

Les Mousquetaires' (Intermarché) response to Earthsight's findings in Secret Ingredient

Dear Mr Carvalho

This alert brings to light critical non-compliances. Due to the seriousness of the alleged facts, we have taken some time to analyze the report in depth.

Grupo Horita, Grupo Mizote and Grupo Franciosi are according to Brazil's administrations responsible for human rights and environmental crimes and have been fined several times. Les Mousquetaires does not support any of these social and environmental crimes. These practices violate our Code of Ethics. We will therefore investigate our supply chains.

Our soy policy is described in our [due diligence plan](#) updated annually on our website. In 2020, Les Mousquetaires signed the [French stakeholders' manifesto to fight imported deforestation linked to soybean](#) to involve the entire supply chain up to the traders-importers in a traceability and exclusion process for areas affected by deforestation before 2020 (cut-off date).

As soy is the number one cause of imported deforestation, we have identified soy as a priority CSR issue. The Group regularly assesses its soy footprint and maps out its soy supplies in order to trace them back to the first importers. We support the [methodology ZDC, "Zero Deforestation Conversion"](#) now being used by two main soy importers of the French market to proof-check all their soybean cargo. This year, we co-financed the analysis of the soy cargo of a new importer. The Group is also studying the possibility of reducing portions of soy in animal feed and sourcing French soy.

We established contractual obligations with our suppliers of private-label animal-sourced products. These obligations include the respect of human rights, indigenous rights and traditional communities' rights and covers deforestation as well as other ecosystem's conversions.

In case of human rights violations and deforestation in our supply chain, we launch an investigation and put in place remediation plans. If the violation has been caused by our direct supplier, we are able to suspend commercial relationships until the remediation plan has been completed. As we do not buy soy directly, we are unable and cannot legally suspend nor ban commercial relationships with companies further up the supply chain.

Our company welcomes the EU Deforestation Regulation as a next step to ensure compliance on deforestation issues and hopes to receive the guidelines for implementation as soon as possible to ensure its efficiency.

Best regards

Olivier Touze

CSR and Quality Director