
CARREFOUR SUBMISSION



Clean Clothes Campaign Wage Survey

Response ID:122; Data

1. Login/Password Action

2. Introduction

1. Company name:

Carrefour

2. Brands owned by company:

Tex

3. Main contact person:

Name: : de Montgolfier Carole

Email: : carole_de_montgolfier@carrefour.com

Contact phone number: : 0141042600

3. The living wage standard

4. 1.1 What is your company's position on payment of the living wage to workers in your supply chain?

Our company doesn't own any factory; hence we don't pay workers wages in the factories which supply us. Carrefour role is to ensure the worker's salary is paid as per the law of the country in the factories where we buy products and that the salary paid also includes overtime and bank holidays premium and required benefits as defined in the law. This is a minimum and unavoidable requirement.

We also have a role in putting pressure on the governments to increase the minimum wages and we support any action towards the increase of the minimum wage.

Extract from our supplier charter signed by every supplier:

> 6.3 Suppliers must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/ or industry benchmark standards and/ or collective agreements, whichever is higher. Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.

5. 1.2 Please give the link to the code of conduct which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please upload a copy using the option below.

<http://www.carrefour.com/fr/promouvoir-la-consommation-responsable/la-protection-des-droits-de-lhomme>

Upload option.

6. 1.3 Does your company agree with the definition of a living wage as given [here](#)?

No, our definition differs from the definition given.

If no, please provide details of how your definition of a living wage is different and give justification.

We can find many different definitions of a living wage from different organization and will leave the debate in their hands. Although it is a very important debate, we, as a retailer company have no legitimacy in defining it and haven't set up any calculation formula.

As far as we are concerned our definition is written in our charter: Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.

4. Respect for freedom of association and collective bargaining, a precondition for a living wage

7. 2.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?

The respect for Freedom of Association and Collective Bargaining are a clear requisite in our supplier charter. In that regards those points are checked during the social audit performed through external audit companies (Example of question in our audit checklist, "Are employees aware of their rights regarding relevant working conditions?").

The factory has to inform its workers about the content of our supplier Charter by any means available (posters, direct information, films...).

We have developed tools or training to help the supplier in informing its workers on their rights, for example during the last years:

- we have provided our suppliers with a poster which explains with drawings the 7 different chapters of our social charter. It can therefore be understood by all the workers whatever the language they speak.
- In India, we have recently developed, with other brands/retailers, 5 films where, between other, their right for freedom of association is presented. Those films are shown in the factories in South India.
- In some countries in South Asia, there is a local law that makes compulsory the establishment of Workers Participative Comities. Although our aim is to guarantee freedom of association and union's presence in the factories the actual situation makes it very difficult. We believe that a first step in helping the workers to voice their concerns can be to have a proper and effective workers participative committee. We therefore have been working with other brands on workers participative guidelines to help supplier in implementing elected and effective committees.

Percentage of supplier factories and subcontractors reached by these measures:

100%

Please supply an example of materials used:

8. 2.2 Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations? Please supply details:

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Carrefour is opened to any project proposal which would aim at facilitating workers rights representation, so

far we have mostly been working with NGOs on the subject of workers right to join or form a union.

Percentage of supplier factories reached by these measures: : %

9. 2.3 Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?

The question of unionism is a constant subject while meeting with the suppliers. It is a complex subject where both side (suppliers and unions) must learn to interact and communicate to each other.

Social dialogue is included in several projects developed through collaborative action.

Percentage of supplier factories and subcontractors reached by these measures:

10. 2.4 Have your supplier factories and subcontractors issued the Right to Organise Guarantee to workers in any of your production units?

	Country:	Number of suppliers:	Details:
1:	Asia		Yes, although not so effective. Social dialogue is a learning process which is not fully integrated by the suppliers. Even though the principle is enacted in the Law, Governments are not specially enforcing what the Law says. In the factories where there is a union, the issue is to reach a real effectiveness of those unions and dialogue with the management.
2:			
3:			
4:			

Please provide a sample of materials used in specific countries:

11. 2.5 Do you require supplier factories and subcontractors to sign Union Access Agreements? If yes, please supply details.

We ask our suppliers to sign our social and ethical charter stating that they recognize the right to freedom of association and collective bargaining.

Our aim is then to reach a real freedom of association and it is a long journey in most of the Asian countries.

There is still a lack of understanding between most of the factories and unions world and we understand that, with the help of trained unions we, as retailers could help in the process.

Number of supplier factories with agreements:

Please provide a sample of agreements signed:

12. 2.6 Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining rights? How do you monitor that this can be accessed freely by workers?:

A grievance system is implemented in most of the factories such as complaint/ suggestion box and in some countries Workers Committees when applicable as per the Laws.

However, though complaint box and/or Workers committees are existing we observe that very few suppliers have developed an effective and transparent mechanism to monitor their grievance system. Therefore the efficiency of those tools is limited.

In the toys industry in China, there is a hotline developed by ICTI with a Chinese NGO in all their certified facilities which receives and monitors complaints from the workers, with an intervention team to solve the complaints on

the ground.

In order to compensate the lack of an effective grievance system, Carrefour with the guidance of FIDH, is studying the launching a Hotline managed by an NGO in order that workers raise their concern in an anonymous manner in other sectors than the toys industry. If this pilot project is conclusive then we might extend it to other countries.

We monitor the efficiency of the grievance system through our social audit and workers interview (which are anonymous). Due to the weakness of the system we implement individually or in collaboration with other Brands project to develop grievance procedures.

13. 2.7 Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?

Please provide details of your policy and its impacts in relevant countries: : Proportion of temporary workers in the factories is assessed during audits. If necessary an action plan is drawn with the supplier but some activities are seasonal and short term contracts are then unavoidable.

How has any of this work impacted on workers ability to receive seniority bonuses?: : During our social audits we assess that remunerations given are compliant with local laws and companies rules, bonus included.

14. 2.8 Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?

Carrefour takes into account the efforts on Freedom of association to place orders and for the market attribution. Measures implemented by factory to encourage workers communication of grievance to management are evaluated during social audits.

5. Dialogue and negotiation with labour rights organisations

15. 3.1 Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:

No active work with unions but mostly NGOs, although part of the projects we are working on aim at training workers and management on their rights and duties, including freedom of association and collective bargaining.

16. 3.2 Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories?

6. 4. Benchmarks for a minimum living wage

17. 4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

No

If yes, please provide details of how these were developed and how they are used:

No we don't (see answer to question 1).

18. 4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

	Country/region	Living wage benchmark
1.		
2.		

3.

19. 4.3 Please give details of the number of your supplier factories in Asia that are currently paying the Asia Floor Wage.

	Country/region	Number of supplier factories paying Asia Floor Wage
1.		
2.		
3.		
4.		
5.		

7. Purchasing practices that make living wages possible

20. 5.1 Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list? Please provide details:

Subcontracting (we understand by subcontracting, transfer of part of the production of our order from the selected factory to another factory), when undeclared, is strictly forbidden. A factory can ask Carrefour to transfer part of the production but then the new factory has to go through Carrefour listing process (audits and action plan if necessary).

As for our suppliers' suppliers, we request our suppliers to take the responsibility to ensure the provisions of the social charter they sign with us are respected by all their suppliers.

To ensure that there is no subcontracting in our supply chain we have local teams which are present in the factories during the production period to assess the capacity of the factory and the production lines given for Carrefour's production.

21. 5.2 Does your company operate a policy of buyers favouring supplier factories that consistently meet a high wage standard? How?

We will consolidate our commercial relationships with factories which are committed to our social requirements and to quality standards (both are necessary), wages is one of our social requirements.

22.

23. 5.3 Does your company break down and calculate whether FOB prices per piece are sufficient to allow for compliance with the wage standard your company has set out in its code of conduct?

Carrefour is conscious that the respect of its Charter can only be fully realized through a collaborative relationship with its suppliers, therefore we commit not to impose conditions on our suppliers that would prevent them from implementing the Charter.

In practice we don't manage the factories so we don't pay the workers wages and unfortunately we have no insurance that can guarantee that 1€ more paid for a Tee-shirt will be 1€ more for the workers.

24. 5.4 Does your company operate a policy of buyers favouring supplier factories that support the establishment and functioning of genuine trade unions, and those with collective bargaining agreements?

Carrefour works with suppliers that respect its social charter and helps them in improving their compliance. In some countries we may favour factories which comply or participate actively in local initiatives.

25. 5.5 Please provide information about any other work your company has done / is planning to do on improving your purchasing practices, in relation to wages.

8. Living wage projects

26. Please provide details of any projects here. Please note you can cut and paste long pieces of text into these small boxes if necessary:

	Project 1	Project 2	Project 3	Project 4
Location:	Bangladesh			
Number of factories and workers involved:				
Living wage benchmark used:				
Partnerships:				
Wage increase achieved:	Still under negotiation at government level			
Details of process:	Currently our main action on wages is to sustain and support the increase of the minimum wage in Bangladesh.			

27. Please upload any useful supporting documentation here:

9. New Page

28. 7.1 Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?

In the last years, Carrefour has repeatedly addressed the Governments when necessary, especially in Bangladesh to ask for a minimum wage raise.

Our last letter was sent to the Government of Bangladesh in June 2012 and signed together with some of our competitors.

29. 7.2 As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?

So far, Carrefour has always favored dialogue in the countries where we are present. Stepping out of the country can also have negative impacts for the workers by making the industry more weak or giving way to less responsible clients.

10. Transparency

30. 8.1 Does your company publish a full public list of supplier factories, and sub contractors, their locations and products?

Suppliers list is still considered as a commercial asset for Carrefour as our teams are competing on the ground to secure relationships with good suppliers. Nevertheless, in the frame of the Accord on Security in Bangladesh, we have provided our suppliers list in the country which is publicly available in an aggregated and

anonymous form.

Do you have plans to publish a full list in the future?

It is under discussions

31. 8.2 Does your company publish impact reports on projects related to wages?

Not specifically on wages

11. Collaborative working

32. 9.1 Please provide details of your involvement with any multi-stakeholder initiative projects working to improve wages:

On all the social or environmental challenges that we have to meet in the countries where we source products, Carrefour considers that a collaborative approach is key to sustainability. Our aim is to move forward involving most of the stakeholders so as to get local empowerment and sustainable improvement.

We are working with different international initiatives whose aim isto assess social compliance or build on best practices:

ICS – Initiative Clause Social which we created in 1998 to share the social methodology with main French actors

GSCP – created in 2007 so as to create a global platform to gather the increasing number of social/ environmental compliance initiatives/systems and set an equivalence process between all of them. The initiative is driven by brands with an advisory board including unions, NGOs and academic stakeholders
Bangladesh building Fire & Safety Accord – 5 years commitment signed in May 2013 between brands and Unions to get a global improvement of factory building safety in Bangladesh for the sake of the workers.
We also participate in local working group (usually other brands/retailers but also with suppliers) on social compliance or develop local projects alone or with other brands to tackle specific shared identified issues.

33. 9.2 Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:

34. Supporting documents:

12. 10. A clear route map for implementing a living wage for all workers

35. 10.1 Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?

Our public commitment is towards the compliance to our social charter and all its chapters, with a specific focus in 2013-2014 on safety.

36. 10.2 Does this strategy have a time scale? If yes, please state.

37. 10.3 What consultation have you carried out on this strategy, both within and outside your company?

We have always favored discussions and exchanges on our continuous improvement towards social compliance.

We have built our social compliance strategy together with the FIDH in the frame of a more than 10 years partnership.

In the context of this partnership we meet with different NGOs which help us in working on specific projects.

38. 10.4 How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?

Your questions have a very large scope and we will, as always, study any interesting proposal that could fit our global goal.

39. 10.5 Is there anything else you would like to tell us about your work on the living wage that hasn't been covered in this survey?

13. Further questions about your supply base

40. 1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

	Country	Percentage of production	Number of suppliers
1	European countries	NA	NA
2	Brazil	NA	NA
3	China	NA	NA
4	Bangladesh	NA	NA
5	India	NA	NA
6			
7			
8			
9			
10			

41. 2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company: : 0%
Orders placed directly to supplier factories: : More than 99%
Orders placed through agencies or intermediates: : Not significant
Other: : %

42. If other, please specify.

43. 3. What is the length of time that you have been working with your current suppliers?

	% of suppliers
More than 5 years:	NA
2-5 years:	NA
Less than 2 years:	NA

44. 4. How many sites did you use to produce your goods in 2012?

First tier suppliers: : NA
Sub contracted suppliers: : NA

45. 5. How many supplier factories do you trade with where you have a regular production share of more than 25%?

Number of suppliers: : NA

Please list suppliers, country and % of product share at the factory: : NA

Response Location

Country:	France
Region:	A8
City:	Paris
Postal Code:	
Long & Lat:	Lat: 48.866699, Long:2.3333