



## 2023 Vigilance Plan



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The Les Mousquetaires Group is a **group of more than 3,100 independent business managers** (hereinafter the “Group”) who operate more than 4,100 points of sale, mainly in France but also in Belgium, Poland and Portugal, with 7 store chains operating in 3 retail sectors:

- Food Products Intermarché and Netto
- Household Goods: Bricomarché, Brico Cash, Bricorama,
- Mobility : Roady, Rapid Pare-Brise.

As owners of their points of sale and wholly responsible for their management, the business managers are also co-owners of the Group (hereinafter the “**Members**”).

“**Les Mousquetaires**” is the parent company (hereinafter “The **Company**”) of all of the **Group’s support structures** (serving points of sale), i.e. the various headquarters, but also logistics warehouses or food production units.

This “**Vigilance Plan**” meets the obligations contained in the French Act 2017-399 of 27 March 2017 on the duty of vigilance for parent and instructing companies. It contains sensible **vigilance measures** intended to prevent the risk of serious violations of human rights and fundamental freedoms, as well as risks to health, safety and the environment, as part of a **best efforts obligation**.

The Group’s approach to the duty of vigilance is **aligned with the overall approach committed to sustainable development** and formally set down in the annual sustainable development report and the “manifesto” on the battle to achieve sustainable development, accessible on the Group’s website (<https://www.mousquetaires.com/nos-engagements/le-rapport-rse/>).

Since its inception, the Group has been built on **strong values and principles** that have guided and continue to guide its operations and development. These principles form the basis of its policies and actions in terms of sustainability and compliance, as well as consideration and respect for **stakeholders**.

The Group promotes respect for all internationally recognised human rights and fundamental freedoms and refers in particular to the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's (ILO) Fundamental Conventions.

This document sets out the **Les Mousquetaires Group’s vigilance plan as provided for by law**. It sets out the approaches, processes and methods used within the Group, the additional measures taken as part of the Vigilance Plan, as well as the policies, actions and performance metrics implemented to deploy this plan.

In 2023, we continued the many projects underway to meet the commitments and goals we have set ourselves over the last 10 years.

Aware of the new challenges that must be addressed, we have therefore decided to **refocus our priorities around 7 battles** that are aligned with societal issues and our DNA:

- **The climate:** Decarbonisation (SBTI), water and biodiversity
- **Food transition:** Sustainable French agriculture and healthy food

- **The circular economy:** Waste reduction, collection, recovery and reuse
- **Responsible retailers:** Label that promotes our points of sale
- **Changes in working:** Quality of life at work, appeal and retention
- **Energy transition:** Reduction, production and procurement
- **Digitally responsible:** PING - For a New Generation of Information Technology

Each of these battles is led by member sponsors and business leaders, to usher in a real transformation. Our approach is to leverage our existing strong points and to scale up certain business solutions across the entire Group.

New governance was put in place in 2023 to better anticipate CSR issues, oversee ethics questions when applying good practices and speed up the deployment of the approach at all levels of the Group.

In a very pragmatic way, we actively address the current issues facing us and are better prepared for the medium and long term.

With the implementation of the Green Deal and the new CSRD directive, Les Mousquetaires launched 3 project groups concerning the climate, the publication of a sustainability report in 2026 and a decarbonisation plan that will be presented to the SBTi in July 2025.

Our climate plan aims to reduce our carbon footprint, manage water use and reduce our biodiversity footprint.

## 1. Scopes, activities and governance of the plan

### A. Scopes chosen for this vigilance plan

This vigilance plan concerns **the subsidiaries of the Company** controlled directly or indirectly (hereinafter the “Subsidiaries”) as well as the **suppliers and sub-contractors** with whom the Company and its various Subsidiaries maintain an “**established business relationship**” within the meaning of French case law.

The companies operating the points of sale are owned by the members, without any capital link with the Les Mousquetaires Company and are therefore not concerned by this vigilance plan.

All the Group’s recommendations on sustainable development are made available to the independent points of sale.

For example, **guides and tools are available to points of sale to help them develop their quality and sustainable development strategies**. These have been written and distributed since 1995. Spreading best practices is an essential part of implementing sustainability strategies: these guides give these strategies meaning and help them to be achieved. The most recent guides are the “Good Energy Practices Guide 2019” and the “Waste Guides” published for all business lines in 2021 and 2022.

As part of its activities, the Les Mousquetaires Group has **relations with a wide range of different stakeholders** (*customers, suppliers, service providers, sub-contractors, partners, etc.*) for such varying activities as **distribution, real estate and the Agromousquetaires**, both in **France** and in the **countries** we operate in or with whom we have relations (*Sourcing, raw materials, etc.*).

Beyond the specifics of each category of third party, the term suppliers/service providers covers a **wide range of entities on several different levels**:

- Size of the company: multinationals, local subsidiaries of multinationals, SMEs, farmers, etc.
- Scope of intervention: international, national, regional, local
- Nature of the products: raw materials, finished products
- Type of relationship: permanent, trading, spot, etc.
- Purchasing terms: Group, “framework contract”, national, local

The term “suppliers” thus covers **very differing situations**:

- Suppliers **of branded products**, also known as “national brands”, which represent a significant share of the Group’s turnover most of whom are also concerned by the French Act on the duty of vigilance.

- Suppliers of **own-brand products** who manufacture products based on specifications, with a significant proportion of these products being manufactured by the Agromousquetaires subsidiary.
- **Suppliers of services and overhead cost products and services** who support the various activities.

Since the Group has more leverage over its own brands, **there is of course a sharper focus on this product category.**

Approximately 50% by volume of Intermarché's own brand products are manufactured in the Group's 57 factories operated by Agromousquetaires.

With its **unique "Producers & Retailers" model**, consumer well-being is at the core of Intermarché's commitments. This model gives Intermarché the ability to constantly adapt to customer expectations and to new societal challenges, in order to "produce better" and "eat better".

- "Produce better" means supporting responsible French production.
- "Eat better" is about helping French people eat a little better every day.

It should also be noted that nearly 50% in volume of our own brand products are manufactured by **SMEs** (*the other 50% are manufactured by our own production units*) and 80% of food retailer suppliers are SMEs with whom we have 1,200 national and regional partnerships and 5,000 local partnerships.

Created in 2017, the "SME Privilege Club" brings together Intermarché, Netto and around ten manufacturers who manufacture products under their own brands with the aim of sustainably supporting and promoting virtuous agricultural and industrial practices.

## **B. Activities covered by the vigilance plan**

In addition to the central functions (procurement, marketing, finance, quality, etc.), the Company and its subsidiaries carry out **3 main activities**.

### **Logistics activities**

**Logistics is an essential element for Mousquetaires points of sale**, all of which are local points of sale. The Les Mousquetaires group has created **its own logistics organisation** in order to store goods, transport these goods in a cost effective manner and deliver them to the points of sale.

When compared with other distributors, the Les Mousquetaires group stands out through its integrated logistics network, enabling the level of service to be developed and associated costs to be controlled across the entire supply chain, as well as benefiting from in-house expertise.

The Les Mousquetaires group is now a **major logistics player** with:

- 45 logistics hubs located at key points of the road and motorway networks in Europe, 39 of which are in France;
- A fleet of more than 2,300 trucks in France.

ITM Logistique Alimentaire International (ITM LAI) is dedicated to **providing logistics services to food retailers (Intermarché, Netto)** and has the task of delivering products to food retailer points of sale all over France.

ITM Logistique Équipement de la Maison International (ITM LEMI) is the entity that is concerned with non-food product logistics.

ITM LAI and ITM LEMI operate mainly in the **warehousing and road haulage sectors**.

**Receipt, storage, order picking and optimised loading of semi-trailers** are the daily tasks of these entities. The logistics teams ensure smooth supply chain flows, **from receipt of the products to delivery to the points of sale**.



Shortly after the Group was founded, Les Mousquetaires **decided to achieve supply independence by developing their own production factories**.

The Group's first agri-food division factory was acquired in 1974 (Société Alimentaire de Guidel - SAG).

Today, there are 57 units within Agromousquetaires and they offer consumers the opportunity to access safe, healthy and high quality products at the best possible prices, manufactured exclusively in France.

These units not only provide control over manufacturing processes, product quality and price, but also over the entire supply chain. Agromousquetaires' products are mainly intended for the Group's points of sale, are offered under their own brands and are constantly adapted to address changing market circumstances.

Agromousquetaires is thus the leading manufacturer of own brand products in France, across **13 different sectors divided into 6 divisions**:

- **Beef** division: Traditional Beef, Processed Products
- **Pork** division: Fresh pork, charcuterie
- **Sea-food** division: Fish, sea-food
- **Flavours** division: Milk, Soft Drinks, Wines
- **Crops** division: Cereals, Culinary produce
- **Circular** division: Non-food, recovery



Agromousquetaires is also an approach that goes “from farm to fork” in collaboration with numerous stakeholders (*associations, NGOs, researchers, industrialists, etc.*) that makes it possible to play a **major role in transforming production methods**: animal welfare, sustainable fishing, agroecology, etc.

Maintaining the French agricultural fabric, the conservation of natural resources and, in general, sustainable development are the foundations of our commitments as responsible producers.



IMMO Mousquetaires serves the Group’s points of sale in terms of property development issues and is integrated into the Group. It is the subsidiary in charge of designing, implementing and managing the Group’s property development projects.

This subsidiary is responsible for building, renovating, expanding and disposing of the sites: points of sale, production units and logistics hubs.

It works in partnership with local stakeholders, integrating commercial, tertiary and/or residential functions into its programmes as required.

### **C. Governance of the vigilance plan**

One to two days a week, **each member co-directs the Group** by participating in one of its common structures, for example logistics, procurement, marketing, operational performance, agri-food, sustainable development, etc. This is the **concept of the “third time”** dear to the Group, a unique concept in large retail and applied since the Group was founded over 50 years ago. In this way, Mousquetaires business managers, each in their own point(s) of sale, are independent - and manage their common tools in an interdependent manner at the service of the stores.

**The vigilance plan is managed by the CSR Quality Department**, which brings together the monitoring, expertise, good practice development and control functions in the areas of quality, food safety, health, responsible procurement, the circular economy, customer relations and, more recently, CSR.

This vigilance plan was formally established and is implemented based on a **collaborative approach** across numerous Group functions, in particular the “Compliance and Ethics Department” and staff in all the entities concerned.

**This approach is overseen by the CSR Strategy and Ethics Committee**, which coordinates all sustainable development actions at Group level. From an operational point of view, it works in particular with the “Labour Development and Employer Branding” Committee when dealing with social issues and with the “Energy Efficiency” Committee for all issues related to energy and the energy transition.



## 2. Our approach to sustainability

### A. A long-time commitment and dedicated organisation

For Les Mousquetaires, commitment to sustainable development is a top priority.

Within the Group, the first Mousquetaires laboratory was created in 1983 - to methodically train butchers in hygiene and carry out bacteriological studies in food production units and points of sale.

This first step resulted in enhanced awareness leading to the “International Quality Department” being set up in 1996. This department became the “Quality-Safety-Environment Department” in 2003 and the “Sustainable Development Quality Department” in 2010, then the “CSR Quality Department” in 2023.

Being both producers and retailers is a real asset in the Group’s sustainable development strategy. Thanks to this unique positioning, Les Mousquetaires are advancing production and food practices in anticipation of societal challenges.

**Since 2010, the CSR Quality Department has been committed to achieving the Group’s ambition:** develop responsibly and promote sustainable lifestyles, through their roles as distributors, producers, employers and players committed to their territories. **A global plan is being put in place**, covering both points of sale, production units and logistics warehouses.

**For example, Les Mousquetaires have made the battle against waste one of their top priorities.** Les Mousquetaires were pioneers when they set up “Silve” in 1995, implementing solutions to reduce, recycle and reuse.

The **Société Industrielle de Logistique et de Valorisation des Emballages (Silve)** resulted from the 1994 regulation requiring all used packaging to be sorted and returned to a collector. It then tackled cardboard recycling by fitting out points of sale with cardboard presses; then recovery of plastics, polystyrene crates and, since the end of 2022, PET bottles.

**The Group very quickly exceeded its legal obligations;** beyond sorting and passing on waste to a third party, Silve internalises the collection and recovery of certain waste in order to enable economically profitable recycling and therefore a sustainable recovery process which is the best way to preserve natural resources.

In addition, the Group has drawn up a formal **Code of Conduct**<sup>1</sup> that sets down the principles that must be complied with by each employee in the support structures.

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<sup>1</sup> <https://www.mousquetaires.com/wp-content/uploads/2023/09/code-de-conduite-maj-2022-generique.pdf>

## **D. A determined strategy based on 3 pillars and 7 battles**

Les Mousquetaires are committed daily to addressing environmental challenges and addressing societal expectations. They have built their **sustainable development approach around 3 pillars and historical commitments**:

- **Build a strong relationship with our customers:** Les Mousquetaires are committed to building a strong and lasting relationship with their customers. They offer a range of safe, high-quality, traceable products and services that are sold in retail outlets of irreproachable quality.

### ◆□ ***The Les Mousquetaires commitments***

- 100% healthy, safe, high quality, responsible own branded products sold in responsible stores.
- Responsible commitments on 100% of sectors impacting deforestation and on sensitive sea and aquaculture sectors.
- Deployment of the “duty of vigilance” plan across high-risk supply zones.
- A solidarity and social project per product category.

- **Constant attention to employees:** there is no sustainable economic performance without a strong social performance. Our employees need to be fulfilled at work, have genuine career development opportunities and share the Group's values.

### ◆□ ***The Les Mousquetaires commitments***

- Roll out a structured action plan on the prevention of musculoskeletal disorders, psychosocial risks and hardship at work.
- Improving quality of life at work.
- Foster employee development, optimise their employability by developing their skills and offering them career progression opportunities within the Group's various subsidiaries.

- **Be a responsible local player:** Les Mousquetaires are deeply attached to their regions and contribute to regional social and economic development (fair and sustainable partnerships with local producers...) and the reduction of our environmental footprint.

### ◆□ ***The Les Mousquetaires commitments***

- Subscribe to the circular economy principles in order to act on all the environmental impacts of Les Mousquetaires' business, from energy production to waste treatment.
- Reduce the environmental impact of all logistics flows and business trips.
- Reduce, reuse, recycle: 100% of recyclable waste from sales outlets and employees.
- Optimise energy consumption on all Group sites, with 32% of renewable energies and 40% of energy savings by 2030 compared to 2014 and a 55% reduction in carbon emissions in 2030 compared to 2019.
- Promote projects to be developed in the regions and preserve local employment

For the last 10 years now the Group has been involved in a process of collective reflection on the climate emergency and new societal expectations and has adopted a sustainable development approach based on a **decisive strategy, impactful acts and steadfast convictions**:

1. **Our future will be founded on CSR or will not be.** Our activities, businesses and transverse functions are facing critical challenges: taking them on right now will determine our ability to develop our economic, environmental and societal sustainability.
2. **As entrepreneurs, our task is to initiate value-creating changes** for our customers, all our partners and our companies, during their development and when they are passed on to members of Les Mousquetaires.
3. **Our initial decision to build relations of proximity, a choice now engraved in our DNA**, is reflected in both our sourcing activities and in the way we carry out our business and has proven to be an avant-garde choice. Our organization and actions have been built on this philosophy. This proximity is now more than ever a source of greater responsibility.

The Group has launched a **transformation approach** around **7 battles, an approach built on the 3 pillars** and the fruit of our experience and discussions while being **aware of the need to set priorities in order to be more effective**:

- **The climate:** Decarbonisation (SBTI), water and biodiversity
- **Food transition:** Sustainable French agriculture and healthy food
- **The circular economy:** Waste reduction, collection, recovery and reuse
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The entire approach is detailed in the document: "**Our battles for sustainability**"<sup>2</sup>.

## **B. Our commitment to the circular economy**

The circular economy is an economic model based on reducing wastage and conserving natural resources.

In January 2022 a circular economy division was set up within the Group's CSR Quality Department. Its mission is to seek local solutions all over France, develop our expertise and increase the visibility of our actions at the points of sale.

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<sup>2</sup> [https://www.mousquetaires.com/wp-content/uploads/2023/07/mousquetaires-rdd\\_2022.pdf](https://www.mousquetaires.com/wp-content/uploads/2023/07/mousquetaires-rdd_2022.pdf)

The division intervenes in particular in the management of secondary raw materials, steering actions, monitoring regulatory issues, representation on the Group's bodies and with civil society as well as training and support.

The Group's initiatives also comply with the AGECE Act (*Anti-Wastage for a Circular Economy*) adopted in 2020 February.<sup>3</sup>

The act seeks to accelerate the shift in the production and consumption model in order to limit waste and preserve natural resources, biodiversity and the climate.

It aims to transform our linear produce-consume-discard economy into a circular economy. It is broken down into five main areas:

- exit disposable plastic;
- better inform consumers;
- fight against wastage and in favour of solidarity-based reuse;
- act against planned obsolescence
- produce better.

Subscribing to the principles of the circular economy requires developing a virtuous loop between production and consumption and taking in processing, transportation and storage.

The Group is involved in every step in this process and is reinventing its production and distribution model in order to preserve the environment and natural resources. It is a source of savings and motivation for our employees. Reducing, collecting, sorting and recycling packaging are three key levers for action.

**Our strategy is deployed in 4 areas:**

1. Deal with the topics one after the other, starting with the priorities;
2. Study the various levers for action and use the experience of our entities to find common solutions and partners across the Group to achieve greater bulk volumes;
3. Keep it simple so that eco-gestures do not complicate the lives of customers and employees;
4. Present turnkey, tested and sustainable solutions to enable all our stakeholders to act throughout the life cycle.

**We have set 3 goals to be achieved by 2030:**

- 100% of our recoverable waste is collected and recycled on all our sites;
- Integrate the packaging eco-design approach for all our own brands across all our retail chains;
- Offer our customers solutions for the collection of their waste in certain circular economy sectors.

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<sup>3</sup> <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000041553759/>

The fight against wastage is also essential in order to limit waste volumes, save resources and contribute to “eating better” and more generally to “living better” for the most disadvantaged. For example, a donation partnership was set up in 2022 with Phenix<sup>4</sup> for food and non-food products from our logistics hubs. This is in addition to the actions already being carried out in 2021: partnership with the Envie Network to recover products from after-sales and monitor dead stock.

In addition to the off-the-shelf solutions available and used by some of our points of sale (Phenix, Comerso<sup>5</sup> or Smartway<sup>6</sup>), we have developed a system to manage best before dates (BBD), alerts and a short date sticker solution in 2022.

Still with the goal of combating food wastage, we tested the marketing of anti-wastage fruit and vegetable baskets as early as 2021. Since being listed in March 2022, our Intermarché and Netto chains have sold more than 670,000 baskets of fruit and vegetables. At the same time, we continue to have recourse to partners such as Phenix or Too Good to Go<sup>7</sup>. For example, since the start of the partnership with Too Good to Go in 2019, our Intermarché and Netto outlets have sold over 1.5 million baskets.

We also rely on our own brands and have developed an ANTI-WASTAGE promise. In 2022, we launched a limited edition of 2 ice creams produced by our “Les Délices du Valplessis” production unit, and recently, in September 2023, 2 frozen soup references were developed. We work closely with our production units and partners to expand the range and address wastage issues throughout the production chain.

With the goal of acting beyond our points of sale, we have developed an anti-wastage insert to be affixed to the back of our own-brand packaging. This applies to references with a minimum durability date (MDD). In this way, we encourage our consumers to be discerning and not to systematically discard a product whose best before date has been exceeded.

For Household Goods, a donation partnership with the EMMAUS network of local authorities was set up in 2021, so that unsold items from logistics hubs and points of sale could benefit communities and households in financial difficulty.

As producers, we have also since 2019 been continually rethinking the packaging for our brands so as to generate less waste and facilitate recycling for our customers, without compromising on our quality and safety requirements.

The Group first focused on the waste generated by its sites. Today, a 100% circular loop is operational for cardboard and plastic with 90% of its points of sale, production units and logistics hubs concerned.

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<sup>4</sup> <https://www.wearephenix.com>

<sup>5</sup> <https://www.comerso.fr>

<sup>6</sup> <https://smartway.ai/fr/>

<sup>7</sup> <https://www.toogoodtogo.com/fr>

Our top priority: ban plastic by eliminating single-use plastics as much as possible. The section dedicated to reducing plastics details the various actions undertaken.

### **C. Taking our supply chain into account**

Procurement is essential for the sustainable development performance of a distributor producer.

Through their sectors, Les Mousquetaires are committed to fostering sustainable social and environmental production conditions, in particular by establishing sustainable partnerships with their suppliers and through a responsible procurement policy.

The Procurement Department and the CSR Quality Department ensure that the procurement strategy integrates the goals and tools of the **responsible procurement approach**.

All of the Group's service providers and suppliers sign a "**Responsible Procurement**" charter on being listed or when renewing their contracts.

The **Supplier charter for responsible procurement** has been developed based on the recommendations of the ISO 26000 standard on corporate social responsibility. Drafted in 2015 and signed by all suppliers since 2018, this charter commits them to make progress in complying with 15 commitments that relate to governance (*fair trading and business ethics*), social practices (*health and safety in the workplace, diversity, etc.*) as well as the environment and their regional roots. The challenges are broken down by sector and by product in order to adapt to each sector and prevent specific risks.

The **on-going improvement approach** is also reflected in supplier monitoring, based on the results of the assessment programme, as well as a mapping of social and environmental risks.

For high-risk product and/or raw materials families, **social and environmental impact mapping** guides buyers, and therefore suppliers, in selecting more sustainable products on international markets and helps them anticipate risks.

The Group has also drafted a formal **code of conduct on acceptable social conditions in high-risk procurement areas**.<sup>8</sup> Established in 2000, this code was updated in 2011, after the Group joined the Business Social Compliance Initiative (BSCI now known as AMFORI). A new version was released in 2023.

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<sup>8</sup> <https://www.amfori.org>  
<https://s3.eu-west-1.amazonaws.com/www-php-media-files.prd.amfori-services.k8s.amfori.org/08/amfori-bsci-code-of-conduct-french-december-2021-2.pdf>

#### **D. Commitments made through initiatives with multiple stakeholders**

In 2012, Intermarché joined the Foreign Trade Association (FTA), which represents and champions “the values of free and responsible trade”.

Within this association, Intermarché participates in the "**Business Social Compliance Initiative**" (**BSCI now Amfori BSCI**), which aims to improve working conditions in the international supply chain.

Intermarché was the first French retailer to join BSCI as a member and thus be able to develop its commitments in terms of social responsibility.

The BSCI system, based on a development approach, is based on sustainability and is built on three pillars:

- monitoring activities through regular independent social audits;
- improving working conditions by monitoring the action plans proposed by suppliers;
- establishing a constructive dialogue with the various stakeholders on the European and international stage.

The Group's CSR Quality Department is a member of the Amfori Network Committee for France.

As a member of Amfori BSCI an annual social audit programme is carried out based on a risk mapping process.

This risk mapping is built using country risk indicators (*these are in turn derived from the World Bank's worldwide governance indicators: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, control of corruption*) and risk indicators in terms of sectors of activity (*based on the Bribe Payer Index, an index giving the level of corruption in the various sectors of activity and published by Transparency International, an association specialised in the fight against corruption*).

Using this mapping, audits are run using the Amfori BSCI framework, which itself is based on the ILO's international conventions and the SA 8000 standard with a code of conduct built on 11 main principles:

- Freedom of association and right to collective bargaining
- Ethical Business Conduct
- Fair remuneration
- Occupational health and safety at work
- Special protection for young workers
- Non-Discrimination
- Decent working hours
- No precarious employment
- Preservation of the environment
- No use of child labour
- No forced labour



As a follow-up to these audits, remediation plans are implemented in factories with free access to training and other programmes in their own country and language on issues where non-conformities were detected or which may be of concern to them.

Several types of actions are possible with regard to **environmental risks**:

- **Partnerships with NGOs:** the Group works closely with various NGOs specialised in environmental protection or animal welfare. In particular, a partnership has existed for several years with the NGO Earthworm<sup>9</sup>, which helps it prioritise its actions and supports it in analysing and reducing risks (mainly *environmental but also social*) for both land and marine resources. The Les Mousquetaires Group is therefore conducting various supply chain analysis projects with Earthworm concerning several different materials (*soya, palm oil, wood, charcoal, imported soya, tuna, shrimp, salmon, cod, etc.*).
- **Expert Committees:** a second method used by the Group to prioritise its actions in terms of environmental risk is to set up expert committees. A technical committee of stakeholders has been set up for animal or plant sectors identified as being at risk and this committee include researchers, industrialists, trade bodies and environmental associations. These bodies are consulted annually on progress plans and how best to advance them. The sectors identified today are plant sectors for the integration of agroecological standards, fisheries resources, aquaculture, as well as the dairy and animal sectors with commitments on animal welfare.
- **Trade and technical organisations:** the Les Mousquetaires Group is a member of several trade organisations such as the FCA, the FMB, Perifem, the Collectif Génération Responsable and the Institut du Commerce. These relations enable it to maintain a watch on future legislation related to our sustainable development approach, but also to share experience with other operators for a more efficient implementation.

At the same time, the Group has been implementing a **supply chain transparency project** since the end of 2018 in order to identify all stakeholders in the supply chain from the farm to the finished product. This enables all quality, environmental and social certifications to be collected from suppliers at all levels, and potential risks to be identified at each of these levels. This project is carried out in partnership with SGS and a technology partner called Transparency One<sup>10</sup>.

The project initially concerned organic products but has since been extended to certain sectors with environmental and social risks (fruit and vegetables, beef, poultry, pork, organic products) and also to the egg sector. In 2023, the Group carried out Transparency One traceability campaigns on avocado, chicken and nuts.

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<sup>9</sup> <https://www.earthworm.org/fr/>

<sup>10</sup> <https://www.transparency-one.com/fr/>

The Group's commitment to the climate was underscored when it joined ACT® (*Assessing low Carbon Transition*)<sup>11</sup>, an international method supported by Ademe. This method is used to assess whether a company is on track to meet the commitments made in the Paris Agreement, which aims to divide CO2 emissions by three within ten years. Studies on the carbon footprint of large retail chains showed that most greenhouse gases emitted were not linked to its direct activities, but more broadly to the value chain (*manufacture and use of the products sold, distribution networks*).

The Les Mousquetaires Group has also decided to participate in the experiment conducted by Ademe on environmental information displayed on food product packaging using a conventional LCA on around one hundred products. Ademe's work resulted in a scientific report that was submitted to the Government at the end of 2021. We are waiting for the Ministry's recommendations on the methodology and visual label to apply them to our products.

## **E. A certification and labelling approach**

Whether in the context of logistics activities or agri-food activities, the Group is committed to ongoing quality initiatives.

The social and environmental responsibility that accompanies these approaches makes them stand out as evidenced by the numerous certifications obtained by a large number of entities and production sites and through initiatives in the agricultural raw materials sector:

- ISO 9001 for quality management
- ISO 14001 for environmental management
- ISO 22000 for food safety
- ISO 50001 for energy Management
- Product with the HVE (High Environmental Value) label
- Product with the CRC (Controlled Sustainable Farming) label
- Product with the "Pesticide Residue Free" (PRF) label
- Organic product
- IFS Food for process and product quality and safety
- FSQS: Food Store Quality Standard for food safety at points of sale
- "Commerçant Responsable" label

The Group is committed to the "**Commerçant Responsable**" label<sup>12</sup> which aims to assess the performance level achieved by points of sale using a performance benchmark established by the "Collectif Génération Responsable"<sup>13</sup> and associated stakeholders. This label certifies that CSR is taken into account at the point of sale and highlights this commitment among its customers and local partners. This supports points of sale in implementing the principles of ISO 26000 through an operational approach. Thus, this approach shows how companies

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<sup>11</sup> <https://actinitiative.org>

<sup>12</sup> <https://label-commercant-responsable.com>

<sup>13</sup> <https://www.generation-responsable.fr>

voluntarily integrate social and environmental concerns into their business activities and their relationships with stakeholders.

The goal is to deploy a system to acknowledge and promote the CSR commitments made by points of sale as part of an ongoing improvement approach by sharing the most effective practices, the pitfalls to be avoided and the benefits obtained.

Based on the ISO 26000 standard, it assesses actions by points of sale through 38 commitments, rated from 1 to 4, in the following areas:

1. the quality of the point of sale's relations with its employees (working conditions, supervision, training) and its customers (reception, satisfaction, promotion of responsible consumption, etc.);
2. eco-responsibility: combating wastage, waste, CO2 emissions, preserving energy, water and diversity by improving comfort and well-being;
3. integration in the local territory: local sourcing, employment support, contribution to economic development, social links, etc.

When the label is awarded, the teams undertake to continue the actions for 3 years: they analyse the results of the 38 items and implement an improvement approach. Every 18 months, an audit is carried out to measure their progress.

The audit is carried out by an independent body and the label is awarded when an average score of at least 2.5 is achieved (for a duration of 3 years, with an audit after 18 months).

At the end of 2023, 191 of the Group's points of sale had already been awarded the label: 230 more have entered the initiative; the goal is to have over 400 points of sale with the label by the end of 2024.

Our goal by 2025: all our points of sale are committed to the "Commerçant Responsable" approach.

Our strategy to achieve this goal is structured around 3 main items:

1. Act simply and systematically in every point of sale, getting our business managers and employees involved in an initiative that is full of meaning and value.
2. Provide evidence of our commitments to sustainable development through joint, local and easy-to-understand actions.
3. Measure progress on an individual point-of-sale and global basis to make sustainable progress step by step.

## **F. An approach based on recognised frameworks**

We had recourse to **several existing frameworks** when drawing up the Vigilance Plan:

- **OECD Guidelines** for Multinational Enterprises - 2023<sup>14</sup>
- **UN Guiding Principles on Business and Human Rights** - 2011<sup>15</sup>
- **OECD Due Diligence Guidance for Responsible Supply Chains**
- **Business and Human Rights Impacts: Identifying and Prioritizing Human Rights Risks – Shift** – 2014<sup>16</sup>
- **Human rights impact assessment guidance and toolbox** – The Danish Institute for human rights<sup>17</sup>
- **Vigilance Plans Reference Guidance** - SHERPA - 2018<sup>18</sup>
- **ISO 26 000**
- **EFRAG<sup>19</sup> publications in the context of CSRD implementation.**

This vigilance plan therefore takes into account **all risks** in terms of human rights and fundamental freedoms, human health and safety and the environment as defined below:

- **Human rights and fundamental freedoms:** child labour, forced labour, workers' rights, harassment and discrimination, working conditions, etc.
- **Health and safety of persons,** in particular accidents, exposure to harmful substances, psychosocial risks, health risks, impact of new technologies, etc.
- **The Environment:** threats to biodiversity, pollution, greenhouse gas emissions, climate change, sustainable resource and waste management, etc.

From our point of view, animal abuse is also an important issue that we consider to be an ethical issue and that we address positively through our **animal welfare** approach.

## **G. Identifying key issues in the context of a CSR materiality analysis**

From a global point of view, issues are identified in particular through a **CSR materiality analysis** which enabled us to identify the key issues for the Group in terms of the environment and human rights. Taking these issues into account is the very foundation on which our entire sustainable development approach is built and of which the vigilance plan is an integral part.

After an initial materiality analysis carried out in 2016, the Les Mousquetaires Group wanted to **update its list of priority CSR issues in 2019** through a dialogue with its stakeholders.

**Some twenty qualitative interviews were carried out with key stakeholders** with the support of a consultancy firm specialised in sustainable development strategies:

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<sup>14</sup> <https://www.oecd-ilibrary.org/docserver/0e8d35b5-fr.pdf?expires=1686253868&id=id&accname=guest&checksum=3BFE357F73D3A92A9525E2EC511C23F0>

<sup>15</sup> [https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_fr.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_fr.pdf)

<sup>16</sup> [https://shiftproject.org/wp-content/uploads/2014/01/Shift\\_SERworkshop\\_identifyHRrisks\\_2014.pdf](https://shiftproject.org/wp-content/uploads/2014/01/Shift_SERworkshop_identifyHRrisks_2014.pdf)

<sup>17</sup> <https://www.humanrights.dk/tools/human-rights-impact-assessment-guidance-toolbox/introduction-human-rights-impact-assessment>

<sup>18</sup> [https://www.asso-sherpa.org/wp-content/uploads/2018/12/Sherpa\\_VPRG\\_web\\_pageapage-min.pdf](https://www.asso-sherpa.org/wp-content/uploads/2018/12/Sherpa_VPRG_web_pageapage-min.pdf)

<sup>19</sup> <https://www.efrag.org>

- Internal stakeholders: representatives of the various business lines and the group's organisation;
- External stakeholders: CSR experts, NGOs, sociologists, etc.

A list of around **forty issues** was submitted to them during these interviews and the analysis made it possible to match up priority issues for internal and external stakeholders.

Product traceability, **information and environmental impact (carbon footprint, recycling, packaging) appear to be the most strategic issues** for the Group's future. These are therefore the first two items Les Mousquetaires will act on.

It should be noted that different stakeholders interviewed had different priorities for certain issues:

- Integrating CSR into governance and the environmental impact of logistics are two key issues for external stakeholders.
- The social and health impact of products, employability and skills development are seen as priorities for internal stakeholders.

Based on these results, the Group is deploying its CSR policy to address these expectations and focus on these priority issues. This approach is part of the **responsible development strategy deployed by Les Mousquetaires**, which is still structured around the **three pillars: customers, employees and territories**.

To facilitate the understanding of these issues we have classified them into four themes: **social, societal, environmental and governance**. At the Group level, **16 major issues have been identified**:

- Product traceability and labelling;
- Environmental impact of products (including product packaging and their carbon footprint);
- Reduction and elimination of plastic;
- Waste management in factories, warehouses and points of sale;
- Fight against food wastage;
- Integrating CSR into governance and external communication;
- Well-being in the workplace;
- Social and health impact of the products (health/safety of products);
- Accessibility of food for all (affordability);
- Territorial roots and contribution to local social and economic development;
- Carbon and energy footprint of factories, warehouses and points of sale;
- Environmental impact of logistics;
- Development of organic products;
- Responsible communication and provision of information to consumers;
- Employability, forward-looking career management and skills development;
- Offers based on functional and collaborative consumption logic.

The issues identified in this materiality analysis have been integrated into the various action plans already in place. More **in-depth analyses** are also being carried out to take account of sectoral specificities and adapt mitigation measures.

This CSR materiality analysis was therefore supplemented by a more detailed **risk mapping approach** for certain activities, in particular logistics activities, and an in-depth review for certain supply chains and/or raw material sourcing and these are presented later in this document. The **risks linked to supplying countries** were taken into account when in the analysis of each sector.

The key issues identified are also reflected in the direction taken by Les Mousquetaires to strengthen vigilance on **7 CSR battles**.

#### **H. Taking key issues into account when identifying the Group's priority risks**

A priority risk identification initiative was carried out in 2021 by the Internal Control and Audit Risks Department (DRACI). This risk mapping has thus made it possible to identify and prioritise major risks.

From this analysis, **safety of persons** emerged as an important issue, due to the risks of harm to the physical integrity of persons and given the wide range of different activities carried out within the Group: point of sale, logistics hubs, production units, etc.

Action plans were implemented and workshops organized with the help of the CSR Quality Department and managers of the Business Lines concerned to support the efforts made to mitigate this risk. Thus, 5 safety-related risk scenarios were discussed in these workshops:

- Fire of an electrical origin at the point of sale;
- Impact of musculoskeletal disorders (MSDs) at points of sale;
- Serious accident in a production unit;
- Fire at a logistics hub;
- Collapse of the roof of a point of sale, due to a lack of maintenance.

Indicators also supplement this approach enabling the progress of action plans and their contribution to risk mitigation to be measured.

### 3. Our vigilance plan for logistics

#### A. Identification of key risks and challenges for logistics

This analysis aims to identify **risks in terms of human rights and fundamental freedoms, human health and safety and the environment**, with the most **serious consequences or impacts**, which may result directly from our logistics activities or from suppliers and sub-contractors with whom the Group has an established business relationship.

Our approach has been to **compare and cross-check information from several different sources** in order to identify all potential **risks incurred by our activities**, both within the Group and with respect to our external stakeholders.

**Risk identification is a cross-functional process**, involving representatives from the Procurement function and operational staff as often as possible.

**An assessment was carried out together with representatives from different functions** in order to identify the risks with the most significant issues for the Group's logistics activities, with action plans to be implemented internally and actions to be carried out with regard to/in cooperation with suppliers and sub-contractors.

However, it should be noted that **the main tasks entrusted by the Group to external service providers are also carried out internally**. This includes the use of temporary workers to strengthen teams, the use of transporters upstream or downstream, and outsourced logistics platform management services.

Consequently, **most of the risks identified are common to internal activities and external services**. In a determined, positive and committed approach, the names chosen for risks are part of the **"risks and challenges" identification process**.

**Several risks identified also interact with other risks or are related**, particularly in terms of the consequences for people and the environment.

This risk analysis is **reviewed regularly, annually or when there are changes in internal or external circumstances**.

As part of this approach, we also **had recourse to several sector-specific frameworks**:

- **CSR framework in logistics** - Ministry of Solidarity and the Ecological Transition - October 2018<sup>20</sup>
- **INRS - Occupational hazard assessment guide - Road haulage** - May 2022<sup>21</sup>

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<sup>20</sup> <https://www.ecologique-solidaire.gouv.fr/referentiel-responsabilite-societale-des-entreprises-rse-en-logistique>

<sup>21</sup> <http://www.inrs.fr/dms/inrs/CataloguePapier/ED/TI-ED-6095/ed6095.pdf>



- Orée: **Environmental performance of transportation and logistics practices - 2006**<sup>22</sup>
- BSR – “**10 Human Rights Priorities for the Transport and Logistics Sector**”<sup>23</sup>

Our risk mapping approach has led us to identify **32 risks** the criticality of which has been assessed for each of the activities concerned and for which the main third parties impacted and/or concerned have been identified.

Category	Risks and challenges
Environmental	Climate change resulting from greenhouse gas (GHG) emissions
	Energy consumption
	Air pollution
	Local pollution
	Wastewater Management
	Circular economy and waste management
	Biodiversity damage
Human Rights	Harm to populations' health
	Impacts on communities
	Migrants and human trafficking
	Forced or concealed labour
	Working conditions
	Quality of life at work
	Human capital development
	Freedom of association and collective bargaining
	Discrimination
	Private security
Health and safety of employees	Road hazards
	Manual handling and arduous work
	Falling from a height
	Ground level accidents
	Risks related to mechanical handling operations
	Collapses and falling objects
	Workplace environment
	Health hazards
	Risks related to work equipment and vehicles
	Product, emission and waste related risks
	Risks related to Technical and Storage facilities (Fire and Explosion)
	Security, violence and assault
	Psychosocial risks (PSR)
	Addictions, sleep and diet
	Corruption

Precise definitions and assessments of each of these 32 risks are set out in a **formal framework**.

With regard to Human Rights and the environment, the Group has identified **6 priority issues** on which the action plans aimed at mitigating risks focus:

- Climate change resulting from greenhouse gas (GHG) emissions;
- Energy Consumption;
- Air pollution;

<sup>22</sup> [http://www.oree.org/\\_script/ntsp-document-file\\_download.php?document\\_file\\_id=33](http://www.oree.org/_script/ntsp-document-file_download.php?document_file_id=33)

<sup>23</sup> [https://www.bsr.org/reports/BSR\\_Primer\\_Human\\_Rights\\_Transport\\_Logistics.pdf](https://www.bsr.org/reports/BSR_Primer_Human_Rights_Transport_Logistics.pdf)  
<https://www.bsr.org/en/blog/driving-forward-human-rights-in-transport-logistics>

- Working conditions
- Human capital development;
- Quality of life at work in terms of its cross-functional nature.

The Group has identified 6 priority issues with regard to **occupational health and safety hazards**:

- Road hazards;
- Manual handling and arduous work;
- Falling from a height;
- Collapses and falling objects;
- Working environment, in particular noise and temperature;
- Risks related to Technical and Storage facilities (fire and explosion).

5 issues have been identified **with regard to the carriers** with whom the Group has a relationship:

- Climate change resulting from greenhouse gas (GHG) emissions;
- Energy Consumption:
- Working conditions
- Quality of life at work in terms of its cross-functional nature;
- Road hazards.

10 issues have been identified **with regard to the logistics service providers** with whom the Group has a relationship:

- Climate change resulting from greenhouse gas (GHG) emissions;
- Energy Consumption:
- Air pollution;
- Working conditions
- Quality of life at work in terms of its cross-functional nature;
- Manual handling and arduous work;
- Falling from a height;
- Collapses and falling objects;
- Working environment, in particular noise and temperature;
- Risks related to Technical and Storage facilities (fire and explosion).

7 issues have been identified **with regard to the temporary workers** working on behalf of the Group:

- Working conditions
- Quality of life at work in terms of its cross-functional nature;
- Manual handling and arduous work;
- Falling from a height;
- Collapses and falling objects;
- Working environment, in particular noise and temperature;
- Forced or concealed labour.

5 issues have been identified **with regard to communities and populations located in the vicinity of the Group's** logistics sites:

- Local pollution;

- Water Management;
- Health of populations;
- Impact on communities;
- Risks related to Technical and Storage facilities (fire and explosion).

## **B. Supplier assessment procedures**

The Group has also put in place **processes and procedures for assessing suppliers** and sub-contractors involved in its activities:

- Carriers;
- Logistics operators;
- Temporary work agencies;
- Maintenance service providers;
- Freight forwarders.

These assessment procedures are based on **several approaches and tools**:

- Specifications;
- National framework agreement common to all service providers;
- Centralised exchanges at management level for operators with a national network;
- Local relationship between the Transport Department and carriers within the framework of the contract signed;
- Audits;
- Monitoring indicators.

The **following diligences** are carried out when selecting service providers and monitoring the relationship:

- Transport insurance conditions;
- A reminder of the rules for carrying out a transport operation;
- The ability of the carrier to manage controlled temperature deliveries;
- The quality and type of equipment on the road;
- Driver qualifications;
- The conditions for using ITM LAI trailers.

Special **attention is also paid to the Point of Sale safety protocols and the use of PTIs** (Protection/Safety of Lone Workers).

All carriers and temporary work agencies are also signatories of the "**Responsible Procurement Charter**".

## **C. Risk mitigation measures**

From a general point of view, the system put in place by the Group to prevent and mitigate the impacts of risks of serious harm to the environment, human rights and the health/safety of employees is based on **several different components**:

- A strategy;
- Principles;

- Works agreements;
- Policies and procedures;
- Resources;
- An organisation and responsibilities.

Most of the logistics sites operated by the Group are subject to permits granted based on compliance with environmental and safety regulations, which means the Group is **permanently seeking to identify and mitigate risks at each site under the control of the authorities.**

The **CSR Quality Department** provides its expertise and supports logistics entities in implementing appropriate CSR actions.

In terms of operational organisation, a **Health, Safety and Environment Quality Manager (QHSE)** is present with a team on all sites and he reports to the site manager.

In particular, he ensures effective implementation of the **Occupational Health and Safety Framework** and the **Environment/Energy Framework**.

Since the 1990s, the Group has been testing possible improvements to every link in the logistics chain and has been investing to deploy these so as to **limit the footprint of trucks between its warehouses.**

- **Optimise transport by** limiting speed to 80 km/h in 2012 and using a route optimisation tool to optimise trip distances since 2015.
- **Consume less**, thanks to training on eco-driving for drivers since 2012 with a target of 100% of drivers trained.
- **Use liquefied natural gas (LNG)**. Logistics has made this a priority in order to reach the new target set in 2017: **reduce its greenhouse gas emissions by 30% by 2030**. LNG improves air quality by reducing CO2 emissions by 15-20% and particulate emissions by 95%, while also reducing noise levels by a factor of four compared to a diesel engine. Since 2014, the Group has fitted out its 39 bases in France with LNG trucks and has helped its transport partners to purchase these trucks. Today, the Group is the only retailer to use LNG on such a scale.
- At the end of 2017, Les Mousquetaires opened their first points of sale in the inner city of Paris and close suburbs with a **fleet of trucks running on biogas, fitted out with electric refrigeration units that comply with the most stringent noise standards.**

The Group **supports partner carriers in buying natural gas trucks**, thus encouraging them to share its commitment to the environment.

All logistics bases developed under the Logistics Transformation Plan (LTP) are built according to the principles set down in the **High Environmental Quality (HQE) standard.**

**The ISO 50001 approach has been initiated with the goal of attaining 100% of sites by 2026.** This energy management standard attests to the quality of the organisation set up by compliant entities and their ability to manage energy efficiently and deal with global warming.

In accordance with Article R125-5 of the French Environment Code, public impact studies are also carried out by independent service providers for all new sites or when existing sites are transformed.

**Applications for permits and impact studies are processed and controlled by numerous authorities:** the prefect, Departmental Commission for the Conservation of Natural, Agricultural and Forestry Spaces (CDPENAF), DDT, DREAL, etc.

**Care for employees** is one of the 3 pillars of the Les Mousquetaires strategy.

As such, numerous **actions are carried out to develop human capital, the quality of life at work, working conditions and the fight against discrimination.**

The approach undertaken by the Group for many years now is set out in the annual **strategic guidelines for human resources** that are discussed with the Trade Unions in Economic and Social Committee meetings (CESC and CSEE).

From a practical point of view, this approach takes the form of **numerous company agreements and the acquisition of numerous tools to facilitate work activities and reduce the amount of manual handling**

The following table **summarises the main risk mitigation actions and measures** implemented by the Group for the 3 categories of issues:

Category	Key mitigation measures
Environment rate	<ul style="list-style-type: none"> <li>- <b>“Energy efficiency” plan</b> deployed across all sites</li> <li>- <b>LNG</b> equipment at all logistics hubs, the truck fleet and support of transportation partners.</li> <li>- <b>Biogas</b>-fuelled trucks for deliveries to central Paris.</li> <li>- <b>Review the energy mix</b> with a focus on self-consumption through the installation of solar panels, investment in PPAs (power purchase agreements) and the purchase of green electricity certificates.</li> <li>- <b>“Circular Economy” plan</b> from energy production to waste treatment.</li> <li>- Development of new hubs as part of the Logistics Transformation Plan according to the <b>High Environmental Quality (HQE) standard</b></li> <li>- Implementation of an Energy Management System (EMS) in all hubs.</li> <li>- Strict compliance with <b>ICPE standards</b> under the control of the authorities</li> <li>- Impact studies carried out for all new sites or transformation of existing sites, by independent service providers</li> <li>- <b>ISO 50001 certification (Energy Management)</b> for all sites</li> </ul>
Human Rights	<ul style="list-style-type: none"> <li>- Agreement on improving quality of life at work within ITM LAI</li> <li>- Agreement on enhancing the employability of ITM LAI employees through vocational training</li> <li>- Agreement on the prevention of hardship at work</li> <li>- Agreement on professional gender equality</li> <li>- Generation contract then action plan</li> <li>- Incentive agreement with safety and social criteria</li> <li>- Regular employee surveys</li> <li>- Compensation comparative study</li> <li>- Awareness campaign on psychosocial risks</li> <li>- Deployment of in-class training modules</li> <li>- Agreement on trade union rights</li> <li>- Policy for revitalising the territories impacted by restructuring</li> </ul>
Health and safety of employees	<ul style="list-style-type: none"> <li>- Hardship prevention agreement with numerous actions involving the development of new tools to facilitate work, new technologies and versatility</li> <li>- Health Plan 2020</li> <li>- Musculoskeletal disorders (MSD) programme</li> <li>- Important training policy on health and safety issues at work</li> <li>- Procedures and tools to store and manage hazardous products</li> <li>- Certification framework for health, cleanliness and safety</li> <li>- Appropriate protective equipment</li> </ul>

As far as temporary workers are concerned, it should be noted that they benefit from the same integration and training path as employees, particularly in terms of health and safety.

#### 4. Our vigilance plan for supply chains

Our vigilance plan for supply chains is part of our "**Responsible Procurement**" approach developed around several projects, some of which have already been discussed when presenting our approach to sustainable development:

- Risk mapping;
- A responsible procurement charter and sustainable sector charters;
- Sourcing and supplier assessments;
- Supply chain maps;
- Participation in joint initiatives;
- Monitoring alerts and responding to stakeholders;
- Training for internal teams in handling high-risk commodities.

With **commitments adapted to the specific issues** in each sector, the Sustainable Sectors charters are developed through a **dialogue with stakeholders** which has **several goals**:

- Address the Duty of Vigilance;
- Demonstrate our commitments for sustainable sectors;
- Define sustainability criteria;
- Engage with our suppliers.

In practice, dialogue with the stakeholders in each sector takes the form of working groups bringing together external partners and coordinated by the "**Responsible Procurement**" **Steering Committee**.

A formal approach has already been applied to **several sectors**:

- Plant production: palm oil, cocoa, soya;
- Wood: wood, charcoal, rubber;
- Sea-food: 10 species (tuna, cod, hake, shrimp, sardine, salmon, red tuna, swordfish, shark, trout);
- Animal welfare (chicken, laying hens, oxen, dairy cows, pigs) - The criteria related to sea-food are incorporated directly into the formal procedures related to the 10 species mentioned above.

**Each sector has specific social and environmental issues** that have been taken into account in our actions, with a focus on the geographical areas concerned.

Based on recognised social and environmental standards (Amfori BSCI, SA 8000<sup>24</sup>, Amfori BEPI)<sup>25</sup>, the **sector-specific vigilance plans** are regularly updated to account for emerging

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<sup>24</sup> SA8000: a standard that ensures that employees have a safe and healthy workplace, and that the company is able to take all preventive and appropriate measures to avoid any risk, accident or situation that may harm their physical health. It is based on the International Labour Organisation's rules.

<sup>25</sup> Amfori BEPI - The aim of the Amfori BEPI (Business Environmental Performance Initiative) is to improve environmental performance within supply chains.



social and environmental risks. For example, on the sustainable sector charters already distributed, 55% were revised in 2023.

In order to reconcile product quality with the preservation of natural resources, the Group is developing fully transparent progress plans in partnership with NGOs and in particular the **Earthworm Foundation** (formerly TFT<sup>26</sup>).

The proper application of these charters may be verified in audits organised by the CSR Quality Department.

Part of the on-boarding process for new Les Mousquetaires Group team members is training provided in each of the sustainable sector charters corresponding to their future functions. In addition, new training is organised each time the charter is updated.

<sup>27</sup>New sectors are being studied to formalise sustainability criteria, particularly with a view to the European Union Deforestation Regulation (EUDR).

**A. Plant and wood production**

Thanks to a regular inventory of their impacts on deforestation, Les Mousquetaires focus in priority on high-risk raw materials.

The geographical analysis highlights the **main deforestation and ecosystem conversion fronts** depending on the raw material, with significant impacts on the South America savannahs and tropical peatlands in Indonesia:

	Main zones	Main causes
Soya	South America: Cerrado + Gran Chaco + Amazon	Large-scale deforestation/conversion
Palm Oils	South East Asia: Indonesia, Malaysia, Borneo	Palm oil plantations
Cocoa	West Africa: Ivory Coast + Ghana	Ageing of cocoa trees leading to replanting
Charcoal	Congo Basin + East Africa	Intensive wood usage








<sup>26</sup> <https://www.earthworm.org/fr/>

<sup>27</sup> <https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=celex%3A32023R1115>

Significant social and environmental risks have been identified for these raw materials:

Environmental hazards	Social risks
<ul style="list-style-type: none"> <li>- Loss of biodiversity (destruction of natural habitats, impact of monocropping, zoonoses and pandemics, species extinction)</li> <li>- Soil deterioration and depletion, landslides, mudslides, avalanches, floods</li> <li>- Water pollution, disruption of groundwater, rivers and the water cycle</li> <li>- Elimination of carbon sinks</li> <li>- Fires and greenhouse gas emissions</li> <li>- Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>- Non-respect of local communities</li> <li>- Expropriation and violence against indigenous peoples</li> <li>- Child labour</li> <li>- Forced labour</li> <li>- Breaches of human rights</li> <li>- Non-compliance with working conditions (freedom of association, harassment, escalation of complaints, abusive disciplinary procedures, excessive working hours, pay, health/safety)</li> <li>- Poverty</li> </ul>

The following tables present a **summary of commitment charters** with respect to plant and wood production:

	Certification	Traceability	The environment	Social
Soya 	/	Up to the 1 <sup>st</sup> importer	<ul style="list-style-type: none"> <li>• No supplies from deforestation areas</li> <li>• Cut-off date* 01/01/20 (Cerrado zone)</li> <li>• Risk management mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• FPIC**</li> <li>• Respect for workers' rights</li> </ul>
Palm oil 	RSPO required by 2025 	Up to the 1 <sup>st</sup> importer	<ul style="list-style-type: none"> <li>• No supplies from deforestation areas</li> <li>• Cut-off date* 15/11/18</li> <li>• No burning</li> </ul>	<ul style="list-style-type: none"> <li>• FPIC**</li> <li>• Respect for workers' rights</li> <li>• Support for small producers</li> </ul>
Cocoa 	Max Havelaar or Rainforest Alliance required by 2025 	Up to the cocoa plantations	<ul style="list-style-type: none"> <li>• No supplies from deforestation areas</li> <li>• Ecosystem resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Combating child labour</li> <li>• FPIC**</li> <li>• Respect for workers' rights</li> <li>• Health and safety</li> </ul>
Wood, Charcoal, Rubber 	FSC or PEFC required by 2025 	Up to the wood harvesting site	<ul style="list-style-type: none"> <li>• No supplies from deforestation areas</li> <li>• Charcoal: Procurement from forests outside tropical zones</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for workers' rights</li> <li>• Health and safety</li> </ul>

**\*As part of our commitments, supplies must not come from areas that have been deforested/converted after a given date, known as the "cut-off date".**

**\*\* FPIC = Free, prior and informed consent**

The Group is committed to a **responsible procurement approach with procedures adapted to each raw material**:

- **On soya**, since 2020 Les Mousquetaires have been contributing to awareness-raising, transformation and monitoring actions coordinated by the Earthworm Foundation alongside WWF and Duralim. A **manifesto** has been signed with other distributors to get the entire sector involved up to the traders-importers in a traceability and exclusion process for areas affected by deforestation before January 2020 (cut-off date).

As soya is the number one cause of imported deforestation, we have **identified soya as a priority CSR issue**. The Group regularly assesses its soya footprint and, through its subsidiary Agromousquetaires, maps out its soya supplies in the pork and dairy sectors in order to trace them back to the first importers. The Group is also studying the possibility of reducing portions of soya in animal feed and sourcing French soya.

- **On palm oil**, the Group’s action initiated in 2010 made it possible to trace 81% of the volumes up to the mills published by the first importers. It follows government and media alerts related to palm oil plantations, mills and importers. Through its partnership with the Earthworm Foundation NGO, the Group regularly sends letters to importers relating to alerts and analyses their feedback by requesting proof that corrective actions have been implemented. In 2023, the Group became a member of the Roundtable on Sustainable Palm Oil (RSPO)<sup>28</sup> in order to contribute to sustainable palm oil channels.

The Group regularly assesses its palm oil footprint and the associated RSPO certification levels within the food and HPC scope.

The table below shows the percentage of palm oil, palm kernel and derivatives according to the RSPO certification level in 2023:

	IP/SG	MB	B&C	Non-certified
<b>Palm oil</b>	86%	5%	5%	4%
<b>Palm kernel oil</b>	98%	2%	0%	0%
<b>Derivatives</b>	7%	24%	3%	65%

IP: Identity Preserved/SG: Segregated/MB: Mass Balance/B&C: Book and Claim (credits)

- **On cocoa**, the Group follows the working groups of the French Initiative for Sustainable Cocoa (IFCD) and is helping to put indicators in place to monitor the volumes of products marketed. In 2023, the Group participated in the first IFCD reporting action by disclosing the volumes of cocoa it purchased that were covered by certification and/or sustainability programmes; as well as the share of traceable volumes.

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<sup>28</sup> <https://rspo.org>

The Group has been supporting fair trade initiatives since 2005 and has a partnership with the Fairtrade organisation Max Havelaar with the aim of progressively having its own-brand products certified.

- **On wood, charcoal and rubber**, the Group made strong commitments in 2020 with the support of the Earthworm Foundation to transform the practices of its main suppliers and increase its vigilance and responsiveness to alerts. The Earthworm Foundation NGO develops and regularly updates a tool to manage wood-related risks. The Group's DIY store teams are trained in its use. The tool indicates the risks associated with the product purchased based on the wood species, country of origin and certification level. In addition, Les Mousquetaires is a member of the Charcoal Transparency platform (charcoal-transparency.org). The Group assesses its charcoal suppliers every year by requesting full traceability right back to the farm. The Les Mousquetaires Group commissions social audits at the factory and farm level and monitors implementation of the ensuing action plans.

## B. Sustainable fishing

High fishing pressure from the 1950s onwards led to overexploitation of fish stocks. According to the 2024 FAO report "The State of World Fisheries and Aquaculture<sup>29</sup>", **37.7% of stocks were overfished in 2021** (*Latest available data*), considering that there are significant disparities between the 15 main FAO fishing zones that have been monitored.

Taking into account the production levels of the 10 marine species with the largest landings (27.4% of all landings) in 2021, 78.9% of these stocks were fished within biologically sustainable levels. Similarly, 87% of the main tuna species are sustainably fished. The FAO notes that these examples demonstrate the positive effects of effective fisheries management.

As the biggest fresh fishery fleet owner in France, Agromousquetaires is particularly sensitive to the impacts of overfishing and intensive aquaculture.

The Agromousquetaires Seafood division is committed to sustainable fresh fishing and updates its commitments each year with three goals:

- promote responsible and diversified fishing from healthy stocks fished by French vessels with guarantees as to crew safety;
- condition its purchases of sensitive species to compliance with the corresponding sourcing charters;
- make its fishing gear more selective and prevent plastic waste at sea and on land.

The **3 main fishing and aquaculture risks** are:

- Damage to ecosystems
- Impact on animal welfare

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<sup>29</sup> <https://openknowledge.fao.org/server/api/core/bitstreams/b1d63068-c8ef-43bf-9d43-e5382e978f63/content>

- Social conditions related to working at sea

Significant social and environmental risks have been identified in particular for tuna, shrimp, cod, hake, sardines and salmon:

Environmental hazards	Social risks
<ul style="list-style-type: none"> <li>- Loss of biodiversity (overfishing of stocks, destruction of natural habitats and mangroves, shark finning, extinction of species)</li> <li>- Pollution of coastal waters and land, waste</li> <li>- Salinisation of agricultural land and groundwater</li> <li>- Animal welfare</li> <li>- Elimination of carbon sinks</li> <li>- Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>- Social conflicts with other users of resources (water, mangrove)</li> <li>- Forced labour</li> <li>- Breaches of human rights</li> <li>- Non-compliance with working conditions (freedom of association, harassment, escalation of complaints, abusive disciplinary procedures, excessive working hours, pay, health/safety)</li> <li>- Poverty</li> </ul>

In 2016, Agromousquetaires launched its "**Progress plan for a sustainable sea sector by 2025**" to meet civil society's expectations in terms of managing the marine ecosystem while preserving employment and the sustainability of the sector.



As part of the 2025 sustainable sea sector plan, the fishermen in our fleet respect the ecosystem in which they operate. The actions concern in particular:



- compliance with a minimum capture size;
- the closure of areas during the breeding period of certain species;
- storage of inorganic waste on board;
- the fight against illegal fishing.

Our Agromousquetaires subsidiary ceased fishing at depths in excess of 800 m in 2015 and has worked with the Bloom Association to request a moratorium on electric fishing, which has been banned by the European Parliament since January 2018.

The plan also involves assessing fishery reserves and transforming the sector to improve fishing techniques and better target abundant species.

With the aim of protecting sensitive marine species, the content of the charters and commitments can be summarised as follows:

	Certification	Traceability	The environment	Social
<b>Fishing</b> 		<ul style="list-style-type: none"> <li>• Up to the fishing boat</li> <li>• Ban on sourcing from blacklisted boats</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable stock management</li> <li>• Conservation of ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for workers' rights</li> <li>• Compliance with maritime labour laws</li> </ul>

<p>Tuna, Cod, Hake, Prawns, Sardines, Salmon, Red tuna, Swordfish, Shark</p>	<p>Recommended by the MSC</p>		<ul style="list-style-type: none"> <li>• Prohibition of shark finning</li> <li>• Waste reduction</li> </ul>	
<p><b>Aquaculture</b></p>  <p>Shrimp, salmon, Trout</p>	 <p>Recommended by ASC</p>	<p>Up to the farm</p>	<ul style="list-style-type: none"> <li>• No transgenic fish</li> <li>• Alternative foods</li> <li>• Animal welfare</li> <li>• Good disease management</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for workers' rights</li> <li>• Respect for local communities</li> </ul>

When it comes to sustainable fishing, **our responsible sourcing approach is adapted to each raw material**, for example:

- **On tuna**, the Group is a member of the Global Tuna Alliance (GTA)<sup>30</sup>. By signing the Tuna Manifesto, Les Mousquetaires undertake to preserve stocks, combat illegal fishing and respect workers' rights. Together they carry out a source mapping operation every two years. Among other things, suppliers are asked about the origin of canning factories, fishing boats, fishing zones, the species caught, the volumes of MSC-certified tuna caught and the fishing techniques used. The data reported are then analysed by the GTA. Depending on the results and alert points, NGOs and the Group return to suppliers to request that they implement corrective action plans and monitor implementation. Finally, the Group is involved in regional fisheries management organisations (RFMOs) through declarations for the establishment of fishing quotas
- **On prawn**, the Group supports the mapping and visits to prawn farms and factories as part of its participation in the Earthworm Foundation NGO's Prawn working group. The aim is to encourage new breeding practices by pooling efforts with other distributors and implementing progress plans in collaboration with the various players in the sector.
- **On the issues relating to aquafeed**, mapping is regularly carried out as part of the Group's participation in the Earthworm Foundation's Aquafeed Working Group. Farmers and producers are asked about their farming practices, animal welfare and the feeding of farmed fish. Questions include population densities, how long fish grow in seawater, water quality, use of antibiotics, mortality rates, disease and parasite treatments used, feed composition, feed origin, associated certifications and possible use of alternative proteins. In 2022, as part of this working group, the Group set collective goals to foster more

<sup>30</sup> <https://www.globaltunaalliance.com>

sustainable aquafeed: reduce dependence on industrial fishing, improve the sustainability of industrial fishing and ensure the sustainability of soya.

In order to raise consumer awareness about more sustainable seafood consumption, Intermarché launched a new “Committed Selection” range in 2022 that guarantees that the fish are caught by French vessels and from healthy fish populations as determined by the stock status validated by scientists and specialised NGOs. This range is also based on the recommendations of associations and NGOs to offer a diversified range of species, in connection with the European Mr. Goodfish<sup>31</sup> programme.

### C. Animal welfare

Convinced that respect for animals and those who raise them is one of the pillars of a responsible food offering, Les Mousquetaires have made the five fundamental freedoms of animals the foundation of their animal welfare approach.

For each sector - beef, pork, dairy, poultry, eggs - we adapt the specifications to the various challenges: access to the open air, mutilation, density per m<sup>2</sup>, feed, transport time, slaughter conditions. We progress step by step and carry out tests before wide-spread application.

The Group is also intent on communicating to consumers as everyone's involvement is needed. As a member and administrator of the Association Étiquette Bien-être Animal (AEBEA)<sup>32</sup>, the Group applies the finalised labelling standards.

In 2023, the Group took part in developing the AEBEA laying hens standard.

Some examples are:

#### **Poultry**

- Our red-label and organic Volaé broilers have the “BEA” label;
- By 2025, the Group has undertaken to no longer market shell eggs and own-brand egg products from hens raised in battery cages;
- By 2026, the Group has committed to complying with the Better Chicken Commitment criteria<sup>33</sup>;
- The Group has established formal charters for small turkey, duck and rabbit species with the CIWF<sup>34</sup> and Welfarm<sup>35</sup>.

#### **Large animals**

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<sup>31</sup> <https://www.mrgoodfish.com/en/>

<sup>32</sup> <https://www.etiquettebienetreanimal.fr>

<sup>33</sup> <https://betterchickencommitment.com>

<sup>34</sup> <https://www.ciwf.fr>

<sup>35</sup> <https://welfarm.fr>

- Our Pâturages branded milk comes from cattle that graze for at least 150 days a year, i.e. one criterion in the “Animal welfare and grazing” charter drawn up with milk producers under contract with our dairies.

A comprehensive description of the Group’s animal welfare approach has been published every year since 2020 on the Mousquetaires.com website as part of the CIWF’s BBFAW (Business Benchmark on Farm Animal Welfare). The latest version was released in November 2023.<sup>36</sup>

#### D. Responsible Agriculture

Farming practices shape the future of the environment, human food and health.

With the **ambition of becoming the lead player in responsible production practices and feeding methods**, Les Mousquetaires are advocating a transformation of the agri-food model by promoting organic farming, a “pesticides” plan and by actively supporting agroecology. With tangible results for consumers already visible.

For example, Intermarché has been working for several years to increase the share of organic products in its ranges. Yet due to different crises and inflation, sales of organic products have fallen by some 10% in volume.

In response to these changes in consumption, the organic offer has been adapted and re-focused. Thus, at the end of 2023, the brand had 3,885 Organic product references listed with the purchasing centre, broken down as follows: 53.7% of National brands, 27.7% of Regional brands and 18.6% of private label brands. Intermarché’s market share of organic products has increased sharply since the end of 2018, up from 13% to 15.2% in 2023.

At the same time, the Group has been implementing an **ambitious pesticides plan** since 2017. In consultation with NGOs, technical institutes, researchers, etc. and in co-construction with the pilot sectors, in particular through its Agromousquetaires industrial division, its goal is to eliminate those active substances that are most dangerous to human health or the environment. It enables farmers to work on alternative solutions: biocontrols, physical control, alternative crop growing practices, etc.

Similarly, in order to offer **products with the "Pesticide Residue Free" (PRF)** label, Les Mousquetaires refer to stringent standards such as those developed by the Nouveaux Champs collective. They have therefore established an additional formal audit framework for sectors not certified by a third-party body, in order to control risks throughout the supply chain.

Thus, at the end of 2023, 18 "Pesticide Residue Free" own brand references were available at Intermarché in different ranges: in the fresh fruit and vegetables sector under the “Mon

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<sup>36</sup> <https://www.mousquetaires.com/nos-filiales/agromousquetaires/des-producteurs-responsables/>  
[https://www.mousquetaires.com/wp-content/uploads/2023/11/rapport\\_bea\\_bbfaw\\_2023\\_vf-ct.pdf](https://www.mousquetaires.com/wp-content/uploads/2023/11/rapport_bea_bbfaw_2023_vf-ct.pdf)



Marché Plaisir” brand, wines in the “Expert Club” range, fruit juices under the “Paquito” brand and frozen and canned vegetables under the “Saint Eloi” brand.

Agromousquetaires has also contributed to the emergence in France of the first **"High Environmental Value" (HVE)** label for wheat, the only certification recognised by the State for agroecology and also present in the winegrowing sector. This responsible production method takes account of natural resources and balances, limits the use of inputs and favours practices that protect biodiversity.

After three years of co-construction between two of Intermarché's mills and 38 cereal producers, and its production units and 47 winegrowers, Intermarché has now started to sell its first three breads made from HVE wheat as well as 9 HVE wine references.

At the end of 2023, 215 references were HVE-certified across the entire own-brand product portfolio: mainly in the fresh fruit and vegetables sector, but also in wines, ciders, bread and pasta.

In addition, depending on the markets, the HVE label is combined with other labels or certifications: in particular the PRF (Pesticide Residue Free), VER (Eco-Responsible Orchard) or CRC labels.

In 2021, the Group launched a **collective approach to the agricultural transition**.

Les Mousquetaires joined the working group on the agricultural transition led by the Earthworm Foundation in September 2021. Initiated following Greenpeace's pesticide-free race, this working group aims to pool actions with various retailers to accelerate the reduction in the use of plant protection products in the fruit and vegetable sectors.

In order to get started quickly on operational actions, initial work on the consumer potato sector was initiated in 2022.

The Group has also participated in a working group on the sustainability of certain sectors: with Earthworm for the Avocado sector since 2022 and with the French Initiative for Sustainable Bananas (IFBD)<sup>37</sup> in the Banana sector since the end of 2023.

## E. Social audits

Les Mousquetaires import finished products under their own brands through their ITM Import office for Intermarché and Netto stores and in a partnership with the A.R.E.N.A. import office for Intermarché, Netto and the Group's DIY stores. Imported products are mainly non-food (homeware, home linen, underwear, tableware, stationery, toys, charcoal, DIY goods,

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<sup>37</sup> <https://www.cirad.fr/espace-presse/communiqués-de-presse/2023/initiative-francaise-pour-une-banane-durable>

construction, electronics, furniture and garden equipment). Imported food mainly consists of seafood and exotic food products (coconut milk, pineapple, etc.).

Through its membership of the AMFORI BSCI initiative, the Group undertakes to have the factories that manufacture its own-brand products audited by third parties (inspection firms) and to monitor the progress of the factories' action plans.

The Group distributes the AMFORI<sup>38</sup> code of conduct to all its import suppliers setting down the principles to be respected: social management system, workers involvement and protection, rights of freedom of association and collective bargaining, no discrimination, violence or harassment, fair remuneration, decent working hours, occupational health and safety, no child labour, special protection for young workers, no precarious employment, no bonded, forced labour or human trafficking, protection of the environment and ethical business behaviour.

In 2023, the Group strengthened its social audit management system:

- Switch to unannounced audits,
- Risk status assignment to each country,
- Formal decision tree,
- Drafting of a procedure in the event of a Zero Tolerance alert.

Through the AMFORI system and the partnership with such initiatives as ULULA<sup>39</sup> as part of the "Worker's voice" programme, the Group receives and follows factories.

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<sup>38</sup> [https://www.amfori.org/sites/default/files/amfori%20BSCI%20Code%20of%20Conduct%20-%20French%20-%20December%202021\\_0.pdf](https://www.amfori.org/sites/default/files/amfori%20BSCI%20Code%20of%20Conduct%20-%20French%20-%20December%202021_0.pdf)

<sup>39</sup> <https://ulula.com>

## E. Tracking indicators for own-brand supply chains

*These indicators do not concern direct purchases by points of sale.*

Category	Description	2021	2022	2023	Progress	Goal 2025
<b>All Business Lines taken together</b>	Number of sustainable sector charters established (including updates)	<i>7 charters created, 1 charter revised</i>	<i>7 revised charters</i>	<i>5 charters created, 7 revised charters</i>	<b>NA</b>	<b>NA</b>
	Number of alerts received and processed	<b>3</b>	<b>7</b>	<b>14</b>		
	Number of stakeholder surveys or reports to which the Group has responded	-	<b>2</b>	<b>7</b>		
	Number of mapping operations performed	<b>1</b>	<b>2</b>	<b>10</b>		
	Number of people trained in sustainable sector charters	<b>33</b>	<b>19</b>	<b>114</b>		
	No. of people trained in the new European regulation on imported deforestation	-	-	<b>55</b>		
<b>Cocoa</b> <i>(Bars, powders, spreads, confectionery, seasonal)</i>	% of suppliers who signed the cocoa charter	<b>20%</b>	<b>40%</b>	<b>40%</b>	<b>=</b>	<b>100%</b>
	Cocoa footprint <i>(Cocoa bean equivalents)</i>	-	<b>3,282 tonnes</b>	<b>3,588 tonnes</b>	<b>+</b>	<b>/</b>
	% of Cocoa volumes traceable to the country of origin	-	<b>99%</b>	<b>99%</b>	<b>=</b>	<b>100%</b>
	% of Cocoa volumes traceable to the cooperative	-	<b>0%</b>	<b>89%</b>	<b>++</b>	<b>100%</b>
	% of cocoa volumes certified Fairtrade Max Havelaar, Rainforest and/covered by a sustainability programme	-	<b>88%</b>	<b>93%</b>	<b>+</b>	<b>100%</b>
	% Max Havelaar Fairtrade certified chocolate bars	<b>15%</b>	<b>19%</b>	<b>22%</b>	<b>+</b>	<b>/</b>
% Fairtrade certified Max Havelaar spreads	<b>0%</b>	<b>70%</b>	<b>87%</b>	<b>+</b>	<b>/</b>	

Category	Description	2021	2022	2023	Progress	Goal 2025
Palm oil	% of suppliers having signed the palm oil charter	53%	66%	50%	-	100%
	Palm oil footprint	4,772 tonnes <i>(2018 volumes)</i>	5,514 tonnes	7,783 tonnes	+	/
	% by volume of palm and palm kernel oil containing RSPO certified palm oil (excluding derivatives)	78% <i>(Food)</i>	98% <i>(Food)</i>	96%	NA	100%
	% by volume of own-brand palm oil containing RSPO SG or IP certified palm oil (excluding derivatives)	54% <i>(Food)</i>	87% <i>(Food)</i>	87%	NA	100%
Soya	% of suppliers having signed the soya charter	54% <i>(Poultry and eggs)</i>	33% <i>(Poultry, eggs, pork, beef and dairy products)</i>	33% <i>(Poultry, eggs, pork, beef and dairy products)</i>	=	100%
	Soya footprint	111,314.2 T <i>(on 2020 volumes, poultry, eggs, pork, beef, milk, plain yoghurt, butter, cream)</i>	140,802 T <i>(poultry, eggs, pork, beef, milk, yoghurt, butter, cream, cheese)</i>	Figure coming soon		/
	% of soya volumes imported into France and analysed using the ZDC methodology	8% <i>(2021-2022)</i>	10% <i>(2022-2023)</i>	17% <i>(2023-2024, estimate)</i>	+	100%
	% of volumes of soya in salmon aquaculture feed, certified zero deforestation	-	100%	100%	=	100%
Wood	% of own-brand and national brand products containing FSC or PEFC certified wood or wood derivatives <i>(DIY retailers)</i>	70%	78%	91%	+	100%
	% of products containing FSC or PEFC certified wood or wood derivatives <i>(Home and Personal Care)</i>	-	89%	89%	=	100%
	% of FSC or PEFC certified charcoal	-	100%	100%	=	100%

Category	Description	2021	2022	2023	Progress	Goal 2025
Seafood	% of seafood charters signed	<b>61%</b> <i>(Tuna, Cod, Hake, Prawns, Sardines, Salmon)</i>	<b>75%</b> <i>(Tuna, Cod, Hake, Prawns, Sardines, Salmon)</i>	<b>68%</b> <i>(New versions Tuna, Cod, Hake, Prawn, Sardine, Salmon; New charters Trout, Swordfish, Shark, Red Tuna)</i>	NA	<b>100%</b>
	% of volumes of bluefin tuna from purse seine fishing using FADs	<b>47%</b> <i>(2019 Volumes)</i>	<b>34%</b> <i>(2021 Volumes)</i>	<b>Figure coming soon</b>		<b>20%</b>
	% of shrimp volumes from Mister Goodfish labelled farms or farms subject to an action plan <i>(Excluding seafood stall)</i>	<b>71%</b> <i>(On prawns from Ecuador)</i>	<b>84%</b> <i>(On prawns from Ecuador)</i>	<b>52%</b> <i>(On LATAM-origin prawns)</i>	NA	<b>100%</b>
	% of raw prawn references that are certified organic, ASC, MSC or that come from a responsible Label Rouge supply chain. <i>(Excluding seafood stall)</i>	<b>75%</b>	<b>75%</b>	<b>64%</b>	-	/
	% of raw salmon references certified to be organic, ASC, MSC or Label Rouge. <i>(Excluding seafood stall)</i>	<b>35%</b>	<b>41%</b>	<b>33%</b>	-	/
Animal welfare	% of shell eggs from cage-free hens	-	<b>76%</b>	<b>82%</b>	+	<b>100%</b>
	% of egg products from cage-free hens	-	<b>39%</b>	<b>Figure coming soon</b>		<b>100%</b>
	% of AEBEA labelled raw organic chicken references	<b>85%</b>	<b>85%</b>	<b>85%</b>	=	<b>100%</b>
	% of AEBEA labelled Label Rouge raw chicken references	<b>92%</b>	<b>100%</b>	<b>100%</b>	=	<b>100%</b>
Social audits	Number of high-risk factories	<b>612</b>	<b>488</b>	<b>391</b>	-	/
	Number of social audits carried out on high-risk factories	<b>406</b>	<b>250</b>	<b>271</b>	+	/
	% of socially audited high-risk factories	<b>94%</b>	<b>81%</b>	<b>87%</b>	+	<b>100%</b>
	% of factories rated A, B or C	<b>95%</b>	<b>96%</b>	<b>99%</b>	+	<b>100%</b>
	No. of non-compliant factories (rated D or E)	<b>26</b>	<b>11</b>	<b>4</b>	-	<b>0</b>

## 5. Our vigilance plan for reducing plastics

From a general point of view, packaging plays an important role in protecting products and combating food wastage, especially during product transport and handling.

Packaging also has a communication function, informing the consumer in accordance with applicable regulations, but also ensuring product traceability.

Plastic packaging in particular has many advantages (lightweight, strong, easy to clean, etc.) which have led to widespread use by large retail chains for many years. Plastic packaging also allows for a longer food shelf life and a higher level of food safety through more efficient hygiene.

For a long time, plastic has also been used to design products that are easy to manufacture in large quantities, particularly in terms of home appliances (kitchen, etc.), toys, etc. However, these products, like packaging, can pose a threat to the environment if they are mishandled and not part of a recycling process. Some plastic objects and packaging are not recyclable and may contain products that pose environmental risks and require large quantities of raw materials.

We are therefore acutely aware of the negative impacts of plastic on the environment and also that it is a concern shared by our customers. We have been particularly sensitive to these issues for many years, especially through the fact that we manufacture our own products in our own factories.

Our approach is structured around several elements:

- A **mapping of plastic risks** through a combination of several approaches
- Commitments **both** internally and through participation in sector-specific initiatives
- Concrete **actions**

### A. Risk mapping

In order to identify priority issues, the Group has mapped out the risks incurred by using plastic.

The risks were identified based on a documentary analysis and internal work meetings.

Our approach has therefore been built on the basis of the following documents, reports and analyses:

- *"The plastics landscape: risks and opportunities along the value chain"* - The Principles for Responsible Investment (PRI) – 2019<sup>40</sup>
- *"Checking Out on Plastics III"* - Environmental Investigation Agency (EIA) - Greenpeace - 2019<sup>41</sup>
- *"Environmental and Health Risks of Microplastic Pollution"* - European Commission - 2019<sup>42</sup>
- *"Plastic & Health - The hidden costs of a Plastic Planet"* - Center for International Environmental Law (CIEL) - 2019<sup>43</sup>
- *"Assessing plastic ingestion from nature to people"* - WWF - 2019<sup>44</sup>
- *"BREAKING DOWN HIGH-RISK PLASTIC PRODUCTS - Assessing pollution risk and elimination feasibility of plastic products"* - WWF - 2023<sup>45</sup>
- *"Breaking the Plastic Wave"* - Pew Charitable Trusts - 2020<sup>46</sup>
- *"Pollution plastique: une bombe à retardement?"* - Parliamentary Office for the Evaluation of Scientific and Technological Choices (COPECST) - 2020<sup>47</sup>
- *"Lutte contre la pollution par les déchets plastiques en milieu marin - État des lieux, réglementation, recensement et analyse des initiatives"* - ADEME - March 2020<sup>48</sup>
- *"Material issues Big Food and the rise of plastic-related risk"* - Investor Brief - ClientEarth - 2021<sup>49</sup>
- *Plastics and the Environment Series* - Geneva Environment Network - 2024<sup>50</sup>
- *"Synthèse des dernières études scientifiques sur les risques sanitaires dus à l'exposition au plastique"* - May 2022<sup>51</sup>
- *"Plastics disclosure 2023 snapshot"* - CDP - 2024<sup>52</sup>
- *"Stratégie nationale "3R" pour la Réduction, le Réemploi et le Recyclage des emballages en plastique à usage unique"* - 2022<sup>53</sup>
- *"The Global Commitment 2023"* - The Ellen MacArthur Foundation - 2023<sup>54</sup>

Through a value chain and life cycle approach, we have identified **several risks associated with plastics**, both to the environment and to health.

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<sup>40</sup> <https://www.unpri.org/download?ac=10258>

<https://www.unpri.org/download?ac=7014>

<sup>41</sup> <https://eia-international.org/wp-content/uploads/Checking-Out-on-Plastics-III.pdf>

<sup>42</sup> [https://ec.europa.eu/info/sites/default/files/research\\_and\\_innovation/groups/sam/ec\\_rtd\\_sam-mnp-opinion\\_042019.pdf](https://ec.europa.eu/info/sites/default/files/research_and_innovation/groups/sam/ec_rtd_sam-mnp-opinion_042019.pdf)

<sup>43</sup> <https://www.ciel.org/plasticandhealth/>

<sup>44</sup> [https://awsassets.panda.org/downloads/plastic\\_ingestion\\_press\\_singles.pdf](https://awsassets.panda.org/downloads/plastic_ingestion_press_singles.pdf)

<sup>45</sup> [https://wwfint.awsassets.panda.org/downloads/wwf\\_breaking\\_down\\_high\\_risk\\_plastic\\_products.pdf](https://wwfint.awsassets.panda.org/downloads/wwf_breaking_down_high_risk_plastic_products.pdf)

<sup>46</sup> [https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave\\_mainreport.pdf](https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf)

<sup>47</sup> [http://www.senat.fr/fileadmin/Fichiers/Images/opepst/quatre\\_pages/OPECST\\_2020\\_0062\\_essentiel\\_pollution\\_plastique.pdf](http://www.senat.fr/fileadmin/Fichiers/Images/opepst/quatre_pages/OPECST_2020_0062_essentiel_pollution_plastique.pdf)

<sup>48</sup> <https://librairie.ademe.fr/dechets-economie-circulaire/324-lutte-contre-la-pollution-plastique-en-milieu-marin.html>

<sup>49</sup> <https://www.clientearth.org/media/hsmjnull/material-issues-big-food-and-the-rise-of-plastic-related-risk.pdf>

<sup>50</sup> <https://www.genevaenvironmentnetwork.org/resources/updates/plastics-and-health/>

<sup>51</sup> <https://noplasticinmysea.org/wp-content/uploads/2022/05/synthese-etudes-scientifiques-version-DEF-16-mai.pdf>

<sup>52</sup> <https://www.cdp.net/en/plastics/disclosure-data>

<sup>53</sup> <https://www.ecologie.gouv.fr/sites/default/files/Consulter%20la%20Stratégie%203R%20pour%20les%20emballages%20en%20plastique%20à%20usage%20unique.pdf>

<sup>54</sup> <https://www.ellenmacarthurfoundation.org/global-commitment-2023/overview>

Beyond these environmental and health risks, the growth in the use of plastics has indirect **social consequences for workers and communities.**

First of all, it should be remembered that plastic pollution is the result of a **multi-step process:**

- **Losses or leakages of plastics into the environment** occurring across the entire life cycle.
- **Dispersion of plastics into the environment** through the wastewater or rainwater networks (*textile fibres, microplastics from cosmetics or from tyre abrasion, plastic waste discarded on public roads, etc.*), air-borne and wind-borne dispersion (*fibre textiles, urban dust, etc.*), atmospheric fallout, rivers where the microplastic fragmentation process begins, and plastics carried by sea currents.
- **Accumulation of plastic waste** in freshwater, soils, air and the seas and oceans, with possible transfers from one to the other.

Beyond plastic as such, the **chemical risk associated with plastic pollution** is an important consideration. Plastic waste can in particular be a source of contaminants (endocrine disruptors, etc.) through the chemical substances they contain (plasticisers and additives in particular).

#### 1. Environmental hazards

The environmental and biodiversity impacts of plastics act on several levels, from production to multiple uses as well as recycling and destruction:

- Production of plastics using **fossil raw materials** (*oil, gas, coal, etc.*);
- **Release of chemical and toxic substances into the atmosphere**, water and soil during the extraction and transportation of fossil raw materials (*oil, gas, coal*);
- **Release of toxic and carcinogenic elements into the atmosphere** due to the petrochemical additives added to virgin polymers during the transformation of raw materials into plastic;
- Emission of toxic substances into the immediate environment when **incinerating plastic**;
- **Soil and water pollution** when plastic waste is landfilled with harmful particles and chemicals;
- **Particle release** from plastic recycling and decomposition;
- **Ingestion of plastic** by birds and marine animals with the ensuing contamination of the entire marine ecosystem and, indirectly, the entire food chain;
- **Migration of chemicals** contained in packaging to food or beverages.
- **Contacts** including entanglement, involving encircling, strangulation and capturing of marine animals;
- **Ingestion** (intentional or accidental, direct or indirect);
- **Dissemination of pathogens or pollutants over long distances.**

The impacts of plastic pollution on the environment, in particular the marine environment, are thus linked to the risk of strangulation, entanglement and ingestion, with impacts on biodiversity.



## 2. Health Hazards

Plastic poses different health risks at every stage in its life cycle. These risks arise from both exposure to the plastic particles themselves and the chemicals associated with them:

- **Industrial accidents** with risks of pollution (chemical discharges, etc.), occupational risks for workers and risks for communities in the vicinity.
- **Ingestion of plastic microparticles** and associated toxic substances due to the chemicals in plastics being deposited on food products or through water contamination.
- **Inhalation of plastic microparticles** and associated toxic substances due to direct contact with the plastic product (clothing, packaging, children's toys, etc.).

These risks affect all individuals but people who are exposed for a prolonged period (workers in the plastics industry, residents living near plastics factories, everyday consumers of plastic products) and vulnerable populations (children, infants and pregnant women) are particularly at danger.

## 3. High-risk areas

In performing our activities, **the risks are mainly concentrated in two areas:**

- plastic products;
- packaging.

As regards plastic packaging in connection with our business, the major issue in quantitative terms, we can distinguish 5 macro-categories with the different types described below:

Macro Category	Product category	Main types of plastic packaging
Food - fresh	Meat, charcuterie, fish Dairy products Prepared foods (fresh, frozen, etc.) Fruits & Vegetables	Trays Pots Soft sachets
Food - others	Milk Flat and fizzy waters Soft drinks, fruit juices Oils, vinegars, condiments Sweet groceries Savoury groceries	Bottles Flasks Soft sachets Pots and trays
Non-food products	Hygiene/Beauty/Cosmetics	Bottles and flasks

	Cleaning products Professional liquid containers Miscellaneous (toys, DIY, electronics, etc.)	Pots and tubes Buckets, canisters, drums Blister packs and clamshells Soft sachets
Checkout	Checkout bags	Bags
Logistics	Secondary packaging E-commerce packaging Rigid transport packaging Flexible transport packaging	Product batching films (bottles, cans, toilet paper, etc.) Sachets Pallets, crates Pallet wrap

## B. Commitments

Beyond compliance with applicable regulations, such as the Single-Use Plastics Directive, which came into force in July 2021 and often in advance, we are **committed to moving from a linear economy to a circular economy**.

In particular, the Group is **committed to reducing, reusing and recycling its plastic packaging** while guaranteeing the quality and health safety of products, in compliance with the applicable regulations, both in terms of consumer information and the essential traceability of the products.

**Reducing and eliminating plastic is also one of the 16 major issues identified by the Group** in its CSR materiality analysis, as is the subject of the environmental impact of the products (*carbon weight, recycling, packaging*), which is part of the same approach.

For more than 25 years, **Les Mousquetaires have made the fight against waste one of their battles**.

Les Mousquetaires were pioneers **when they set up the Société Industrielle de Logistique et de Valorisation des Emballages (Silve)** in 1997, implementing solutions to reduce, recycle and reuse. Since then plastics have been recovered and recycled.

In 2019, the Group launched the "**Packaging Challenge**" with 6 action plans launched to eco-design the packaging of our brands. We plan to make 1,500 references more eco-friendly by the end of 2025.

Les Mousquetaires also use the strength of the Group and its central services to limit disposable plastic in Agromousquetaires' products at source, to create new recycling channels and forge nation-wide partnerships to combat food wastage.

The Group has been a member of the **Pacte National sur les Emballages Plastiques (National Pact on Plastic Packaging)**<sup>55</sup> since February 2022.

The National Pact on Plastic Packaging is a collaborative initiative that brings together distributors, NGOs and industrials. Its mission is to develop a circular economy approach in which plastic packaging never becomes waste.

The signatories of the Pact undertake to:

- reduce plastic packaging used by taking an eco-design approach;
- Eliminate unnecessary and problematic plastic packaging
- develop loose goods sales and packaging reuse;
- improve the recyclability of plastic packaging.

The National Pact on Plastic Packaging has also joined the Ellen MacArthur Foundation's Plastic Pacts Network, a global response to plastic waste pollution that shares knowledge and coordinates action on a global level.

The Pact is also committed to the principles of the New Plastics Economy<sup>56</sup> alongside more than 1,000 organisations worldwide.

Progress in implementing these commitments can be assessed in the annual report submitted by each signatory.

An update to the pact is planned for 2024. The indicators will be published as part of a consolidation action at the beginning of 2025.

We also inform the Pact of the actions we took in 2023 to meet our commitments. Examples of actions will be posted on the Pact website and used in the next report to illustrate the progress being made.

In 2023, the National Pact and its signatories reaffirmed the importance of drafting new commitments since those made by the Pact in 2019 are no longer coherent with the new regulatory requirements. Collective work was initiated in 2023 and will continue into 2024 to set new ambitions for the National Pact.

### C. Actions taken

At Les Mousquetaires, we continuously strive to reduce the amount of plastic and packaging we use, increase packaging reuse and ensure that the materials we use are easy to recycle for our customers.

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<sup>55</sup> <https://pacte-national-emballages-plastiques.fr>

<sup>56</sup> <https://www.newplasticseconomy.org>

Working with our suppliers, we have already made many changes to improve our packaging and reduce our use of plastic.

Here are some of these changes illustrated through numerous actions with concrete examples and results when quantifiable:

### 1. Actions concerning problematic packaging

The **National Pact on Plastic Packaging** considers packaging to be problematic if it meets at least one of these three conditions:

- It is the subject of scientific debate as to its potentially greater impact on human health, the environment or ecosystems than other plastic materials,
- It is not considered to be recyclable or there are issues regarding its recyclability,
- It is not recycled or there are practical issues with its recycling on the scale required.

As part of this approach, we worked on two topics in particular:

- **PVC:** Between 2020 and 2023, we reduced the volume used from 401T to 323T and we are continuing to take action to get this PVC tonnage down to 0.
- **EPS:** In the seafood segment, we have worked to replace the non-recycled polystyrene crates. The 1.2 million crates used each year by our seafood sector to supply our points of sale started to be gradually replaced by deposit-based reusable crates in November 2022<sup>57</sup>.

This project is consistent with the principles of the circular economy, one of Agromousquetaires' main ambitions, and delivers savings of 160 tonnes of plastic every year while avoiding the emission of 525,022 kg of CO<sub>2</sub> eq/year, due to the longer lifetime of the plastic crate and the fact that it is reused and recycled.

We are also working to replace EPS used in meat tray packaging used by AgroMousquetaires and EPS in our not-for-resale purchases in the traditional and packed fresh food departments. At present, more than 80% of the EPS trays used by AgroMousquetaires have been replaced by PET trays or mainly paper-based Halopack trays. Work is ongoing to replace the remaining PSE trays.

### 2. Setting up a database to assess our progress

Monitoring enables us to measure the results achieved through our eco-design actions in 2023, for example:

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<sup>57</sup> <https://www.mousquetaires.com/wp-content/uploads/2021/06/210618-cp-caisse-en-plastique-recyclable-et-reutilisables.pdf>

In the groceries section:

- - 34.7 tonnes of plastic/year
- - 7.5 tonnes of cardboard/year
- Compote bottles, spice jars and cheese blister packs can now be recycled.

In the HPC section:

- - 77 tonnes of virgin plastic used/year

In the beverages section:

- - 11 tonnes of virgin plastic used/year
- - 40 tonnes of cardboard/year

In the frozen/fresh section:

- - 20.3 tonnes of virgin plastic used/year
- - 10 tonnes of cardboard/year

Improvements are tracked and updated every 6 months.

### 3. Actions concerning unnecessary or avoidable packaging in 2023

Many actions are also being taken to improve, remove or reduce packaging that is considered to be unnecessary or avoidable, both in terms of plastic and all other packaging.

Examples are:

In the HPC section:

- Change from a plastic lid to a cardboard lid on the POMMETTE cotton tips reference: 1 reference concerned. Change from 40 to 30  $\mu\text{m}$ , i.e. a saving of 3 tonnes of plastic

In the frozen/fresh section:

- Removal of PP flowpacks from our frozen dishes: 39 references concerned, i.e. 12 tonnes less plastic
- Reduction in the thickness of the plastic film used for crepes in the fresh food section  
Reduction in the thickness of the bottom film from 114 to 70 $\mu\text{m}$ : 3 references concerned, i.e. a saving of 400 kg of plastic
- Reduced thickness of cardboard packaging on Greek yoghurts: 6 references concerned, i.e. a saving of 10T of cardboard/year

In the groceries section:

- Reduction in the weight of our Bouton d'Or oil bottles (from 20.5g to 18.5g or from 22.5g to 20.5g): 10 references concerned, i.e. 16 tonnes of plastic saved
- Reduction in the weight of the Bouton d'Or crackers carton: 7 references concerned, i.e. a saving of 7.5 tonnes of cardboard
- Reduction in the weight of the Bouton d'Or aperitive biscuits sachet: 3 references concerned, i.e. 1.3 tonnes of plastic saved
- Reduction in the thickness of the plastic film used for the Itinéraire des Saveurs FUET Catalan sausage product: 1 reference concerned. Change from 40 to 30 µm. That is a saving of 3 tonnes of plastic
- Removal of the pickel lifter: 9 references concerned, i.e. 14 tonnes of plastic saved/year

In the beverages section:

- Removal of cardboard cones on wine bottles: 260 references concerned, i.e. 40 tonnes of cardboard saved per year

#### 4. Actions on growing the loose product and container reuse model

Several actions are also being taken to facilitate and accelerate the deployment of the loose product and container reuse model, for example:

- Provision of reusable nets (made from cotton and rPET) in the fruit and vegetable section since 2019
- Development of organic “loose” groceries section with 1,450 points of sale already fitted out with plastic hoppers for loose goods.
- Development of a conventional loose goods own label range comprising over 20 references for starch-based foods, baking aids and cereals. These products are manufactured by our production unit in Charmes-sur-Rhône (07) and have been available to order since April 2023.
- NoWW's solution<sup>58</sup> was listed in mid-2022 to enable our points of sale to acquire a glass or plastic container collection system in order to offer products in reusable deposit-based containers in assisted and self-service sales. Container washing can be carried out internally at the point of sale (an ad hoc procedure has been set up) or outsourced to an Esat.
- Test were carried out at the point of sale starting in April 2023 with the Berny reusable stainless steel tray solution, with a view to listing in 2024.

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<sup>58</sup> <https://noww.fr>

- Participation in the working group - the CITEO ReUse project with the aim of testing and deploying a sustainable solution for reuse in the long term (including through the returnable deposit system).

Reducing packaging and developing new packaging applications are some of the areas we want to develop for our own-brand products by 2025.

#### 5. Actions concerning recyclability and integration of recycled material

For several years now, we have also been developing and increasing the use of recycled materials in our packaging.

Some examples are,

In the HPC section:

- Recycled materials now integrated into our Apta Wipes paper towels (50% rPE, 60% rPE or 100% rPE): 25 references concerned, i.e. 75 tonnes of virgin plastic saved
- The pot of the Apta cleaning stone is now 100% rPP: 1 reference concerned, i.e. 2 T of virgin plastic saved/year

In the frozen/fresh section:

- Recycled materials integrated into Adélie ice cream containers (100% rPP): 3 references concerned, i.e. 8.3 T of virgin plastic saved

In the beverages section:

- "Aix-Les-Bains" was the first retail brand to take up the plastic challenge for own-brand products: bottles have been made from 100% rPET since 2020. Since 2022, "Native" water bottles have also been made from 100% recycled PET.

In the groceries section:

- Our PAQUITO compote bottles have been replaced with recyclable ones: 8 references concerned. Move from PET/PE to mono PP bottle. 2.8T of non-recyclable plastic saved
- Removal of titanium dioxide on 2 Cigalou spice jar references. 16,000 references have become recyclable.
- Removal of the PVDC on the seal of the Bouton d'Or crackers box. Replaced with a peel-off PETalox/PP seal: 1 reference concerned. 208,000 CSUs have become recyclable
- Paquito organic plum juice cartons replaced by segregated plant-based plastic: 7 references concerned, i.e. 11 tonnes of plastic from petroleum saved every year
- Netto PVC softener pouches replaced with mono PE ones: 3 references concerned, i.e. 2 T less PVC/year
- Removal of PS base + PET lid on St Maure PDO cheese. The packaging is replaced by a double-shell PET blister pack: 1 reference concerned. 3T PS saved

With the help of their partner ASV Packaging, Agromousquetaires, Intermarché and Netto have also devised a more environmentally friendly packaging for 31 Jean Rozé and Netto branded meat references. This innovative process, the result of 18 months of R&D, makes it possible to remove the plastic overwrapping from the product, but also to replace the plastic tray with a tray made of 75% FSC-labelled cardboard, 70% of which is recycled cardboard. This technology halves the use of virgin plastic in the packaging. This new packaging also has the advantage of extending the consume by date of foodstuffs, especially offal products, which are more difficult to preserve.

Improving recyclability is also an important project for Les Mousquetaires, particularly as regards removing sorting disruptors. In 2023, 140 bottle and tetra pack references were reviewed to include an attached cap for bottles and tetra packs.

Our household goods stores are also working to improve the recyclability of their packaging.

## 6. Actions on product Ecodesign

When designing products, the Group's own brand teams strive to save resources, reduce packaging and replace materials in order to facilitate recycling.

From a general point of view, we take the LCA (life cycle analysis) approach to eco-design. To go further, we have been using a tool since January 2023 to be able to conduct these studies in-house. 22 LCA analyses have already been carried out.

As a producer and retailer, this approach is one of our priorities and has given rise to numerous actions:

- Replacement of the plastic in own-brand cotton tips and boxes, which are now made from paper and cardboard - a pioneering move in July 2018<sup>59</sup>;
- Straws and disposable crockery are no longer sold since June 2021. To market bricks with paper straws;
- The Domédia duvet case is now made from cellulose instead of plastic;
- Removal of plastic for fruit and vegetables (except for products <1.5kgs).

We have opted to **change fruit and vegetable packaging that still contains plastic in line with the regulatory timeframe**. However, where alternative packaging solutions are already possible, we immediately change our packaging to eliminate the plastic.

- Apples: all apples are now sold in cardboard trays.

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<sup>59</sup> <https://www.mousquetaires.com/wp-content/uploads/2018/12/communique-de-presse-intermarche-suppression-plastique-cotons-tiges.pdf>



- Avocado: tests are being carried out in-store on “Mon Marché Plaisir” just-ripe avocados using moulded cellulose trays.



- Physalis: switch to cardboard trays for national brand products.



- Apricot: cardboard tray packaging for our ripe apricots under our own “Mon Marché Plaisir” brand



- Pomelo: "Itinéraire de nos régions" reference, now with cardboard packaging
- Clementine: "Itinéraire de nos régions" reference, now with cardboard packaging
- Kiwi: “Mon Marché Plaisir” reference, now with cardboard packaging
- IDR nuts: now with paper packaging

Finally, Intermarché volunteered to experiment with environmental signage and it is already being deployed in Ecoscore e-commerce stores. This methodology is used pending that which will be officially validated by the Ministry.

Since 2022, eco-design projects in the household goods stores have helped to:

- Reduce the quantity of plastic used by 3.9 tonnes by replacing the double-shell plastic blister packs used for power tool accessories (e.g. drill bits) with a “sandwich” blister pack made mostly from cardboard;
- Reduce the amount of plastic used in the blister packs for the plumbing range (e.g. tap products) by 2.5 tonnes by replacing them with cardboard boxes.

#### 7. EPR (Extended Producer Responsibility) related actions

We have given commitments through SILVE, a Quality and CSR subsidiary of the Les Mousquetaires Group, to various eco-organizations in charge of expanded producer responsibility sectors.

A strong player in these collection and recycling sectors, SILVE has the role of partner or administrator within some eco-organizations as well as in the packaging and paper sectors, DIY and gardening articles and building products and materials. It also works on sectors under development such as single-use sanitary textiles or industrial and commercial packaging.

The Les Mousquetaires Group is concerned by 12 EPR sectors and makes 69 new marketing declarations per year and pays almost 15 million euros every year to eco-organizations.

#### 8. Cross-group actions

SILVE is duly declared for brokerage and trading activities pursuant to the provisions of the French Environment Code, in particular Articles L541-8 and R541-49 et seq. of the said Code.

In 2023, more than 135,034 tonnes of cardboard, 6,655 tonnes of plastic film and 111 tonnes of polystyrene crates were collected and recycled through the appropriate channels.

More recently, Les Mousquetaires decided to set up the circular economy loop for PET bottles in 5 steps:

1. Points of sale (stores/supermarkets) are gradually being equipped with reverse vending machines (RVMs). These machines must enable bottles collected from customers to be compacted or transformed into flakes (see photo below).



2. The material will be stored in big-bags positioned on pallets for handling purposes.
3. These pallets will be collected (in reverse logistics) and then returned to one of our logistics hubs.
4. A full truckload of the massified big bags will then be sent to a referenced partner to re-make preforms for Agro Mousquetaires.
5. Our beverage factories will reuse these preforms for the group's bottled water brands.

Traceability is ensured for points of sale and throughout the chain, with a regulatory certificate issued at the end of this cycle.

In 2023, this enabled us to collect more than 36 tonnes of plastic bottles.

## 6. Our decarbonisation strategy

Like any business, we generate greenhouse gas (GHG) emissions and want to live up to our responsibilities, aware of the urgency to take action.

Les Mousquetaires launched their strategy to save energy and buy more green energy as early as 2014. Encouraged by the results obtained, we upped our ambitions in 2018 by committing to reduce our consumption by 40%, on a like-for-like basis, over the period 2014-2030.

For years, we have implemented action plans that help reduce our carbon footprint.

Given the challenges, however, we are determined to act better and faster against global warming. Our decarbonisation levers are targeted and the means set aside.

Since cutting costs, as well as reducing energy consumption, will remain major issues over the coming years, we are fighting to become more cost-effective and more autonomous. Among our actions in this area is the launch of our "**Mousquetaires Low Carbon Strategy**" to take up the challenge of climate change.

To find out what our main sources of emissions are, we launched our low-carbon strategy management programme in 2019 taking Ademe's ACT (Accessing Low Carbon Transition) approach<sup>60</sup>.

This approach gave us an initial estimate of our carbon emissions at Group level in 2019, i.e. around 13.9 million tCO<sub>2</sub>e, 21% for which we are directly responsible (Emissions generated by the Group's entities: Management of POSs, Agromousquetaires' factories and LAI's own fleet. Support functions) and 79% indirect responsibility (suppliers, external carriers, customers).

Production accounts for 80% of our carbon footprint, including 3.02 million tCO<sub>2</sub>e for food production via Agromousquetaires.

In 2022, our carbon footprint was 20.5 MtCO<sub>2</sub>.

To rapidly reduce our emissions, we have decided to focus first on our direct impacts. <sup>61</sup>We have set ourselves an ambitious goal that concerns all our activities, aligned with the European Greenddeal commitments and the taxonomy, which is being deployed through a transition plan for each entity validated by the SBTI ("The Science Based Targets Initiative").

To deliver on our "low carbon" commitments, our cross-functional strategy concerns at once our points of sale, logistics, own brand products and buildings.

As part of an **ongoing approach to make concrete progress**, all entities are mobilised and the first low-carbon roadmaps have been developed and have incorporated the actions already underway. These roadmaps also feature new action plans, for example on refrigeration systems with the goal of removing polluting refrigerant gases, while also planning the investments required to keep us on track.

For example, in logistics, the Donzère site (26) was chosen to establish a new logistics hub with the 70,000 m<sup>2</sup> building powered by renewable energy, while in Rochefort-sur-Nénon (39), the HQE-certified warehouse has been covered with solar panels to supply some of the site's energy needs.

To address our 4 major sources of direct emissions, we have undertaken actions aimed at:

- Limiting the use of refrigerant gases at all levels of the chain from manufacturing to our points of sale.
- Reducing fossil fuel consumption and optimising the distances covered for our deliveries.
- Improving the specifications of our own brand products.
- Reducing the energy consumption of all our buildings and have a more virtuous energy mix.

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<sup>60</sup> <https://actinitiative.org/fr/>

<sup>61</sup> <https://sciencebasedtargets.org>

- Raising awareness among all members and employees and getting them on board by creating the Mousquetaires Climate Academy.

We have established a timetable to speed up the reduction in our emissions and will communicate our results as we move forward:

- We want to commit to a new “low carbon” approach, by establishing a transition plan validated by the SBTi and being listed in it in 2025. The first letter of intent was submitted in January 2024.
- Then we will draw up our roadmap and carbon reduction trajectory for 2030 and 2040 to reach carbon neutrality by 2050.
- This transition plan will be submitted to SBTi by July 2025 at the latest by working on the most impactful sustainable activities.
- We will publish our GHG reduction results each year and be totally transparent in this respect. An offsetting plan will also be established as reaching “zero GHG emissions” is not possible in all our activities.

**Our commitment for 2050:** Net zero emissions in 2050 and a compulsory 1.5 degree trajectory by deploying the transition plan validated by the SBTi.

To maintain a 1.5°C trajectory by 2050, i.e. climate neutrality, the Group will present its SBTi trajectory in July 2025 with new targets for 2030 and 2035.

## 7. Whistleblowing system

In accordance with the law, the Group has set up a **whistleblowing system to gather reports relating to the existence or occurrence of risks.**

This system was put in place following the Act No. 2016-1691 of 9 December 2016, known as the “Sapin 2” Act and the Act No. 2017-399 of 27 March 2017, known as the “Duty of vigilance” Act, as well as the Act No. 2022\_401 of 21 March 2022 aimed at improving whistleblower protection. The system can be accessed through an **online form on the Group’s website:**

<https://www.mousquetaires.com/conformite-ethique/>

This system, accessible to any third party, makes it possible to report any *"serious breach of human rights and fundamental freedoms, any harm to the health and safety of people and the environment, resulting from the activities of one of the Les Mousquetaires Entities or its sub-contractors or suppliers with whom a business relationship has been established, when these activities are linked to this relationship."*

Any internal employee of the entity, corporate officer of the entity, person whose employment relationship has ended, person who has applied for a job, shareholder, partner, holder of voting rights at the general meeting of the entity, member of the administrative, management or supervisory body, external and occasional employee (including temporary worker, intern or service provider), co-contractor of the entity and its sub-contractors, who obtains information in the course of their professional activities, may use this whistleblowing procedure to report a situation that comes within the scope of the whistleblowing system as defined in the whistleblowing form.

The above-mentioned persons who have not obtained information in the course of their professional activities, as well as any other person, may also use this whistleblowing procedure to report a situation of which they have personally become aware and that comes within the scope of the whistleblowing system as defined in the form.

In order to be able to use the whistleblowing procedure and benefit from the protection attached to it, the whistleblower must also:

- Be a natural person,
- Participate in the process without any direct financial consideration and in good faith, i.e. (i) do not seek any advantage or benefit, including financial benefit, for oneself or for a relative, and (ii) do not seek to harm, in particular by reporting misleading information or deliberately making false accusations. A report that has not been made in good faith or without direct financial consideration would expose the whistleblower to disciplinary action and legal proceedings.
  
- However, no disciplinary sanctions will be taken against a whistleblower who uses the system in good faith, even if the facts subsequently prove to be inaccurate or do not require any follow-up.

The report is handled in such a way as to keep the whistleblower's personal details confidential and therefore it is only in very exceptional cases, when very serious situations are

reported in sufficient detail, that an anonymous report will be processed, and this only after having first been subjected to an admissibility analysis by the Ethics Officer.

Reports are sent to the Group's Ethics & Compliance Director, the Ethics Officer, who processes reports submitted in relation with the managers concerned, in particular the CSR Quality Director and the Group's Human Resources Director. The data transmitted will be treated confidentially in strict compliance with applicable regulations on the protection of personal data.

## 8. Assessment and follow-up

Our actions are monitored at several levels.

**With regard to environmental issues**, all the sites operated by the Group for logistics and agri-food activities are subject to regular controls by the authorities, in particular where ICPE authorisations are concerned.

**As regards the risks and issues concerning the company's employees**, these are dealt with in accordance with the law through **the Economic and Social Committees** and other dedicated Committees.

**Each works agreement is the subject of an** implementation assessment report, which is also a tool for managing and monitoring the actions implemented and is shared with the trade unions.

**All initiatives are monitored with all stakeholders concerned**, in particular NGOs and experts.

**Relationships with service providers** are managed in meetings on a nation-wide level and, if necessary, at the level of the sites concerned.

Logistics issues are managed based on the QHSE approach integrating in particular service certification audits and management of the ISO 50001 (Energy Management) standard or the SMBC (Mousquetaires Low Carbon Strategy) approach.

**The certification audit** includes all the transportation safety checkpoints and a check is carried out to ensure the Driver's Guide and the basic safety protocol have been submitted to the driver's employer and signed for.

The **CSR Quality Department** consolidates CSR indicators for all Group entities. **The sustainability report also contains several indicators** related to the issues and risks identified.