials and post-consumption packaging, minimizing the generation of garbage and environmental impact. Examples are reversible recycling logistical stations installed in shops and neighborhood and hyper markets, there-usage of organic residues or the substitution of packaging, such as Styrofoam for sustainable alternatives.

### To support sustainable production practices

To stimulate changes in the chain steps, influencing suppliers to also adopt more sustainable production methods, the Grupo Carrefour establishes partnerships with the group. For example this includes long term contracts with local producers of fruits, greens and vegetables, encouraging investments in improvement of agricultural practices. At the end of 2019, more than



460 local producers were partners of the company, enabling the supply of fruits, greens and fresh vegetables every day, at the Carrefour and Atacadão shops. In line with the commitment to offer quality food, the company adopts the best practices for responsible purchases:

- Monitoring of productive processes and social environmental practices of cattle meat suppliers through geolocation, via satellite.
- Pioneer, of mapping the supply chain in the food retail sector of fish, under the optic of sustainability.
- First food retailer in the country to assume the commitment to only commercialize eggs from cage free systems.
- Support and training of more than 450 properties from small calves producers to adopt more sustainable production processes.
- 100% of products with their own brand which have soy and derivatives in their composition, count with the certification of Round Sustainable Palm Oil (RSPO) or Mesa Redonda de Óleo de Palma Sustentável in Portuguese.

## Engagement of the internal audience in the Act for Food

Among the initiatives developed for dissemination of the concept and guidelines among the internal audience during 2019, two stand out:



**SUPERHEROES.** Contributors that presented innovative ideas to disseminate the Act for Food to clients and colleagues, in their working routines, were recognized as super-heroes. This initiative that took place in all countries where Carrefour operates, culminated with an event during December in France. Brazil was represented by two contributors: one from the contact center and another from the social networks area. The first presented a plan for internal lectures about the theme, for more than 2 thousand collaborators and a nutrition education action including 250 children from elementary schools. The other, an initiative to fight against food waste focused on colleagues of the area in which they work. The proposals were internationally presented with 18 super-heroes from other countries. The choice of the Brazilians took place by online vote, open to all contributors. These projects

were presented in videos of internal communication. The winners were part of a group of 26 indicated by the areas' directors that participated in specific training and became multipliers of the concept for other colleagues in their work areas.

**AFF COMMITTEE.** The executives' agendas in the different Carrefour business areas now have a regular biweekly event: the meetings of the Act for Food Committee. This group was created in 2019 to stimulate planning and actions that disseminate this guideline throughout the whole company aligned to it. In these occasions, project proposals and advances attained are presented, besides follow up of established targets. In addition to this program quarterly workshops also take place to debate and evaluate adopted strategies.



CARREFOUR BRASIL
GOVERNANCE
● BUSINESS STRATEGY
PRODUCTIVE CAPITAL
HUMAN CAPITAL
INTELLECTUAL CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
NATURAL CAPITAL
FINANCIAL CAPITAL
GRI
<div>ANNUAL REPORT</div> <div>2019</div> <div>SUSTAINABILITY</div>



## TENDENCIES THAT BECOME HABITS

With the Act of Food and the actions derived from it Grupo Carrefour Brasil has anticipated to the changes in behavior of people in relation to food habits.

### ENVIRONMENT

**32%** of Brazilians consider the environment among their top worries

**94%** of Brazilians believe that it is very important that companies adopt programs to improve the environment. This is 81% above what is verified globally

**73%** of the clients with a healthy profile affirm that they are ready to pay more for labels that take the environment into account

**76%** of executives in Latin America consider that sustainability is a key theme in the companies’ agendas

### CONCIOUS CONSUMPTION

**50%+** of consumers would like to avoid artificial ingredients, hormones/antibiotics and transgenics

**44%** prefer to have more options of organic products

**68%** are ready to pay more for products that do not have undesirable ingredients

**67%** want to know everything contained in the product

**26%** choose a gluten free diet in search of healthiness

**15%** adopt a lactose free diet, also as a healthy alternative

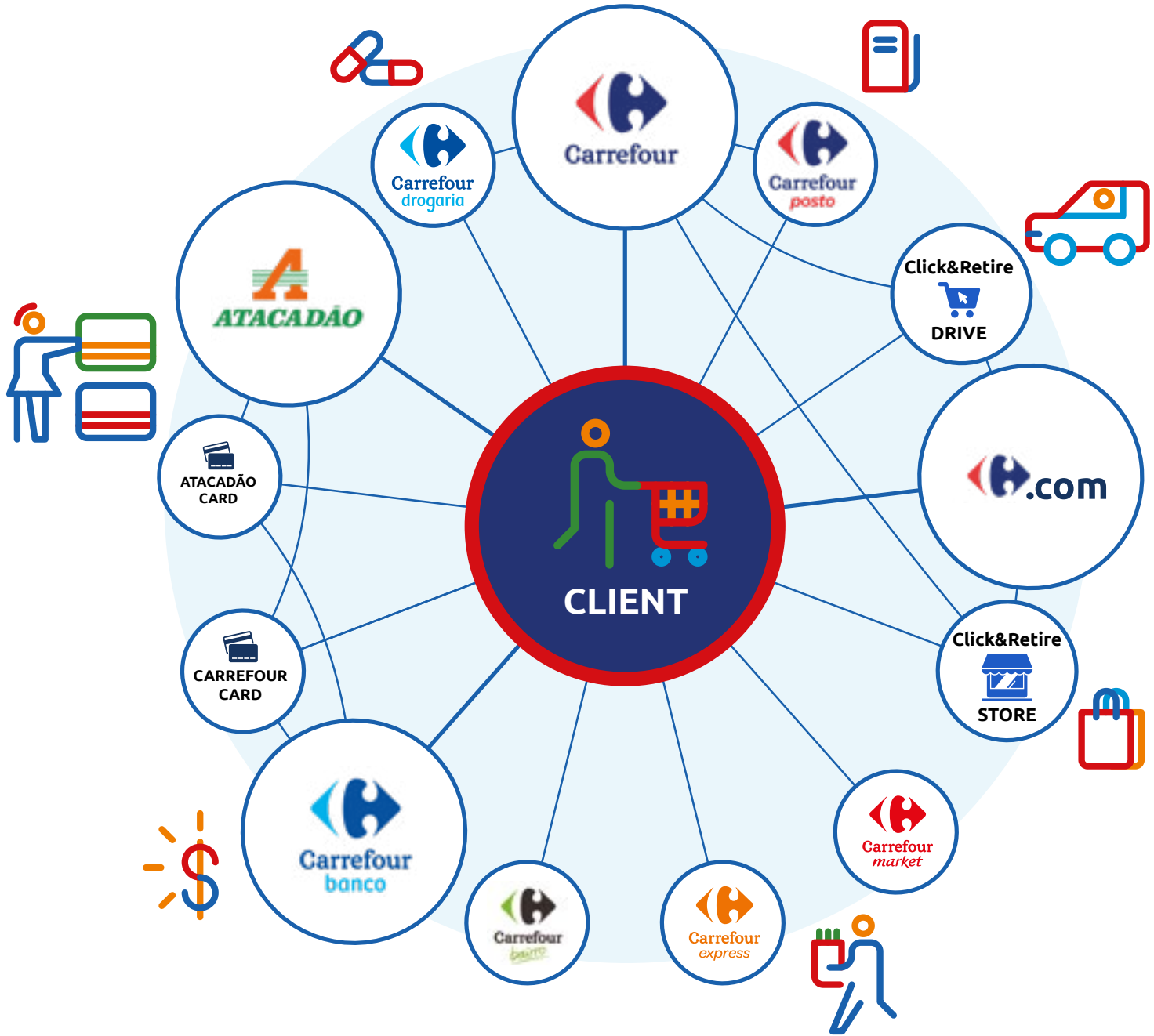
Sources: Homescan Estilos de Vida + BG Saudáveis; The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen Q2 2017| Homescan Estilos de Vida 2018; PwC Survey about Sustainability in Latin America, march 2015; and The Nielsen Global Health and Ingredient Sentiment Survey, 2016 Source: “Strategic Health Perspectives” & “Whats in our food and our mind”, 2016 – Nielsen.



# PRODUCTIVE CAPITAL

## CARREFOUR ECOSYSTEM

[GRI 102-2; 102-4; 102-6]



Always seeking to offer the best client experience, the Grupo Carrefour Brasil has been accelerating its ecosystem, increasingly interlinking services and solutions. With a digital strategy that covers all businesses and services, the company allows consumers to choose the appropriate store or delivery format at the moment of purchase. This continuous pursuit of innovation has further consolidated the chain's position as a leader in food retail and self-service wholesaler.

The Grupo Carrefour Brasil has established brands that are recognized by consumers. In 2019, the NPS (indicator that measures customer satisfaction) improved in all formats, especially hypermarkets, which reached an historical high. The result, therefore, has reinforced the Company's commitment to client-centricity as the guiding principle of the business.

### NATIONAL COVERAGE BY BRICK-AND-MORTAR STORES

Over the years, the Company has bolstered its nationwide presence, reaching in more than 150 municipalities, and entering the homes of millions of Brazilians. In each new region into which it arrives, the chain always seeks to understand the profile of consumers and introduce the ideal store format to that location.

- 186 ATACADÃO (CASH&CARRY)
- 28 ATACADÃO (WHOLESALE DELIVERY)
- 100 HYPERMARKETS
- 53 SUPERMARKETS  
(CARREFOUR MARKET OR BAIRRO)
- 125 CONVENIENCE (CARREFOUR EXPRESS)
- 124 DRUGSTORES
- 76 GAS STATIONS



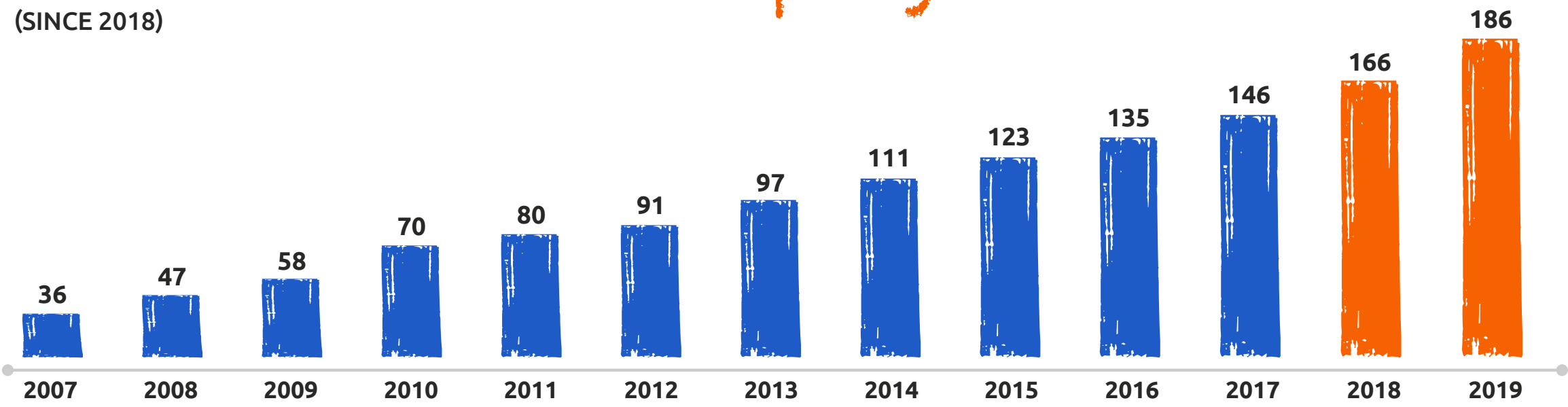
ATACADÃO

The Brazilian food retail sales leader considering all segments, and absolute leader in the self-service wholesale segment, Atacadão is notable for its value proposition: offering everyone the possibility to buy excellent quality food at fair prices. Consistent with this commitment, it adopts a business model based on operational efficiency and cost discipline, which has translated into good results: in 2019, gross profit growth was 9.3%, reaching R\$ 5.9 billion, with adjusted EBITDA up 5.3%.

The Carrefour Group has been focusing on accelerating the progression of this format: in 2019, 20 Atacadão stores were opened, in addition to a wholesale delivery unit, meeting the target set for the year and speeding up the pace of expansion observed since it was acquired by the Grupo Carrefour Brasil in 2007. With a commitment to acquire 30 Makro stores, announced in early 2020, Atacadão's business model and leadership in the segment should gain greater strength. Still subject to approval by the Administrative Council for Economic Defense (Cade), the acquisition brings geographical complementarity to the chain and further accelerates the expansion track. These units, added to the plan to open 20 new stores in the period, will lead to a total of 236 branches.

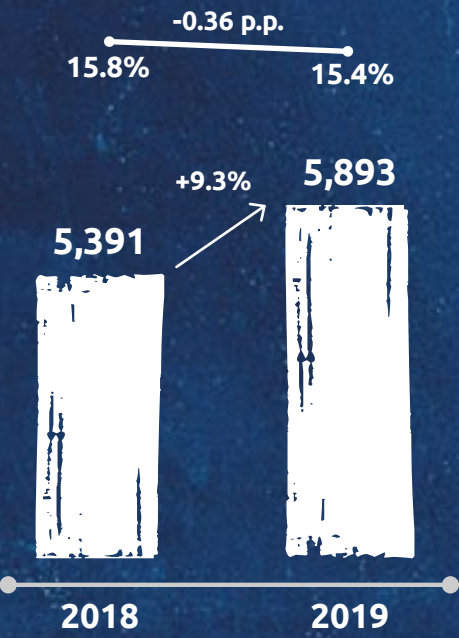
10 new stores annual average  
(FROM 2007 TO 2017)

At least 20 new stores per year  
(SINCE 2018)

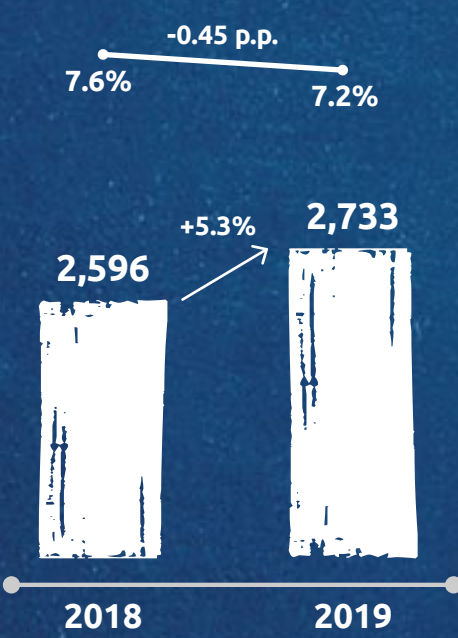


OPENINGS IN 2019:  
**+20 stores** ATACADÃO  
**+1 branch** DELIVERY WHOLESALE

GROSS PROFIT  
(R\$ '000 and % of net sales)



ADJUSTED EBITDA  
(R\$ '000 and % of net sales)



Note: Data from Pre-IFRS 16



NATIONWIDE PRESENCE

Atacadão is present throughout Brazil, in two formats:

**SELF-SERVICE:** aimed at different client profiles and sizes who want to purchase merchandise at wholesale prices, ranging from entrepreneurs, shopowners and resellers through to final consumers (individuals). Installed in easily accessible locations, the units have large facilities – average sales area of about 6,600m<sup>2</sup> – and a mix of products suitable for these customer profiles, with approximately 7,500 items (SKUs). Including the 20 stores opened in the year, this format totaled 186 branches at the end of 2019.

**DELIVERY WHOLESALE:** strategically located units to distribute food products to clients with large purchase volumes, such as supermarkets, drugstores, hotels, inns, restaurants, bakeries and small businesses in general. In the B2B (business to business) format, the 28 branches – one of them opened in 2019 – are strategically located in the main regions of the country to facilitate the logistics of the merchandise delivery and pickup process, reaching 5,000 municipalities. It has a telesales structure and a team of 1,600 resellers in place to service the different customer profiles.

FROM NORTH TO SOUTH

The wholesale delivery services offered by the chain’s stores reach the entire country. The Manaus branch (AM), for example, has registered customers in a radius of 700 kilometers. To visit clients at the furthest distances, managers spend more than 15 days on boats or travel hundreds of kilometers overland along the Trans-Amazonian highway. At certain times of the year, boats take up to 45 days to reach municipalities such as Eirunepé, on the edge of the Juruá River.

In the Center-West, the Tijucal (MT) wholesaler delivers to farms and villages that are more than 1,300 kilometers from the capital, trips that take up to ten days, since most of the journey is over dirt roads and wooden bridges. Among its non-standard customers are owners of floating tourist hotels in the Pantanal wetlands and residents of Zona da Mata, Agreste and Sertão, among others. In several of these regions, even without nearby wholesale outlets, the Atacadão stores make deliveries to ensure that people have access to quality items at a fair price.





RETAIL

With the customer at the heart of decisions and strategies, Carrefour has been in the forefront of major changes in the Brazilian food retail business, a segment in which it is the leader. It is present in the various stages of the client’s shopping journey through multiformats and omnichannality: 278 brick-and-mortar stores of different formats (hypermarket, supermarket or convenience), or online and e-commerce, a channel where it is possible to choose the best way to receive the goods — at home or picking them up at the stores. By increasingly integrating these structures, Carrefour seeks to offer customers the best shopping experience, featuring comfort and convenience.

These characteristics contributed to the multiformat segment registering solid growth in the year: a 7.5% increase in gross sales, to R\$ 20.2 billion, including gasoline. Excluding this item, the variation is 8.7%, reflecting the solid growth of 9.1% in sales (SSS), a marked improvement when compared to the 1.8% increase in 2018. This change was a reflection of several measures that were adopted, such as price and product mix repositioning, associated with commercial and food transition initiatives.

Another highlight in the year was new store openings: five Carrefour Express and three Carrefour Market, buttressing the proximity strategy.

GROSS SALES

(R\$ MILLION)



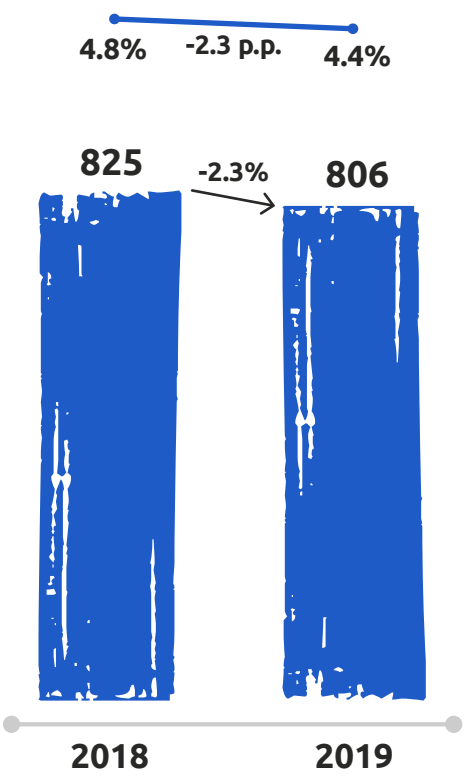
GROSS PROFIT

(R\$ MILLION)



ADJUSTED EBITDA\*

(includes e-comm R\$ '000 and % of net sales)



Obs.: Dados em Pré-IFRS 16



OPENINGS IN 2019:

+5 stores CARREFOUR EXPRESS

+3 stores CARREFOUR MARKET



## ECOSYSTEM POINTS OF CONTACT

## 100 HIPERMERCADOS 100 HYPERMARKETS

installed in the main economic regions of the country. In these units, the customer finds a wide variety of food and non-food products, and a rising offer of healthy and own brand products. The stores occupy a sales area of approximately 7,000 m<sup>2</sup> and more than 40,000 items (or SKUs) are available for purchase. Carrefour is a pioneer in this format in Brazil. In 2020, it will be 45 years since the company opened its first store in the country.

**53 SUPERMARKETS**, three of them opened in 2019. The stores, located in the state of São Paulo and in the metropolitan regions of Belo Horizonte and Brasília, feature the Bairro and Market brands. In the latter, the proximity strategy has been adopted:

- **CARREFOUR NEIGHBORHOOD:** installed in residential areas to meet weekly and daily restocking and replacement purchases. In this format, launched by the Group in 2005, clients can find more than 19,000 items, encompassing perishable and non-perishable items, as well as items to meet basic household needs. Each unit also is equipped with a butcher shop and a bakery. Located in the cities of São Paulo, Belo Horizonte and Brasília, the stores contain an average sales area of 1,600 m<sup>2</sup>.

- **CARREFOUR MARKET:** established in vertical residential neighborhoods in the city of São Paulo, focused on replacement purchases, weekly or daily, a model that began to be adopted in 2017. The stores are smaller, from 400 m<sup>2</sup> to 500 m<sup>2</sup>, with approximately 7,000 items, covering food products, mainly regional, fresh and healthy.

**125 CONVENIENCE STORES**, of which five opened in 2019. Identified with the Carrefour Express brand, they also follow the proximity strategy: they are in Greater São Paulo, in commercial areas of great movement or densely populated residential areas. Carrefour began operating in this niche in 2014, characterized by a smaller sales area, from 100 m2 to 200 m2 offering about 2,600 items, mainly high quality essential food products, including perishables.

Customers also have additional services available at these addresses, such as ATMs and the possibility to pay bills on them.

Furthermore, the Retail service structure offers supplemental services, such as drugstores and fuel stations. With competitive prices, they reinforce the attractiveness of stores and contribute to customer loyalty.

**124 CARREFOUR DRUGSTORES**, usually located in the galleries of Carrefour hypermarkets and supermarkets, and in the wholesale self-service stores. In areas of 60 m<sup>2</sup>, on average, they offer approximately 13,000 product items to consumers.

**76 FUEL STATIONS**, two inaugurated in 2019. Almost all are located in the parking areas of Carrefour hypermarkets and Wholesale stores (self-service).

**SUPER NOSSO**

Carrefour has partnered with Super Nosso, Minas Gerais' traditional retail network, to jointly manage the 16 "Carrefour Neighborhood" stores in the metropolitan region of Belo Horizonte. The merging of expertise seeks to bring clients and consumers a distinctive shopping experience, in line with local preferences. The units will be converted to the Minas Gerais brand, undergoing revitalization and adaptation to the network's operating standards, and will continue to be part of the Carrefour store chain; however, their management will be aligned to the model adopted by the new partner.



**OMNICHANNEL INITIATIVES.** Retail physical and online structures are complemented with merchandise delivery and pick-up services:

- **110 STORES offering CLICK&RETIRE**, so clients can personally claim their non-food purchases made online
- **54 STORES with CLICK&RETIRE DRIVE**, where clients can claim their food purchases made via e-commerce in the brick-and-mortar stores
- **138 STORES**, from 34 cities, covered by the partnership with Rappi to deliver food purchased through the app



**E-COMMERCE.** The CARREFOUR.COM.BR platform, the 5th largest in the country, offers consumers a wide variety of food and non-food products. In the latter category, in addition to its own product mix, there is a network of partners in the marketplace format. In 2019, food e-commerce – a segment in which Carrefour seeks to be the leader – continued to gain market share, with a 398% increase in gross merchandise volume (GMV). The non-food e-commerce, in operation only three years, exceeded R\$ 2 billion in sales during the year. Of the items sold in this category, 34% are through e-commerce. More information [here](#).



PARTNERSHIPS

In line with the strategy of accelerating digital transformation, strengthening the businesses and improving the customer shopping experience, Carrefour established partnerships throughout the year:

- **Swift**, with the installation of spaces inside the stores (store-in-store concept), for the sale of Swift brand products. Started in 2018, the partnership was expanded in 2019: 25 Carrefour locations – hypermarkets, supermarkets and convenience stores in the state of São Paulo – by the end of the year. Of these, 21 were opened in the period.

- **Hirota Food**, to offer Brazilian and oriental ready-to-eat dishes, such as pasta, sauces, soups and esfihas in some stores in the city of São Paulo. The partnership was announced in January 2020.
- **Vult**, to sell its complete line of makeup, accessories and nail polishes in the chain's stores. The pilot project, set up in the Pinheiros unit, was kicked off in November 2019.
- **Ultragaz**, for sale of Vale Gás, service available in 32 hypermarkets and supermarkets in the Greater São Paulo area. The partnership was established in February 2020.



ASSET MANAGEMENT

Of the 100 hypermarket stores, the Grupo Carrefour Brasil owns 73 points, a portfolio of properties that also includes 139 galleries throughout the country and two shopping centers in the city of São Paulo. To manage these assets, the Company relies on its Property Division. A distinguishing characteristic of the group, this division also manages a gross leasable area (GLA) totaling approximately 300 m2 and 2,215 tenants, and works to exploit the potential of the properties to boost the attractiveness of the sites and, consequently, consumer movement and satisfaction. It also manages store modernization and renovation initiatives, coordinating and executing development projects and construction work, and does e-business project consulting, supporting digital business transformation.

NEW DISTRIBUTION CENTER

A new distribution center (DC) for the electronics logistics operation was inaugurated in 2019. Located in Cajamar (SP), the operation spreads across 64,000 m² and has the capacity to store more than 300,000 items, serving e-commerce and physical channels, in line with the growing synergy between both fronts.





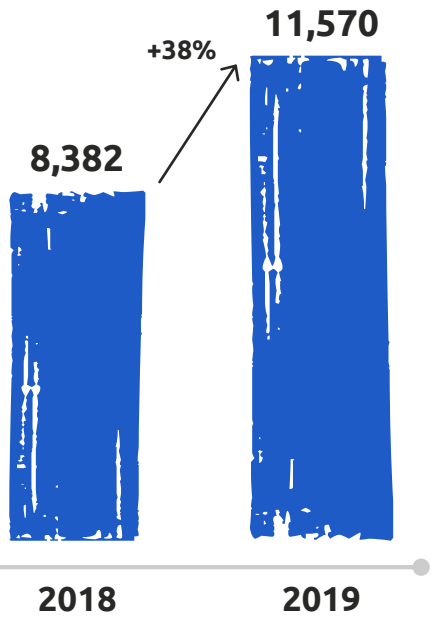
BANCO CARREFOUR

One of the main credit card issuing institutions in the country, Banco Carrefour made solid progress in this niche in 2019. It also consolidated its operations in the insurance market, with the launch of an online platform, and expanded the portfolio of financial solutions, preparing to enter the digital accounts segment. Designed to deliver innovation with simplicity, the new business fronts offer products and services that are inclusive and convenient, along with a distinctive experience for customers of the Grupo Carrefour Brasil’s ecosystem.

The Carrefour Group is the only major retailer with control over the financial services branch. It owns 51% of the institution’s capital, and is in a strategic partnership with Itaú Unibanco, which holds the remaining 49%. This characteristic makes it possible to align the bank and the stores’ commercial policy, which contributes to the capturing of a higher share in the portfolio deriving from the customer base. It also makes it possible for its own team to conduct the business. The strong synergy between financial services and the store operations makes it possible to deliver a more complete value proposition to the consumer, such as ways of financing purchases, discount programs and differentiated payment terms. In addition, the Carrefour card can be used for wholesale purchases, and vice versa, in line with the omnichannel strategy. This helps boost customer satisfaction rates and loyalty to the ecosystem.

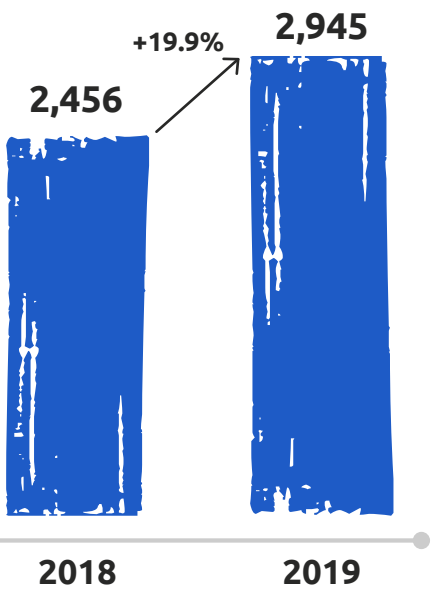
CREDIT PORTFOLIO

Total IFRS (in R\$ '000)



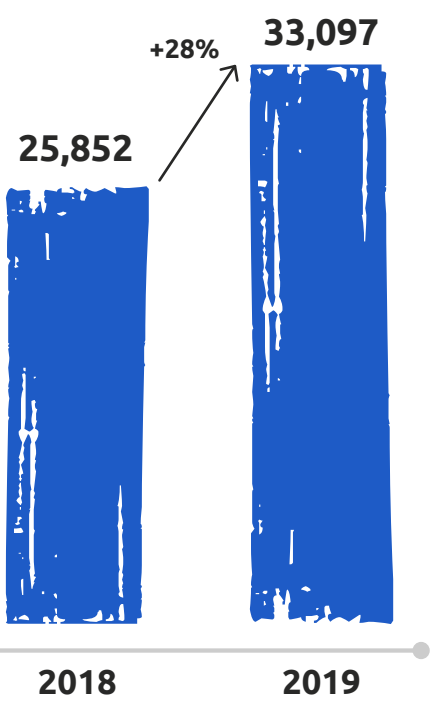
NET OPERATING REVENUES

(In R\$ '000)



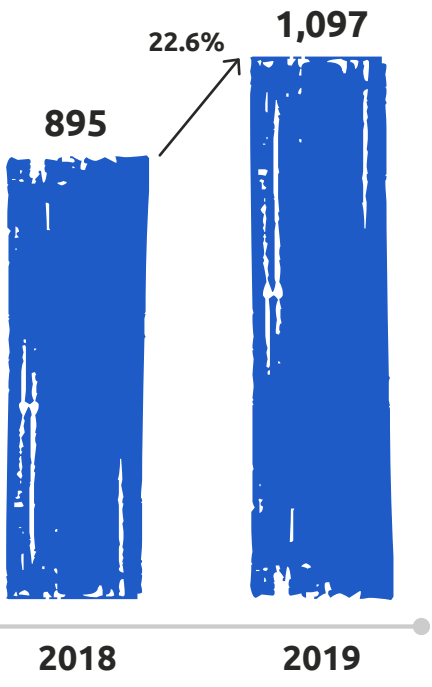
TOTAL REVENUE

(In R\$ '000)



ADJUSTED EBITDA

(In R\$ '000)



Note: Data from Pre-IFRS 1640



ADVANCES IN 2019

CREDIT CARDS. In this segment, Banco Carrefour achieved significant advances in all indicators:

2.4 million CARREFOUR AND ATACADÃO CARDS ISSUED IN THE YEAR

38% INCREASE IN THE LOAN PORTFOLIO, WHICH TOTALED R\$ 11,570 MILLION

28% EVOLUTION IN REVENUES, WHICH TOTALED R\$33,097 MILLION

32.5% GROWTH IN OTHER PRODUCTS, SUCH AS PERSONAL LOANS AND CARD PAYMENTS, REACHING R\$ 482 MILLION



These results reflect the effects that the Institution managed to generate with a change in work and cultural dynamics, through adoption of agile methodologies that accelerated the development of new solutions and services. The positive momentum of credit activity in the country also contributed to these figures. In addition, high growth rates were reflected in a 12-point gain in NPS (internally calculated metric that indicates customer loyalty to the brand or product).

**ACQUISITION OF 49% OF THE CAPITAL STOCK OF EWALLY TECNOLOGIA FINTECH.** With the operation, the bank expands its portfolio of solutions and financial services aimed at customers throughout the ecosystem. As part of the agreement, the retailer has the option to acquire a controlling interest in the startup after three years.

**INTRODUCTION OF THE DIGITAL ACCOUNT.** The strategic partnership with Ewally led to the launch of the digital account, a product aimed at promoting more inclusion and access to banking services, such as credit solutions, and convenience. Developed in 2019 and launched in March 2020, the digital account targets individuals, with special attention to the unbanked and sub-banked public, as well as micro and small businesses.

**INSURANCE AND SERVICES MARKETPLACE.** Launch of a 100% digital platform for the sale of insurance, developed in partnership with the Suthub startup. With this, Carrefour also brings an activity to the online environment that it has been implementing for years, through physical points of sales, and offers the consumer the possibility to choose the preferred insurance product and insurance company and compare the different services and offers.





# HUMAN CAPITAL

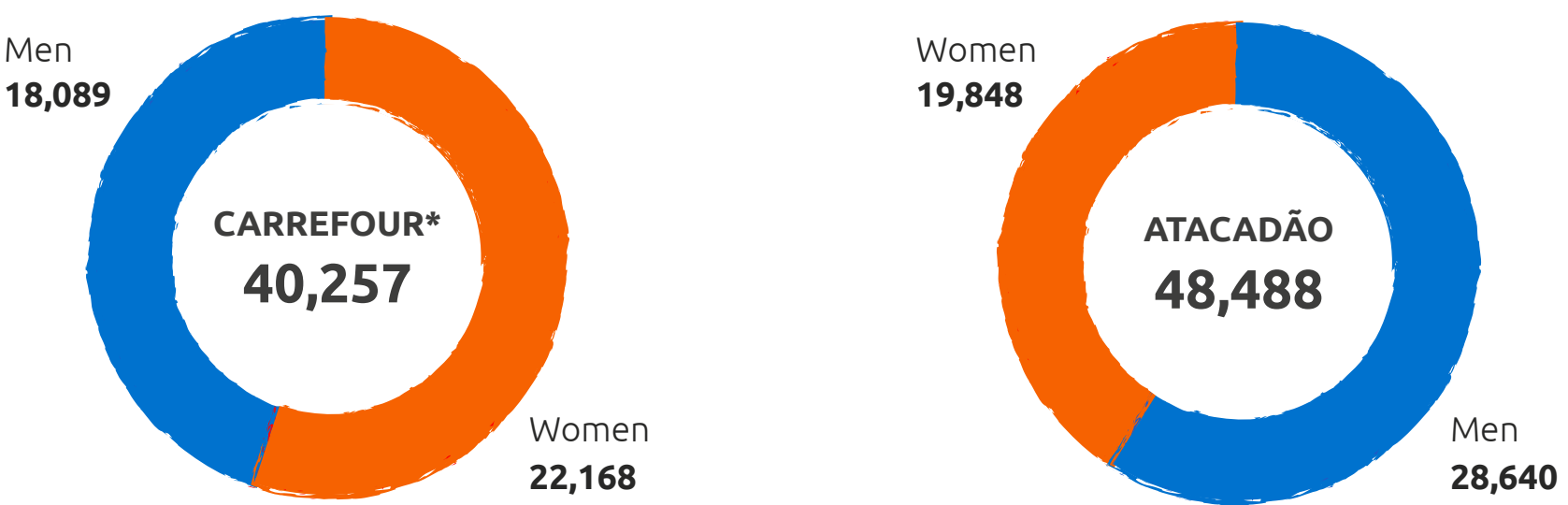
## PEOPLE AND MANAGEMENT

[GRI 102-8]

Every day, the more than 88,000 employees of Carrefour, Atacadão and Banco Carrefour work to provide clients with the best purchase journey experience. Everyone works in environments where there is respect for diversity and inclusion and that ensure their health and safety. Furthermore, the Company invests in training and qualification, and establishes guidelines that must be observed by all regarding ethics, responsibility and compliance.

### TOTAL EMPLOYEES

At the end of 2019, the Grupo Carrefour Brasil had 88,745 employees, divided between Atacadão (55%) and Carrefour (45%). Women are in the majority in Carrefour (55%), while men represent 59% in Atacadão. [GRI 405-1]



\*Includes Carrefour Bank





Most employees in both companies are between 30 and 50 years old. The breakdown is 50% at Carrefour, and 59% at Atacadão. The number of employees over 50 years old is twice as high in Carrefour compared to Atacadão.

### BY AGE GROUP



40% Up to 30 years old  
50% Between 31 and 50 years old  
10% Over 50 years old



37% Up to 30 years old  
59% Between 31 and 50 years old  
4% Over 50 years old

### AGE VS GENDER

	ATACADÃO		CARREFOUR	
	Men	Women	Men	Women
Up to 30 years old	65%	35%	45%	55%
Between 31 and 50 years old	50%	50%	44%	56%
Over 50 years old	59%	41%	48%	52%

## HIERARCHICAL LEVEL VERSUS GENDER

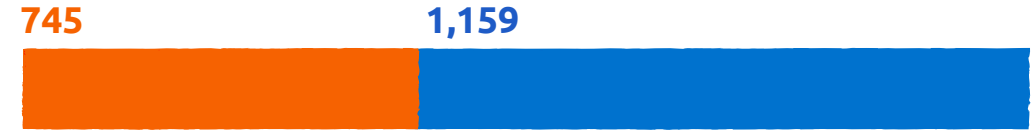
At Carrefour, 25% of the officers are women. In managerial and coordination positions, the ratio is four out of ten. In Atacadão, in every group of ten managers, three are women.

### CARREFOUR

#### Coordination



#### Managers



#### Top Management



### ATACADÃO

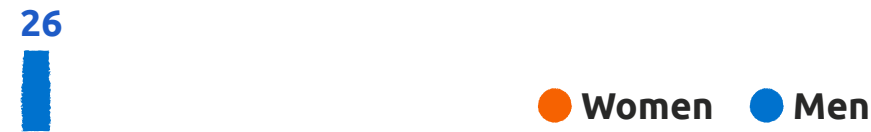
#### Managers



#### Top Management



#### Senior Management



Note: Carrefour data includes Banco Carrefour

### Entry programs represent one of the fronts worked by the Company.

In 2019, Carrefour took on 112 trainees, assigned to positions in the headquarters, bank and hypermarkets. In the selection carried out in the second semester, an innovative action was introduced to respond to those who were approved: the acceptance was delivered via Rappi right to the homes of the candidates. Carrefour Apprentice is another program, in which young people ages 14 to 17 are hired. Carried out in partnership with institutions such as Senac, Centro de Integração Empresa Escola (CIEE) and Rede Cidadã, the contracts have fixed terms. Young people participate in theoretical training offered by partners and practical activities carried out at Carrefour. They also rotate into different departments and businesses, acquiring a variety of experiences, which contributes to their professional development. In 2019, Carrefour received 1,164 young people, distributed in operations, and 49 allocated to the corporate area.

## Performance and Meritocracy

The Grupo Carrefour Brasil is committed to contributing to the professional development of its employees. To identify talent and offer career opportunities, Carrefour and Atacadão take specific actions:

**ENGAGEMENT SURVEY.** Applied every two years, it measures employees' perceptions of the work environment, processes, leadership and other aspects related to daily activities. A new survey was conducted in 2019, which measured a favorability rate of 72%,



CARREFOUR BRASIL
GOVERNANCE
BUSINESS STRATEGY
PRODUCTIVE CAPITAL
● HUMAN CAPITAL
INTELLECTUAL CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
NATURAL CAPITAL
FINANCIAL CAPITAL
GRI
ANNUAL REPORT 2019 SUSTAINABILITY

five percentage points higher than in the previous poll. The topics that stood out most positively were promoting diversity and inclusion, focusing on the client and understanding their needs, identifying with Carrefour’s purpose, acting responsibly in society and with the environment, respectful treatment of leaders and pride in working in the Company. The survey also indicated opportunities for improvement on issues such as agility, feedback, procedures and development. The survey is conducted online and through forms sent to the stores. The results evolve into action plans designed to implement improvements, especially contributing to employee development and well-being.

**PEOPLE CYCLE.** Every year, to make the talent identification process more democratic and comprehensive — and to monitor the performance and potential of employees — Carrefour organizes a “People Cycle.” The evaluation process is aimed both at identifying opportunities for training and qualification, as well as providing opportunities for professional development. It was reorganized in 2019 and scheduled to be better aligned with the Human Resources decision-making calendar. More than 7,000 employees were evaluated. All leaders were assessed individually by over 100 career committees. Another novelty was the launch of the People’s Cycle for Operations. In it, the middle managers had the opportunity to exercise a leadership role, evaluating almost 30,000 employees. Each employee received an evaluation feedback, designed to help them build their next professional challenges.

**CULTURE ASSESSMENT.** Annually, Atacadão also implements a specific process to monitor the development of its employees. Called “Culture Assessment,” it is focused on 2,300 store managers, with two goals: aligning the Company’s objectives with the results of the units and identifying potential leaders. Through the system, the leader conducts a self-assessment, which includes issues related to organizational behavior. The responses are sent to the area supervisor, who also evaluates the leader, a step supplemented by feedback designed to contribute to the professional development of the employee.

### Career retention and development

The culture of a Company is formed over time, a process in which employees are protagonists. By engaging employees in practices that translate the organization’s purpose, mission and values, a unique identity is created, which is strengthened over time. In this context, employee retention is an important part of perpetuating the Company’s culture.

The Carrefour Group creates the conditions for professionals to remain and develop their careers within the Company. Actions are strengthened by initiatives that recognize time with the company and adherence to the corporate culture.



**Adriano Ferreira** joined Atacadão in 1999 as a packer in the Maringá store (PR). Today, he is the Company’s operations director. “And this is where I want to retire,” he comments. Responsible for the South division, which includes 105 stores distributed between Rio Grande do Sul, Santa Catarina, Paraná, Mato Grosso, Goiás, Tocantins, Rondônia, Acre and São Paulo, Ferreira worked in a number of positions during his career: he was a cashier, store repositor and worked in the IT area. He participated in the first trainee classes at Atacadão, succeeded by increasing challenges in management and supervision positions. During his career trajectory, he also moved to different states. “I liked to learn, and I always showed that I was available for new challenges,” he says.

But these characteristics, he adds, would not be enough if managers did not work very closely with employees, an attribute highlighted by him as a quality recognized within Atacadão. “I’ve always had good leaders who trusted my work, gave me freedom and real feedback,” he says. For people who intend to build a career in Atacadão, he advises: “You can believe in Atacadão. I’ve always believed.”



Standout Program

Created to recognize employees whose attitudes, behaviors, actions, contributions and achievements exceed the expectations of the team and clients. By highlighting employees whose attitudes at work exceed expectations, Atacadão reinforces the actions it values. In addition to increasing employee engagement with these practices, it strengthens relationships between teams and regional management. This program has two categories, implemented in Atacadão stores:

- **MONTHLY:** all nominees are honored on Standout Day. Two are elected and receive the certificate and to wear the silver program button. In 2019, 4,019 employees were recognized.
- **SEMIANNUAL:** employees who have been chosen as monthly standouts and who excel over more than six months receive another certificate, in addition to the organizational behavior button and a reward of R\$1,000, an amount that should be used to attend a course of their free choice. Half of this amount can also be applied for purchases in Atacadão, through the purchase voucher card. In the year, 52 employees received this distinction. All employees chosen as standouts are eligible for the Leadership Academy program.

**BADGE STRINGS.** Another initiative adopted by Atacadão, to acknowledge the value of employees’ permanence in the Company, is to identify him/her according to the amount of time they have been working in the organization. To this end, the Company developed the badge string color policy. As time progresses, the employee earns new strings of other colors. Currently, there are nine strings – ranging from blue, received at time of admission, to black and gold, at the age of 40 – swapped out every five years. On these dates, the employee also receives other awards and buttons, and from 20 years in-house and onwards, commemorative plaques, a thank you prism and travel vouchers rewards.

LABOR DAY FEST

May 1, Christmas and New Year’s are the only dates when Atacadão stores do not open to the public. On Labor Day, all employees are honored. The units have parties and bring together all employees and their families, regardless of how long they’ve been with the Company. This occasion is also a way to strengthen our culture, marked by recognition and example. String changes take place at these events, paying tribute to those who have been with the firm for the longest time.



Forty years with Atacadão in 2019. To celebrate this milestone, **Roseli Martinatto** earned the black and gold string, an item that for the Company is more than just an item used to hang an identity badge. The color informs the amount of time the employee has been with Atacadão. Roseli has one of the largest collections of them: seven, in addition to the current one. Each tells parts of a story that began in 1979 when she joined the Company as a receptionist at the age of 15. “It was my first and only employer,” she notes.

As the strings changed color, Roseli rose within the Company. Moving off the front desk, she started operating the telex machine. Then she went to the accounting area, and there she made her entire career, from the boss’s assistant to being the manager, a position she currently holds. “Atacadão gave me many opportunities, and I embraced them vigorously,” she reinforces. Roseli is also a witness to many other growth stories in the Company. “The string exchange is very exciting for people, because Atacadão is made up of people and examples.”



# DIVERSITY AND INCLUSION

[GRI 103-2; 103-3]

For the Grupo Carrefour Brasil, respect for people and the appreciation of their differences and similarities are non-negotiable attitudes. Therefore, any form of discrimination on grounds of race/ color, age, gender, religion, sexual orientation, disability, social class, nationality, native origin or other individual characteristic is rejected.

The importance of diversity and inclusion means that these topics are driven by a specific program, aimed at disseminating and ensuring the best standards of conduct in relationships, promoting equal opportunities and treatment and offering a respectful and hospitable working environment whose management practices welcome diversity. More than merely acting in alignment with international human rights standards, the country’s legislation and good social responsibility practices, respect for diversity is a strategic issue for the Carrefour Group globally. In Brazil, an example is the fact that hiring blacks and women for leadership positions is embedded in the targets of the Company’s managers, with an impact on their variable compensation plans.















## MANAGING DIVERSITY

Since the topic permeates through the decision-making process and business operations, the Diversity Platform’s governance also includes:

- DIVERSITY STEERING COMMITTEE** focused on operationalizing the programs. It is composed of senior management representing different Company areas.
- AFFINITY GROUPS:** discuss and propose practices and solutions for the four priority topics. They are made up of volunteer collaborators.
- CARREFOUR POR ELAS:** seeks to ensure equal opportunities between men and women. Reinforces Carrefour’s global commitment: to have 40% of key positions (officers and senior management) occupied by women in all countries by 2025.
- TODXS+:** focused on promoting and respecting the rights of LGBTI+ people, proposes practical actions to promote a more welcoming environment for people.
- GARU (UBUNTU RACIAL AFFINITY GROUP):** acts in the face of institutional racism, contributing to the advancement of Negro representativity in leadership positions.
- MORE INCLUSION:** works to make the workplace environment more inclusive, accessible and respectful for people with disabilities.

The Diversity Platform also strives to impact and engage the different stakeholders with whom Carrefour relates with the topic through a series of actions and awareness campaigns.



When he was in college, **Gerson dos Santos** always walked past the Atacadão wholesale store in Ananindeua (PA), until one day he decided to enter into contact, by telephone. “I went to HR to ask if there were any openings,” he remembers. The initial answer was no. But that changed when he identified himself as a person with disabilities (PwD). “I was asked to show up at the store the next day. I left my résumé and a month later I was already working,” he says.

Gerson is a checkout cashier, a role he defines as challenging. “I used to work in a closed office, without contact with the public,” adding that he soon overcome his difficulties with communicating. He commented that he learned sign language from a store employee, who also had a hearing impairment, which facilitated contact with clients who also had this disability who appeared at his checkout desk. He was even able to help foreigners who visited the store, having mastered English. “I was very private person and I never imagined this would happen,” he admits. He believes that the various training sessions he attended helped him overcome the shame and fear he had of interacting with the public. But he also pointed out that what made a difference was the way he was received within the company. “Atacadão welcomed me, respecting my disability and treating me the same way they treat others.”





## OCCUPATIONAL HEALTH AND SAFETY

[GRI 103-2; 103-3]

To manage these topics, Carrefour has set up a department dedicated to occupational health, occupational safety and the environment, whose actions are guided by policies and procedures, in addition to specific legislation and regulatory standards.

At Atacadão, the topic is administered by the Safety Engineering and Occupational Medicine Specialized Service (SESMT), which is part of the Human Resources department. With goals determined by the head office, also in line with the legislation applicable to the subject, the activities are guided by the annual plan that is produced by SESMT Corporate, in partnership with regional technicians. Progress is monitored monthly, based on information on inspections, accidents and training sent to SESMT by the technicians. The data are used to update the indicators, by region. The results are sent to the Human Resources management of the individual units, so that corrective and preventive measures can be adopted. Global data also is shared with other technicians, so that good practices identified can be adopted in other stores.

### WORKPLACE ACCIDENTS [GRI 403-2]

		CARREFOUR		ATACADÃO	
		2019	2018	2019	2018
ACCIDENTS	Accidents with lost time	896	888	205	180
INJURIES	Lost time injury rate	7.9	8.0	1.86	1.77
DAYS LOST (SEVERITY RATE)	Days lost due to accidents	5,507	5,515	2,115*	4,765
	Lost Days Rate (LDR)	45.46	45.65	73.82	47.07

Note: There were no recorded deaths in 2019 in Carrefour caused by accidents typical to activities or commuting. At Atacadão there was a death in the Rio Branco unit, due to a typical workplace accident, impacting the severity rate of the respective unit and its Accident Prevention Factor (APF).

\*+6,000 days related to the fatality

In 2019, 896 cases of lost time accidents were recorded in Carrefour, a number similar to that observed in the previous year, despite the growth of the total number of employees. On the other hand, the rates of lost time injuries, as well as that of days lost, were lower than those seen in 2018, reflecting the awareness-raising initiatives that were adopted. All occurrences are investigated, and the analyses made generate actions to prevent recurrence of cases.

At Atacadão, the total number of typical accidents, which occurred as a result of the activities, was 205, exceeding the number in 2018 by 14%. This increase is justified by the opening of 21 stores in the period and the ensuing increase in the number of employees.

The highest loss time rate at Carrefour occurs in the perishables sector, where three out of ten accidents are reported. The main cause is knife handling, an activity that represents 31% of the occurrences. Regarding injuries, the most affected part of the body are the fingers, which suffer 44% of the recorded cases.

Work routines are constantly monitored to ensure that employees are provided with adequate equipment to perform their duties. There are also specific training programs aimed at avoiding injuries. In the Grupo Carrefour Brasil, there are no locations that trigger serious diseases or functions that are exposed to the risk of the appearance of these diseases. [GRI 403-3]









### OUTREACH OF HEALTH AND SAFETY TRAINING AND AWARENESS-RAISING ACTIONS BY CARREFOUR IN 2019:

**63,936 EMPLOYEES TRAINED** on issues related to Health, Safety and the Environment

**+ 200,000 HOURS** of workplace safety training

**5,700 TRAINED** fire brigade members

**+ 8,800 EMPLOYEES** received guidance on basic firefighting principles

**2,113 EMPLOYEES** trained and/or recycled internally in machinery operation

**897 EMPLOYEES** trained to perform work at heights

**1,800 CIPA** members trained

### INTERNAL HEALTH, SAFETY AND ENVIRONMENT WEEK

Held simultaneously in all of Carrefour’s operations in July, involving more than 20,000 employees. Participants had access to diverse activities, such as lectures on home, work and traffic safety, as well as quality of life and healthy diet subject matter. Issues related to health and well-being were also addressed, including care and guidance on specific diseases, such as those that are sexually transmissible (STD).

For its part, Atacadão organizes an Internal Accident Prevention Week, held annually on each unit. The topics for the nationwide SIPAT weeks are defined by corporate SESMT. The program includes lectures, actions and educational initiatives that involve all sectors and shifts of the units, always designed to prevent accidents and disease. World Occupational Health and Safety Day was also celebrated by Atacadão in April. In this sense, all units promoted, over a week, initiatives aimed at raising the awareness of employees on the subject, which included Daily Safety Dialogues (DDS) and broadcasting of audio over Atacadão radio.



# INTELLECTUAL CAPITAL

## ACT FOR CHANGE

Client centricity, present in the conduct of the business, is also the guideline observed in its personnel management practices. This convergence leads Human Resources initiatives to engage employees in efforts to maximize the client’s shopping journey experience through the different channels that form the Carrefour ecosystem.

With this objective, Human Resources actions are carried out to comply with the four global commitments assumed by Carrefour, which together make up the Act for Change.

### ACT FOR CHANGE

Commitments that make up the Carrefour Culture

- 1. GROWING AND ACHIEVING SUCCESS TOGETHER
- 2. SERVING THE CLIENT WITH PASSION
- 3. ACTING WITH SIMPLICITY
- 4. BEING PROUD TO TRANSFORM THE BUSINESS





# COMMITMENT 1

## GROWING AND ACHIEVING SUCCESS TOGETHER

It's people who make Carrefour. Empowering and offering development opportunities to them and contributing to the construction of professional careers are strategies that also are reflected in the success and longevity of the business.

In 2019, the Company expanded and strengthened leadership training programs at Atacadão, Carrefour and Banco Carrefour, initiatives that reached about 6,000 leaders.

- **2,540 EMPLOYEES** participated in the Continuing Education Program (PEC) at Atacadão, which is aimed at reviewing processes and procedures. Linked with the organizational behavior determined by the Company, the initiative seeks to contribute to the development and growth of the leadership.
- **THE ATACADÃO LEADERS ACADEMY** trained 1,650 employees, a program that complements operational training by addressing behavioral topics, designed to develop important skills for leaders such as self-knowledge, emotional intelligence, communication and teamwork, among others.
- **+1,000 LEADERS** attended the Leadership Programs, resumed by Carrefour in 2019 to cover employees in its operations. Focused on middle management and unit

coordinators, in addition to corporate managers, the program involved 11,580 hours of training.

- **FOR ITS PART, 530 EMPLOYEES** participated in the Leadership Development Program (PDL). Created to accelerate the learning process of store leaders, the agenda encompassed case studies and other customized content over the three days of training.
- **235 EMPLOYEES** attended the Management Development Programs (PDG), organized by the Human Resources area of Atacadão and outside consultants to help managers improve. The training sought to improve knowledge of the business, in addition to addressing aspects related to professional performance and ability to help staff development. It has two modules: one for operational and administrative supervisors, with a workload of 60 hours, divided into six days; and another for regional and commercial managers, with 100 hours of training distributed over 10 days.
- **140 INDIVIDUALS GRADUATED** from the Trainee Program, which at Atacadão consists of theoretical learning at the Company's headquarters, lasting five weeks. After this step, the employee is available on the job in the operation until a leadership position opens up in the units distributed throughout the country,

within 18 months. They are eligible for the Program, which annually is organized into two classes, all leaders and employees who hold strategic positions.

- **125 LEADERS** were trained at Carrefour University, through development programs created in partnership with recognized universities and business schools in Brazil and abroad, such as Fundação Dom Cabral, Insper and Hyper Island. The goal of this platform is to develop key skill sets in three areas: leadership, business and innovation, content reviewed in 2019 to be even more in line with the organization's strategic guidelines. The programs consist of six face-to-face modules – one on innovation, launched in 2019 – with an average duration of 1-1.5 years, totaling more than 2,000 hours.

### EXPERIENCE OF COMMITMENTS

In order for leaders to know and experience the four commitments encompassed in the Act for Change, a specific course on the subject was conducted in 2019. The agenda included more than 2,000 hours of training, engaging 800 leaders.



COMMITMENT 2

SERVING THE CLIENT WITH PASSION

Within the purpose of offering good services to the clients, employees are considered as key parts of the organization. Training and constant improvement of work routines, skills and knowledge are, therefore, success factors.

Aligned with this vision, Carrefour recommenced the SERVIR (TO SERVE) service model in 2019 that bolsters the commitment to serve the Client with Passion. Within this proposal, 100% of employees participated through a simple and agile training module.

Atacadão also ran a specific program to address issues related to client focus: the Customer PDG. This management development agenda addresses public service matters and relationship guidance, among other points. Lasting 20 hours, held over two days, 115 employees participated, including commercial managers and administrative and operational supervisors.

Another initiative developed by Carrefour to offer even better customer service are the Technical Schools, focused on the theoretical and practical coaching of store staff. In 2019, there was a 55% increase in the total number of employees trained in these Schools. Thus, more than 15,000 employees participated in one or more schools in the program.

The sessions focus on four fronts: perishable product handling - an approach that now includes the Act for

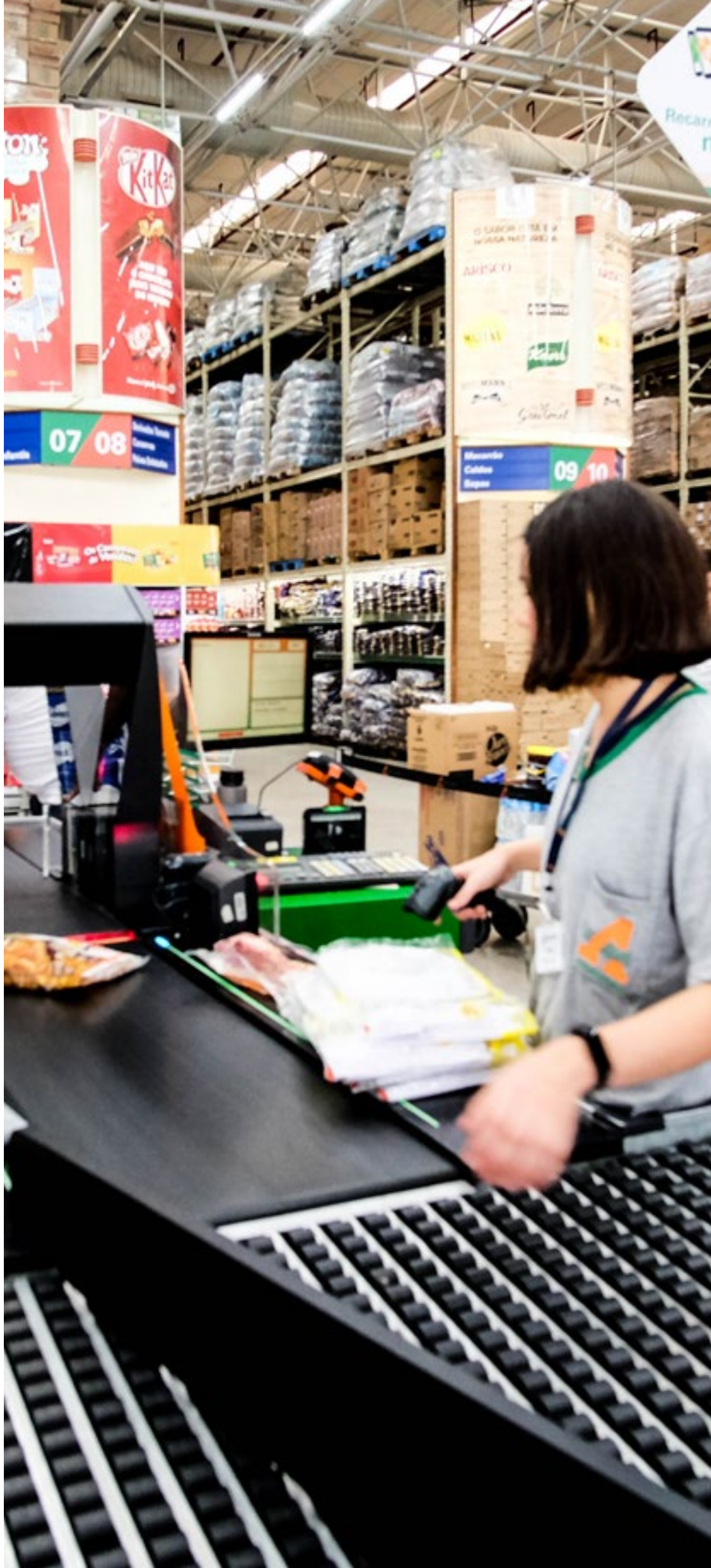
Food; non-food items; wastage processes and centralized checkout.

During the year, a Technical Training week also was held, bringing together more than 50 professionals to learn about new methodologies, expand their knowledge about adult education possibilities and transmit information on corporate education.

TECHNICAL SCHOOLS

Total training sessions in the year

	2019	2018
Hours of training	271,981	236,314
Trained Employees	15,492	9,908
Training stores deployed	16	16
Training stores in de-ployment	1	5
No. of expert trainers	50+	50+





COMMITMENT 3

ACTING WITH SIMPLICITY

The objectives pursued by the Company demand that decisions increasingly be taken more quickly. To foster this, new forms of work have emerged, such as the model based on agile structures, consolidated in 2019 by Banco Carrefour. In the administrative office of the financial institution, 100% of employees – 680 professionals – develop their routines in collaborative environments, which value horizontality and abandon the traditional pyramidal and departmental design, such as collection, credit, products, etc.

The agile methodology includes squads, autonomous and multidisciplinary work centers focused on one or more strategic objectives (OKRs). There are 19 of them in the structure adopted by Banco Carrefour, created to cover the entire consumer journey in line with the premise of keeping the client in the center of the decision-making process. This format has accelerated the bank’s progress toward the development of technological solutions. It also creates credit dynamics allowing the institution to be even more inclusive, based on an approach linked to the consumer services and products profile.

COMMITMENT 4

BEING PROUD TO TRANSFORM THE BUSINESS

Aligned with the Company’s digital transformation, the Grupo Carrefour Brasil has invested in modern solutions aimed at facilitating employees’ day-to-day operations and stimulating innovation. In the set of initiatives adopted in 2019, the following were notable:

- **CONECTARH.** Platform of people management systems. Designed to cover the employee’s journey through simplified management processes, centralizing them on a single SAP platform, the project was introduced in 2018 and advanced during 2019. In partnership with several startups, specific solutions are being developed for HR routines, which will be gradually inserted into the platform. In the year, tools were established for admission of people, training and development, goals and bonuses. The project will continue in 2020, with mobile solutions, for example, and the review of other processes.
- **CENTER FOR AGILITY AND SIMPLIFICATION.** Creation of a hub to support the entire Company in relation to innovation and simplification of routines. Based on nimble management methodologies and process improvements, such as Lean, this project was kicked off in 2019 and defined critical priorities based on strategic planning. In the year, training on this topic was also carried out to raise awareness of these issues. The work will continue, with expansion to other areas of Carrefour.



- **HUMAN RESOURCES APPLICATION.** Atacadão is developing a software application to facilitate communication with employees and access to information related to Personnel Management. The solution will join up an online training platform, internal communication and personal page, where an employee’s payment data and vacation schedule can be consulted, among other information available. The app will support Android and iOS systems.







DELIVERY SOLUTIONS

Click&RETIRE and CLICK&RETIRE DRIVE, options for picking up products purchased online, became available in a larger number of brick-and-mortar stores in the period. Side stores also were created and a partnership was established with Rappi:

**110 STORES WITH CLICK&RETIRE**, of which 98 operate with their own inventory. This is the option available to the client who, when purchasing through the e-commerce option, prefers to pick up the non-food products she/he has purchased in the hypermarkets. To complement the pickup network, Carrefour has partnered with Jadlog, making available in the brand’s units and franchises another 450 THIRD-PARTY CLICK & PICKUP POINTS distributed around the country.

**54 STORES WITH CLICK&RETIRE DRIVE**. This format, which is like the drive-thru, is the alternative to pickup in person, and without leaving the car, for online food purchases, via website or app. In less than two minutes, the products are placed in the trunk of the vehicle by a Carrefour employee. In 2019, this service’s Customer Satisfaction Indicator (CSI) was more than 70%.

**138 STORES** covering 34 cities are already served by Rappi, a startup that is Carrefour’s partner for food delivery. App purchases are quickly dropped off at the client address. Two service modes are offered: express, with deliveries in up to 35 minutes, and supermarkets, where the customer receives their purchases in up to 90 minutes.





**12 SIDE STORES**, an exclusive food delivery store format aimed at fulfilling orders made through the e-commerce option or Rappi. Located in hypermarkets, in a dedicated space, the side stores are in São Paulo – with four addresses in the capital and two in the hinterland; Belo Horizonte and Uberlândia (MG); and Curitiba (PR), Brasília (DF) and Porto Alegre (RS).

**1 DARKSTORE**, dedicated exclusively to food delivery, in the São Paulo capital.

**10 LOCKERS**, installed in nearby stores (Carrefour Market and Express), in different locations of the São Paulo capital, so that customers can personally remove purchases made online.

DIGITAL PAYMENT

Designed to offer greater convenience to customers, Carrefour has been developing new technologies to facilitate and expedite the payment of purchases:

- **SCAN&GO**: Frictionless payment solution, through an app. The tool scans the product barcode and payment is made through the app itself, via credit card. Before leaving the store, the client presents proof of payment to an employee to pick up the purchases, without facing lines. At the close of 2019, Scan&Go was available in 20 Carrefour Express stores.
- **QR CODE**: Payment via QR Code available to



Carrefour card customers. Through the Carrefour Bank application, the product is scanned, and the purchase amount automatically is credited to the card invoice. This service is available in all Carrefour stores (hypermarkets, Market and Express).

PARTNERSHIPS WITH STARTUPS

To accelerate digital transformation, Carrefour eBusiness has been establishing important partnerships with some startups:

- **PROFZ**. A technology company pioneering the application of artificial intelligence for the retail sector. The partnership, with Carrefour, is aimed at developing solutions for customizing offers and advanced analytics (predictive monitoring of purchasing behavior).
- **EWALLY**. Fintech focused on digital wallets, with banking options, purchase payment and transfers. Grupo Carrefour Brasil acquired 49% of the startup.
- **ZAITT**. It develops solutions for smart markets, so they operate in a 100% stand-alone format – no checkout counters or lines – where the entire purchasing process takes place through an app.





# HEALTHIER AND MORE AFFORDABLE FOOD

[GRI 103-2; 103-3]

Digital transformation also permeates and contributes to the goals of the Carrefour's Act for Food program: access to healthful and quality food at fair prices. Toward this end, CyberCook has become an effective client service channel. In 2019, it gained functionalities that contribute to a healthier and more accessible diet for all, in line with the Grupo Carrefour Brasil's ambition to lead the food transition process. These tools also distinguish it from other revenue portals:

- 1. COST OF RECIPES AND PORTIONS.** This information seeks to contribute to the family's and user's financial planning. Price transparency is also a way to value a plate of food, helping to avoid wasting money and ingredients.
- 2. NUTRITIONAL COMPOSITION.** Throughout the preparation there is data on the nutrients that make it up and their respective caloric value. This information is also presented per portion.
- 3. "USE-O-METER."** To avoid food wastage, each recipe includes the "take advantage of what's left over" button designed to prevent food wastage.
- 4. VARIOUS SEARCH FILTERS.** The user can choose recipes that use a determined ingredient or are suitable for certain restrictions, such as low fat and low sodium, or lifestyles, such as vegetarian or gluten-free diets. Search filters also allow you to find dishes by calorie ranges.

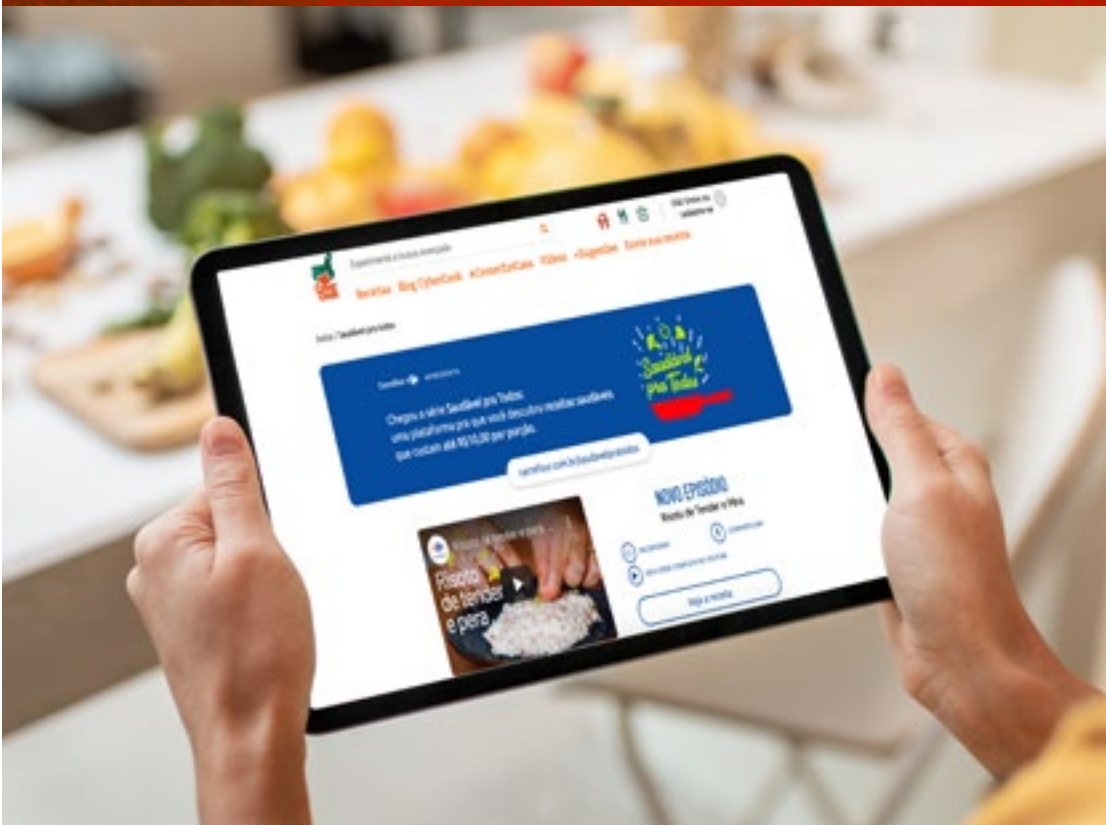
These advances – based on technologies such as machine learning – seek to imbue CyberCook with an educational character, not just to feed people. Through greater information transparency, the portal proposes to demonstrate that the habit of healthy eating does not depend on income, but rather on knowledge and planning, aspects with which it seeks to contribute.

## In 2019, CyberCook registered:

- +100,000** RECIPES
- +500%** IN SEARCH OF HEALTHY RECIPES IN CYBERCOOK
- +1.5 MILLION** Registered Users

## Increase in searches:

- +1.282%** for nutritional information of recipes
- +1,600%** on how to reuse ingredients
- +148%** for vegan recipes



## ZERO WASTE

Based on the recipes consulted over a month, CyberCook estimated how much would be saved if leftovers were used:

R\$ 245,700.88

IF 10% OF THE LEFTOVER FOOD WAS USED

R\$ 737,102.65

IF THE UTILIZATION WAS 30%

R\$ 2,457,005.84

IF EVERYTHING WAS USED



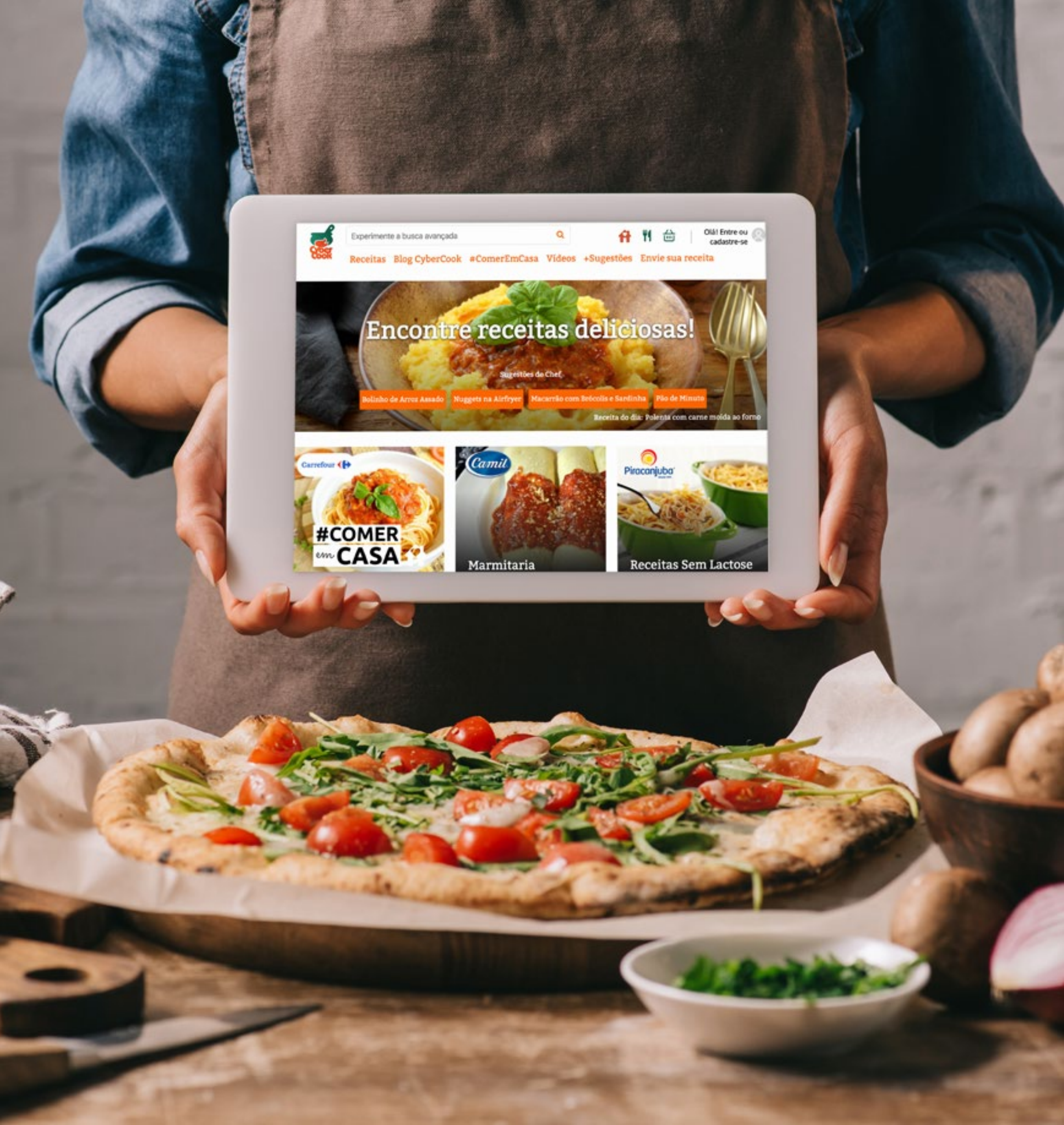
HEALTHFULNESS FOR ALL

One of the contents available in CyberCook is the HEALTHFULNESS FOR ALL program, in which beneficial and easy-to-make recipes are taught, and whose portions cost up to R\$10.00. The episodes, hosted by Raul Lemos and featuring other invited chefs, already have been viewed by

+3.7 MILLION  
PEOPLE

and can be followed on Carrefour’s social networks.

HEALTHY EATING HABITS  
ARE NOT SO MUCH  
RELATED TO INCOME BUT  
TO KNOWLEDGE AND  
PLANNING, ASPECTS TO  
WHICH CYBERCOOK SEEKS  
TO CONTRIBUTE.





# SOCIAL AND RELATIONSHIP CAPITAL

## CLIENT RELATIONS

The digital transformation that the Grupo Carrefour Brasil is undergoing also has impacted the way it relates to clients, the stakeholders who are in the center of the ecosystem. In 2019, a number actions were introduced to this end:

**CARINA.** Virtual assistant for customer and consumer service, one of the most advanced after-sales services in the Brazilian retail sector. Based on artificial intelligence, through WhatsApp CARINA helps locate the address of stores, inform the current balance and validity of the Gift card, tracks e-commerce orders or obtains a second copy of the Carrefour card billing statement. Among other services, it also sends out information on promotions to users.



The choice of the name Carina (referring to Carrefour's Artificial Intelligence) was conducted by online voting, wherein netizens opted from three persona options. Carina obtained 63.95%. Characterized by the hashtag #supereconomica, Carina is 42 years old and has worked for 10 years at Carrefour, with transit in various departments. Her favorite hobby is spending time with her kids.

**ONE CARREFOUR.** Unified customer service operation (SAC). By integrating the Contact Center, Social Media, Chat, Contact Us and WhatsApp of the retail, e-commerce and banking services on a single platform, Carrefour is able to have a unified view of its clients and, hence, can offer answers based on each client's distinctive profile. CARINA is part of the One Carrefour project. In this service structure, there were no proven complaints regarding breaches of privacy or loss of client data. **[GRI 418-1]**







**SAC ATACADÃO.** The centralized customer service format also has been adopted by Atacadão. The wholesale chain’s clients have several contact channels, including Contact Us and social networking services (Facebook, Instagram and Twitter). Although the service (SAC) is centralized, the resolution of some enquiries is delegated to the stores involved; the branch manager initiates the customer service, pursuant to the guidelines for close and accessible relations defended by the Company. In 2019, SAC Atacadão received more than 95,000 contacts.

**CARREFOUR BRASIL.** Loyalty program, via application, which increasingly offers more personalized interactions, as a result of the progress in its partnership with Propz, a startup focused on solutions that combine CRM, analytical intelligence and big data. Customers engaged in the program increase their average spend by up to 50%. At the end of 2019, it had 17 million registered clients.

**FLYER SUBSTITUTION.** The digital transformation also has been reflected in a drastic reduction in the volume of the promotional materials distributed in the stores, a communication process that is migrating to digital environments. In the hyper format, flyers were reduced by 20%, while in Express and Market outlets the decrease was 100%. In these stores, roles are available only on the display. Promotions, the main content of these publications, are disseminated through digital channels, such as the Carrefour Brasil app and CARINA via WhatsApp. The stores also created Facebook profiles to publish this information and highlight regional products. In the year, 274 outlets were trained in the use of the social networks. Another novelty in stores was the introduction of digital screens to transmit messages and brand content, replacing traditional banners. The project is in pilot phase in the hypermarket in the Pinheiros neighborhood in São Paulo, and should be extended to the other units of this format in 2020.

ONE CARREFOUR SERVICES IN 2019  
(STORES + E-COM + CRF BANK)

- 26 million  
ACCESSES VIA URA, ELECTRONIC  
CUSTOMER SERVICE EQUIPMENT
- 11 million  
HUMAN SERVICE RESPONSES VIA CALL CENTER
- 2 million  
WHATSAPP CONVERSATIONS
- 650 thousand  
INTERACTIONS VIA CHAT
- 300 thousand  
REVIEWS ON GOOGLE MY BUSINESS
- 95 thousand  
SOCIAL MEDIA SERVICE RESPONSES, WITH  
AN AVERAGE REPLY OF FOUR HOURS



# SOCIAL RESPONSIBILITY

The purpose of leading food transformation – materialized in the Act for Food – also guides the performance of the Grupo Carrefour Brasil on social responsibility. The company has been developing and supported several projects and initiatives with the purpose of informing educating and raising consciousness about the consumption of healthy food. Other aspects focused in line with business strategy are the stimulus for sustainable production of food, income generation and community development. As the largest food retailer, Grupo Carrefour Brasil believes that it is possible, with such initiatives, to influence the society positively.

In actions implemented or developed in several parts of the country, the company counts with partnerships with governments, public organizations and third sector organizations. The financing of some of these projects comes from Fundação Carrefour, an international institution responsible for the social investment of the Carrefour Group. There are also projects based on Federal Incentives Laws.

Another sector in which Carrefour is strongly involved is the defense of the Animal Cause. This became fundamental for the agenda after the sad episode of the puppy Manchinha that took place in the Osasco shop at the end of 2018. Since then, the company has acted on behalf of abandoned animals, in partnership with respected NGOs in this sector.



## PERFORMANCE FRONTS

**1 TO INFORM AND EDUCATE** the Brazilian population – especially those who find themselves socially vulnerable – about **CONSUMPTION OF HEALTHY FOOD**. [GRI 103-2; 103-3]

### EXHIBITION ‘PRATODOMUNDO – COMIDA PARA 10 BILHÕES’

The challenge of feeding a worldwide population estimated to reach 10 billion people by 2050 was the theme of the exhibition ‘PRATODOMUNDO – Comida para 10 bilhões’ (FOREVERYBODY- Food for 10 billion), which took place in the Museu do Amanhã (Tomorrow’s Museum), a museum in Rio de Janeiro (RJ), between April and October 2019. Aligned with the movement Act for Food, the event planned to promote thoughts about healthy food, climate change, biodiversity reduction and

unequal distribution of food, besides extreme hunger and obesity. The organization exhibition’s 650 square meters area showed five big thematic blocks: consumption habits that result in the loss of agro biodiversity; new agricultural frontiers; technology in the production of food; alternatives to the present global diet and how to feed oneself in a highly populated planet. Supported by the Grupo Carrefour Brasil through incentive laws, more than 300 thousand people participated in the event.





## MOBILE CINEMA

A mobile initiative designed to take information about healthy feeding habits for children and adolescents, through films and educational booklets. Financed by incentive laws, the project travelled through municipalities within Paraná and São Paulo states, during the year, attracting more than 5.5 thousand children and juveniles for more than 240 organized film sessions.

## TRANSFORMARTE

Theatrical presentations about healthy eating in public schools of São Paulo’s capital. Directed to Elementary Schools children, the presentations were created to raise interest among students about what should be the priorities in a menu. Food education, which includes healthy habits and natural food, besides obesity and malnutrition, are among the themes presented in the plays. Throughout the year, more than 24 thousand children participated in the exhibitions, promoted through incentive laws.



## FLAVOR WORKSHOPS

To guide elderly people as to better nourish themselves, Carrefour promotes a Flavor Workshop (Oficina do Sabor). Developed in partnership with Banco de Alimentos do Rio Grande do Sul and incentivated by the Elderly Fund (Fundo do Idoso), the workshops teach participants some elaborated recipes indicated by nutritionists, which helps the treatment of non-transmissible chronic diseases such as diabetes and hypertension. Health professionals and social workers contributed to the organization of workshops that counted with the participation of more than 360 seniors during the period of one year.

## EDUCATIONAL TOTEMS

Carrefour supermarkets’ galleries have educational totems about healthy food. Exposed in areas of greater circulation, they feature tips and varied orientations about healthy eating, focusing upon the combat against childhood obesity. The initiative was developed in partnership with the United Nations Children’s Fund (UNICEF).



A participant in Oficina do Sabor since the beginning said she learned new things about feeding oneself. “They teach us, elderly people, how we should eat to Improve our health”. During the classes it was emphasized that it is important to consume much greens and fruits and avoid super processed food. Fat, salt and sugar, she said, are items that require precaution. “Particularly refined sugar”, she emphasized.

“

I liked the course so much that I invited other friends to go with me”.

**Ilusa Ramos de Souza**



2 Promote **EMPLOYABILITY AND ENTREPRENEURSHIP** in the retail chain

**PRÓVAREJO - (FORRETAIL)**

Free courses for professional qualification directed to the retail food sector.

Targeted to vulnerable groups, the initiative was linked to Fundação Paulistana (São Paulo Foundation) and to Observatório da Gastronomia (Gastronomy Observatory), of São Paulo’s Municipal Secretariat for Economic Development. The project’s implementation is under the responsibility of the NGO Rede Cidadã. Around 700 people participated in the project.

Besides offering technical and behavioral formation so that participants may enter the universe of food, they are also helped to find job vacancies including opportunities in Carrefour itself. Thus, this is not only a project for professional qualification for vulnerable people but also aims at social-economic inclusion.



**SOCIAL GASTRONOMY**

Courses for professional cooks with a differential: to develop a holistic view of the kitchen. This project happens in Gastromotiva, and is shaped like a school-restaurant that uses gastronomy as a way to improve social changes. Because the organization gathers tons of supplies that otherwise would be wasted and carries out daily supportive dinners for people in vulnerable situation, the students learn, during the course, to fully benefit from these supplies.

They also practice lessons learned because they cook daily for 90 homeless people. The course, that takes place in Refettorio Gastromotiva, in the city of Rio de Janeiro, capital of Rio de Janeiro state, counted with the participation of 109 students during 2019. Throughout the period, the total of meals distributed reached 54 thousand. In these fronts of social gastronomy and struggle against hunger, plus education and professionalization, Gastromotiva counts with the support of Fundação Carrefour.

Investments contribute for the development of innovative recipes of food from the part of the students, besides the distribution of meals and production of educational videos, such as the webseries ‘Parceria que Alimenta’ (A Partnership that Feeds). With 16 episodes available on Youtube, the video serial teaches recipes with full utilization of food, avoiding waste in the kitchen.



Having been fired from her job, Maristella Sodré started to work as a sweet producer, selling by order to parties and events. Now, ten years later, she is a teacher of Sustainable Candy Shop (Confeitaria Sustentável) at Gastromotiva and in another two projects in communities. “I learned about the institution in a TV program and fell in love with the project’s ideals”, she said. She undertook a course to become a Professional Cook with emphasis in Social Gastronomy (Gastronomia Social) and forged an identity in gastronomy, an area in which she already had a degree. Whenever she can, she undertakes volunteer work in dinners at Refettorio Gastromotiva or in social actions.

“  
It is a way of reciprocate to the  
NGO the new life it gave me.”

**Maristella Sodré**



3 To stimulate the **PRODUCTION OF MORE SUSTAINABLE FOOD BY SMALL FARMERS**

[GRI 103-2; 103-3]

**SUSTAINABLE PRODUCTION OF CALFS**

Small farms from Vale do Juruena and Vale do Araguaia, both valleys located in Mato Grosso state, are assisted by Fundação Carrefour to improve their production processes. The project, being developed since 2018 in partnership with the Initiative for Sustainable Commerce (Iniciativa para o Comércio Sustentável - IDH), are geared to offer guidelines and support for production, besides adequate financing, technical assistance for genetic improvement and for the pasture, plus support for land and environment legalization. With the professionalization of breeding activity, the initiative promotes income generation and socioeconomic inclusion for small producers in vulnerability situation.

Up to 2020, Fundação Carrefour will allocate more than

**1.9 MILLION** Euros to this action, while IDH will contribute with

**2.0 MILLION** Euros to foster the activity in

**457 PROPERTIES** of the region.

**ALLIANCE FOR BRUMADINHO**

Purchases of merchandise originated from farmers located at Minas Gerais state's Brumadinho municipality are sold in Carrefour shops. In this way, the company helps them to recover financial losses caused by the rupture of the mining dam on January 2019.

With these actions, Carrefour also contributes for the professionalization of the producers, promoting the interchange of information about ways of cultivating, handling, assortment, quality, pricing and logistic, so that they produce and sell more. This initiative is inserted in the Alliance for Brumadinho ('Aliança por Brumadinho'), an action that counts with Carrefour's participation and which was launched in June 2019, by the Ministry of Citizenship (Ministério da Cidadania), to restructure the municipality after the tragedy.

**CONVERSION TO ORGANIC AGRICULTURE**

With the purpose of contributing to increase the offer of organic products, Carrefour begins to support, in 2020, a training project for small conventional producers of vegetables with the aim of changing their plantations to organic agriculture. The initiative is directed to 100 small farmers located in the green belt of São Paulo, a preservation area that includes 39 municipalities in the Metropolitan Region, counting with the partnership of Getulio Vargas Foundation and the support of Carrefour Foundation.

“

I like very much to participate, and I wish that all of us grow together”.

**Luiz Edemar Fleck**

Luiz Edemar Fleck was one of the first producers to join the work undertaken in the Juruena Valley. With his son, he raises little more than 100 calves per year in a 120 hectares property. “I’m learning a lot”, he says. He cited livestock management, grazing ways and soil care. He said his property was also visited by Carrefour representatives. Because of the improvements already undertaken in his ranch, Fleck invited other producers for the project.

In **Brumadinho**, the first producer to ink a contract with Carrefour was **João Carlos Monteiro Maciel**. In three months, he supplied 80 tons of ponkan tangerine for the network, and at the end of 2019 he also started to sell lychee. Before dealing with Carrefour, he said that “daily sales were restricted to Ceasa of Contagem.” Before dealing with Carrefour, he explains that “as a supplier to Carrefour, my delivery is guaranteed at a fair price,” and points out “other doors open, because Carrefour is a reference in the market and my merchandise is evaluated as having a high quality level”.





**4 MOBILIZE** cooperators engaging them in voluntary initiatives, and clients, because the capilarity of the shops allows them to reach people through campaigns to raise funds.

ACTIONS IN SHOPS

**3.887 TONS OF FOOD** were collected in the Atacadão and Carrefour stores in 2019. In partnership with municipal food banks and NGOs Amigos do Bem e Mesa Brasil Sesc (Friends of the Well Being and Brazil Table SESC), were donated for hundreds of poor families. This practice, also undertaken by the Atacadão market more than 10 years ago and during the period, the network donated more than 10 thousand tons of food.

**148 THOUSAND ITEMS OF WARM CLOTHING** for the São Paulo Social Solidarity Fund, associated with the São Paulo’s State Government.

**OCCASIONAL DONATIONS** of basic food items for social organizations attending poor communities near Carrefour shops.

**MORE THAN R\$4 MILLION** items of clothes, footwear, toys, non-perishable food, plus hygiene and cleaning products were collected during a Solidarity Campaign in which Atacadão has been engaged for 20 years between the months of May and August. Donations are going to reliable institutions around the shops. The identification of these homes and the delivery of materials are the responsibility of the units, a way to generate bonds and commitment between cooperators and the local population.

**MORE THAN R\$ 3.8 MILLION** have been donated, since 2007, through “Sacolas Solidárias” (Solidarity Bags) a project created by Atacadão to direct part of the sales from shops to associations, such as Doutores da Alegria (Doctors of Happiness) and Associação de Assistência à Criança Deficiente (AACD) - (Association of Assistance for Deficient Children).

VOLUNTEERS

Program for **engaging employees in solidarity actions**, developed throughout the year. Follows a calendar with a variety of actions in its headquarters in São Paulo (SP), that include cooking workshops focused on healthy food, blood donation among others. At the shops, it gains the format of solidarity gymkhana. Employees get together in teams and develop monthly actions in NGOs. The group that registers the largest number of actions is the winner. The prize has a symbolic value and is donated to institutions.



PROJECTS ENCOURAGED THROUGH ATACADÃO

Utilizing Brazilian incentive laws, such as Rouanet and Fundo do Idoso (Elderly Fund), Atacadão promotes cultural, sports and social actions. During 2019, some 2.6 million people benefited by the 51 projects developed from the North to the South of the country.



REVELRY OF THE GIANT PUPPETS – Marabá (PA)



CARREFOUR BRASIL		
GOVERNANCE		
BUSINESS STRATEGY	<p>The projects target questions related to valuing feeding, encouragement of entrepreneurship and development of local culture, besides generating income, professional capacitation and social inclusion. They can also be geared to promote women’s empowerment, gender equality, volunteers and sustainability, teams that are related with the objectives of Atacadão. The adequacy between the target of the project and the targets of the company, is the main criteria to choose the initiatives. This is undertaken by the Comitê de Projetos Incentivados (Incentivated Projects’ Committee) formed by representatives from the Comunicação e Sustainability, Marketing e Tributário do Atacadão (Atacadão’s Communication and Sustainability, Marketing and Tributary committee). There is a preference for sponsoring local projects that know the reality of a certain community and in this way can generate more impact.</p>	
PRODUCTIVE CAPITAL		
HUMAN CAPITAL		
INTELLECTUAL CAPITAL		
● SOCIAL AND RELATIONSHIP CAPITAL	<p>In this selection, the Committee counts with the support of an external consultancy that undertakes the technical and viability analysis of the proponents and their respective projects. This partner is also responsible to accompany all steps of the initiatives and account for the results achieved.</p>	
NATURAL CAPITAL	<p>Among the projects undertaken, some highlights:</p>	<p>Santa Catarina state. Thus, this outdoor theater included 16 scenic sessions, four gastronomic workshops and four gastronomic workshops for children, directly reaching the students of the community municipal schools. The project had the support of the Itajaí Municipality Education Secretariat and involved 2,244 people.</p>
FINANCIAL CAPITAL	<p><b>Sounds of the Street</b></p> <p>Is a festival that brings together new talents from national rap with famous musicians and encourages street art, the culture of rhymes and dialogues about social struggles. The show, that lasted a full day, happened in São Paulo’s capital and attracted 22.8 thousand people. There were</p>	<p>more than 10 stars, including great hip hop artists such as Criolo, Cynthia Luz, Rincon Sapiência, Karol Conka, Djonga, among others. A contest of rhymes was also promoted, plus a competition for new cultural talents. At the Atacadão lounge, the participants had available services offered by hairdressers, some specialized in braids and make up assistants, contracted to encourage entrepreneurship in the region. This initiative generated around 600 direct jobs</p>
GRI	<p><b>Cultural and Gastronomic Showcase</b></p> <p>Created with the purpose of uniting Brazilian passion for gastronomy and happiness from the theater, the initiative promotes activities that spread the culture of healthy and sustainable food. This includes presentation of theater performances and gastronomic workshops for children and adults, valuing the best that Brazil has in this question. All programs were free of charge and took place in an itinerant arena, which used a mobile stage as a basis for its activities, assembled in the Itajaí shop, at</p>	<p><b>Revelry of the Giant Puppets</b></p> <p>Festivals of dance, presentation of the frevo popular orchestra and visual arts expositions took place in Marabá at Pará state. The intention was to stimulate cultural exchange between producers and Northeastern artists, including confection, production and handling of Giant Puppets from Olinda, Pernambuco state. The event also proposes to expand work opportunities for artists and technicians of the municipality and adjacencies, encouraging the artistic development in the region. Lasting two days, the festival attracted more than 100 thousand people.</p>
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### Cinema and Culture

Production and exhibition of short films about citizenship and the environment in public schools in Resende city, Rio de Janeiro state, Presidente Prudente (São Paulo state), Contagem and Governador Valadares, both in Minas Gerais state. During cinema workshops organized in these institutions, more than 100 students learned filming techniques and basic theoretical knowledge, transmitted in a playful manner, and helped in the production of short films, thus receiving participation certificates. The exhibitions were preceded by theater plays, which depicted the themes to be addressed during the cinema session and happened inside 200 square meters inflatable structures. The audience registered during these programs was of more than 2.8 thousand people.



### Women in focus

Photograph workshops for women above 14 years old. This initiative allied professional capacitation, through the sharing of photography techniques with the development of this public into artistic expression initiatives. These workshops took place in the cities of Jacareí and Mogi das Cruzes (both in São Paulo state) and counted with the participation of 184 women.

### Fotoart – The Food Path

Educational workshops covering the importance of healthy eating for kids, adolescents and adults. The initiative sought to engage the participants through photo exhibitions and Conscious Feeding workshops, more healthy consuming habits. It reached 1,372 people from the cities of Maringá (Parana state), Blumenau (Santa Catarina state), Itumbiara e Goiânia (both in Goias state).



### II Instrumental Music with Dance Circuit

With the target of approaching instrumental music, theatricalized circus and the dance of inhabitants from the cities of Porto Alegre and Canoas (Rio Grande do Sul state), the project, which is part of celebrations of the Farroupilha Week, an agenda was promoted including speeches and dance shows offered free of charge to the public, attracting more than 1.8 million people.



**DURING 2019, SOME 2.6 MILLION PEOPLE BENEFITED BY THE 51 PROJECTS DEVELOPED FROM THE NORTH TO THE SOUTH OF THE COUNTRY.**



5 COMMITMENT with the Animal Cause [GRI 103-2; 103-3]

The Grupo Carrefour Brasil embraced the Animal Cause by the end of 2018, when publically assumed with society on December 20 of that year the commitment to become a reference in this question. Thus, the year 2019 was highlighted by learnings and mobilizations in favor of animals that live abandoned in the country. The actions for this end included group work for castration, adoption events, donations of dog food, training employees to treat animals in shops, among other activities. With this agenda, more than 5.8 thousand dogs and cats were benefited all over the country.

With these initiatives, Carrefour counted with the partnership of well-known institutions engaged in this cause:

- **ANIMAL SUPPORT** – An institution which assists more than 450 dogs and cats’ shelters throughout the country. With the distribution of rations, medicines and vaccines, besides veterinary care and organization of events, around 10 thousand animals are treated monthly.
- **MANCHINHA COMMISSION** – In honor of a puppy with the same name that was involved in the sad episode that took place at the end of 2018, in the Osasco, (São Paulo state) shop, NGOs and independent protectors that act on behalf of the animal cause in that municipality, united to help Carrefour in activities developed in that place.

AGENDA

The activities are developed in three fronts: awareness, so that the people with which the company has a relationship have access to the information and orientation about the theme; local and national performance, with events for adopting the animals and promoting castration; and internal actions for raising awareness and engage cooperators in these efforts, among other initiatives, always in partnership with NGOs.

AWARENESS

**TRANSPARENCY.** Creation of Carrefour Blog for Animals, through which it is possible to follow all actions that Carrefour has been developing. In this channel, information and orientations about the world of pets, besides stories of adoptions are published online.

**PREVENTION.** The company adhered to Abril Laranja (Orange April) a month dedicated to prevent cruelty to animals, an initiative of the American Society for Prevention of Cruelty to Animals (ASPCA). In line with the actions to raise awareness that are being promoted, the Communication channels of Carrefour included the publicizing of information, videos and educational articles to combat any type of violence against animals, besides guidelines as to how to identify and denounce mistreatment.



For the last 20 years Marcelo Vieira – known as Marcelinho Protetor (Protector) – takes animals out of the streets. Now he maintains a shelter at Mairiporã, in the interior of São Paulo state, with around 200 animals, including dogs, cats and birds. In this space he takes care of the animals and places them for adoption. During 2019 he was introduced by AMPARA Animal to Carrefour. “We are always looking for partners and people who engage in serious work for the animal cause”, he says. As a result of this association, he received from Carrefour one ton of animal food for the shelter and donations for castrations. He remembers that there were more than 300, undertaken by task forces in the Sapo Community, at the Northern area of São Paulo, including animals from homeless and socially vulnerable people.

“The support of Carrefour is especially important to allow me to continue my work”, he says.

Marcelo Vieira



**ENGAGEMENT.** To involve clients into the efforts, Carrefour undertook its first campaign to clothe pets in the country (Campanha do Agasalho Pet) in 35 shops in the cities of São Paulo and Rio de Janeiro. Clothing, beds, toys and blankets were sent to NGOs located in these cities and registered at AMPARA Animal.

**IMPACT.** Exhibition “Feel it in your Skin” (“Sinta na Pele”), promoted by AMPARA Animal to raise awareness against mistreatment of animals. Supported by Carrefour, the show brought together panels of the photographer Jacques Dequeker, with individuals, domestic and wild species, suffering exploration. It took place at the Jardim Pamplona Shopping. The action also took place at Carrefour headquarters, São Paulo (São Paulo state), involving employees working there.

**EDUCATION.** Creation of a space in the news portal Catraca Livre dedicated to the coverage of the animal cause. Thus, the site, known for the propagation of news and information about the cultural scene and other themes of public interest, also starts to offer content dedicated to raise awareness and engage the society about the theme.

**LOCAL AND NATIONALS**

In this front, are the adoption events, always undertaken with partners, a format also adopted by group efforts for castration. The company also offered financial assistance to some initiatives and donated food and pet products, besides sponsoring actions related to this subject.









# NATURAL CAPITAL

## HEALTHY AND QUALITY FOOD, AT FAIR PRICES

[GRI 103-2; 103-3]

Offering healthy and quality food at fair prices is a commitment of the Grupo Carrefour Brasil, and several concrete actions are underway to facilitate clients’ access to these items. Within our objective of being the food transition leader, and in line with the Act for Food guidelines, initiatives range from the creation of specific spaces in stores, so that consumers can more quickly and easily identify these products, through to the management of critical supply chains, aimed at encouraging sustainable production practices. Also, part of these proposals are specific Private Brand strategies and partnerships with local suppliers, among other measures.

## HEALTHY SPACES

Carrefour created Healthy Spaces in hypermarkets, comprising the aisles that concentrate the supply of food with these characteristics, also leading to a wider product mix. At the end of 2019, more than 3,000 items were available in these spaces, installed in 82 of our hypermarkets.





## LOCAL SUPPLIERS

[GRI 102-9; 102-10; 103-2; 103-3]

For Carrefour, suppliers are considered business partners: they are essential, for example, to assure the supply of fresh fruits and vegetables. Specifically, for this product line, Carrefour works closely with local suppliers, including supporting their business development and encouraging sustainable production practices. With some, the Company has signed long-term contracts to support them regarding changes or improvement agricultural production practices. With others, joint planting has been arranged for exclusive supply output. Some results of this interaction include:

- **PARTNERSHIPS** with more than 460 local producers.
- **36% OF SALES** of green produce in the fruit and vegetable sector come from local suppliers, comprising those located within a maximum radius of 500 kilometers from the stores. Including Atacadão stores, this share rises to 63%. [GRI 204-1]
- **1,120 ORGANIC ITEMS** became available in stores in 2019, which contributed to a 50% increase in the sale of these products in the period.
- **6.2% INCREASE** in the penetration of organic and fresh products in the basic food basket.

## OWN BRANDS

In 2019, Carrefour continued to expand the Flavor & Quality portfolio, an exclusive healthy food line produced through socio-environmental responsibility practices and traceability in the production stages. These products follow five criteria: taste, quality, authenticity, fair price and sustainability. Through them, Carrefour reinforces the strategy of making healthy foods more accessible to clients and consumers. In 2019, more than 230 items under this brand were sold, deriving from 16 production chains.

In addition to Sabor & Qualidade, Carrefour has other own brands, totaling more than 2,500 items, 400 launched in 2019. In the period, the nutritional profiles of more than 400 products were revised:

- **VIVER:** With natural and nutritious formulas, the Viver Line products are aimed at people with different dietary needs, but who have chosen healthier eating habits.
- **CARREFOUR:** own brand for frozen, candies, disposable and pet products. There is also a premium product line, such as olive oils, chocolate, spices and panettone, which is marketed under the Carrefour Selección brand.
- **TEX:** clothing products for adults and children.



Every day, 12 trucks leave Ibiúna and arrive in 24 Carrefour stores located in Jundiaí and Greater São Paulo, carrying about 30,000 units of greengrocer items. This routine, says Marcio Nakati, has been repeated for 20 years, since he started supplying lettuce and other vegetables to Carrefour, when sales volumes were much lower. The partnership, he comments, drove growth. “I kept expanding the structure and hiring more employees,” he notes. Today, with more than 100 employees, his operation produces on a 15-bushel (about 30 hectares) farm, a property that also has some 45,000 meters of greenhouses and a 2,000 square meter storage shed.

“  
I kept expanding the structure  
and hiring more employees”

Marcio Nakati





All products meet the labeling requirements. In the case of food, they cover information regarding composition, net weight, nutritional table, storage conditions and dates of manufacture and validity, among others. They also inform if there are, or may be, in the composition, substances or ingredients among the 18 that most cause allergies, as established in a National Sanitary Surveillance Agency (Anvisa) resolution. For fruits, vegetables and greens and Sabor & Quality products, the origin of the raw material and/or ingredients is also reported. **[GRI 417-1]**

The labeling of private brand products is developed and validated by qualified companies who are specialized in legal texts to assure compliance with all laws enacted by the National Institute of Metrology, Quality and Technology (Inmetro), National Health Surveillance Agency (ANVISA), Ministry of Health Agriculture, Livestock and Supply (Map) and Procon. The labels are reviewed annually. Regarding products from other brands, the labels of all perishables delivered to distribution centers are verified by a specialized quality control team. **[GRI 417-1]**

In 2019, 36 cases of non-compliance related to information and product labeling were identified that generated fines or sanctions, and one case involving voluntary codes. Regarding non-compliance related to marketing communication, no cases were registered. **[GRI 417-2; 417-3]**



## SUPPLIER EVALUATION

All suppliers of Private Label products are subject to criteria related to environmental and social practices. In 2019, Carrefour established that it would extend social audits to all of them, previously restricted to the textile chain. Accordingly, a progression plan was drawn up to cover, with these attestations, 100% of suppliers by the end of 2020.

Another process introduced in the period is risk maps. They are used to crosscheck the product and the history of labor conditions in the producing region. The identified risk is considered in the analysis and monitoring of the supplier, and non-conformities can lead to procurement suspension. ICS protocol (Compliance and Sustainability Initiative) social and environmental audits also began to be adopted for 100% of suppliers, a procedure aimed at mitigating the risk of violations of labor, environmental and human rights standards. In addition, all Private Brand product suppliers undergo annual audits, carried out under a strict convention that goes beyond food safety, animal welfare and traceability, also encompassing socio-environmental issues. In these checks, performance reports are generated, and action plans are requested in case of any identified non-compliance to adjust to the requirements. These measures are added to other routines:

**Environmental criteria:** the environmental preservation practices adopted by suppliers are constantly checked. Prerequisites for 100% of suppliers

are the correct treatment of effluents and disposal of common waste. The handling, storage and disposal of hazardous substances must also be conducted in an appropriate manner, and it is necessary to have an environmental license and a permit to collect water, when applicable. The use of antibiotics and pesticides is also checked, in addition to the maintenance of permanent preservation areas (APPs). The slaughterhouses that supply beef protein also are monitored through public data reconciled with geomonitoring information. The process is designed to inhibit deforestation and conserve indigenous lands and embargoed areas. **[GRI 308-1; 308-2]**

Regarding significant negative environmental impacts, two suppliers were identified in 2019: Frigosilva, which refused to share traceability information, and Frigoestrela, in an episode of suspected use of labor under conditions that could violate labor laws and rights humans, by one of the ranchers / producers supplying cattle for slaughter. Purchases were suspended in both instances. **[GRI 308-2]**

**Social criteria:** 100% of suppliers are evaluated based on social and human rights parameters at the time of hiring. This analysis includes topics such as management system, information disclosure transparency, traceability, child and slave-like labor, discrimination, abuse and harassment, freedom of association and strike mechanisms, hours worked and overtime, benefits and remuneration, and health and security. To be approved, the supplier must be certified through a social responsibility audit. Nor can it be included on the Blacklist, one of the main public policy instruments for combating labor in conditions analogous

to slavery, released by the Labor Inspection Secretariat. If these criteria are not met, purchases are blocked. In 2019, 171 organizations were evaluated for social impacts, 112 of which from the textile sector, 57 from fruits and vegetables area and two from charcoal suppliers. No suppliers were identified with significant negative social impacts. In addition, the monitoring of slaughterhouses through geolocation methods also aims to ensure the absence of child or slave-like labor practices. **[GRI 409; 1; 414-1; 414-2]**

All suppliers of the Grupo Carrefour Brasil - which includes products, regardless of brand, and services - must comply with the three main documents that guide Carrefour's social conduct: Code of Business Conduct, Supplier Ethics and Social and the National Purchase and Supply Agreement.

## 171 ORGANIZATIONS

were evaluated for social impacts



# FOOD SAFETY

[GRI 416-1]

Own Brand products, from different supply chains, are verified by the Food Tracking and Monitoring Program (RAMA), aimed at ensuring that the application of pesticides on fruit and vegetable farms does not exceed the level permitted by law. In relation to these items, sold under other brand names, the suppliers’ adherence to the program was 95%. RAMA is structured by the Brazilian Association of Supermarkets (Abrás), State Associations and associated supermarkets, through a collaborative action process.

In 2019, Carrefour carried out 612 analyzes of pesticide residues in fruits, vegetables and vegetables, 651 laboratory analyzes (microbiological and physical-chemical) of Private Label products, covering 100% of the items, and 12,533 microbiological analyzes of perishable foods.

Carrefour has a Food Quality and Safety department, made up of 100 professionals (including third parties) who manage and coordinate the teams in the Company’s stores and Distribution Centers across the country. The stores are subject to external audits every two months and have teams comprised of technical managers who conduct weekly internal audits. Furthermore, employees are trained in good manufacturing practices. There is a control plan through which, on average, five products are collected quarterly in hypermarkets for microbiological analysis. Own brand products are also subjected to

microbiological and physical-chemical analyses, and the factories are audited annually.

There is no food handling at Atacadão stores. Thus, the Food Safety Department acts to safeguard the products, monitoring all stages, from receipt – in which the verification carried out is designed to ensure that it is in compliance with legal requirements – until the moment of sale. It therefore covers the appropriate stocking of the product, in order to preserve it. In the case of perishables, this includes storage under refrigeration and adequate exposure, so that the packaging is not violated. All stores employ a professional nutritionist, who is responsible for monitoring these processes and training employees.

In 2019

## 38,000 EMPLOYEES

were trained in programs that dealt with topics such as good food handling practices, use of thermometer and corrective actions, among others.





# CRITICAL CHAINS

[GRI 103-2; 103-3]

Aware of its influence in the food sector value chain, given the leadership position it occupies, the Grupo Carrefour Brasil acts as a transformation agent, engaging suppliers to follow the best production practices, in convergence with the demand and interests of the society.

There are issues in the supply chain that are considered critical, such as the preservation of forests and other biomes. Committed to zero deforestation, valuing biodiversity and sustainable production, Carrefour has been taking concrete action to inhibit the irregular performance of suppliers installed in the Amazon or the Cerrado savannah lands. Animal welfare is also a relevant topic in purchasing policy, with the company leading efforts in the egg and swine protein production chains.

Other critical chains monitored by the Company are fish, given the environmental impact to rivers and oceans, and textiles, for which there are also strict social criteria to be observed by suppliers.

## ZERO DEFORESTATION

The fires that occurred in the Amazon in 2019 led the Grupo Carrefour Brasil to ask beef and soy (and their byproducts) suppliers for explanations about the policies they adopt for the preservation of the biome. As the leading food retailer, the objective was to ensure that the agricultural products

purchased by the chain were not related to deforestation and fires. This approach was conducted through a letter sent in September to the JBS, Marfrig and Minerva meatpacking companies, and to Bunge and Cargill, signed by the group’s CEO, Noël Prioux. Face-to-face meetings with companies to discuss the issue were also held.

Among the matters taken up were zero deforestation policies that companies have adopted, and the mapping of producing farms, among others. The approach is consistent with Carrefour’s commitment to engage with the production chains, especially livestock and soy, to attain more sustainable production models. The Company already has adopted practices in this regard. They are aimed at ensuring that purchases are made from producers with regularized operations that strive to minimize the impact of their activities on the environment and respect human rights:

**SUSTAINABLE LIVESTOCK PLATFORM.** Beef suppliers are monitored in real time by a source control system based on geolocation technology, which permits the satellite locating and monitoring of ranching operations. Hence, it is possible to analyze the priorities, pursuant to the criteria defined in the Policy for responsible fresh beef purchases.

The Sustainable Livestock Platform, as it is known, analyzes the information captured by the system together with public data for each property, making it possible to verify whether the cattle ranches operate in legal areas and if human rights — the use of slave-like or child labor





CARREFOUR BRASIL	
GOVERNANCE	
BUSINESS STRATEGY	
PRODUCTIVE CAPITAL	
HUMAN CAPITAL	
INTELLECTUAL CAPITAL	
SOCIAL AND RELATIONSHIP CAPITAL	
<ul style="list-style-type: none"> <li>NATURAL CAPITAL</li> </ul>	
FINANCIAL CAPITAL	
GRI	
ANNUAL REPORT SUSTAINABILITY 2019	<p>— are being violated. It is therefore possible to inhibit deforestation and combat the exploitation of indigenous lands and environmental conservation units, ensuring that the meat sold to clients at Carrefour stores is produced in a socially and environmentally correct manner.</p> <p>All partners - whom we enjoin to meet the criteria and requirements established under the in natura Responsible Beef Purchase Policy - undergo evaluation in the use of this tool to monitor the origin of the meat, demonstrating our robust oversight of the supply chain.</p> <p><b>SUSTAINABLE CALF PRODUCTION PROGRAM.</b> Aimed at supporting the production of 450 cattle ranches in Mato Grosso, preserving forest resources. Developed in partnership with the Sustainable Trade Initiative (HDI), the program offers technical assistance, land and environmental regularization and access to credit. The focus of this work is on small producers located in the Vale do Juruena and Araguaia, which supply calves to a substantial part of the livestock production chain. However, approximately 90% of them can be considered extremely weak in terms of technology, with low rates of evolution in production and profitability. In addition, a large number of ranchers benefit from federal and state government settlers’ programs. In order to fill this gap, the three-year program will run until 2021, and receive contributions of around 3 million euros, divided between the Carrefour Foundation and the HDI.</p> <p><b>In the Cerrado</b></p> <p>The commitment to zero deforestation also extends to the soy and palm oil production chain, which are also considered critical. Soy, for example, accounts for the largest grain crop in Brazil and is an ingredient easily found in the food industries:</p> <ul style="list-style-type: none"> <li><b>CERTIFICATION</b>, issued by the Roundtable on Sustainable Palm Oil (RSPO).</li> </ul> <p>In 2019,</p> <p><b>76%</b></p> <p><b>OF PRIVATE LABEL ITEMS</b></p> <p>containing palm oil in their composition were certified by the RSPO.</p> <ul style="list-style-type: none"> <li><b>CERRADO WORKING GROUP (GTC)</b>, established to eradicate deforestation and contribute to the conversion of native vegetation into the biome. The initiative is committed to supporting the progress of sustainable and traceable soy production chains in the Cerrado region.</li> </ul> <p><b>Sectorial initiatives against deforestation</b></p> <p><b>[GRI 102-13]</b></p> <p>Carrefour supports and participates in sectoral initiatives aligned with the commitment to fight deforestation:</p> <ul style="list-style-type: none"> <li><b>SUSTAINABLE LIVESTOCK WORKING GROUP (GTPS).</b> Forum for debate and formulation of common practices, to be adopted by the sector, to build sustainable, fair, environmentally correct and economically viable livestock raising activities. It is made up of representatives from all links in the beef cattle value chain, such as producers, industries, sector organizations, producers and associations, retailers, input suppliers, financial institutions, civil society organizations, research centers and universities.</li> <li><b>SOY WORKING GROUP (GTS).</b> Formed by producers, traders, civil society, government and companies, aimed at addressing the Soy Moratorium in the Amazon and ensuring the advances achieved by it. This movement helped reduce average annual deforestation rates by 80% in recent years in 95 municipalities in the soy region in the Amazon, without negative impacts on production.</li> <li><b>THE CONSUMER GOODS FORUM.</b> Group with global reach, of which Carrefour is part, dedicated to promoting positive changes in the retail and consumer goods chain, covering issues related to health, food safety and sustainability. Among the commitments, is to guarantee zero deforestation in the sector’s chains by 2020.</li> </ul>



## ANIMAL WELFARE

Carrefour is committed to ensuring the welfare of animals in the supply chain. To this end, it requires that partner companies provide animals, as far as possible, with the five freedoms established by the Farm Animal Welfare Council (FAWC), a global reference on the theme: being free from hunger and thirst; discomfort; pain, illness and injury; fear and stress; and expressing natural behavior of the species.

Carrefour has led this movement in the food retail sector, in line with the guidelines of the Act for Food, which value greater consumer access to healthy, affordable food, produced with socio-environmental responsibility and quality control right from the beginning.

Two production chains have become a priority for Carrefour, from the perspective of animal welfare: pork and sheep. Marking its pioneering spirit, the Company has been working closely with suppliers to encourage the adoption of best practices in the management and raising of animals.

**PORK CHAIN.** In 2019, Carrefour developed new criteria to be adopted when purchasing swine protein products. Unprecedented in food retailing, the measures will be instituted in the coming years. In addition to being benchmarks for the sector, they initially seek to engage own brand suppliers in these improvements, subsequently extending the practices and requirements to others, in relation to the following topics:

- **BY DECEMBER 2020:** Tooth clipping done only curatively.
- **AS OF THE SECOND HALF OF 2020 ONWARDS:** studies and tests on the most appropriate management of tail docking, a topic that still has no consensus. Currently, only the final third is cut.
- **UNTIL DECEMBER 2022:**
  - Abolish the practice of notching (ear pricks to identify animals).
  - Gestation cage time goes from 35 days to 28 for 100% of females
- **BY DECEMBER 2025:** transition from surgical castration to immunocastration, for 100% of the animals. In order that the practice does not compromise the best of the meat, studies and tests will be carried out in order to adjust the animal’s fat-to-weight ratio.
- **IN PARALLEL:** Engage the other suppliers going beyond those that supply the private label. To this end, Carrefour in 2020 will hold meetings and regular workshops with these producers to monitor progress in this direction and share the experiences achieved with its own brand.

Despite the fact that good practices already are implemented in Carrefour’s supply chain, since some routines verified by partners are already more advanced



than the market average, the Company decided to expand the criteria to engage more producers in the best practices. Those that have already been adopted by suppliers, and that are distinctive in the market, will be maintained.



**EGGS.** Market eggs that come only from the cage-free system. This commitment, unprecedented in the food retailing sector in Brazil and, therefore, a milestone, seeks to ensure the well-being of laying hens in the breeding and management process. The goal is that, by 2025, **all eggs from Carrefour’s own brands will be produced through this system.**

This important change depends on the suppliers’ engagement with the best production practices, which demands an intense awareness-raising effort and dialogue with this audience. In this challenge, Carrefour has joined with leading animal defense organizations, such as Animal Equality, National Forum for Animal Protection and Defense, Humane Society International and Mercy for Animals.

To extend these good practices to the sector, Carrefour proposed the formation of a Working Group on egg production within the Animal Welfare Commission of the Ministry of Agriculture, Livestock and Supply (MAPA), with the participation of other retailers, producers and associations. To develop a protocol with the guidelines for egg production in a cage system, another Working Group will be suggested, this time involving the Brazilian Supermarkets Association (Abrás) and the Brazilian Animal Protein Association (ABPA).







**Protection of the biodiversity of rivers and oceans**

The fish supply chain is also considered critical by Carrefour. Toward this end, the Company conducted an in-depth survey of breeding and fishing processes, from the perspective of sustainability. This measure, unprecedented in Brazil, seeks to encourage the adoption of good aquaculture and management practices. At the same time that it helps to improve the selection of the assortment of fish offered in stores to the consumer, it also helps in the recovery and preservation of species and biodiversity. This initiative is carried out in partnership with Paiche, based on the methodology of the Seafood Watch program, developed by the Monterrey Bay Aquarium®, an NGO dedicated to the conservation of the oceans.

Through the scheme, **44.4% of the fish available in stores in 2019, came from sustainable practices** and the goal is to **raise this portion to 50% by the end of 2020**. In addition, **since December 2019, 100% of the fresh tilapia fillets destined for stores in the states of São Paulo, Minas Gerais, Rio de Janeiro, Rio Grande do Sul and Paraná, come from responsible suppliers**, representing those with ASC (Aquaculture Management Council) certifications or MSC (Maritime Administration Council) certifications, both independent international non-profit organizations.

**TEXTILES**

There is also a rigorous differentiated qualification process in place for suppliers for the purchase of textile products. Selling companies need to ensure that they operate within established quality standards and that they meet social, labor, environmental and ethical requirements, conditions that are also formalized in the contract. They are also required to comply with the main documents that guide Carrefour’s social conduct: Code of Business Conduct, Suppliers Ethics and Social Code, in addition to the National Purchase and Supply Agreement.

National companies must necessarily adhere to the supplier certification program run by the Brazilian Textile Retail Association (ABVTEX) and submit to the respective processes of independent annual audits, a measure that must also be extended to subcontractors. The supply contracts of manufacturers that do not meet these requirements will be suspended, especially for non-compliance with human rights and decent working conditions.

**A FOOD RETAIL PIONEER IN THE MAPPING OF THE FISH SUPPLY CHAINS FROM A SUSTAINABILITY PERSPECTIVE.**



# CIRCULAR ECONOMY

[GRI 103-2; 103-3]

Being the food transition leader also involves systemic measures to reduce environmental impacts, including combating waste. In fact, this topic is a global goal. **By 2025, the Carrefour Group intends to reduce food waste by 50% and assure the environmentally correct disposal of all waste generated, achieving Zero Landfill status.**

Meeting these targets includes, among other measures, the management of discarded materials and the adoption of varied practices, such as valuing and making the most of fruits and vegetables, while respecting food security and the circular economy concept. Actions related to the packaging of products distributed in stores are also underway.

## ZERO WASTAGE [GRI 103-2; 103-3]

Initiatives developed by the Carrefour and Atacadão stores designed to better take advantage of food:

- 1. CARE IN HANDLING** - gondolas suitable for product display, minimizing the risk of crushing or ill-treating of items.
- 2. REPACKAGING** - reconditioning of loose items that are still in good condition, in new packaging. Sales of bananas and garlic, for example, were multiplied by seven



times over the period. By repacking the loose garlic in the gondola to placing it on sale, two tons of product wastage was avoided.

- 3. JUICES AND TASTING** - non-aesthetically attractive fruits are used in to make fresh juices or for tastings.
- 4. COPRODUCTS** - manufacture of food from good quality products, which otherwise would be discarded, such as breads that are transformed into toast or breadcrumbs. As a result, some, 98 tons of toast were sold in 2019.
- 5. MARKDOWN** - 50% discount on products from the Butcher, Sausage, Fishmonger and Bakery sectors on validity expiration date. This program prevented the waste of 1,852 tons of food.

- 6. UNIQUE AND SANSFORM** - initiatives adopted by Carrefour and Atacadão, respectively, for the sale of products outside aesthetic standardSs but in perfect consumption conditions, with up to 40% discounts. Some 1,800 tons of Unique products were sold in the year, a volume six times greater than that verified in 2018.
- 7. DONATION** - 3,900 tons of non-standard food, but in perfect condition, were donated to people in socially vulnerable situations in 2019. This conduct, which is routine in stores, is carried out in partnership with Sesc and food banks.
- 8. COMPOSTING/ANIMAL FEED** - Food not used in the previous steps becomes organic waste, suitable for animal consumption or composting.



WASTE MANAGEMENT

In line with the Ministry of the Environment’s National Solid Waste Policy (PNRS), waste management is carried out with the aim of minimizing waste generation and environmental impacts. It is conducted based on the circular economy precepts, so that the materials can be correctly disposed, recycled and then returned to the production chain. To this end, the Company seeks to offer structure and alternatives for employees and customers to properly dispose of materials, including the packaging of the products consumed.

All waste generated in the interiors of the stores is separated. There are three bins installed in all areas, a distinguishing characteristic in the food retailing sector. Through them, non-recyclable waste, organic materials for composting, and recyclables are collected, which are sent to the rear areas where they are sorted into 12 categories and packaged for sale. The funds obtained from this practice revert to revenue for the units. Carrefour attributes the same importance to recyclables as it does to other products that are sold in its stores. Their value is monitored throughout the process by monthly indicators similar to those for other line items, such as earnings and breakage.

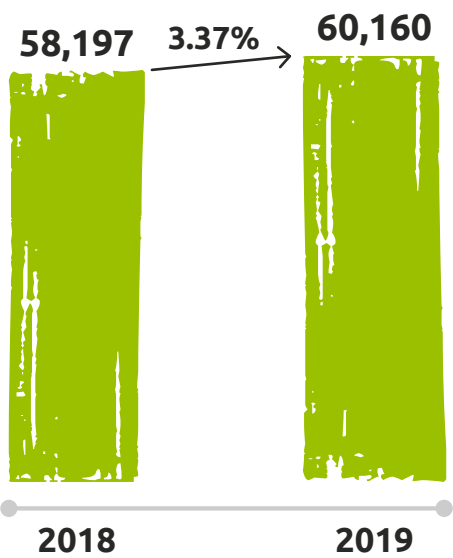
In 2019, **the Group’s operations generated 146,300 tons of waste. Of this total, 49% were recycled or used for compost and other purposes.**



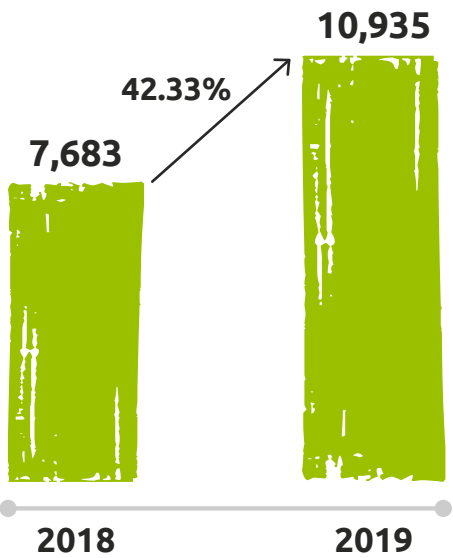
WASTE TREATMENT/DISPOSAL BY DISPOSAL TYPE AND METHOD <sup>(1)</sup> [GRI 306-2]

In tons

RECYCLING



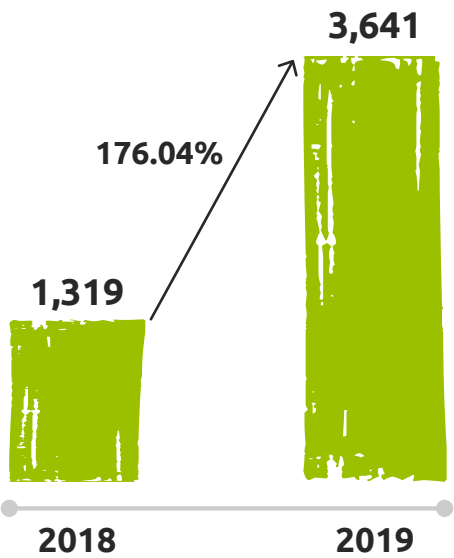
COMPOSTING



LANDFILL



OTHER DISPOSAL \*



\* Animal feed production, for example. The Company does not incinerate discarded materials.



The amount of recycled materials reflects several actions taken, both by Carrefour and Atacadão, which includes the management of waste from operations and reverse logistics. There are also programs to minimize the generation of waste with more sustainable alternatives for own brand packaging.

At Atacadão, for example, dump truck loading and departments are monitored, research into and approval of new providers are conducted, technologies and partnerships for appreciating the value of waste are encouraged while efforts toward reduced and/or no cost disposal are made. The stores also promote shared experiences and successful practices.

Another front is awareness raising. Carrefour made investments in education and training in all stores, including screening videos to employees and displaying its waste management manual on bulletin boards in all sectors. At the administrative office, awareness-raising efforts led to the elimination of the use of disposable products. As a result of this initiative, more than 10,000 plastic cups no longer are trashed every day.



SCRAM, LOSSES!

Over seven years, Atacadão has been able to reduce the loss of merchandise in stores by 30%, consisting of items that cannot be sold due to damage or theft. In 2019, this category was equivalent to 0.68% of net sales, the lowest percentage ever recorded.

This achievement reflects the work that has been carried out at the units since 2013 to engage employees in combating waste. As much as the control processes and equipment were effective, Atacadão nevertheless realized that the employees’ buying into the campaign was crucial. Thus, in order to have an active participation in these efforts - and to be recognized for that - the “Xô, perdas!” (Scram, losses) campaign was created, a program designed to generate healthy competition among the various facilities. In each store, teams are built and employees become zero waste multipliers amongst colleagues. These teams also carry out routines, such as a blitz to check the validity of products. The units that achieve the best results are rewarded, and employees also receive recognition. Those who initiate differentiated actions, in addition to the routines they perform, receive a certificate and a button, and their case stories are disseminated through internal communication channels.



Reverse logistics

To encourage consumers to choose conscientious disposal of materials, reinforcing the Company’s responsibility for post-consumption – being able to recycle them for return to the production chain – Carrefour offers 312 reverse logistics stations that collected 46,356 kg of waste during the year, along with 115 recycling stations in its stores across the country.

In partnership with the industry, the chain supports suitable recycling not only of paper, glass, plastic, Tetra Pak and metal, but also batteries, printer cartridges, lightbulbs, cooking oil and medicines. Thus, large volumes of materials were reprocessed in 2019, based on the selective collection made in stores:

20,913 LITERS  
through own collection points  
installed in 41 stores

16,672 KILOS  
collected from 70 stores

7,340 KILOS  
from collectors in 62 stores

1,431 KILOS  
at collection stations available in 139 stores





### PACKAGING TRANSFORMATION

The concern for minimizing the impact of its activities on the environment led Carrefour, in line with the Act for Food and the Global Commitment of the Ellen MacArthur Foundation – of which the Company is a signatory – to adopt the goal of having 100% of its private label packaging reformulated by 2025, making them recyclable, reusable or suitable for composting. To this end, it has been working on diagnosing opportunities for improvement and innovation to identify raw materials that can be replaced by more environmentally friendly ones. This front has been led by a Committee created in 2018 specifically to deal with packaging: of both own brand and the reduction and transformation of those used in other products. Made up of representatives of the Company’s departments involved with the topic – such as food and non-food commerce, e-commerce, food security and logistics, among others – it is led by the sustainability area and has the support of a specialized consulting firm.

The results were seen in 2019. Some 5,475,000 packages/ products were replaced by recyclable materials in the period. The flexible rods of the Carrefour brand logo are an example, which began to be produced with 100% biodegradable materials: paper rod, cotton tips and cardboard packaging. A new seal of approval was also developed, standardizing the labeling, aimed at improving communication with clients about recycling.

In addition to these own-brand initiatives, the Company is committed to reducing the use of plastics in the packaging of various products. Organics and bakery items, cold cuts and coffee shops are some examples. Styrofoam packaging and paper with a transparent plastic display are being exchanged for others based on corrugated cardboard, sheets of paper and kraft paper. A good portion of the materials come from the reforestation area and has been awarded the Forest Stewardship Council (FSC) seal of approval. The use of polyethylene plastic was also introduced. As it is easily separated from paper, it can be used for recycling. Wood is another resource whose use is being expanded, since it is organic.

The changes also reached our e-commerce operations. The packages used to deliver food products are now made in seven different sizes, designed to optimize the use of materials. As for the online sale of non-food items, packaging started to make use of more cardboard boxes and fewer plastic flyers. Such measures, adopted in the stores and in sales over the website, have reduced the use of this type of material by 19,105 kg. **[GRI 301-3]**





## DIGITIZING OF PROCESSES

Throughout 2019, Carrefour ran a pilot project to automate the management of waste generated in its stores. Innovative and unprecedented in the food retail sector, it consists of a digital platform that integrates all the actors in the waste chain, from generators (stores) to final disposal, also involving transporters. It includes the installation of sensors in a store's rear waste compacting equipment, allowing process automation.

With this, it is possible to track and monitor all waste collections from 100% of the stores and crosscheck various data: legal documents, digital signatures, volumes, weighing tickets, revenues and expenses, in addition to easily issuing detailed reports of the entire operation, In real time. The sensors function as scales that assist operators in weighing the bales of recyclable materials and create databases recording the type of waste pressed, the weight and the date/time of the baling. The data is sent to the digital platform, calculating the stock in each store in real time, which increases control over the generation and output of recyclable waste.

The solution, therefore, automates processes and simplifies the day-to-day life of employees and waste management partners, ensuring traceability. Developed in partnership with the Green Platform startup and the TriCiclos Brasil company, the project is being expanded. By mid-2021, it will be implemented in all hypermarkets and supermarkets in the state of São Paulo.

## ECO-EFFICIENCY

**[GRI 103-2; 103-3]**

As a food retail chain, the main impact of Carrefour's activities on the environment and climate change is on the stores' operations. There are 692 addresses nationwide, including Atacadão units and the different Carrefour formats, in addition to pharmacies and gas stations. To minimize this impact, the initiatives include measures aimed at reducing electricity consumption – which in the year was down 4.8% – and water. The process of replacing gases that are harmful to the environment, such as HFC, with less polluting gases, continued with the stores' refrigeration equipment. In new units, the operation up to this standard already is underway. In addition to these initiatives, efforts to neutralize greenhouse gas (GHG) emissions from the logistics network are notable.

## CO<sub>2</sub> Free

The Carrefour Group has established a **global target of reducing CO<sub>2</sub> emissions by 40% by 2025**, and 70% by 2050, compared to 2010. In line with this objective, its operations in Brazil are seeking solutions and alternatives to minimize the impact on the environment. An example are the actions that have been adopted focused on the logistics network. By 2025, the Company expects to neutralize 100% of the CO<sub>2</sub> emissions produced by this front, which is outsourced.

The meeting of this goal began in 2019, with the replacement of diesel with propane gas. In a pilot format, two trucks running on this clean fuel alternative started to deliver merchandise to stores and clients. Other technologies are expected to be introduced in the coming years, such as advanced electrical applications.

While working in the transition phase of the energy matrix, Carrefour will begin environmental compensation of emissions in 2020. It established a partnership with GreenFarm to develop an ecosystem project, which includes tree planting to neutralize the gaseous releases deriving from merchandise transportation.

The initiative represents a new step forward in efforts undertaken several years ago to optimize the logistics network and is based on a model for achieving productivity gains and the removal of trucks from the streets. In 2019, for example, there was **a reduction of 1 million kilometers driven, which resulted in a 5% drop in total CO<sub>2</sub> emissions**, equivalent to 1,300 tons. These numbers are reflections of more efficient logistical processes added to other initiatives, such as replacing road transport with coastal shipping, a less polluting option, on the São Paulo-Manaus route.



ENERGY [GRI 302-1; 302-4]

Carrefour presented at 3.2% drop in consumption, as a result of the adopted projects and good practices, including the installation of LED lamps in the covered parking lots of all stores, galleries and main sales rooms. These lamps are also used in the refrigerated and frozen goods displays. Energy consumption is monitored in real time, including the cooling chain. Another measure adopted in the stores – Carrefour and Atacadão – is to coat the roofs with reflective antipyretic paints to reduce the load on the air conditioning and, consequently, overall energy consumption. These measures are complemented by awareness-raising actions in the units.

Atacadão also adopts several practices aimed at rationalizing consumption. The stores are equipped with LED lighting, in addition to being designed to take advantage of natural light, with the use of glass on the façades. Another highlight is the fact that 80 stores contract energy in the unregulated market, which generated savings estimated at R\$ 31 million over the year. Although initiatives like these are ongoing, nevertheless there was an increase of 25% in energy consumption, due to the opening of new stores.

ENERGY CONSUMPTION

In kWh	2019	2018
Carrefour Hypermarkets	536,173,491	428,925,231
Carrefour Supermarkets	408,465,717	424,104,599
Carrefour Convenience Stores	51,221,652	51,651,979
Lojas de Conveniência Carrefour	21,719,850	21,036,140

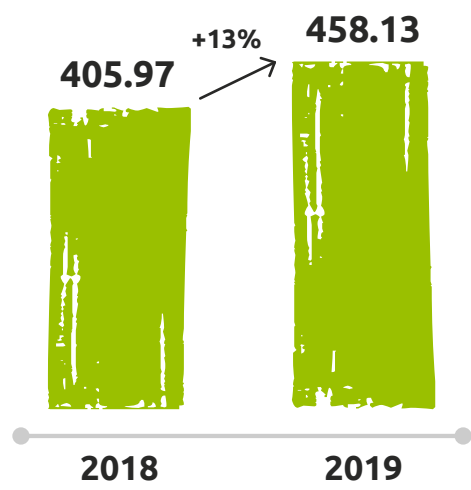
ENERGY INTENSITY

The rationalization actions, adopted in the Carrefour stores, were also reflected in a 2% drop in energy intensity (consumption divided by the sales area). The greater number of Atacadão stores, in turn, increased the indicator by 13%.

CARREFOUR



ATACADÃO





WATER

In hypermarkets and convenience stores, the drop was approximately 3%. In supermarkets, there was an increase of 9%, due to the opening of stores, an expansion that also occurred in Atacadão and which was reflected in a 13.2% higher consumption, when compared to 2018. Although this oscillation has been recorded, all Atacadão stores adopt microjet aerators (spray type) on their taps. For hand washing, this device provides savings of 60% to 80%, and for cleaning utensils, a reduction of 50%. Flow reducers are also installed in showers and flush valves.

GAS SUBSTITUTION

The substitution of gases for less polluting alternatives at Carrefour stores has been occurring for both refrigeration and frozen equipment.

WATER CONSUMPTION

In m³	2019	2018
Atacadão	2,084,412	1,841,845
Carrefour Hypermarkets	1,393,249	1,440,100
Carrefour Supermarkets	133,470	122,565
Carrefour Convenience Stores	14,962	15,375

\* Values refer to Comparable Surface, that is, 2018 considers stores opened through 12/31/2017. For 2019, stores open until 12/31/2018 are considered.

N. STORES

Gas	Chilled products		Frozen food	
	2019	2018	2019	2018
R22	60	-	70	-
134	37	38	-	-
404	17	22	52	57
R22/Glicol	14	-	-	-
134/Glicol	13	15	-	-
134/R22	1	-	-	-
CO²	1	1	21	23





# FINANCIAL CAPITAL

## ECONOMIC-FINANCIAL PERFORMANCE

### CAPITAL MARKET

The Grupo Carrefour Brasil is a publicly traded company with shares transacted on the B3’s Novo Mercado, a listing segment with differentiated Corporate Governance rules, to which companies adhere spontaneously.

The Company’s shares — traded under the ticker CRFB3 — are part of the portfolios of six B3 indices. Among them is the Ibovespa, the exchange’s main share performance trading indicator. On this index, Carrefour’s securities were included in the theoretical portfolio that came into being on January 6, 2020.

### B3 INDICES WHOSE PORTFOLIOS INCLUDE GRUPO CARREFOUR BRASIL’S SHARES

**IBOVESPA B3**   **IBRX B3**   **IGCT B3**   **ITAG B3**   **MLCX B3**   **ICON B3**

### STOCK EXCHANGE PERFORMANCE

**R\$ 23.35**  
SHARE VALUE ON 12/30/19  
ADJUSTED BY INCOME

**R\$ 46.3 bilhões**  
MARKET VALUE ON 12/30/2019

**29.08%**  
SHARE APPRECIATION IN 2019

**31.58%**  
IBOVESPA CHANGE IN 2019

**R\$ 57.98 million**  
AVERAGE DAILY VOLUME TRADED

**+38.54%**  
GROWTH OF THE AVERAGE DAILY TRADING  
VOLUME, COMPARED TO 2018

Source: Enfoque



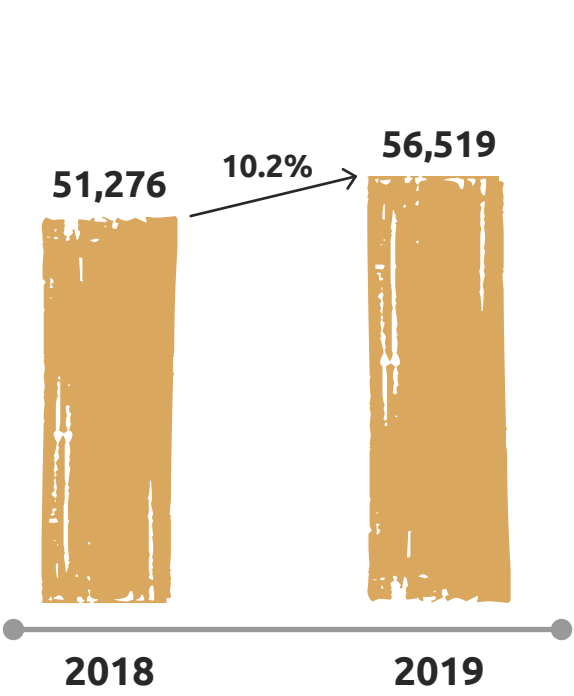
FINANCIAL HIGHLIGHTS

In another profitable year, in 2019 the Grupo Carrefour Brasil strengthened its ability to combine good results with accelerated business expansion, further consolidating leadership in the food retail sector. The Company met the goals of opening 20 Atacadão stores and buttressed its proximity strategy through the inauguration of five Carrefour Express and three Carrefour Market stores, reinforcing the ecosystem. The operation presented excellent performance, and all formats contributed to the results. Sales rose by double digits, both in the wholesaler Atacadão and the retail outlets, while Banco Carrefour’s indicators also were higher, maintaining solid growth.

Some highlights in the period<sup>1</sup>:

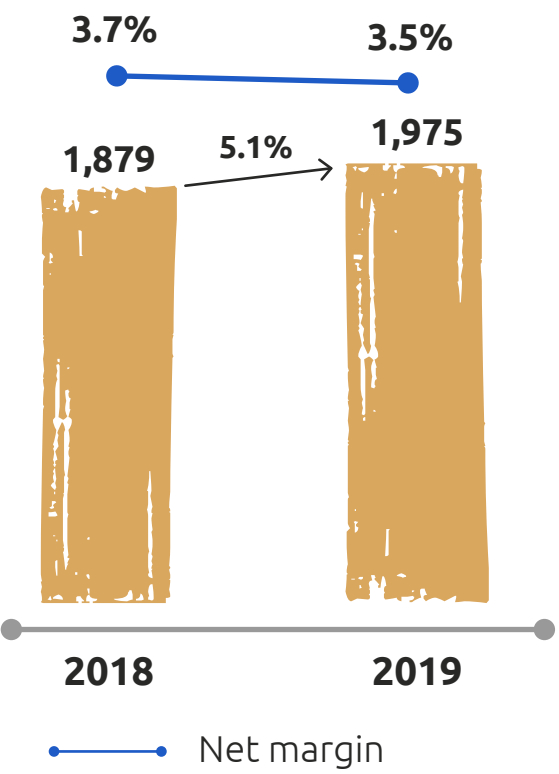
NET SALES

In R\$ million



ADJUSTED NET PROFIT

Controller – In R\$ Million



<sup>1</sup> Pre-IFSR 16 values

R\$ 1.8 billion

CAPEX, SUPPORTING THE EXPANSION STRATEGY

R\$ 482 million

DIVIDENDS, VOLUME EQUIVALENT TO 25% OF ADJUSTED NET INCOME.

R\$ 470 MILLION ALREADY PAID IN THE FORM OF INTEREST ON EQUITY.

R\$ 2.8 billion

0.58X FREE CASH /  
ADJ. EBITDA LTM

R\$ 253 million

INCLUDES DISCOUNTED RECEIVABLES

0.1X FREE CASH /  
ADJ. EBITDA LTM

AAABR

RATING ASSIGNED BY S&P

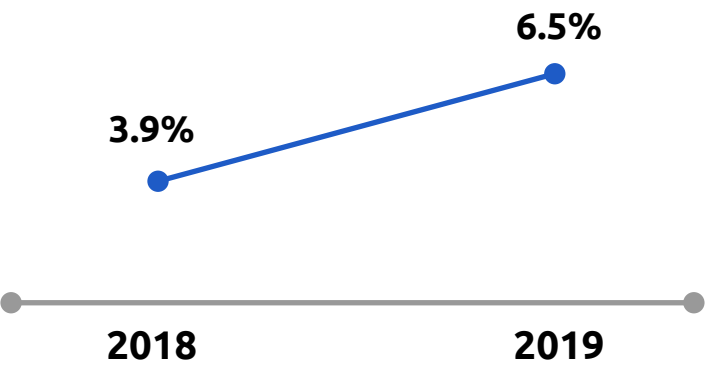
LEVERAGE AND  
INDEBTEDNESS



EVOLUTION CONSOLIDATED SSS

(ex-gasoline and ex-calendar effect)

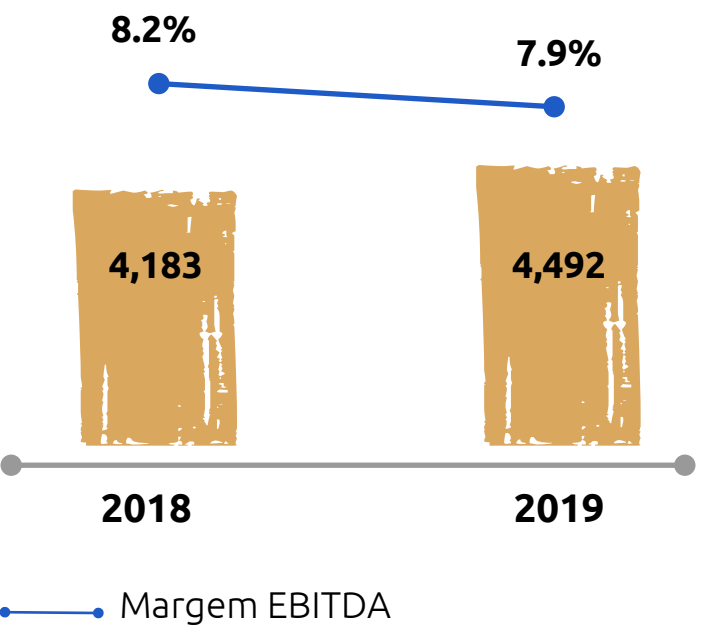
The same store sales (SSS) accelerated strongly in 2019, with growth of 2.6 p.p. The result continues the growth observed in recent years, proving the strength of the business model and the success of the business initiatives that have been adopted.



ADJUSTED EBITDA

In R\$ million

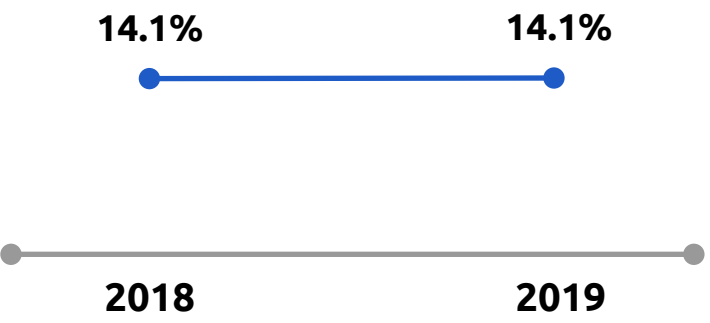
The strong revenue growth, efficiency gains in all formats and the solid performance of Banco Carrefour generated, in 2019, an Adjusted EBITDA of R\$ 4.5 billion. This result has allowed the Company to accelerate investments in e-commerce, in addition to demonstrating a commitment to deliver consistent levels of profitability year after year, even investing in new businesses, which sustains margins at high levels.



SG&A

Evolution as % of net sales

Selling, general and administrative (SG&A) expenses as a percentage of net sales remained stable as a result of a natural dilution of fixed costs due to solid sales and efficiency and productivity gains.



VALUE ADDED STATEMENT

[GRI 201-1]

The DVA – direct economic value generated and distributed by the Company – totaled R\$ 8.97 billion. The largest portion – R\$3.54 billion – was allocated to the payment of taxes, fees and contributions, followed by distribution to personnel (R\$ 3.38 billion), and compensation of equity (R\$ 1.33 billion).

IN R\$ MILLION	CONSOLIDATED	
	2019	2018
Revenue	66,035	59,669
Added value distribution	8,971	10,142
Personnel	3,380	3,121
Taxes, fees and contributions	3,536	4,296
Remuneration of third-party capital	727	862
Remuneration of shareholder's equity	1,328	1,863

The full economic and financial results are available [here](#).



# GRI CONTENT SUMMARY

[GRI 102-55]

GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE / ANSWER
GRI 102 - GENERAL DISCLOSURES	102-14	Statement from senior decision-maker	3
	102-1	Name of the organization	10, 14
	102-2	Activities, brands, products, and services	15, 25
	102-3	Location of headquarters	14
	102-4	Location of operations	25
	102-5	Ownership and legal form	14
	102-6	Markets served	25
	102-7	Scale of the organization	14
	102-8	Information on employees and other workers	34
	102-41	Collective bargaining agreements	All employees hired by the Carrefour Brasil Group are covered by collective bargaining agreements. This information does not include third parties.
	102-9	Supply chain	67
	102-10	Significant changes to the organization and its supply chain	67
	102-11	Precautionary Principle or approach	19
	102-12	External initiatives	13
	102-13	Membership of associations	72
	102-45	Entities included in the consolidated financial statements	Carrefour Comércio e Indústria Ltda. and subsidiaries, such as Comercial de Alimento Carrefour Ltda., E-media Informações Ltda., BSF Holding S.A., Banco CSF and Ewally Tecnologia S.A., among others, in addition to Pandora Participações Ltda. and subsidiaries.

GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE / ANSWER
GRI 102 - GENERAL DISCLOSURES	102-46	Defining report content and topic Boundaries	12
	102-47	List of material topics	12
	103-1	Explanation of the material topic and its Boundary	13
	102-48	Restatements of information	10
	102-49	Changes in reporting	12
	102-40	List of stakeholder groups	13
	102-42	Identifying and selecting stakeholders	12
	102-43	Approach to stakeholder engagement	12
	102-44	Key topics and concerns raised	12
	102-50	Reporting period	10
	102-51	Date of most recent report	10
	102-52	Reporting cycle	10
	102-53	Contact point for questions regarding the report	10
	102-54	Claims of reporting in accordance with the GRI Standards	10
	102-55	GRI content index	87
	102-56	External assurance	This report was not submitted to a third party audit
	102-18	Governance structure	16
	102-16	Values, principles, standards, and norms of behavior	17



MATERIAL TOPICS	GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ ANSWER
FOOD QUALITY AND ACCESS TO THE PRODUCTS	GRI 416: Customer Health And Safety	416-1	Assessment of the health and safety impacts of product and service categories	70
	GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	68
		417-2	Incidents of non-compliance concerning product and service information and labeling	68
		417-3	Incidents of non-compliance concerning marketing communications	68
	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	22, 66
		103-3	Evaluation of the management approach	22, 66
	GRI 102: General Disclosures	102-13	Membership of associations	72
	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	86
PARTNERSHIPS WITH LOCAL SUPPLIERS AND CIVIL SOCIETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	22, 59, 67
			Evaluation of the management approach	22, 59, 67

MATERIAL TOPICS	GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ ANSWER
RESPONSIBLE PURCHASE	GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	67
	GRI 308 - Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	69
		308-2	Negative environmental impacts in the supply chain and actions taken	69
	GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	69
	GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	69
		414-2	Negative social impacts in the supply chain and actions taken	69
	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	71
		103-3	Evaluation of the management approach	71
RAISING CONSUMER AWARENESS ABOUT	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	22, 52, 56
			Evaluation of the management approach	22, 52, 56



MATERIAL TOPICS	GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ ANSWER
WORKERS' HEALTH AND DIVERSITY	GRI 403: Occupational Health And Safety	403-1	Workers representation in formal joint management–worker health and safety committees	43
		403-2	Types of injury and rates of injury, occupational dis-eases, lost days, and absenteeism, and number of work-related fatalities	42, 43
		403-3	Workers with high incidence or high risk of diseases related to their occupation	42
	GRI 405: Diversity And Equal Opportunity	405-1	Diversity of governance bodies and employees	34, 39
	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	38, 42
		103-3	Evaluation of the management approach	38, 42
	GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	54
		103-1	Explanation of the material topic and its boundary	13
			The management approach and its components	49
DIGITAL TRANSFORMATION IN THE CLIENT EXPERIENCE	GRI 103: Management Approach	103-2	Evaluation of the management approach	49

MATERIAL TOPICS	GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ ANSWER
COMBATING FOOD WASTE	GRI 301: Materials	301-3	Reclaimed products and their packaging materials	80
	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	22, 71
		103-3	Evaluation of the management approach	22, 71
CIRCULAR ECONOMY	GRI 306: Effluents And Waste	306-2	Waste by type and disposal method	77
	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	76
		103-3	Evaluation of the management approach	76
ECOEFFICIENCY	GRI 302: Energy	302-1	Energy consumption within the organization	82
		302-3	Energy intensity	82
		302-4	Reduction of energy consumption	82
	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	13
		103-2	The management approach and its components	81
			Evaluation of the management approach	81



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**Layout and Infographics:** Multi Design

**Photos:** Grupo Carrefour Brasil image bank



