Universal Registration Document

Annual Financial Report

2021

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The elements of the Annual Financial Report are identified using the pictogram AFR

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Universal Registration Document

2021 Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS

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*"2021 was a year of confirmation for Carrefour.
First, we successfully implemented our strategic plan this year. [...]
Second, of Carrefour's current growth model based on new consumer trends proved robust [...].
Lastly, our teams demonstrated their sense of service and unfailing commitment."*

2021 was a year of confirmation for Carrefour.

First, we successfully implemented our strategic plan this year. Our omnichannel model continues to appeal to more and more customers: our digital offensives position us as a leader in new markets, our store network is growing rapidly and we are gaining market share in our key geographies. This dynamic holds true for our work in support of the food transition for all: our Group stepped up its ambitions in this regard in 2021, particularly when it comes to inclusion and the fight against climate change. Once again, we have exceeded our targets and these achievements have been recognised in third-party ratings and customer feedback.

Second, Carrefour's current growth model based on new consumer trends proved robust: our performance was once again solid in 2021, with a further increase in our sales, a significant improvement in our operating income, particularly in France, and a record level of financing capabilities.

Lastly, our teams demonstrated their sense of service and unfailing commitment. On the back of more than two years of hard work amid a global health crisis, they have once again answered the call in providing emergency humanitarian aid to Ukrainian refugees. Our Group's achievements are, above all, their achievements, and for this I thank them.

Today, Carrefour is looking ahead with confidence to 2022, a year that combines great challenges and the preparation of our new strategic plan. We will speed up our digital transformation, in order to meet the ambitious objectives we announced at our Digital Day last November. We will pursue our rapid expansion – particularly in Brazil, where the integration of Grupo BIG represents an exceptional strategic opportunity for us. And in the prevailing climate of uncertainty, in which inflationary pressures are intensifying, our Group will continue to fulfill our purpose in our customers' lives, striving every day to make quality food accessible to all.

Alexandre Bompard
Chairman and Chief Executive Officer

1

PRESENTATION OF THE CARREFOUR GROUP

1.1 Group profile – Executive summary

1.1.1 FACTS AND FIGURES

With a multi-format and omni-channel network, Carrefour is one of the world's leading food retailers. Its 13,894 stores and e-commerce sites welcome 80 million customers per year.

The Group, which has 319,565 employees in its nine integrated countries (France, Spain, Italy, Belgium, Romania, Poland, Brazil, Argentina and Taiwan), reported 81.2 billion euros in gross sales in 2021, an increase of 2.3% like-for-like. Recurring operating income came to 2,272 million euros, up 7.7% at constant exchange rates and under accounting standards comparable to those applied in 2020.

In an environment still roiled by the Covid-19 pandemic and shifting health conditions in its country markets, Carrefour delivered **robust growth** from very high prior-year comparatives. It gained market share in most of its host countries, led by the improvements in customer satisfaction that are a core focus of its strategy.

The Group also maintained the pace of **expansion**, with more than 1,000 new store openings and the fast, successful integration of its recent acquisitions (Makro in Brazil, Wellcome in Taiwan, Supersol in Spain, and Bio c' Bon in France).

After a record year in 2020, Carrefour's **e-commerce sales** continued to enjoy sustained growth in 2021, with gross merchandise value (GMV) rising 12% to 3.3 billion euros, driven by a 20% increase in online food sales. Already the recognised leader in home delivery sales in continental Europe, the Group continued to deploy an array of initiatives in 2021 to broaden its innovative express home delivery solutions and expand its network of Drive pick-up points.

Carrefour's food e-commerce business has tripled since 2018. Over the past four years, Carrefour has built up considerable digital assets, as well as an unrivalled logistics platform, agile IT systems and a network of market-leading partners.

Leveraging these strengths, the Group is committed to becoming a global leader in digital retailing to unleash the full potential of its omni-channel capabilities. This transformation will be driven by four key projects: stepping up growth in the e-commerce business, ramping up the Data & Retail Media operations, digitalising financial services and leading the digital transformation of conventional retail operations. By 2026, Carrefour aims to triple its e-commerce GMV to 10 billion euros. The Group also expects digital services to contribute an additional 600 million euros to recurring operating income compared with 2021. To meet this goal, Carrefour will significantly increase its investment in digital technology, with a dedicated 3-billion-euro plan to be rolled out from 2022 to 2026.

Carrefour also made significant progress towards its **CSR targets** in 2021, notably with regard to the commitments related to packaging, climate and employee engagement. The Group's CSR and Food Transition Index rose to 111% for the year.

The Group continued to assume its crisis-related social responsibilities by organising community outreach initiatives, even as it supported local economies and expanded its local sourcing. In France, Carrefour focused on jobs for youths by hiring 15,000 young people, 50% more than in 2020.

In 2021, the Group reported record high cash flow for the year. It also bought back its own shares in an amount of 700 million euros. Lastly, it met its target of disposing of 300 million euros in non-strategic property assets a year ahead of schedule. Since 2018, Carrefour has shown great financial discipline and has strengthened its balance sheet and liquidity. This is an important asset in an environment shaped by rapid changes in food retail.

1.1.2 BUSINESS OVERVIEW

Present in over 40 countries worldwide, Carrefour operates directly in nine integrated countries, in Europe (France, Spain, Italy, Belgium, Poland and Romania), Latin America (Brazil and Argentina) and Taiwan. Together, France, Spain and Brazil account for 77% of consolidated gross sales. In these nine countries, Carrefour is steadily deploying its store base, with outlets operated either directly or, increasingly, through franchises and lease management contracts, as part of the transformation of its business model. In the Middle East, Africa and other geographies, the Group operates through local partners who are managing and expanding a network of stores under Carrefour banners.

Carrefour offers its customers all retail formats: hypermarkets, supermarkets, convenience stores, cash & carry stores, and soft discount. Its multi-channel structure gives customers the option of shopping in-store, ordering online, having their shopping home delivered or picking up their purchases from a sales outlet or a Drive.

In France, the Carrefour group had 5,799 stores under its banners at year-end 2021, of which 5,619 in mainland France and 180 through partners in overseas territories. By format, they included: 253 Carrefour hypermarkets, 1,043 CarrefourMarket supermarkets, 4,330 convenience stores operating under the Carrefour City, Carrefour Contact, Carrefour Express and Bio c' Bon, etc. banners, 147 Promocash cash & carry outlets and 26 Supeco soft discount stores. In Europe (excluding France), Carrefour had 5,906 stores under its banners at the end of 2021, of which 5,075 operated directly in the five host countries and 831 through partners. They included 457 hypermarkets, 1,926 supermarkets, 3,430 convenience stores, 12 cash & carry outlets and 81 Supeco soft discount stores. The Group is also a leading retailer in Latin America, where its multi-format store base in the two growth markets of Argentina and Brazil comprises 184 hypermarkets, 151 supermarkets, 558 convenience stores, 259 cash & carry outlets and one Supeco soft discount store. In Asia, the Group had a total of 348 stores under its banners at year-end 2021, including 342 in Taiwan and six through partners. The base covered 70 hypermarkets, four supermarkets and 274 convenience stores. Carrefour also operates 688 stores with local franchisee partners in other regions around the world (Middle East, Africa, etc.).

1.1.3 OPERATING REGIONS

* Metropolitan France.
** The agreement for the disposal of Carrefour China signed in 2019 stipulated that the stores can remain under the Carrefour banner during the transition period.

1.1.4 HISTORY OF THE CARREFOUR GROUP

1959

The Carrefour Supermarchés company was created following a meeting between Marcel Fournier, owner of a novelty shop in Annecy, and the Badin-Defforey business, a grocery wholesaler in Lagnieu.

1963

France's first hypermarket was opened at Sainte-Geneviève-des-Bois, in the Paris region. The first of its kind, this 2,500 sq.m. self-service hypermarket offered a vast choice of products at low prices and had 400 free parking spaces.

1966

The Carrefour logo was created to mark the opening of the hypermarket in Vénissieux, near Lyon. It depicted the first letter of the word Carrefour placed in the middle of a diamond with the left half coloured red and the right half coloured blue, with black lines above and below.

1970

To finance its growth, Carrefour was listed on the Paris Stock Exchange, a first for the retail sector.

1973

Carrefour expanded internationally and explored new markets, opening its first stores in Spain under the Pryca banner, followed by Brazil in 1975.

1976

To offer its customers more affordable products, Carrefour reinvented its business and started to sell its own products. This was the beginning of *produits libres* (unbranded products) in plain packaging that would go on to revolutionise the consumer products business.

1981

Carrefour created the PASS card, a credit card and customer loyalty card rolled into one, which was an immediate success. Just three years after its launch, 200,000 customers had PASS cards and had used them for more than four million transactions.

1982

Changes in legislation and new consumer habits encouraged international development, which led to store openings in Argentina and then, in 1989, in Taiwan.

1992

Carrefour developed a new relationship with the agricultural industry by creating a completely new type of partnership, "Carrefour Quality Lines". The same year, Carrefour ushered in the era of organic products in retail with its "Boule Bio" organic bread.

1993

The Group inaugurated its first stores in Italy and then, in 1995, in China.

1996

The first partnerships with Food Banks were set up to redistribute food approaching its use-by date to those in need.

1997

Carrefour continued to expand internationally, opening its first stores in Poland. At the same time, the Group created its "Reflets de France" brand for products based on traditional French recipes.

1998

As the 1990s drew to a close, the Group underwent significant change and brought together various banners. After signing an agreement in 1997 with Guyenne & Gascogne, Coop Atlantique and the Chareton group, Carrefour purchased Comptoirs Modernes in October 1998, acquiring more than 700 stores operating under the Stoc, Comod and Marché Plus banners.

1999

On August 30, Carrefour submitted a friendly tender offer for the shares of Promodès, a company founded in 1961 by two Normandy families with a background in wholesale trade, the Duval-Lemonniers and the Halleys. The merger between Carrefour and Promodès, authorised by the European Commission in 2000, resulted in the creation of the world's second-largest retailer. The new Carrefour employed 240,000 people and had more than 9,000 stores throughout the world.

2007

The Group strengthened its presence in many countries between 2000 and 2010, either through controlled expansion or targeted acquisitions, including in France and Romania (Hyparlo, Artima, Penny Market), Belgium (GB), Poland (Ahold), Italy (GS), Brazil (Atacadão), Argentina (Norte) and Spain (Plus).

2008

Carrefour initiated a major renovation programme in its stores, converting its Champion supermarkets, for example, to the Carrefour Market banner. In record time, the 1,000 French stores were rebranded to offer a wider range of products and services, a simplified customer path through the aisles, and the benefits of the Carrefour programme.

2013

Carrefour joined forces with the CFAO group, establishing a joint company to develop various formats of Carrefour stores in West and Central Africa. The same year, the Group launched an asset modernisation programme. During the programme's first year, 49 hypermarkets and 83 supermarkets were renovated and remodelled in France.

2014

To gain more control over its ecosystem, Carrefour partnered with institutional investors to create Carmila, a company dedicated to revitalising the shopping centres adjacent to its hypermarkets in France, Spain and Italy.
The year was also shaped by the acquisition of the Dia network and the integration of 128 Coop Alsace stores in France, the acquisition of 53 Billa supermarkets and 17 Il Centro stores in Italy and the sale of a 10% stake in its Brazilian subsidiary to Península, designed to strengthen the Group's local roots in Brazil.

2016

Carrefour continued to expand its network, with the development of its convenience banners and the acquisition of Billa supermarkets in Romania and Eroski stores in Spain. In addition, the Group proceeded to the acquisition of Rue du Commerce and Greenweez in France and the launch of new e-commerce operations in China, Poland, Argentina and Brazil.

2018

Carrefour reinvented its business model and started to implement the Carrefour 2022 transformation plan inspired by its ambition to become the world leader in the food transition for all by 2022. The idea is to enable everyone to eat better at affordable prices by offering healthy, safe, balanced foods produced using sustainable and socially responsible farming methods. To achieve its ambition, Carrefour is creating an omni-channel universe in which its online presence is closely integrated with its physical store network and the emphasis is on quality food, available everywhere at any time. In July, Carrefour acquired the So.bio banner. In September, Carrefour launched a global advertising campaign of unprecedented proportion: Act for Food.

2019

Carrefour celebrated its 60th anniversary. Pursuant to the "Pacte" law adopted by the French Parliament, the Group has included a *raison d'être* in its Articles of Association. This measure, adopted at the Shareholder's Meeting on June 14, 2019 on the recommendation of the Board of Directors, was taken to support Carrefour in fully embracing its ambition to become the world leader of the food transition for all by 2022: "Our mission is to provide our customers with quality services, products and food accessible to all across all distribution channels. Thanks to the competence of our employees, to a responsible and multicultural approach, to our broad territorial presence and to our ability to adapt to production and consumption modes, our ambition is to be the leader of the food transition for all". The Group sold its businesses in China.

2020

In response to the Covid-19 epidemic, the Group fulfilled its mission as a food distributor while protecting its employees and customers. The health crisis confirmed the relevance of Carrefour's strategic choices in favour of the food transition, local purchasing, the link between food, health and the environment, low prices and e-commerce. Carrefour also adopted a new customer-oriented approach in 2020, with an emphasis on revitalising customer traffic and driving comparable growth, notably by deploying the 5/5/5 method, which makes customer satisfaction central to all of the Group's initiatives. Lastly, Carrefour pursued its strategy of making targeted, value-creating acquisitions.

2021

Carrefour set itself the goal of becoming a global leader in digital retail by 2026, by placing digital and data at the heart of its strategy. Its transformation into a digital retail company will be based on four key drivers, presented at the Group's Digital Day on November 9, 2021: acceleration of e-commerce; ramp-up of data and retail media activities; digitalisation of financial services; and transformation of traditional retail operations through digital. The new model will be a powerful accelerator of growth, market share and financial performance for the Group.

+ The highlights of 2021 and the first quarter of 2022 are presented in Sections 1.5.1 and 1.5.2 of this Universal Registration Document

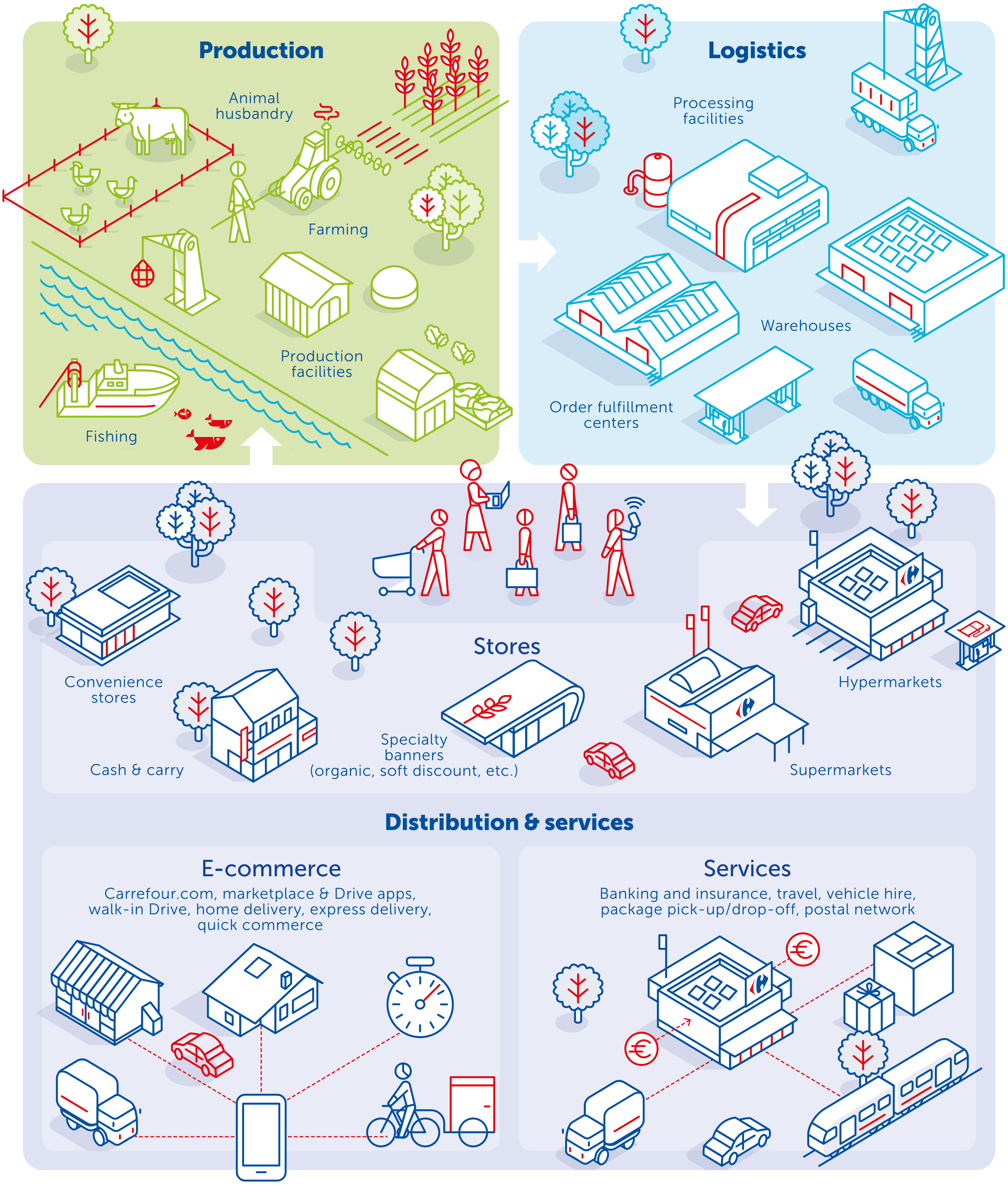
1.1.5 OUR BUSINESS MODEL, BASED ON CREATING SHARED VALUE

Through its physical and intellectual capital, Carrefour leverages its business model to create value for its stakeholders and make a positive contribution to society. Carrefour sells products and services for consumers and food services professionals. Its mission is to provide customers with quality services, products and food accessible to all across all distribution channels.

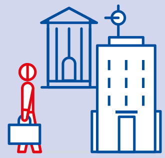
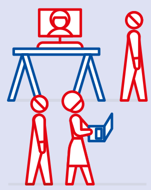
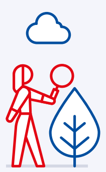
In all its host regions, this process includes the direct or indirect purchasing of products, definition of specifications for the Group's own-brand lines, organisation of supply logistics and management of physical and online stores. Carrefour leverages its business operations to strengthen its contribution to the UN Sustainable Development Goals (SDGs) and aims to facilitate and promote the food transition for all, alongside its various stakeholders. The key ways in which the Group has a positive impact on society are presented in the infographic below and described in Section 1.3.2.5.

Our business model

Our challenges • New eating behaviours • Consumer behaviours transformed by digital technology • Duty to provide affordable healthy food • An evolving agricultural model • Limited natural resources • More intense competitive pressure



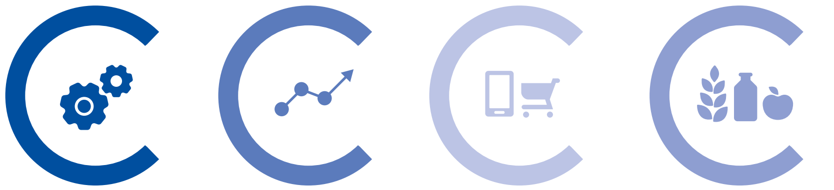
Our assets • Our skilled employees • Responsible and multicultural approach • Broad geographic footprint • Ability to adapt to production and consumption modes

	Capital and resources	Creating shared value	for our stakeholders
ECONOMIC & FINANCIAL CAPITAL	→ **13,894** stores and **2,343** Drive outlets worldwide → Over **40** host countries → **€81.2 billion** in gross sales → **€2,181 million** in other income (finance companies, real estate development, leases) → **€73 million** in financial income	→ **€383 million** in dividends paid to parent company shareholders → **€948 million** in income and other taxes → **€1,613 million** in payroll taxes → **€352 million** in financial expenses	 Shareholders/investors, public authorities/ local governments
HUMAN & INTELLECTUAL CAPITAL	→ **319,565** employees worldwide → **300** job families → Worldwide agreement signed with UNI Global Union → Act for Change managerial programme	→ **€7,285 million** in wages, salaries and payroll taxes → Employer recommendation indicator → **81%** of employees had access to training → **900** social audits performed at our suppliers → **42.5%** of management positions held by women → **34%** youth employment rate → **3.4%** employment of people with disabilities	 Employees
RELATIONAL CAPITAL	→ **80 million** customer households → **1** e-commerce site per country → **93.5 million** loyalty cardholders → **13** international partnerships → **3,000** production facilities in Europe → **25,000** CQL partner producers → Strategic partnerships and alliances → **€6.75 million** budget allocated by the Carrefour Foundation	→ **18.5 million** fans on social media → **€62,278 million** in purchased merchandise and services → **650** Carrefour Quality Lines products → **1,200** Carrefour organic product listings → **44 million** meals donated to food aid charities → **69** projects supported by the Carrefour Foundation	 Consumers/Professionals Supply chain intermediaries Service providers
NATURAL AND ENVIRONMENTAL CAPITAL	→ Fossil and renewable energies → Use of different materials such as plastic, cardboard, etc. → Use of natural resources from oceans, forests, land and other ecosystems → Water consumption	→ **20%** reduction in CO_2 emissions (vs. 2019) → **68%** of waste recycled → **31%** reduction in food waste (vs. 2016) → **35%** of seafood products (national brands and Carrefour own brand products) are sustainable → **11,000 tonnes** of packaging avoided since 2017	 Local communities and civil society

1.1.6 "CARREFOUR 2022" TRANSFORMATION PLAN – STRATEGY AND PROGRESS REPORT

Strategy

To build a sustainable development model capable of meeting the challenges associated with the food transition, in 2018 the Group implemented the "Carrefour 2022" strategic transformation plan in all of the countries where the Group operates. The plan focuses on four main objectives: deploy a simplified, open organisation; achieve productivity and competitiveness gains; create an omni-channel universe of reference; and overhaul the Group's offer to promote food quality.



DEPLOY A **SIMPLIFIED** AND **OPEN ORGANISATION**

ACHIEVE **PRODUCTIVITY** AND **COMPETITIVENESS** GAINS

CREATE AN **OMNI-CHANNEL** UNIVERSE OF REFERENCE

OVERHAUL THE **OFFER** TO PROMOTE **FOOD QUALITY**

In 2021, the Group continued to implement a successful retail model based on a robust customer-oriented culture, flawless operational and commercial performance, strong price competitiveness, an efficient omni-channel approach and a dynamic product assortment aligned with customer expectations.

- The gross merchandise value (GMV) of food e-commerce continued to increase in 2021 (up 20%) after delivering very strong gains in 2020;
- A key component of purchasing power and price image, Carrefour-brand products saw their penetration rate increase by two points in 2021 to represent 31% of sales;
- Carrefour strengthened its leadership in the organic market;
- Customer satisfaction continued to improve, with an increase of 21 NPS® points since the start of the plan, supported by the deployment of the 5/5/5 method in all Group host countries;
- The cost-cutting dynamic continued, resulting in savings of 930 million euros in 2021, as part of the three-year plan to save 2.7 billion euros by 2023.

For further details on the Group's strategy, see Section 1.3.

Objectives

Operational objectives

- Group NPS® improvement of 30 points by 2022 since the start of the plan;
- Carrefour-brand products accounting for one-third of sales in 2022;
- The 2022 target of opening 2,700 convenience stores was met by the end of 2021, a year ahead of schedule.

Financial objectives

- 10 billion euros in e-commerce GMV in 2026;
- 4.8 billion euros in sales of organic products in 2022;
- Additional cost savings target raised from 2.4 billion euros to 2.7 billion euros by 2023 on a full-year basis (vs. 2020);
- Net free cash flow in excess of 1 billion euros per year;
- Annual capital expenditure of around 1.7 billion euros;
- 300 million euros in disposals of non-strategic real estate assets by 2022 – target met at the end of 2021.

1.1.7 CORPORATE SOCIAL RESPONSIBILITY – STRONGER COMMITMENTS AND RESULTS

In 2021, Carrefour again exceeded its CSR targets, with a 111% score in the CSR and Food Transition Index. This index, introduced in 2018, assesses Carrefour's performance in implementing its CSR commitments. In 2021, Carrefour strengthened its ambitions by setting new targets, particularly in the following areas:

Food transition and partners

- 45,000 organic, local or Carrefour Quality Lines (CQL) partner producers by 2025: 38,580 in 2021 vs. 36,277 in 2020;
- 300 suppliers committed to the Food Transition Pact by 2025 114 in 2021 vs. 26 in 2020.

Reduction in packaging

- Target raised to 20,000 tonnes of packaging avoided by 2025 (from 10,000 tonnes initially). The Group is ahead of schedule at the end of 2021 with more than 11,000 tonnes avoided since 2017;
- 100% reusable, recyclable or compostable packaging by 2025. Carrefour is reporting on this percentage in France for the first time; it reached 46% in 2021.

Reduction of CO_2 emissions

- Carrefour has set the goal of achieving carbon neutrality (for scopes 1 and 2) by 2040, with a CO_2 emissions reduction target of 50% in 2030 and 70% in 2040 (vs. 2019). By 2021, emissions had been reduced by 20% compared with 2019, ahead of target. The Group is also committed to achieving carbon neutrality in its e-commerce activities by 2030;
- Launch of a reporting platform shared with suppliers ("20 megatonnes" project) to manage the reduction of the carbon footprint of products (scope 3).

Human resources

- 35% of the top 200 managers will be women by 2025: 25% in 2021, and 22% in 2020 The proportion of women in management as a whole also increased by 1 point in 2021, to 42.5%;
- A minimum employee recommendation rate of 75/100 (83/100 in 2021, up 3 points vs. 2020). The industry average is 74/100[1].

External non-financial indices recognise the Group's good performance: Carrefour is ranked the leading French retailer in terms of its CSR commitment by the Dow Jones Sustainability Index (DJSI) World and was awarded the highest score (A) in the Carbon Disclosure Project (CDP).

(1) Source: Ipsos.

1.2 Context: global challenges and development opportunities

Societal change and the pressure of environmental emergencies are fuelling a sweeping transformation of business models inherited from the 20th century. The food retailing industry is being reshaped by numerous paradigm shifts, which have gained momentum in the past two years with the impact of the global health crisis. Consumers are looking for easily accessible food options that are good for their health, for producers and for the planet. They increasingly prefer to buy local. It is now crucial to understand and adapt to their new eating behaviours, the accelerated digital transformation of their shopping practices, their demands for just and fair prices, and their desire for locally-sourced products. Worldwide, society is challenging production-oriented agriculture, the industrialisation of harvest methods and product processing and distribution, and the disregard for seasonality. It has therefore become more urgent than ever to rethink the food industry model in order to protect the planet's limited natural resources and meet new consumer expectations.

1.2.1 RETAIL'S ESSENTIAL ROLE DURING THE HEALTH CRISIS

The Covid-19 pandemic had a severe impact on the global economy as lockdowns kept several billion people confined to their homes in 2020. To comply with government measures and protect their health, European shoppers curtailed their outside activities, spending 5% less time shopping on average and increasing the size of their average basket by 16%[1]. The European food retailing industry saw record growth over the year, with gains of 8% in volume and 10% in value.

Food retailers, which found themselves on the front lines in maintaining the supply of basic necessities to local communities, geared up to handle the spikes in demand during lockdowns and the pervasive supply chain disruptions. Meanwhile, they ensured the safety of employees and shoppers by implementing personal protection and social distancing precautions, disinfection of premises and facilities, modified opening hours and more. They also expanded their delivery and Drive services to make products accessible to as many consumers as possible.

In 2021, retailers continued to respond with agility to the ever-changing health situation, regulations and guidelines across different geographies, as well as to the shifts in shopping patterns caused by the Covid-19 pandemic.

1.2.2 AMPLIFIED FOOD TRENDS

The food transition is one of the major challenges of the 21st century. At a global level, the dual objective is to meet strong growth in demand while providing the whole population with access to a healthy diet. Today, more than 3.2 billion people suffer from poor nutrition, whether they are undernourished in developing countries or overnourished in developed countries[2].

People have become highly aware of this imbalance. Over the past few years, this awareness has brought about new behaviours and an emphasis in developed countries on quality over quantity, taste and authenticity, healthy, seasonal, pesticide-free and environmentally-friendly products, as well as a rise in alternative diets. As a result, 64% of consumers worldwide follow a diet that limits or prohibits consumption of certain ingredients and 70% say that they make dietary choices to help prevent health issues[3]. In 2020, 20% of French people were following some form of special diet, including 11% who said they were flexitarian, 5% vegetarian, 3% vegan, 3% gluten-free and 3% lactose-free[4].

In addition, through their purchasing decisions, shoppers express a multitude of expectations that extend beyond health issues to cover production conditions, including more local and circular consumption to reduce waste; fair prices on products to ensure adequate compensation for farmers; and concern for animal welfare.

The Covid-19 pandemic has amplified these underlying trends, with consumer concerns focusing in particular on health and 30% of European consumers saying they were aiming for a more balanced diet in 2021[1]. The periods of lockdown also encouraged home cooking and increased interest in prepared ingredients. In early 2021, 55% of French people felt they were cooking more and 57% were buying more fresh and seasonal products than a year earlier. Some 88% said they liked to prepare their own meals, 93% were mindful of their family eating a variety of healthy products, and 85% paid attention to the origin and quality of their food[4].

(1) Source: "Disruption & Uncertainty, The State of Grocery Retail 2021", Europe, McKinsey & Company, EuroCommerce for retail & wholesale, February 10, 2021.
(2) Source: Summary report from the EAT-Lancet Commission, "Healthy Diets from Sustainable Food Systems", 2019.
(3) Source: Nielsen Global Ingredients and Dining Out Trends, a survey conducted in 2016 among 30,000 consumers in 63 countries.
(4) Source: "*2021 Baromètre de consommation et de perception des produits biologiques en France*" (2021 Survey of Consumption and Perception of Organic Products in France), Agence Bio, Spirit Insight, January 2021.

Consumer expectations about the authenticity and traceability of their food have also increased, with 47% paying attention to the nutritional quality of processed food products, by checking the Nutri-Score label, for example. 25% use Yuka or other smartphone apps to scan food products for information on their health impact[(1)], a percentage that rises to more than a third among the 18-34 age group[(2)].

1.2.3 THE RISE OF E-COMMERCE

The health crisis has sped up the development of the food e-commerce segment, making 2020 a record year, even in the most mature markets. Online sales surged 65% year-on-year to 36 billion euros in 15 European Union countries (42% in France), 24% to 75 billion euros in China and 125% to 89 billion euros in the United States[(3)]. The food e-commerce segment gained market share worldwide during the year and in the second half accounted for 10% and 11% of total food sales in France and the United Kingdom, respectively. In Spain and Italy, total food e-commerce sales increased by 85% and 133%, respectively[(4)]. Extrapolated to the whole of Europe, these gains would correspond to around a 1.5% transfer of market share[(5)]. 60% of Europeans – and more than 70% of consumers in Spain and Italy – say that the crisis has motivated them to make a long-term commitment to e-commerce[(6)]. In meeting the new demand, the industry captured the growth initially projected over several years in just a few months. Retailers worked hard to improve their Pick Up, click & collect and Drive services and to increase their delivery capacities for online orders. In 2020, the industry invested the equivalent of three years of its digital transformation budget in just six months to ensure a safe shopping experience[(7)], with self-checkout, contactless payments, autonomous last-mile delivery, the conversion of stores for use as order preparation centres, and more. Capital spending on warehouse automation projects rose by 13%[(5)]. The majority of the world's leading retailers have deployed artificial intelligence systems, invested in their online solutions and applications to minimise friction during the purchasing process, both in-store and online, and forged a multitude of partnerships with technology companies to develop new solutions. According to a McKinsey study, 3% to 6% of additional retail sales could come from advanced analytics by 2025[(5)].

The use of home delivery and Drive pick-up options had already increased sharply in 2020, with growth in value of 42% for Drive, 211% for pedestrian Drive and 45% for home delivery in France[(8)]. Quick commerce, which express delivers consumer goods to shoppers' homes, is becoming increasingly popular, while in large cities, pedestrian Drive pick-up has demonstrated its promising potential.

These trends continued apace in 2021, when online purchases maintained their steep growth, in particular as increasingly more people worked from home. In France, e-commerce once again outpaced brick and mortar channels, gaining further market share in the process. Its penetration rate is therefore expected to remain high compared to pre-crisis levels. While physical shops remain highly attractive, they now exist alongside online shopping and the ties between off and online channels are growing increasingly close. For example, 73% of shoppers research a product on the Internet before making an in-store purchase and 49% need to see the product in a store before buying it online[(9)].

1.2.4 SIGNIFICANT PRICE SENSITIVITY

Reconciling the duty to provide healthy food with affordability is a global issue. In a survey conducted in 2018 in 28 countries across all continents, access to high-quality, healthy food and in adequate amounts for all came out as the third and fourth priorities, respectively[(10)]. Worldwide, malnutrition has been rising since 2015 after a decade of decline. More than 820 million people, equal to 10.8% of the world's population, were undernourished in 2018[(11)]. In France, the proportion of the population with "low" purchasing power was 31% in 2019, and the budget item under the most pressure was food[(12)].

(1) Source: "*Fractures alimentaires en France*" (The Food Divide in France), Ipsos, October 19, 2021.
(2) Source: "*Next Leading Brands, la consommation des Français et leur rapport aux marques après la crise*" (Next Leading Brands: French Consumer Spending and Brand Relationships after the Crisis), Babel, Stratégie et création, 2021.
(3) Source: "*Le e-commerce en 2021*" (E-commerce in 2021), FEVAD press conference, Nielsen IQ, May 27, 2021.
(4) Source: "*Second confinement et potentiel pour le e-commerce*" (Second lockdown and its potential for e-commerce), Nielsen webinar, December 8, 2020.
(5) Source: "Disruption & Uncertainty, The State of Grocery Retail 2021, Europe", McKinsey & Company, EuroCommerce for retail & wholesale, February 10, 2021.
(6) Source: Nielsen Global Ingredients and Dining Out Trends, an online survey conducted in 2016 among 30,000 consumers in 63 countries.
(7) Source: Global retail trends 2021, IGD Retail Analysis, December 2020.
(8) Source: "*Proxi, drive piéton, livraison à domicile… Complémentarité ou concurrence*?" (Convenience stores, pedestrian drive, home delivery… Complementary or competitors?), Nielsen IQ, March 11, 2021.
(9) Source: "*Quelles sont les nouvelles tendances de consommation*" (What are the new consumer trends?), IFOP, September 2021.
(10) Source: "The challenge of our resources", ELABE study for Veolia conducted in January 2018 of 14,000 people in 28 countries.
(11) Source: SOFI report (FAO, WHO, WFP, UNICEF), July 2019.
(12) Source: Eighth edition of the Cofidis CSA annual survey, September 2019.

The Covid-19 pandemic's shock to the world economy exacerbated these pre-existing difficulties. In 2020, global GDP growth fell by 3.3%, with declines of 5.2% in Europe, 4.1% in North America and 1.5% in Asia. In the European Union, per capita GDP contracted by 6.2%, with steeper declines in Spain (down 11.3%), Italy (down 8.4%) and France (down 8.4%)[(1)]. Despite the robust recovery in 2021, purchasing power uncertainties have been renewed by the return of inflation. 34% of European consumers say they try to find ways to save money when shopping for food, 27% will actively search for the best promotions and 17% are willing to switch to less expensive products[(2)].

In France, 90% of people consider purchasing power to be a major concern. In 2021, 75% of them had the impression that their purchasing power was decreasing[(3)] and 31% felt vulnerable, ten points more than in 2018[(4)]. The majority of these respondents were people in work, under 40, with families and low incomes, who were experiencing difficulties keeping their jobs or who had lost income during the health crisis. Faced with rising energy prices, only 16% of French people feel they can afford to maintain their previous standard of living without cutting back on other items. In response, 23% (and 33% of the lowest income households) are choosing to reduce their food expenditure[(3)].

This situation threatens to deepen the food divide, as 76% of French people believe there is food inequality in France. More than six in ten feel that they cannot afford to buy enough acceptable quality food, with 93% citing purchasing power as the main reason for inequalities[(5)]. Three out of four consumers are dissatisfied with their consumption of vegetables, primarily due to high prices. If their food budget were increased by 20%, 55% would buy more. For 59% of French people, prices are a key factor in choosing where to buy food[(6)].

1.2.5 REVISITING THE AGRICULTURAL MODEL

The UN has forecast that the global population will reach 8.5 billion by 2030 and 9.7 billion by 2050, versus 7.7 billion in 2019. That equates to a rise in population of 2 billion people over the next 30 years[(7)]. In light of this projected demographic growth, the United Nations Food and Agriculture Organization (FAO) estimates that, in order to guarantee food security for all[(8)], global food production will need to increase from the current 8.4 billion tonnes to 13.5 billion tonnes per year, i.e., a 60% increase between now and 2050.

Intensive and industrial farming methods have, however, reached their limits. Today, humans use more than 70% of the Earth's ice-free land. One-third of arable land is used to grow feed for livestock and 60% of the grains produced worldwide are fed to animals. About 80% of deforestation is due to agriculture, especially to clear land for soy cultivation in order to feed livestock and for oil palm trees[(9)]. Therefore using more land to produce food is an impossible solution. In fact, current farming methods deplete soil fertility and productivity is expected to drop 30% by 2050 according to the FAO. Alternative production techniques are becoming necessary to offset these imbalances. For example, agroecological practices extend land production potential. Even though their contribution to global production remains relatively limited, these techniques are becoming increasingly widespread. In France, 9.5% of useful agricultural land is dedicated to organic farming (up 12% on 2019), which represents 53,255 farms and 200,544 direct jobs, for a market of 13.2 billion euros[(10)]. Growth in organic product sales has levelled off but they remain highly popular, with almost three quarters of French people purchasing organic food at least once a month[(11)].

Today, the farming industry is having to adapt in ways that address the dual challenge of meeting both strong demand and increasingly stringent environmental standards. It should now be able to count on increased support from consumers in this regard. The Covid-19 pandemic has highlighted the importance of local production, bringing consumers closer to their local agricultural industry. In September 2020, 77% of French people said they had confidence in farmers – a record high and an increase of 7 points compared to January 2020[(12)].

88% of French people now instinctively check whether their food purchases are "made in France" and only 17% feel that brands are vocal enough in expressing their commitments to support French production[(12)].

(1) Source: "*PIB par habitant en 2020: une chute historique qui frappe surtout l'Ouest et le Sud de l'Europe*" (Per capita GDP in 2020: a historic fall that hits Western and Southern Europe hardest), European Data, September 2021 https://www.european-datalab.com/pib-par-habitant-en-2020-une-chute-historique-qui-frappe-surtout-louest-et-le-sud-de-leurope/#_ftn4 (French only).
(2) Source: "Disruption & Uncertainty, The State of Grocery Retail 2021, Europe", McKinsey & Company, EuroCommerce for retail & wholesale, February 10, 2021.
(3) Source: "*Les Français, le pouvoir d'achat et la fiscalité*" (The French, purchasing power and taxation). La voix des territoires survey, 7th campaign, ODOXA, October 21, 2021.
(4) Source: "*Quatre millions de Français fragilisés par la crise sanitaire*" (Four million French people made vulnerable by the health crisis), Crédoc Consommation et modes de vie, no. 320, October 2021.
(5) Source: "*Fractures alimentaires en France*" (The Food Divide in France), Ipsos, October 19, 2021.
(6) Source: "*Les Français et les enseignes alimentaires*" (The French and Grocery Banners), Bonial Opinion Way, July 2021.
(7) Source: World Population Prospects 2019, United Nations, published in June 2019.
(8) Source: FAO http://www.fao.org/sustainability/backgroundr/en/.
(9) Source: ELAB study, "Which foods in 2049?", November 2019.
(10) Source: "*Infographie – L'agriculture biologique*" (Charts – Organic Agriculture), French Ministry of Agriculture and Food, August 2021.
(11) Source: "*2021 Baromètre de consommation et de perception des produits biologiques en France*" (2021 Survey of Consumption and Perception of Organic Products in France), Agence Bio, Spirit Insight, January 2021.
(12) Source: YouGov Survey for Sacré Français, conducted on March 9 and 10, 2021.

1.2.6 THE NEED TO PRESERVE NATURAL RESOURCES

Demographics, urbanisation and human activity are causing large-scale climate change that threatens the Earth's natural balance. The Intergovernmental Panel on Climate Change, or IPCC, estimates that the global surface temperature could rise between 1.1°C and 6.4°C within this century. Every year, 13 million hectares of forest area, home to 80% of the Earth's biodiversity, is lost, especially in tropical regions.

Fully aware of the risks at stake, most citizens across the world agree that we need to act quickly and respond to these environmental, energy and food challenges. Consumers better understand the impact of intensive farming on the planet. As such, they want to reset the imbalances resulting from the globalisation of food systems, calling for a less wasteful, more resource-efficient and locally focused model. The Covid-19 pandemic has not weakened this collective awareness of environmental issues. In fact, it has highlighted the benefits of more responsible consumption. Since the health crisis, purchasing local products has been perceived even more positively by consumers for various reasons, notably because it contributes to reducing CO_2 emissions[1]. Among the major changes in behaviour over the past three years, 59% of French people stated a preference for products sourced through short supply chains[2].

In 2021, 10% of European consumers (compared to 6% in 2019)[3] say they are not only more aware of sustainability issues but also more active in reducing their environmental footprint. They are attentive to the solutions offered by retailers, such as recyclable packaging and sustainable products.

Younger generations are particularly sensitive to environmental issues, with French under-25s more likely than average to limit their use of plastic and packaging (43%) and fight global warming (29%)[3]. In the 18-34 age group, 57% have purchased second-hand goods[4].

1.2.7 SUSTAINED COMPETITIVE PRESSURE

The retail industry is focused on creating a more differentiated merchandise offering more closely aligned with consumers' needs and their changing expectations, eating behaviours and buying habits. This has resulted in: expansion of convenience formats, closer ties between physical stores and e-commerce, strengthened by a portfolio of services (Drives, click & collect, express delivery, etc.), and the deployment of a more quality-focused offering, underpinned by increased concern about health, social and environmental issues.

In this configuration, businesses that thrive the most are built on operating efficiency: ability to replicate an operating model on a large scale, an automated and highly responsive supply chain, and stringent cost management to boost price competitiveness.

For example, hard and soft discounters maximise volumes for a limited assortment of goods, and their quality is improving. They roll out their model on an industrial scale and show growth in most of the countries where they operate, stepping up competitive pressure.

On the other hand, online retailers have drastically changed the playing field by introducing new digital services, significantly increasing the number of products available and getting consumers accustomed to being able to access the products and services they want anytime, anywhere and in just a few clicks.

New consumer expectations have given rise to a third category of food retail operators: distribution networks and chains that specialise in the highest quality food options, such as organic products, fresh produce, local and regional products and vegan products. The availability and accessibility of these product offerings are facilitated by online sales and digital and convenience services, which are strategically linked to a network of physical stores or operated by pure play online retailers.

Between 2015 and 2019, sales by discount chains, online retailers, mini-markets and speciality shops rose by 5.9% a year in Europe.

The health crisis has weakened customer loyalty. In 2020, for example, more than 60% of European consumers tried a new way of shopping and 31% changed stores or brands[3]. Customers are now "multi-loyal" and no longer attached to a single retail channel. For grocery shopping, 87% of French people go to an average of four different banners, mixing general and speciality retailers (hard discount, organic, convenience) depending on their needs[5].

The Covid-19 pandemic has opened the door to innovative new shopping channels. In 2020, 26% of French consumers of organic products purchased directly from farms or local producers (compared to 20% in 2019)[2]. They also intend to make greater use of Internet marketplaces, which saw a sharp increase in visits during the pandemic[6].

In this environment, agility is a key success factor for traditional retailers.

(1) Source: Observatoire Cetelem, September 2020.
(2) Source: "*2021 Baromètre de consommation et de perception des produits biologiques en France*" (2021 Survey of Consumption and Perception of Organic Products in France), Agence Bio, Spirit Insight, January 2021.
(3) Source: "Disruption & Uncertainty, The State of Grocery Retail 2021, Europe", McKinsey & Company, EuroCommerce for retail & wholesale, February 10, 2021.
(4) Source: "*Next Leading Brands, la consommation des Français et leur rapport aux marques après la crise*" (Next Leading Brands: French Consumer Spending and Brand Relationships after the Crisis), Babel, Stratégie et création, 2021.
(5) Source: "*Les Français et les enseignes alimentaires*" (The French and Grocery Banners), Bonial Opinion Way, July 2021.
(6) Source: "*Perspectives de dépenses pour 2021*" (Spending outlook for 2021), Harris interactive for Oney, April 2021.

1.3 Our *raison d'être*

In January 2018, at the initiative of Alexandre Bompard, Carrefour launched its five-year "Carrefour 2022" transformation plan (see Section 1.1.6) in response to the previously identified global challenges. The Group reaffirmed its commitment to leading the transition for all, by promoting healthier, more affordable food, while supporting the agricultural transition and helping to preserve the planet's resources.

"Our mission is to provide our customers with quality services, products and food accessible to all across all distribution channels. Thanks to the competence of our employees, to a responsible and multicultural approach, to our broad territorial presence and to our ability to adapt to production and consumption modes, our ambition is to be the leader of the food transition for all."

This mission, which the Group included in the preamble to its Articles of Association in the form of a *raison d'être* in 2019, demonstrated its validity during the health crisis, which accelerated the fundamental changes already under way: awareness of the link between food, health and the environment, a pressing demand for local sourcing, a greater preference for low prices, and rapid growth in online sales. Building on the success of its transformation plan, the Group has responsively adapted both to ever-changing health situations and the pandemic-led shifts in spending patterns.

Carrefour intends to pursue and amplify its transformation to offer customers a seamless ecosystem of offline and online services that support them as they emerge from the crisis and appreciate, more than ever, quick, easy access to healthy products.

To fulfil this ambition, Carrefour is leveraging a wide range of strengths forged from the transformation since 2018:

- a brand that is well-known worldwide;
- more than 80 million customer households;
- a network of 13,894 stores based in more than 40 countries;
- powerful digital assets served by a dedicated logistics hub;
- a unique omni-channel, multi-format model;
- local roots and contributions by each store to the day-to-day life and development of its host community; and
- 319,565 employees putting their skills into practice every day in more than 300 different areas of expertise.

"The future of retail belongs to those who offer a seamless ecosystem of both offline and online services."

Alexandre Bompard, November 9, 2021, *Digital Day*

1.3.1 PROVIDE OUR CUSTOMERS WITH QUALITY SERVICES, PRODUCTS AND FOOD ACCESSIBLE TO ALL

Fully immersed in the digital transformation, the multi-format, omni-channel, customer-oriented Carrefour model is demonstrating its robustness and effectiveness at a time of pervasive health uncertainty. The Group is constantly adapting to health restrictions and evolving customer expectations by leveraging its network of stores in highly complementary formats and its expanding e-commerce and related services business (Drive pick-up points, click & collect, home delivery).

In these complex circumstances, Carrefour employees are constantly keeping food shelves stocked with a daily dedication to customer satisfaction and a sustained commitment to supporting the food transition. While encouraging the development of agroecological practices and short channel distribution, the preservation of biodiversity, the reduction of pesticides and carbon emissions, and the improvement of health with quality food, the food transition is also a means for the Group to respond to the new challenges emerging from the health crisis.

1.3.1.1 The food transition for and with our customers

Carrefour serves 80 million customer households around the world. Thanks to them, the Group can identify emerging societal trends ahead of the competition, and thereby reinvent the retail model.

Meeting changing expectations

Identifying customers' expectations is a key component of Carrefour's transformation, enabling the Group to refresh its line-up and offer customers innovative solutions aligned with their expectations.

New consumer behaviours, shaped in particular by the use of digital technologies and a demand for personalised services, have become more prevalent during the health crisis. Growth in the e-commerce business has gone hand in hand with an increase in the number of omni-channel customers, who spend more at Carrefour (27% growth in sales over the past two years[1]) and offer a higher retention rate (97%)[2] than in-store customers. In 2026, omni-channel shoppers are expected to account for 30% of the total customer base, compared with 11% in 2021.

To respond to these new behaviours and unleash all the potential of its omni-channel capabilities, Carrefour is realigning its organisation by implementing a strategy that makes all its operations data-centric and digital first, with the ultimate goal of shifting Group's model to a Digital Retail Company by 2026.

(1) Findings of the 2019, 2020 and 2021 behavioural cohort analyses for France, Spain and Brazil.
(2) Percentage of active clients retained from one year to the next.

In addition, Carrefour is continuing to revamp its brick-and-mortar network, by upgrading its hypermarkets and deploying innovative new formats and related services. The latter process involves opening walk-in Drives, expanding the cash & carry network and broadening the portfolio of services (particularly deliveries) and their service areas (for more details, see Section 1.3.1.3 "Across all distribution channels").

Around the world, the Covid-19 pandemic has intensified consumer expectations as regards the quality, authenticity and traceability of their food. Carrefour's strategic choice to embrace the food transition for all is, now more than ever, resonant with the concerns of its customers. Their deep-rooted expectations, shared by all consumers, are addressed by the key markers of Carrefour's engagement: sourcing geared towards local agriculture, an offering built around fresh, organic, local and seasonal produce, own brands and the Quality Lines, and the deployment of blockchain technology.

Putting customer satisfaction first

Customer satisfaction is a priority for the Group, built on the three pillars of trust, service and convenience. It is measured by tracking a number of Key Performance Indicators (KPIs), including the Net Promoter Score® (NPS®), a customer satisfaction metric that has been widely deployed across the Group since 2019.

The Act for Change programme aligns the Group's management values and culture with the objectives of the "Carrefour 2022" strategic plan. "Serve the customer with passion" is one of the four key commitments. Carrefour's objective is to offer a level of service that is beyond reproach, by answering customers' questions and resolving any issues as quickly as possible and constantly striving to improve the customer experience.

In 2021, Carrefour took this priority to the next level with the widespread roll-out, in every Group country, of the 5/5/5 method, which embeds a customer-centric mindset in everything a store does. The method, which has been driving higher sales in Argentina, Spain, Taiwan and Poland since 2018, leverages employees' individual and collective commitment, both at head offices and in stores, to the shared focus on customer satisfaction through 15 commitments, divided into three categories: trust, service and experience. In Spain, for instance, a great deal of work has been done to improve the customer experience at checkouts, giving checkout staff greater autonomy.

Supporting citizen consumers

60% of consumers believe they can make a difference through their buying decisions[1]. To help customers support the causes they care about, Carrefour is committed to promoting collaborative consumption. In line with growing concern about environmental issues, for example, the Group has implemented solutions that enable customers to become sustainable consumers.

In 2019, Carrefour created the Committed Consumers Club, which now has 886 members. As a forum for discussing a variety of issues, such as eliminating plastic in the produce section and waste avoidance initiatives, the Club provides insight for leading the food transition for all in three ways:

- co-building our future initiatives together;
- integrating member feedback through the organisation to shape decisions;
- factoring this feedback into our projects as far upstream as possible.

In November 2019, for example, Carrefour consumers were surveyed concerning the phase-out of in-store plastic packaging. This "Mission Zero Plastic" campaign helped to design ten projects that are now being trialled in stores in France.

During the year, Carrefour Belgium also used the "Mission Zero Waste" platform to conduct an online consultation asking residents, consumers and other stakeholders to recommend solutions and share their thoughts on the banner's next initiatives concerning alternative packaging. For six months, Carrefour France piloted a diaper recycling system with customers in the Greater Paris area, through the use of connected bins installed in five stores. During the summer, the company offered Parisians an easy recycling solution for their single-use masks by setting up collection boxes made entirely of recyclable cardboard in 106 Carrefour City outlets in the city.

Consumers see the retail industry as a legitimate partner in their drive to improve the quality of what they eat. In response, Carrefour is informing as many people as possible of the benefits of "better eating" through its Act for Food programme. Teams in several Group countries are leading awareness campaigns and providing quality and nutritional information on Carrefour product packaging, in responsible consumer and recycling handbooks and online. The Group also gets customers involved in driving continuous improvement in the quality of its products and processes. To address and act on customer feedback, a variety of input, discussion and awareness-raising channels have been put in place. For example, more than 4,000 external focus groups were organised in 2021 to test recipes. Lastly, to define CSR initiatives, Carrefour organises working sessions several times a year, which bring together Group employees, NGOs, government agencies, investors, suppliers and customers to share their expertise and viewpoints.

(For more information, see *Carrefour.com*: What about a more healthy diet?)

1.3.1.2 Quality services, products and food accessible to all

Carrefour intends to make healthier, high-quality foods available at fair prices to as many people as possible in all its host communities and under all circumstances, thanks to the mobilisation of its teams.

Expanding the organic and vegetarian product offering

The food transition requires the faster development of products that meet customers' quality and balanced diet requirements, as well as the expansion of existing product lines. All of Carrefour's own brands have been revamped to reflect the food transition, resulting in the reformulation of 4,100 products since 2018.

In the organic segment, the Group boasts a comprehensive retailing ecosystem, with dedicated organic shelves in stores, the deployment of the Carrefour Bio concept and the acquisition of speciality banners So.bio, Bioazur and Bio c' Bon in 2019 and 2020. Carrefour has also strengthened its online organic offering following the acquisition by Greenweez, European leader in online organic product sales, of its Spanish and Italian competitors, Planeta Huerto (in 2018) and Sorgente Natura (in 2019). The Group is innovating to develop a wide range of affordable organic products. It already carries an assortment of more than 1,450 own-brand products, of which 1,300 under the Carrefour Bio brand that are widely recognised for their

(1) Source: "*Next Leading Brands, la consommation des Français et leur rapport aux marques après la crise*" (Next Leading Brands: French Consumer Spending and Brand Relationships after the Crisis), Babel, Stratégie et création, 2021.

excellence. Eight of them were voted Organic Flavours of the Year in 2021 and were featured in a broad-based promotional operation in March, with discounts of up to 60%. In all, consolidated net sales from organic products came to 2.7 billion euros in 2021.

Carrefour is also harnessing the growing popularity of flexitarian, vegetarian and other diets that reduce or eliminate meat intake by developing its Carrefour Veggie line. For Carrefour, shifting to a more plant-based diet is a key concern that responds to both:

- a significant social trend that resonates with major climate issues, the preservation of biodiversity, worldwide resource sharing and important public health issues;
- a sales trend driven by fast rising demand and the gradual structuring of markets across the segment.

Carrefour's commitment enables it to develop vegetarian products that are GMO-free and contain no artificial colours or flavours. In 2021, the Carrefour Veggie range was introduced in Brazil, while in Belgium, a new line of healthy ready meals was launched with ten vegetarian recipes.

Promoting healthy eating for the health of our customers

Carrefour is improving the composition of its own-brand products to optimise their nutritional profile in all its host countries.

Ahead of new legislation and regulations, Carrefour has deployed a worldwide programme to remove controversial substances from its products, aligned with the situation in each geography. Many of these substances impacting human health have been withdrawn since 2018. All blacklisted food additives have now been banned from Carrefour brand products. A programme is in place to remove, by 2022, any substance likely to be considered as harmful. Going a step further, in 2020, Carrefour launched the Carrefour Classic' OUI AU BON! brand, which excludes an even longer list of undesirable substances and ingredients, such as polyphosphates, carmines and flavouring agents. Carrefour Classic' OUI AU BON! products are also free of GMOs, additives, preservatives, artificial colouring and pesticides.

Carrefour also encourages the reduction or elimination of chemical pesticides (insecticides, fungicides and synthetic herbicides) in growing the fruit and vegetables sold under its Carrefour Quality Lines and Reflets de France brands. In 2021, four new agroecology lines were added to the portfolio, bringing it to 26, with a total volume of 45,000 tonnes of fruit and vegetables sold as of December 31, 2021. These initiatives are carried out in partnership with all stakeholders in the food value chain, particularly suppliers, who receive support from the Group to facilitate their transition to virtuous farming methods.

(For more information, see Section 1.3.2.3 "Transformation of production and consumption modes".)

Carrefour was the first European Retailer to use blockchain technology to ensure product traceability through every stage in the production process. In 2021, it was deployed in 55 Carrefour Quality Lines, representing 478 different products. During the year, it was also extended to four new CQL smoked salmon product references in France and in the citrus fruit chain in Brazil. Every Carrefour country organisation has now been blockchain-enabled, with Romania completing its first product (CQL eggs) and Argentina applying the technology to the beef in its exclusive range of Huella Natural CQL fresh products. In 2018, the Group joined the IBM Food Trust consortium to deploy the technology across every geography.

Carrefour also provides its customers with detailed additional information about the nutritional profiles of its products, including per serving data, fibre content and suggested frequency of consumption. Carrefour has been extending the use of the Nutri-Score labelling system – which classifies products according to their nutritional quality – across its product portfolio since 2019. The label will be used on 7,000 Carrefour-brand products available in stores or online, in France and Europe, by 2022, including the Carrefour Bio and Carrefour Veggie ranges. In 2020, Carrefour introduced the personal INNIT score, which uses a digital platform to help consumers optimise and maintain a balanced diet depending on their preferences by providing them with personalised information. This service is another step in the process of providing consumers with a better understanding of food so they can make informed decisions about what they eat.

(For more information, see Section 2.1.4.2 "Guaranteeing customer safety and product quality" and *Carrefour.com*: Guaranteeing customer safety and product quality.)

Bridging the food divide

Carrefour's commitment to the food transition for all is also a commitment to bridging the food divide. Carrefour refuses to let certain categories of the population, or certain communities, be excluded from the progress being made in nutritional quality, simply because of price or physical accessibility. The first step in bridging the food divide is the development of the Group's own-brand products, which serve as the foundation of its new sales promise. This is accompanied by a rigorous pricing policy and the launch of attractive new formats in all regions.

Carrefour works tirelessly to provide its customers with everyday products at the best possible prices. It does this, for example, by developing its Carrefour Quality Lines, which offer consumers affordable, high-quality mid-market products. Carrefour is also investing in new business concepts, notably with the development of the Supeco banner in Europe and cash & carry outlets in Latin America (Atacadão in Brazil).

In 2021, to respond to the challenges facing customers in the health crisis, Carrefour took action to strengthen their purchasing power in a number of countries. In the first half of the year, Carrefour Poland offered extensive weekly promotions on products covered by the "Prices as low as before" discounts, as well as on 1,000 basic necessities. The Company also deployed a promotional policy in its Carrefour Express stores. In Spain, the Group cut prices on 1,000 Carrefour-brand products in March, offering more than 600 items at 99 euro cents. On June 1, Carrefour Belgium resumed its "Healthy Prices" campaign, increasing the number of quality products sold at very competitive prices, from 340 to 470, in all its hypermarkets, Carrefour Market stores, Carrefour Express stores and on carrefour.be.

1.3.1.3 Across all distribution channels

Carrefour benefits from a global network of around 14,000 stores in over 40 countries. The Group is radically transforming the network, by opening new stores in promising formats, overhauling the hypermarkets, developing the e-commerce business and stepping up the integration of the physical store network with the online offering to create a comprehensive omni-channel universe. The aim is to provide customers with a seamless experience by enabling them to shop in a variety of different but complementary ways, such as ordering online, picking up their purchases from a Drive location, getting home delivery, or shopping in-store with digital services that facilitate and enhance the customer experience. By integrating physical stores with digital services, such as delivery, Drive pick-up points, and click & collect, Carrefour is able to interact with its customers anytime, anywhere to offer them a shopping experience and services that are efficient and accessible, while also securing their loyalty through a unique and completely personalised relationship.

Deploying an ecosystem of digital services

The Covid-19 health crisis illustrated the relevance of the transformation of Carrefour's sales network and accelerated its implementation. The impact was especially pronounced on the e-commerce business, whose very strong growth in 2020 continued in 2021. The Group generated 3.3 billion euros in worldwide food e-commerce GMV in 2021, a year-on-year increase of 12%. In four years, Carrefour has tripled its e-commerce business.

Following on from the initial digital investment plan, carried out between 2018 and 2022, Carrefour has sharply stepped up its digital technology spend with a new three billion euro plan for the 2022-2026 period, dedicated to making the Group the global leader in Digital Retail by 2026. At 600 million euros a year, the plan will represent a 50% increase on the average 400 million euros committed annually since 2018. In this way, the Group is seeking to triple its e-commerce GMV to 10 billion euros by 2026. The Group's digital strategy will be grounded in a data centric, digital first vision, structured around four priorities (see details in Section 1.3.2.2):

- stepping up growth in the e-commerce business;
- ramping up Data & Retail Media operations;
- digitalising financial services;
- leading the major digital transformation of conventional retailing operations.

The digital strategy is an integral part of the Group's social responsibility process. Carrefour has announced that it is committed to making its e-commerce activities carbon neutral by 2030, ten years ahead of its corporate target of 2040. This means that the entire purchase process, from click to delivery, will be carbon neutral.

To meet the surging demand for online shopping, Carrefour increased its order preparation and delivery capacities across all geographies in 2021. The Group continued to deploy its network of Drives, with 118 openings bringing the total to 2,343 outlets worldwide by year-end. Home delivery services were also expanded in every Group country. Carrefour is the European market leader in this segment, with an extremely diversified array of services, including express delivery and quick commerce.

In France, Carrefour increased the number of its stores or pick-up points offering e-commerce services to 2,343 at year-end 2021. A next-day delivery service is now offered in Carrefour stores in 330 cities and express delivery in 200 cities. Since October 2021, the Group has been partnering with Delipop, a start-up specialised in online grocery shopping logistics, to deploy a new service of automated walk-in Drives where city dwellers can pick up their orders. The first of these pick-up points was opened in October in Paris.

Leading the way in high-growth e-commerce formats

Carrefour intends to step up the development of all forms of e-commerce. In addition to the Drive format, a dominant model in France and where Carrefour is steadily gaining market share, the Group intends to lead the way in the fastest-growing food e-commerce formats, backed by partnerships, equity investments and innovations:

- express delivery (less than three hours) and quick commerce (less than 15 minutes), to widen its leadership in home delivery in its key markets. In express delivery, for example, the Group strengthened its partnership with Deliveroo in France, Belgium, Italy and Spain in 2021, while continuing to expand its collaboration with Uber Eats in Brazil, Spain and France. More than 1,000 Carrefour stores are now offered on the application throughout France;
- **quick commerce**, in July, Carrefour invested in Cajoo, a start-up that can deliver everyday shopping in less than 15 minutes in ten French cities. In October, also in France, the Group announced the launch of Carrefour Sprint in partnership with Uber Eats and Cajoo, which by year-end was offering 15-minute delivery of nearly 2,000 food and non-food product references in nine cities;
- **innovative services such as a personal shopper** option, which has proven highly popular in a number of Group countries (via Bringo) and was recently launched in France under the OK Market! brand. This service was further strengthened in late December through the partnership with Everli, Europe's leading marketplace for online grocery shopping, which has a network of professional shoppers who go to the store, fulfil a customer's order and deliver it to their home;
- **B2B sales**, led the Atacadão's strong potential in Brazil.

The Group also plans to expand in targeted non-food e-commerce segments, in particular through its marketplaces, social commerce channels and live shopping services. The product offering will focus on such growth segments as previously-owned merchandise, drop-shipped leading brand products and own-brand non-food products offering excellent value for money. In October, for example, the carrefour.fr marketplace extended its offering to non-food categories, bringing in leading partners such as Miliboo, Disney, Samsung and Interforum. During the year, Carrefour also introduced new subscription comparison services (cellphone plans, Internet boxes, electricity/gas) and partnered with Livecars, a multi-service platform for car dealers and manufacturers. At the same time, Carrefour Occasion launched occasion.carrefour.fr, a platform for buying back previously-owned products developed in partnership with Cash Converters. Dedicated to the circular economy, the service is available throughout France.

Thanks to this strong growth and the ongoing transformation of its operating model, Carrefour expects e-commerce to deliver 200 million euros in additional recurring operating income in 2026 compared to 2021.

Putting stores at the centre of the omni-channel universe

Stores continue to play a central role even as Carrefour's operations are rapidly digitalised. Going beyond their traditional role as physical sales outlets, stores are being revamped to become assets in the Group's digital strategy. They are at the centre of its omni-channel universe, serving as fulfilment and delivery centres and as pick-up, return and reimbursement locations for customers via Drives, click & collect solutions, etc.

As mentioned above, in France 2,343 stores offer either regular or walk-in pick-up Drives, next-day home delivery or express delivery services. Each store is free to organise the service that best suits its catchment area.

Developing promising formats

In 2021, Carrefour continued to open new store formats aligned with its customers' expectations. Together with e-commerce, these segments continue to serve as drivers of the Group's current and future growth.

Convenience stores enjoyed fast growth in 2021, with the opening of 1,120 outlets meeting the target of 2,700 openings between 2018 and 2022 across every geography a year ahead of schedule. The convenience format, which is particularly well suited to various innovations aligned with the specific needs of local customers, saw its appeal increase during lockdown due to its ease of access.

The Group's **cash & carry** stores offer merchants, restaurant owners and other trade customers a broad selection of food and non-food products, presented directly on palettes and sold individually or in large quantities at wholesale prices. Designed to meet the expectations of businesses and consumers looking for an efficient shopping experience and low prices. In 2021, the Atacadão chain continued to expand in Brazil particularly with the rebranding of Makro stores acquired in 2020.

Soft discount: The Supeco banner, based on the soft discount supermarket model, was launched in France in 2019. Since then, the store base has grown from six units in 2020 to 26 in France in 2021, with a total of 108 stores worldwide.

Organic banners: In November 2020, Carrefour acquired Bio c' Bon, a banner that has developed a highly attractive specialist retail network combining a modern store concept with an offering suited to prime urban locations. Carrefour is also continuing to expand the speciality organic So.bio banner. The roll-out is being led in parallel with the expansion of the online organic offering, with the acquisition of Greenweez (2016), the European leader in online organic product sales, Planeta Huerto in Spain (2018) and Sorgente Natura in Italy (2019).

1.3.1.4 Stakeholder dialogue

Carrefour updated its materiality analysis in 2021. The Group asked 110 stakeholders (customers, investors, trade unions, suppliers, institutions and employees) to assess the importance of 40 issues in relation to the food transition. The results were consolidated into a matrix representing the importance of these issues for stakeholders as a function of their impact on Carrefour's business. The matrix below presents the 28 priority issues that emerged from the assessment.

Analysis of results

The most important issues, represented in the top right-hand corner of the materiality matrix, are as follows: combating food waste, sustainable fishing, sustainable agriculture, well-being at work, climate – transport and e-commerce, and human rights within the supply chains. These issues have become increasingly important factors of consideration for stakeholders and the Group since the last analysis in 2019.

Some issues have maintained their position in the matrix compared to 2019. This is notably the case for environmental protection (deforestation, packaging, the fight against global warming for stores), sustainable relationships with suppliers and partners, local production as well as accessibility, traceability and guaranteeing high-quality products.

Lastly, some issues reflect changing consumer trends and expectations among our stakeholders. These include a zero waste customer pathway, water management and quality, decent wages for employees and an inclusive customer experience in stores. These issues were not specifically included as priority issues in the 2019 analysis.

Contribution to sustainable development goals

The different issues were assessed against the UN Sustainable Development Goals (SDGs). This assessment has allowed the Group to identify the eight SDGs to which it contributes as a priority. The analysis shows that the priority SDGs are:

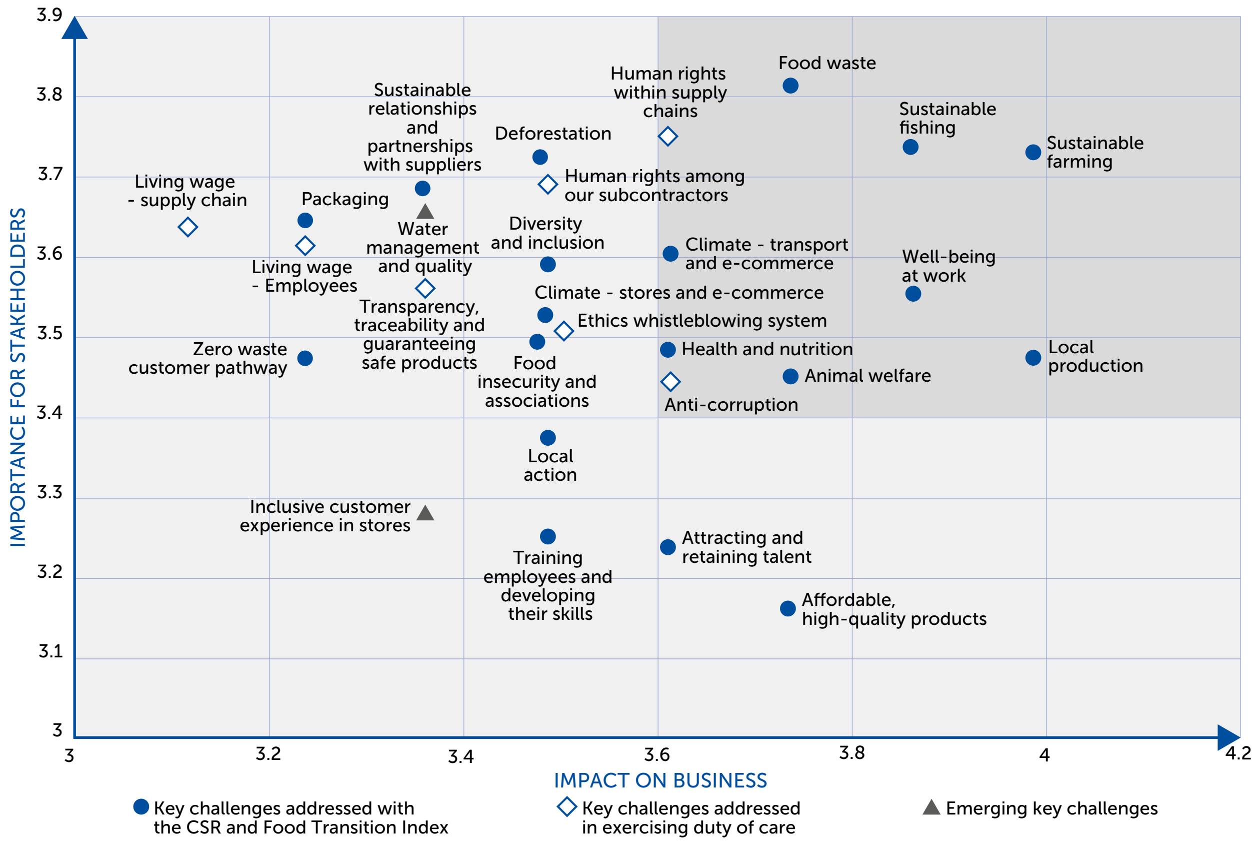
- Goal 2: Zero hunger;
- Goal 3: Good health and well-being;
- Goal 7: Affordable and clean energy;
- Goal 8: Decent work and economic growth;
- Goal 12: Responsible consumption and production;
- Goal 13: Climate action;
- Goal 14: Life below water;
- Goal 15: Life on land.

Carrefour's strategic interpretation

The materiality analysis allows Carrefour to identify the priority issues relating to the food transition for all, which has been the Group's *raison d'être* since 2019, and to confirm the pertinence of the action plans in place. Many of the priority issues have been identified in years past, and have been tracked and measured by Carrefour using its CSR and Food Transition Index, and/or addressed in the duty of care plan (e.g., food waste, sustainable fishing, sustainable agriculture, human rights within supply chains, and well-being at work).

Other issues, such as the inclusive customer experience in stores, water quality, guaranteed decent wages for employees and the availability of an ethics whistleblowing system within supply chains, as well as local action among stores, must now be prioritised as they are emerging as critical challenges in the analysis and are not yet the subject of structured policies or action plans at Group level.

MATERIALITY MATRIX



1.3.2 OUR INITIATIVES TO ACCELERATE THE FOOD TRANSITION FOR ALL

Carrefour intends to capitalise on its numerous strengths: its ability to sensitise and mobilise its employees; its capacity to reinvent its business model and rethink its organisation to enhance agility and efficiency; its commitment to supporting the transition to new production methods in partnership with the agricultural sector and the various players in the circular economy; and lastly, its strong geographic footprint, which makes the Group's stores a central part of life in both urban and non-urban communities.

Coupled with its digital transformation strategy, this combination of assets enables the Group to deploy a business model based on creating shared value for all stakeholders, while aligning its approach with the 17 Sustainable Development Goals set by the United Nations for 2030.

1.3.2.1 Diversity and our employees' skills

To achieve its objectives, Carrefour can count on its people. The Group's workforce comprises 319,565 employees worldwide, 55.6% of whom are women. They allow Carrefour to offer quality services, products and food for everyone on a daily basis, through all distribution channels – in the Group's nine integrated countries.

Making a difference with Act for Change

The Act for Change managerial and cultural transformation plan continued to be implemented in 2021. It is based on four key commitments, expressed in practical initiatives:

- **"Grow and move forward together"** is about developing talent, fostering diversity and encouraging cooperation among the Group's various departments and store formats. The internal promotion and management training programmes in each country and the Group's Carrefour University programmes have all been updated and restructured with this commitment in mind. Launched in 2020, the "C Booster" and "D Booster" programmes, designed to identify and nurture high-potential managers, continued apace in 2021;
- **"Serve the customer with passion"** reminds us of the need for our employees to improve quality of service and customer satisfaction. In 2021, the 5/5/5 method, aimed at making customers central to stores' concerns again, was rolled out in every Group country (see Section 1.3.1.1 "The food transition for and with our customers"). Together, these initiatives helped to improve the Net Promoter Score® (NPS®) in every Group country in 2021;
- **"Act with simplicity"** emphasises the importance of seamless, efficient resource management, encourages a spirit of initiative and nimble responsiveness, and enables employees to develop their careers in a positive, constantly changing working environment. Carrefour is committed to leading numerous initiatives to improve the quality of life in the workplace and to implementing the same occupational health policies in every host country;
- **"Be proud to change our business"** aims to foster innovation in support of the food transition. To get stores and their teams involved in this process, the "Act for Food Superheroes" programme showcases the initiatives undertaken by participating employees. The community of ambassadors now includes over 2,000 employees. Following on from Argentina and Spain in 2018 and France in 2020, in 2021, the country organisations in Poland, Italy, Romania and Belgium opened their local versions of the Leaders School, which supports internal promotion in the Group. Carrefour is also devoting significant resources to training its employees in food transition fundamentals. In Italy and Argentina, for example, trade schools are supporting employees from Traditional Fresh Products departments in their commitment to continuously improving service quality.

Progress in these four areas of the Group's cultural performance is measured in each Group country by the Employee Net Promoter System® (E-NPS®). Its steadily improving results in each of the Act for Change commitments are helping to guide human resource initiatives.

Attracting, supporting and training talented employees

At a time of significant change, Carrefour attaches great importance to upskilling teams.

In 2021, the Group improved and updated its hiring strategies by diversifying its outreach channels and deepening its applicant pools. In France, for example, more than 26,350 job offers were posted on partner websites during the year. Carrefour also strengthened its strategy for identifying and tracking key talent, which includes 200 Group executives in strategic positions, participants from Executive Management Graduates Programmes, and high-potential employees with business-critical skills.

The Group invests heavily in training to prepare its employees for changes in the sector.

Carrefour's ambition is to be a world leader in Digital Retail with a strategy based on a data-centric, digital first approach. In all Group countries, programmes are organised to help employees to understand and embrace digital culture. By 2024, all Carrefour employees will have attended dedicated digital technology training courses offered by the Digital Retail Academy in partnership with Google. This corresponds to around 100,000 employees trained per year. In addition, to facilitate interaction and encourage innovation, Carrefour will give all its employees access to Workplace, the communication software tool developed by Meta (formerly Facebook).

Fresh products and the food transition continue to be key topics in the Group's training strategy. Carrefour France has developed the "Mastering the essentials of the food transition" module to promote the Group's food transition approach to customers. Romania also offers training, on quality and food security. In Spain, Carrefour participates in the Chair of Food and Nutrition of CEU San Pablo University and offers meat cutting and processing courses for butchery professionals. In 2021, more than 12,300 employees participated in food transition training programmes.

To nurture its customer-centric culture, Carrefour deploys action plans to enhance the flexibility of its in-store teams and reduce stockout rates. It has also introduced procedures to detect, track and quickly resolve customer complaints. In 2021, 50,000 employees in France took the "Being a Carrefour Ambassador" training course and 9,014 additional employees received training on other customer relations topics (up from 8,559 in 2020). In addition, the NPS® was integrated into the variable compensation criteria for all Carrefour senior executives in 2019 and for all managers in France in 2020.

New programmes have been introduced to develop Carrefour's managers, including:

- senior executive programmes for high-potential managers, like the Next Generation programme, which is designed to help future leaders develop strong leadership skills;
- the multi-format management courses, Manage for Change and Manage for Lead, which provide first-time and experienced managers with the skills necessary to oversee their teams' performance;
- individual coaching and mentoring programmes, available in the employee's own language;
- best practice webinars, an international initiative that involves bringing together senior executives from different countries once a month to share best practices.

(For more information, see Section 2.2.1.6.3 and *Carrefour.com*: Attracting, supporting and developing talent.)

Promoting diversity

Carrefour is deeply committed to reflecting and embracing the social and cultural diversity of all its host communities. Carrefour made an early commitment to promote diversity by signing a Diversity Charter in 2004, aimed at giving everyone, in every country, the same opportunities in career development and hiring.

The Group employs 177,611 women, together representing 55.6% of its workforce. Numerous systems are accordingly in place to ensure gender equality within the Group. They include equal pay policies, access to training for all and arrangements facilitating the work-life balance (pooled work schedules[(1)]). Carrefour offers individual coaching and mentoring programmes for women, in a commitment to increasing the percentage of women leaders from 25% in 2021 to 35% by 2025. Since 2011, the international Women Leaders programme has supported female Group employees seeking to access positions with greater responsibility. In 2021, every country organisation in the Group was certified to the Gender Equality European & International Standard (GEEIS). Carrefour is also firmly committed to combating sexual harassment and casual sexism. In France, sexual harassment and sexism liaison officers were appointed in 2019 (250 drawn from the Works Council and 250 Carrefour employees).

The Group employs 10,902 people with a disability, which represents 3.41% of the total headcount. More than 20 years after signing its first agreement on the employment of people with disabilities in French hypermarkets, Carrefour is still in the forefront on this issue, working closely with the employees concerned throughout their careers, with the support of disability liaison officers. The Group is also implementing an ambitious disability sensitivity/training policy. In 2021, Carrefour took part in Duo Day, an initiative that involves pairing up an employee for the day with a person with a disability. It also supported Le Grand Pitch, the first speech contest dedicated to disability organised by its partner Pépites Emploi. In 2021, Carrefour pursued and expanded its initiatives to promote equal opportunity and to support young people entering the workforce by hiring 15,000 youths on permanent or work-study contracts, of whom 50% came from disadvantaged neighbourhoods. The Group also offered job-shadowing work experience to 3,000 high school students from these priority urban areas to introduce them to retail industry professions.

Every year, Carrefour dedicates a whole day to diversity, to foster acceptance of others among employees. For International Diversity Day 2021, a motion design video about diversity at Carrefour was produced and shared with teams in all Group countries, both internally (head offices and stores) and externally (networks).

1.3.2.2 Our ability to adapt to change

Since 2018, Carrefour has profoundly transformed its organisation and deployed a more efficient resource allocation strategy, so that it can invest selectively in its priority areas – the food transition for all and digital technology.

Enhancing agility and cross-functionality

To capitalise more effectively on its size, the Group has fostered the synergies between its various components since 2018. Barriers have been broken down between country organisations, formats and functions. As a result, Carrefour can now take better advantage of its multi-country presence, with a governance structure that is more conducive to the pooling and standardisation of purchases across Europe. Functions that were previously segmented by format have now been united to strengthen the impact of Carrefour's sales initiatives, primarily in Belgium, but also in France. These adjustments have enhanced the Group's agility and efficiency worldwide.

Becoming a Digital Retail Company

After a successful three-year transformation, Carrefour is now fully equipped to meet its new objective: to transform itself into a Digital Retail Company by 2026. This strategy, based on a data-centric, digital first approach, will be implemented through four key projects:

- **Stepping up growth in the e-commerce business** (see Section 1.3.1.3 "Across all distribution channels").
- **Ramping up the Data & Retail Media operations**, supported by the Carrefour Links platform, which enables Carrefour's partner companies to conduct their marketing campaigns throughout the Group's online universe and to measure their real impact from ad to in-store purchase. Carrefour Links' proprietary data, representing eight billion transactions and 80 million consumer households worldwide, offer the finest Data & Retail Media solution in Europe, which Carrefour intends to leverage to generate 200 million euros in additional recurring operating income in 2026 compared to 2021.
- **Digitalising financial services** (see Section 1.4.4. "Financial and purchasing services").
- **Leading the digital transformation of conventional retailing operations.** Since 2018, Carrefour has been leading a strategy to migrate its IT systems to the cloud, with the goal of making them more agile. Today, 30% of applications have already been migrated, with the Group committed to being totally cloud-based by 2026. This ramp-up will speed the transformation of all of Carrefour's business processes, including pricing, assortment planning, sales forecasts, supply chain flows, and administrative processes. Digitalisation will help to enhance and personalise the customer experience and improve operating efficiency, in both head offices and stores.

(1) Work schedule pooling is a voluntary system offering employees the possibility of organising their own working hours, in consultation with their colleagues and according to the workload plan prepared by their section manager. Since 2010, a collective agreement has offered the system to all Carrefour hypermarket checkout staff, to support a better work-life balance and serve customers' best interests.

Forging new partnerships

To strengthen its competitiveness and operating efficiency, Carrefour is continuing to forge partnerships with leading companies in business areas and capabilities that are strategic to its growth, with a focus on digital technologies.

For example, the partnership with Google is being expanded to train around 100,000 employees a year, by 2024, at the Digital Retail University. In addition, the Group will open employee access to the Workplace from Meta (formerly Facebook) communication software tool.

These internal resources will be supplemented by an open innovation ecosystem comprising collaborative ventures with start-ups. In particular, Carrefour plans to set up both a dedicated venture capital fund, to capture emerging innovations and technologies as soon as possible, and an innovation studio.

Stepping up strategic investments

As part of its digital strategy, Carrefour has significantly increased its capital expenditure in digital capabilities, with a dedicated plan that will commit 3 billion euros from 2022 to 2026, or 50% more than the average annual budget in recent years. As a result, the Group has increased its annual capital expenditure target to around 1.7 billion euros.

Maintaining the cost reduction dynamic

Since the launch of the "Carrefour 2022" plan, the Group has developed a culture of strict financial discipline. In 2021, the Group reduced costs by 930 million euros, in line with the increased target of 2.7 billion euros in additional full-year savings by 2023 (vs. the initial target of 2.4 billion euros).

Since 2018, Carrefour has shown great financial discipline and has strengthened its balance sheet and liquidity. The Group has one of the strongest balance sheets in the industry, which is an important asset in an environment shaped by rapid changes in food retail and the Covid-19 pandemic.

Optimising the operating scope

The Group met its 2022 target of disposing of 300 million euros in non-strategic property assets a year ahead of schedule. As part of this process, in September 2021, it divested seven hypermarket properties in Spain through a 93-million-euro sale and leaseback transaction with Realty Income Corp. As of December 31, 2021, the Group has completed an additional 330 million euros in disposals of non-strategic real estate assets.

In October, Carrefour Italy announced the transfer to franchises of more than 50 stores in 2021 and 25 in first-quarter 2022.

In France, ten hypermarkets and 44 supermarkets were transferred to lease management contracts in 2021. A new programme has been announced to transfer 43 stores (16 hypermarkets and 27 supermarkets) in 2022.

Enhancing price competitiveness

Streamlining its expenses in this way has enabled the Group to invest in its price competitiveness, in line with its commitments. Since 2018, Carrefour has made significant investments in the competitiveness of its offer.

These initiatives were supported by significant investments in non-price competitiveness designed to improve the product offering, particularly by expanding the range and enhancing the quality of Carrefour-brand products in an omni-channel universe.

1.3.2.3 Transformation of production and consumption modes

The activities associated with producing and distributing food have a non-negligible impact on the planet and its ecosystems and climate. The food transition involves a transition from current practices to methods that are better for the environment and for biodiversity. Increasingly concerned about the conditions in which their food was produced, customers are calling for change. As the leader of the food transition, Carrefour is taking action on numerous fronts: facilitating the transition to more virtuous farming methods and promoting sustainable agriculture, limiting deforestation, supporting the circular economy, avoiding food waste and protecting animal welfare.

Promoting sustainable agriculture

Carrefour is helping the agricultural industry to transform its production model by stepping up sustainable sourcing. The Group facilitates the implementation of more responsible agricultural practices, such as organic farming and agroecology, by offering its Carrefour Quality Lines and organic producers secure contracts with preferential conditions.

One of the ways in which the Group supports organic agriculture is entering into long-term contracts with organic farmers that set future purchase volumes and prices in advance. Carrefour also supports producers that are converting to organic farming practices by signing three to five-year contracts and offering them favourable prices. This initiative is in place in France, Belgium, Romania and Taiwan. In France, Carrefour supported 1,250 new French organic farmers in 2021, bringing the total to 3,400, including 180 in conversion.

Carrefour's responsible sourcing approach is also driving the deployment of its agroecology plan for Carrefour Quality Lines, which are expected to supply 10% of the Group's fresh products segment by 2022. Partner producers use more responsible production methods, in strict compliance with Carrefour Quality Lines specifications. By 2022, all CQL products are expected to carry a competitively differentiating agroecology statement: "GMO-free feed", "antibiotics-free", "grown without chemical treatment", etc.

In the case of fruit and vegetables, Carrefour is aiming for all the Carrefour Quality Lines to have at least one farmer piloting a pesticide reduction programme by the end of 2022, and to have all of the suppliers in each Line committed to such an approach by 2025. As of December 31, 2021, 84% and 65% of these two targets had already been met, respectively. This corresponds to more than 600 farmers and more than 100 fruit and vegetable suppliers dedicated to agroecological practices.

In 2021, the Group supported French organic and agroecological farmers hit by the freeze event that devastated crops on hundreds of thousands of hectares. Carrefour France deployed initiatives for its 4,000 Carrefour Quality Lines, Reflets de France and Carrefour Bio partner producers by maintaining their three-year collaborative contracts, agreeing to sell any harvest spared by the frost ("Cost price for resistant fruit" campaign), paying more quickly, and prioritising the sale of French-grown produce throughout the season.

Lastly, Carrefour uses ecolabels (Forest Stewardship Council, Marine Stewardship Council, Roundtable on Sustainable Palm Oil, etc.) to guarantee that the merchandise it procures complies with strict social and environmental standards. To supplement this certification-based approach, advanced technology is also used to ensure sourcing quality. Satellite surveillance of beef ranches in Brazil, for example, enables the Group to control the risk of the Amazon rainforest's destruction.

(For more information, see Section 2.2.1.2 and *Carrefour.com*: Promoting and developing sustainable agriculture.)

Guaranteeing animal welfare

Improving the conditions in which animals are raised and slaughtered is a growing concern among the general public. In response, Carrefour has made animal welfare one of its priorities and is engaged in a programme to improve conditions in its supply chains. To strengthen the commitment of its own-brand suppliers, an animal welfare policy was defined in 2019, based on ten priority areas. These include minimising controversial practices like debeaking, banning animal testing and cloning, and limiting overcrowding and stress.

Since 2021, the Group's nine integrated countries have been assessing their performance in eight of the policy's key objectives. These include stipulations that (i) all certified, national-brand shell eggs and all egg ingredients in Carrefour-brand products must come from cage-free chickens by 2025 or 2028 (depending on the country); (ii) that 50% of the sales of Carrefour-brand chickens must come with serious animal welfare guarantees by 2026, with the same compliance guarantees also required of organic and Carrefour Quality Lines pork products by 2025; and (iii) that all the abattoirs delivering unprocessed products certified by Carrefour must be audited by 2025.

In 2020, Carrefour committed to disclosing animal welfare conditions for its branded chickens, by ensuring the traceability of more than 20 million birds using blockchain technology and by introducing a new, graded Animal Welfare label on marketed products. Also in 2020, Carrefour France introduced a spectrophotometric *in ovo* sexing technique to select future laying hens for Carrefour Quality Line eggs, so as to avoid having to slaughter male chicks at birth. Carrefour Poland was the first Polish retail chain to join the European Chicken Commitment in 2021. Carrefour Taiwan is the first retailer in Asia to pledge that all the eggs sold in its stores will come from cage-free hens by 2025. Carrefour Spain has confirmed that all the fresh eggs sold under its own-brand will be cage-free by 2022.

The Group has also created a Label Rouge beef Quality Line featuring specifications based on animal welfare, optimal rearing conditions and controlled feeding for animals, consisting mainly of grass for adults and milk for their young.

TEX, Carrefour's textile brand, is committed to ensuring that 100% of its cashmere comes from a quality-traced chain guaranteeing animal welfare.

Promoting the circular economy

Carrefour is committed to promoting more resource-efficient practices, such as ecodesign and the recycling of plastic packaging, which has become a major source of marine pollution. It has therefore set an objective of reducing the amount of packaging it contributes to the market by 5% between 2017 and 2022. It also aims to use only reusable, recyclable or compostable packaging for all its own-brand products by 2025. Thanks to the development of bulk selling and returnable packaging and the use of reusable containers, various alternatives to disposable plastic packaging are offered both in-store and online. Carrefour works with its customers to improve its waste sorting system and also supports innovative initiatives in this area.

As part of the "Zero Plastic Challenge", the Group is working to avoid the use of 20,000 tonnes of packaging by 2025 and is actively developing effective innovations. To this end, Carrefour France offers brown paper and organic cotton bags at fruit and vegetable stands, and brown paper bags at cost price (9 euro cents) at checkouts. It also aims to eliminate as much plastic as possible on fruit and vegetable stands, as well as in non-food packaging. At the VivaTech 2021 tech event, Carrefour launched the "Carrefour Bulk Innovation Challenge," a pitch contest to find innovative solutions to reduce the top ten "irritating" factors that discourage customers from buying in bulk.

The Group is also developing returnable container systems. In 2021, Carrefour France continued to deploy the Loop returnable and reusable packaging solution in its stores. A pioneer in green practices in the Polish retail industry, Carrefour Poland has been offering sparkling water in one-litre glass bottles since November 2021 as part of its returnable packaging system.

Carrefour is also leading the way in recycling in a number of its host countries. In 2021, Carrefour France and Terracycle joined forces with L'Oréal France to recycle cosmetic packaging in stores and with Pampers to recycle used diapers. Carrefour Brazil partnered with BR+10, an environmental management company, to secure the process for recovering and reusing materials from discarded gloves and masks.

(For more information, see Section 2.2.2.3 and *Carrefour.com*: Committing to ecodesign and a circular economy for packaging.)

Combating food waste

Carrefour teams also strive to combat food waste and share the Consumer Goods Forum goal of achieving a 50% reduction in food waste by 2025. In addition to implementing measures to improve inventory management at its stores, Carrefour also takes steps to limit the volume of unsold food products: spotlighting items that are approaching their use-by date, transforming damaged fruits and vegetables to give them a second life and partnering with start-ups to sell products made from unsold foods. Since early 2021, Carrefour Poland has been selling slightly imperfect carrots and potatoes in special packaging. In the same way, Carrefour Spain offers a discount on vegetables that have imperfections but are still good to eat. In 2021, Carrefour France installed "zero-waste challenge" stations in 30 stores to collect undamaged eggs from cartons where an egg had broken and sell them at a low price instead of throwing them away.

To avoid products being thrown out unnecessarily, the Group has launched a joint initiative with its suppliers to review or extend use-by and minimum durability dates. It also optimises its donations of unsold food products by partnering with food banks in most of its host countries. The food donated by Carrefour in 2021 represented the equivalent of 44 million meals. Unsold foods that cannot be donated are used as biowaste for the production of biomethane.

The Group's country organisations are developing an increasing number of innovations and partnerships to combat food waste. In July, Carrefour Italy launched the #CarrefourZeroWaste challenge on TikTok to raise awareness among the younger generation of the need to cut waste. To help Brazilian families manage their waste more efficiently, CyberCook, Carrefour Brazil's recipe website, created a metric to measure the quantities saved during each meal preparation. In Argentina, the Group partnered with Danone and the Food Bank of Buenos Aires to find joint solutions.

In 2021, Carrefour reduced its food waste by 2% compared with 2020.

(For more information, see Section 2.1.3.5 and *Carrefour.com*: Combating food waste.)

1.3.2.4 Geographic footprint

Carrefour's operations contribute to the dynamics of the ecosystems into which they fit. Its stores give everyone access to the necessities of life, even in the most isolated communities; its partnerships with producers and SMEs support local economic development; and its Foundation implements solidarity initiatives in partnership with non-profits in the field.

Thanks to its global network of 13,894 stores, Carrefour provides its customers with convenient local retail options in all its countries of operation. The Group aligns its formats with the specific needs and expectations of its host countries and communities. Each store has the independence necessary to adapt its product assortment and services portfolio to local needs and build close relationships with its customers.

In Metropolitan France, Carrefour has 5,619 stores in urban areas, suburban areas and in rural areas (excluding wholesale operations). City-centre Carrefour City and Carrefour Express stores are making daily shopping easy for everyone, including in less central neighbourhoods. In suburban areas, Carrefour follows consumer movement patterns to offer the closest possible contact, with hypermarket and cash & carry outlets addressing the social dynamic toward affordable pricing and breadth of choice. In rural areas, the mesh of Carrefour Market, Proxi and Contact stores provides convenient shopping conditions for consumers living far away from the larger metropolitan stores. Its new version of Contact stores, specially designed for rural and suburban areas and featuring an expanded range of organic products and fresh produce, as well as an on-site eating area, is being rolled out in four regions. Carrefour is also expanding its online shopping offer in all regions to enable everyone to access the broadest possible product range via its home delivery service.

In 2020 and 2021, the Group's multi-format model enabled it to respond appropriately at each stage of the crisis. In particular, convenience formats and supermarkets, which are close to home and easily accessible for consumers, provided an effective response for people needing to comply with lockdown measures.

Contributing to the vitality of host communities

Carrefour is a major player in community dynamics, in both urban and rural areas. The Group's stores all contribute to their host community's development in various ways, by creating direct and indirect jobs, setting up local distribution networks and sales partnerships with local producers (SMEs, farmers, etc.), contributing to local business projects, and taking part in environmental, social and solidarity initiatives, particularly in the areas of food donations and combating food waste.

In all its host countries, Carrefour prefers to source locally, especially for food products. To promote local suppliers, Carrefour develops lines of regional specialities in every geography. The Group intends to create a network of small-to-medium enterprises in all its host countries connecting them to its stores and involving them in its growth, drawing inspiration from the SME Plan. Created in France in 2014, the SME Plan aims to strengthen cooperation between Carrefour and SMEs across all food and non-food industries. As part of this commitment, Carrefour's INNbox programme for SMEs is permanently available to provide SMEs with free expertise from Carrefour, in areas such as product quality, design, packaging and logistics, to support the development of innovative food products. In addition, the Group's financial services company Finifac, has developed credit solutions for SMEs and farmers.

In 2021, the Group continued to support agricultural product suppliers in a variety of ways, some of whose markets shrank during the health crisis. In late January, for example, Carrefour reasserted its commitment to 3,400 local and regional food industry SMEs and VSEs and signed three-year contracts with 1,935 of them. In March, the Company pledged to ensure fairer compensation for its 18,000 Carrefour Quality Line suppliers, while organising the Salon Grandeur Nature campaign to showcase them after the Paris International Agricultural Show was cancelled.

In Belgium, Carrefour partnered with the Sharing Food banner to extend its support to restaurant owners nationwide in the first quarter in order to facilitate the sale of prepared meals in Carrefour stores.

In Spain, Carrefour rolled out its SME Asturias programme honouring local SMEs that stand out for the quality of their products. The Company also demonstrated its support for Spanish footwear by selecting seven regional suppliers for its TEX brand.

In Brazil, Atacadão partnered with Coca Cola in a programme to support food industry sole traders by providing training, digitalisation solutions and microloans and by showcasing their business through the "Atacadão promotes your company" campaign. In addition, the partnership between Carrefour Brazil and Central do Cerrado, a community association cooperative in the Cerrado, is helping to support small local producers and family farms.

Implementing solidarity initiatives

The new Group & France Solidarity Unit

In 2021, the Carrefour group created a Group & France Solidarity Unit, whose mission is to improve coordination among the various social responsibility initiatives being led across the Group. The Solidarity Unit works in close cooperation with the Carrefour Foundation to provide its partner non-profits with a variety of incentive drivers. Carrefour's commitment to non-profits can therefore mean getting stores and employees involved in their initiatives or in making philanthropic contributions in the public interest.

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Outside France, the different country organisations can report their outreach initiatives to the Unit, to give them a wider audience and more accurately measure their impact. In France, the Unit's dedicated team manages a dozen social responsibility initiatives a year.

In addition, as every year, Carrefour France supported a variety of charity fund-raising drives in 2021, including Pièces jaunes (January), Restos du Coeur (March) and Boucles du Coeur (May to October), as well as the national food bank collection campaign and the Telethon.

The Carrefour Foundation

In 2020, the Carrefour Foundation celebrated 20 years of commitment to solidarity and its mission of promoting the responsible food transition. Today, this mission is being pursued through three programmes focused on sustainable, responsible agriculture, inclusive anti-waste initiatives and a food-related societal commitment. It supports solidarity initiatives in France and the Group's other host countries. It co-manages these projects with Carrefour teams in Belgium, Italy, Poland and Romania and, in other countries, with local foundations Carrefour Taiwan Cultural and Educational Foundation, Foundation for Agricultural Development in Romania, Fundación Solidaridad Carrefour in Spain and Fundación Carrefour Argentina.

Since the beginning of the health crisis, the Foundation's engagement with the most vulnerable groups has represented outlays of more than 3.8 million euros. In France, for example, it supported more than 100,000 students through initiatives such as its call for Student & Food Innovation projects. The ten winning non-profits received funding for a variety of food projects to help students, including solidarity-based grocery stores, living and working spaces, gardens, etc. In addition, the TikTok challenge launched last March enabled the Carrefour Foundation to collect nearly 35 tonnes of food for students in vulnerable circumstances.

The Foundation also donated emergency funding following the floods in the Liège region of Belgium. Since 2000, it has contributed more than 18 million euros in emergency humanitarian aid.

The Group's commitment to solidarity

The Group remained engaged throughout the Covid-19 pandemic. In Spain, Carrefour was the first company to provide premises to speed-up vaccination processes, while in Romania, the Red Cross and the Group partnered to donate life support medical equipment to the Bagdasar-Arseni ICU. After the floods in Belgium in July, Carrefour organised a charity rounding-up campaign for the victims.

(For more information, see *Carrefour.com*: Community responsibility.)

Supporting fair trade

In France, Carrefour was the first major retail banner to sell a fair-trade product, Malongo brand coffee back in 1998, produced by small farmers. Many Max Havelaar® certified products have since been added to store shelves through brands such as Alter Eco, Ethiquable, Lobodis, etc. Twenty years later, Carrefour and MaxHavelaar® have signed a number of international agreements. The latest, signed in 2021, is a groundbreaking, one-million-euro project to support environmental practices and promote gender equality in the fair trade banana industry, which will benefit 10,000 people in Peru and the Dominican Republic.

In 2021, 127.8 million euros in fair trade products were sold in Carrefour stores worldwide, representing a 15% increase from 2020. Product sales generated nearly 1.5 million euros in development bonuses for cooperatives, on top of the fairer retail price paid to producers, which have financed study grants, water purifiers, schools, a maternity unit, and more. Carrefour's own-brand organic range, launched in partnership with Max Havelaar®, now has a wide range of listings in five product categories: bananas, coffee, chocolate, honey and tea. In 2021, 930 fair trade products were carried in Carrefour stores worldwide.

1.3.2.5 A responsible approach aligned with the Sustainable Development Goals

Carrefour supports the 17 Sustainable Development Goals (SDGs) that were set by the United Nations at its conference in Rio de Janeiro in 2012 to meet the urgent environmental, political and economic challenges facing the world.

Carrefour is a member of Global Compact. Carrefour adheres in particular to ten priority SDGs to which it contributes by means of its various CSR policies and its food transition for all strategy. The Group's objectives, particularly those associated with its CSR and Food Transition Index, are aligned with these priority SDGs.

SUSTAINABLE DEVELOPMENT GOALS

01. NO POVERTY

Contribution to SDG

➔ Carry out food aid initiatives to make the most of unsold items in stores: support for food banks and associations. The food donated by Carrefour in 2021 represented the equivalent of 44 million meals.

➔ Work towards the responsible food transition with the Carrefour Foundation.

Group goals

➔ Contribute to the responsible food transition by leveraging sustainable and responsible agriculture, inclusive anti-waste initiatives and a societal commitment (Carrefour Foundation).

02. ZERO HUNGER

Contribution to SDG

➔ Reduce food waste through three focus areas: in-store measures (e.g., Too Good To Go), partnerships with suppliers (e.g., review of use-by and durability dates of more than 400 Carrefour products) and consumer awareness (e.g., "Zero Gaspi" events).

Group goals

➔ 50% reduction in food waste by 2025 vs. 2016.

➔ 100% of countries implement an annual Act For Food communication programme.

03. GOOD HEALTH AND WELL-BEING

Contribution to SDG

➔ Offer nutritional products in stores and use the Nutri-Score labelling system to help consumers eat healthy, balanced meals regardless of their dietary requirements.

➔ Implement a set of requirements and procedures to guarantee the quality and compliance of the products sold.

➔ Safeguard the health and well-being of all employees.

Group goals

➔ Ban controversial substances.

➔ Ensure the quality and safety of Carrefour products.

➔ 100% of countries have rolled out a Healthier Diet action plan.

04. QUALITY EDUCATION

Contribution to SDG

➔ Promote the hiring of interns and work-study trainees, particularly in disadvantaged areas.

Group goals

➔ 15,000 young people hired on permanent contracts or work-study programmes, half of which from disadvantaged neighbourhoods in 2021.

➔ 3,000 job-shadowing work experiences for high school students from France's priority urban areas in 2021.

05. GENDER EQUALITY

Contribution to SDG

➔ Promote diversity, notably through the Diversity Charter signed in 2004, in a commitment to give everyone in all countries the same opportunities in terms of career development and recruitment. The day-to-day actions taken as part of this commitment include promoting gender equality in the workplace, integrating people from diverse backgrounds and people with disabilities, and combating all forms of discrimination and harassment.

Group goals

➔ 35% women among the top 200 managers by 2025.

➔ GEEIS certification for gender equality in all countries.

06. CLEAN WATER AND SANITATION

Contribution to SDG

➔ Raise awareness, train and monitor textile industry suppliers on the management and efficiency of processes that consume water and chemicals through the Clean Water Project launched in 2016.

➔ Reduce the use of pesticides (organic farming and agroecology) and develop more environmentally-friendly certified products (EcoLabel).

Group goals

➔ Teams at all the production sites of key integrated textile suppliers are trained and working on corrective plans.

➔ All Carrefour Quality Lines products feature Agroecology labels by 2025.

➔ 45,000 partner producers by 2025, including organic producers and agro-ecological producers.

07. AFFORDABLE AND CLEAN ENERGY

Contribution to SDG

➔ Improve the energy efficiency of stores and develop the use of renewable energies.

➔ Reduce the greenhouse gas emissions associated with the Group's activities, and engage all stakeholders, and more particularly suppliers, in the low-carbon transition.

Group goal

➔ Reduce GHG emissions (scopes 1 and 2) by 50% by 2030, and by 70% by 2040, compared with 2019.

08. DECENT WORK AND ECONOMIC GROWTH

Contribution to SDG

→ Promote social and ethical responsibility through our purchasing policy and business relationships. Carrefour has specific purchasing rules and integrates social, environmental and ethical criteria into its business relationships. The Group notably ensures compliance with human rights principles in its supply chains and promotes fair compensation for all parties, via fair trade products, long-term partnerships and initiatives like *C'est qui le patron ?* (Who's the Boss?).

Group goal

→ All of our supply plants located in at-risk countries must undergo a compliance audit.

09. INDUSTRY, INNOVATION AND INFRASTRUCTURE

Contribution to SDG

→ Support our suppliers through financing (crowdfunding, financing entities) and three-way and/or long-term contracts (e.g., organic producers, FQC).

→ Promote innovation relating to the food transition, particularly through the Food Transition Pact.

Group goals

→ Help 3,000 producers in France with organic farming, or with the transition to organic production, by 2022.

→ Ensure 300 organic suppliers are signatories to the Food Transition Pact by 2025.

10. REDUCED INEQUALITIES

Contribution to SDG

→ Make our product range accessible to as many people as possible

→ More affordable organic, agroecological and local products.

→ Participate in the food transition by donating our unsold goods.

→ Priority focus on food through the actions of the Carrefour Foundation.

Group goals

→ Carrefour-brand products accounting for one-third of sales by 2022.

→ 80% of customers believe that Carrefour helps them eat healthier and more responsibly, while remaining affordable, by 2022.

11. SUSTAINABLE CITIES AND COMMUNITIES

Contribution to SDG

→ Contribute to integration in city centres via our convenience formats.

→ Use a fleet of biomethane delivery vans in large urban areas and obtain noise certifications.

Group goal

→ 800 vans running on biomethane in France in 2021.

12. RESPONSIBLE CONSUMPTION AND PRODUCTION

Contribution to SDG

→ Offer products in stores that contribute to the food transition for all, while supporting local suppliers and responsible practices (organic farming, environmental certifications, etc.) and ensuring transparency for consumers.

→ Reduce waste production and guarantee its recovery.

Group goals

→ 15% of fresh food product sales generated from organic or agroecological products by 2025.

→ 10% Carrefour Quality Lines products in the Fresh Products range by 2025.

→ Key objectives of our animal welfare policy implemented in all countries by 2025.

→ Guarantee the transparency and traceability of Carrefour products.

→ 100% reusable, recyclable and compostable packaging by 2025.

→ Recover 100% of waste by 2025.

→ 45,000 local partners by 2025.

13. CLIMATE ACTION

Contribution to SDG

→ Reduce the greenhouse gas emissions associated with the Group's activities, and engage all stakeholders, and more particularly suppliers, in the low-carbon transition.

Group goals

The following objectives have been approved by the Science Based Targets initiative:

→ Reduce GHG emissions (scopes 1 and 2) by 50% by 2030, and by 70% by 2040, compared with 2019.

→ Reduce product-related GHG emissions by 20 million tonnes compared with 2019.

14. LIFE BELOW WATER

Contribution to SDG

→ Participate in the development of sustainable fishing by developing an offering of more responsible seafood and aquaculture products.

Group goals

→ 50% of fish sold by Carrefour sourced from sustainable fisheries by 2025 (Carrefour-brand and national-brand products).

→ 20,000 tonnes of packaging avoided by 2025 (since 2016), including 15,000 tonnes of plastic.

15. LIFE ON LAND

Contribution to SDG

→ Participate in the development of sustainable agriculture by expanding the range of products sourced from the organic farming and agroecology segments and supporting producers through long-term partnerships.

→ Fight against deforestation linked to our sourcing, in particular for our priority raw materials (beef, palm oil, soy, cocoa, packaging and textile fibres).

→ Reduce the environmental impact of our sites.

Group goals

→ See goals 6 and 12.

→ Roll-out a Sustainable Forests action plan on deforestation-linked products by the end of 2025 (palm oil, wood and paper, soy, cocoa, packaging and textile fibres).

→ Ensure that all new shopping centre constructions and expansions are certified to BREEAM standards and roll out BREAM In-Use certification across 75% of sites in France by 2021.

16. PEACE, JUSTICE AND STRONG INSTITUTIONS

Contribution to SDG

→ Fight against illegal fishing.

→ Tackle illegal deforestation.

→ Apply international conventions on working conditions in our supply chain.

→ Apply the European F-Gas legislation (refrigerants) in all our host countries.

Group goals

→ See goals 14 and 15.

17. PARTNERSHIPS FOR THE GOALS

Contribution to SDG

→ Carrefour develops all of its action plans in conjunction with its stakeholders.

→ Part of the Consumer Goods Forum. As a member, the Group actively participates in coalitions on soy, wood and paper, palm oil, beef and plastic.

→ Alexandre Bompard now co-leads the coalition to combat deforestation.

Group goals

→ 300 suppliers committed to the Food Transition Pact by 2025.

→ 45,000 local partner producers in 2025.

1.4 Description of the Group's businesses

1.4.1 AN INTERNATIONAL OMNI-CHANNEL RETAILER

Carrefour has been opening stores under its banners in France and abroad for more than 60 years. It currently operates in Metropolitan France and its overseas territories, as well as in Europe, Asia, Latin America, the Middle East and Africa through a network of integrated and franchised stores, and stores that it runs with partner companies.

In 2021, Carrefour opened or acquired 1,487 stores under Group banners, representing some 968,000 sq.m. of gross additional sales area. As of the end of 2021, Carrefour had 13,894 stores under its banners in over 40 countries.

Carrefour generated net sales of 73.0 billion euros in 2021, up 5.0% at constant exchange rates. 2021 sales including VAT (before the impact of IAS 29) amounted to 80.9 billion euros, an increase of 5.3% at constant exchange rates. This increase is attributable to the following:

- a 2.3% increase in same-store sales excluding petrol and calendar effects, adjusted for the impact of construction/renovation work;
- a 0.3% unfavourable calendar effect;
- a 0.9% positive contribution from store openings;
- a 0.5% favourable impact from changes in the scope of consolidation and other effects (including transfers);
- a 2.1% increase in petrol sales.

After taking into account a 2.7% adverse currency effect, mainly due to the depreciation of the Brazilian real and the Argentine peso, sales at current exchange rates were up by a total of 2.6% in 2020. Including the impact of IAS 29, total consolidated gross sales in 2021 amounted to 81.2 billion euros.

Recurring operating income came to 2,272 million euros. Overall, recurring operating income represented 3.1% of net sales.

Cash flow from operations stood at 3.8 billion euros in 2021 versus 3.5 billion euros the year before. Operating costs directly attributable to the properties amounted to 1.6 billion euros in 2021 compared with 1.2 billion euros in 2020. Net free cash flow came to 1,228 million euros in 2021, versus 1,056 million euros in 2020.

France

In France, the Carrefour group had 5,799 stores under its banners at year-end 2021, of which 253 Carrefour hypermarkets, 1,043 Carrefour Market supermarkets, 4,330 convenience stores operating under the Carrefour City, Carrefour Contact, Carrefour Express, Bio c' Bon stores etc., 147 Promocash cash & carry outlets and 26 Supeco soft discount stores.

The Group's integrated network included a total of 616 stores including 182 hypermarkets, 281 supermarkets, and 153 convenience stores. In Metropolitan France, the proportion of franchised stores within the network represented 22.2% for hypermarkets, 71.8% for supermarkets and 96.4% for convenience stores.

Carrefour operates in Metropolitan France and, through a number of long-standing partnerships, in the French overseas territories. A total of 180 stores are operated under Group banners in the French overseas territories: 19 hypermarkets, 46 supermarkets, 110 convenience stores, and 5 cash & carry stores.

In 2021, Carrefour France opened or acquired 412 stores under Group banners, including 5 hypermarkets, 16 supermarkets, 377 convenience stores, 3 cash & carry stores and 11 soft discount stores, representing a total of approximately 117,000 sq.m. of gross sales area.

In France, net sales totalled 35.3 billion euros in 2021, an increase of 3.4%. Like-for-like gross sales excluding petrol and calendar effects were up by 1.8%. Hypermarkets were up 0.6% in like-for-like sales excluding petrol and the calendar effect, whereas supermarkets enjoyed a 3.6% increase and other formats (mainly convenience stores) gained 2.1%.

Recurring operating income totalled 757 million euros, up 20.4%, for an operating margin that represented 2.1% of net sales. This change reflects excellent momentum in retail, combined with a deep focus on cutting costs.

In France, operational investments amounted to 677 million euros, representing 1.9% of sales.

Other European countries

In Europe (excluding France), Carrefour had 5,906 stores operating under Group banners at the end of 2021. These included 457 hypermarkets, 1,926 supermarkets, 3,430 convenience stores, 12 cash & carry stores and 81 soft discount (Supeco) stores. Carrefour operates stores in five integrated countries: Belgium, Spain, Italy, Poland and Romania. The integrated store base included 1,573 units, of which 415 hypermarkets, 680 supermarkets, 385 convenience stores, 12 cash & carry stores and 81 soft discount stores (Supeco).

Carrefour opened or acquired 707 stores under Group banners in 2021, gaining approximately an additional 327,000 sq.m. of gross sales area. These included 9 hypermarkets, 215 supermarkets, 461 convenience stores and 22 soft discount stores.

Net sales in Europe totalled 21.3 billion euros in 2021, an increase of 0.6% at constant exchange rates. Like-for-like gross sales excluding petrol and calendar effects were down by 1.1%.

Recurring operating income totalled 718 million euros for the year, an increase of 3.3% at constant exchange rates, for a stable operating margin of 3.4%. All countries except Belgium reported increases in recurring operating income and operating margin. The improved profitability in 2021 was particularly marked in Spain and Italy.

Present in Spain since 1973, the Group had a local multi-format network of 205 hypermarkets, 156 supermarkets, 1,067 convenience stores and 46 soft discount stores at the end of 2021. Net sales totalled 9.5 billion euros. Like-for-like gross sales were stable overall, down 0.4% excluding petrol and calendar effects, following strong growth in 2020. Carrefour continued to gain market shares in 2021, up 0.3 points.

Present in Italy since 1993, Carrefour manages a local store base comprising 44 hypermarkets, 456 supermarkets, 977 convenience stores, and 12 cash & carry stores. In 2021, net sales totalled 3.9 billion euros. Like-for-like gross sales were down 3.0% excluding petrol and calendar effects. Carrefour's performance improved greatly over the year and moved into positive territory in the second half, led by an aggressive marketing strategy and a strong increase in NPS®.

In Belgium, Carrefour is the most multi-format group, with 40 hypermarkets, 441 supermarkets and 311 convenience stores. In 2021, net sales totalled 3.9 billion euros. Like-for-like gross sales were down 4.2% excluding petrol and calendar effects. Sales were hit by the negative impact of price cutting by competitors, high comparables over the summer period, and stock-outs in the fourth quarter due to significant disruptions experienced by a major logistics partner.

Carrefour has been operating in Poland since 1997, with 91 hypermarkets, 151 supermarkets, 704 convenience stores and 9 soft discount stores (Supeco) under its banners. In 2021, net sales totalled 1.8 billion euros. Like-for-like gross sales rose by 3.0% excluding petrol and calendar effects. Carrefour posted a solid performance during the year, driven by the recovery in consumer spending and the reopening of shopping centres during the year.

In Romania, where Carrefour has been present since 2001, the Group manages 43 hypermarkets, 188 supermarkets, 108 convenience stores and 26 soft discount stores. Net sales totalled 2.1 billion euros in 2021. Like-for-like gross sales rose by 2.0% excluding petrol and calendar effects. Carrefour continued to enjoy dynamic growth, driven by a strong increase in NPS®.

In Europe, the Group also operates through franchise partnerships in Turkey, Armenia, Georgia and in Andorra, with a total of 831 stores under its banners: 34 hypermarkets, 534 supermarkets and 263 convenience stores.

Operational investments in Europe (excluding France) totalled 403 million euros in 2021, representing 1.9% of sales.

Latin America

Carrefour has been operating in Latin America since opening its first store in Brazil in 1975 and has become one of the continent's leading retailers. Carrefour is expanding its banners in two growth markets: Argentina and Brazil. The network comprises 1,153 units, including 184 hypermarkets, 151 supermarkets, 558 convenience stores, 259 cash & carry stores and 1 soft discount store (Supeco).

In 2020, Carrefour also announced the acquisition of 25 Makro stores in Brazil. In 2021, three additional stores were acquired, bringing the total to 28 acquired stores at end-2021.

Net sales in Latin America totalled 13.9 billion euros in 2021, an increase of 14.5% at constant exchange rates. Due to an unfavourable currency effect over the year, sales increased by 4.9% at current exchange rates. Like-for-like gross sales rose by 9.3% excluding petrol and calendar effects. Recurring operating income came to 768 million euros, an increase of 6.3% at constant exchange rates. The operating margin ratio stood at 5.5%. Brazil's recurring operating income rose to 714 million euros, up 9 million euros at constant exchange rates. Recurring operating income in Argentina increased significantly to 55 million euros, including a negative impact of 17 million euros due to the application of IAS 29.

In Brazil, Carrefour operated a network of 100 hypermarkets, 54 supermarkets, 144 convenience stores, 249 cash & carry stores and one soft discount store as of end-2021. Net sales in Brazil totalled 11.6 billion euros. Like-for-like gross sales increased by 1.0% excluding petrol and calendar effects. The improved recurring operating income of the financial services business and Atacadão in 2021 was partly offset by the impact on Carrefour Retail of lower non-food sales versus high prior-year comparatives. The Group continued to invest in improving competitiveness in a deteriorating economic and health environment.

Carrefour has been operating in Argentina since 1982 where it manages a local store base comprising 84 hypermarkets, 97 supermarkets, 414 convenience stores, and 10 cash & carry stores. Net sales totalled 2.3 billion euros in 2021. Like-for-like gross sales rose by 50% excluding petrol and calendar effects. Recurring operating income continued to improve significantly, thanks to excellent sales momentum and continued cost discipline.

Operational investments in Latin America[(1)] amounted to 466 million euros in 2021, representing 3.3% of sales.

Asia

Present in Asia since 1989, Carrefour has operations in Taiwan, as well as in Uzbekistan through franchising. At the end of 2021, the Group had a total of 348 stores under banners, including 70 hypermarkets, 4 supermarkets and 274 convenience stores.

Net sales in the Asia region, representing the operations of Carrefour Taiwan and taking into account the disposal of the Carrefour China business in 2019, came to 2.5 billion euros, an increase of 16.9% at constant exchange rates. Recurring operating income contracted by 18.1% at constant exchange rates to 78 million euros in 2021, due in particular to the integration of the Wellcome stores undergoing conversion and the adverse effect of health measures on footfall in hypermarkets and shopping centres. The operating margin ratio stood at 3.1%.

In Taiwan, the network of stores was made up of 68 hypermarkets and 274 convenience stores at December 31, 2021. Carrefour strengthened its position by completing the acquisition of 185 Wellcome convenience stores at the end of December. These stores were converted to the Carrefour banner in 2021.

Carrefour also operates through franchising in Uzbekistan with 6 stores under its banners: 2 hypermarkets and 4 supermarkets.

In 2021, the partnership contract in Indonesia (106 hypermarkets and 9 supermarkets under the brand) ended.

Operational investments in Asia totalled 69 million euros in 2021, representing 2.7% of sales.

Other regions

In addition to the French overseas departments and territories, Europe, Asia and Latin America, Carrefour also operates 688 stores with franchisee partners elsewhere in the world (Middle East, Maghreb, West Africa, Dominican Republic, Mauritius, Madagascar etc.).

Development of franchise partners

In 2021, Carrefour continued to expand its banner base by supporting its partners outside Europe and in the French overseas territories, with a net total of 128 new points of sale opened during the year.

(1) Excluding the Macro acquisition.

The GBH group, a long-standing Carrefour partner overseas, completed the acquisition of Vindemia in 2020. Operating in the Indian Ocean, 41 Vindemia stores were placed under the Carrefour banner on January 1, 2021.

Primarily operating in the Middle East, the Majid Al Futtaim group continued its multi-format expansion with the opening of 85 stores in 2021.

The Carrefour banner continued to expand into new countries in 2021, setting up operations in Gabon with local partner Prix Import.

Competitive environment

The competitive environment differs in each of Carrefour's markets.

In France, the Group's main market, representing 49% of its sales, the competition is particularly intense with a playing field of seven other major retailers: Aldi, Auchan, Casino, E.Leclerc, Intermarché, Lidl and Système U. With a market share of 21.1%(1), all formats combined, the Carrefour group ranks among the market leaders.

In other European countries, Carrefour has solid positions and primarily competes against local retailers.

In Spain, Carrefour is the country's second-largest grocery retailer and the leading hypermarket operator. Its main competitors include Auchan, Dia, Eroski, Lidl and Mercadona.

In Italy, Carrefour is part of a fragmented grocery market shared with Bennet, Conad, Coop, Esselunga, Iper, Pam, etc. The Group holds strong regional positions, particularly in the Aosta Valley and the Piedmont, Lazio and Lombardy regions.

In Belgium, Carrefour ranks among the country's top three retailers and is the leading multi-format group. Its main competitors include: Ahold Delhaize, Aldi, Colruyt, Intermarché, Jumbo and Lidl.

In Brazil, as in Argentina, Carrefour is the leader in the food retail segment thanks to its multi-format presence.

1.4.2 STORE AND WEBSITE OPERATIONS

STORE NETWORK (INCLUDING FRANCHISES AND PARTNERS)(2)

Store network at December 31, 2021	Hyper-markets	Super-markets	Conve-nience	Cash & carry	Soft discount	Total number of stores		Total sales area *(in thousands of sq.m)*	
						2021	2020	2021	2020
France	234	997	4,220	142	26	5,619	5,430	5,407	5,353
French CPI overseas territories and DominicanRepublic	19	46	110	5	0	180	162	179	154
Total France	253	1,043	4,330	147	26	5,799	5,592	5,586	5,507
Belgium	40	441	311	0	0	792	787	930	929
Spain	205	156	1,067	0	46	1,474	1,250	2,140	2,023
Italy	44	456	977	12	0	1,489	1,485	1,053	1,116
Poland	91	151	704	0	9	955	937	690	685
Romania	43	188	108	0	26	365	369	507	497
Other	34	534	263	0	0	831	725	588	914
Total Europe (excl. France)	457	1,926	3,430	12	81	5,906	5,553	5,908	6,165
Argentina	84	97	414	10	0	605	592	649	649
Brazil	100	54	144	249	1	548	489	2,141	1,932
Total Latin America	184	151	558	259	1	1,153	1,081	2,790	2,581
Taiwan	68	0	274	0	0	342	132	564	464
Other	2	4	0	0	0	6	116	8	571
Total Asia	70	4	274	0	0	348	248	572	1,035
Other	166	450	50	22	0	688	574	1,543	1,486
Total Other	166	450	50	22	0	688	574	1,543	1,486
TOTAL GROUP	**1,130**	**3,574**	**8,642**	**440**	**108**	**13,894**	**13,048**	**16,399**	**16,774**

Carrefour is developing an omni-channel universe in which its online presence is closely integrated with its 13,894 physical stores, and this universe was expanded in 2021.

The Group operates its stores under franchise, lease management and integrated arrangements. Franchising is capital efficient and allows the Group to draw on the engagement and local market knowledge of its partners.

(1) Market share in value – Nielsen Scantrack Panel – fast-moving consumer goods + self-service fresh products over a period of 52 weeks ending January 2, 2022 (HM + SM + SDMP + Proxi + Drive).
(2) Atacadão and Supeco stores in Brazil, Carrefour Maxi in Argentina and Supeco in Europe are classified as cash & carry stores.

Carrefour franchisees benefit from the Group's expertise in food and non-food retailing, its well-known brands and banners, broad product assortment and business methods, as well as its quality, health and safety standards. Franchising and lease management are developing rapidly across the Group. Carrefour Italy transferred more than 42 stores to franchised status in 2021 and announced a further 25 transfers in the first quarter of 2022. In France, the Group transferred 10 hypermarkets and 44 supermarkets to lease management contracts in 2021. A new programme concerning 43 stores (16 hypermarkets and 27 supermarkets) was announced, with the first transfers expected starting in March 2022.

Carrefour provides its customers with the full range of retail formats: hypermarkets, supermarkets, convenience stores, cash & carry and hypercash stores, and e-commerce. In this way, it can meet the diverse needs and expectations of all consumer profiles – individuals and businesses, families and singles, urban and rural, and people of all ages and mobility levels – by leveraging its expertise to offer the best quality products at the best possible prices, everywhere and at any time, from the weekly grocery shop to a one-off purchase, from organic and fresh products to banking services, as well as cash & carry.

To tailor its model even more closely to new consumer behaviours, Carrefour is creating a multi-channel customer experience that offers maximum flexibility, a wide range of services, extended hours, and solutions aligned with consumers' needs and desires, whether they want to shop in-store, order online and pick up their purchases from a point of sale or a Drive, or have their shopping home delivered. In 2021, the Group operated 2,343 Drives throughout the world and had a GMV of 3.3 billion euros in e-commerce.

In recent years, Carrefour has developed or acquired innovative concepts and formats that are aligned with wider social and environmental trends, such as Greenweez (France's leading online distributor of organic products) or Quitoque (the French leader in online meal kits). In 2020, the Group acquired start-ups Dejbox (meal delivery to offices) and Potager City (delivery by online subscription of ultra-fresh, seasonal fruit and vegetable boxes from local distribution networks). The Group also acquired Bio c' Bon, a city centre chain specialising in the distribution of organic products, as well as Bio Azur. With 26 stores at the end of 2021, Carrefour continues to roll out the Supeco model in France, a discount supermarket aimed at the general public and professionals.

1.4.3 MERCHANDISE

Products are the heart of Carrefour's business. The offering is typical of a general retailer that sells a wide range of consumer goods and services at affordable prices, for the well-being of every shopper. Its success depends on the assortment's alignment with customer demand, the synergies between the product and service offerings, the judicious use of digital technologies, the clear and logical positioning of merchandise in stores, compelling prices and promotions, the right purchasing terms and conditions, and fast stock rotation.

To cater to the needs of customers around the globe, Carrefour is constantly enhancing its merchandise offering, with a variety of fresh produce, organic, locally sourced products, fast-moving consumer goods, essential non-food products, the latest innovations and convenient services.

Fresh produce and local products

As a major challenge for a successful food transition, fresh products demand all of the care and expertise of employees. Carrefour offers a broad range of high-quality fresh products in a pleasant environment, with well-stocked stalls, easy-to-reach items, and regional products. Around the world, Carrefour is also developing local, eco-friendly supply channels, supported by long-standing partnerships with farmers, breeders, and producers.

In addition to major national-brand products, the Group offers a wide variety of own-brand food products, which are also popular with its customers.

Carrefour-brand products are at the core of the Group's strategy. They play a key role in achieving its objective regarding the food transition for all, through renewed and extended product ranges with greater price appeal. Carrefour is stepping up initiatives to create own-brand products that are original and of high quality, in terms of both the ingredients used and the recipes. Their packaging has also been given a makeover.

Carrefour-brand products are set to become an ever-greater part of the assortment. The target for 2022 is to have Carrefour brands representing one-third of sales. In view of this, the management team dedicated to Carrefour-brand products has been strengthened at Group level since 2018 with the arrival of agribusiness experts. At the end of 2021, there were 10,467 Carrefour-brand products on offer, including 1,450 organic products and 1,300 Carrefour Bio-brand products.

The Reflets de France brand, for example, was the first to promote traditional products of all varieties that exemplify France's culinary heritage. It currently spans more than 600 product listings marketed in more than 30 countries.

In 1992, Carrefour was the first mass-retailer to sell an organic product. It is now the leading organic grocer in France. In this way, the Group's banners are driving innovation and responding to the perceived needs of their shoppers to help guide them towards healthier diets.

Quality and safety

Carrefour is fully committed to ensuring quality and food safety at every stage. Upstream, Carrefour teams certify and support suppliers based on strict compliance with product specifications and health standards. Through the supply chain, goods are subject to a number of inspections and controls, with special attention paid to fresh products.

Downstream, the stores check the quality of their merchandise every day and are themselves subject to a rigorous analysis and audit process. This constant vigilance supports a commitment to greater transparency in the form of highly visible, easy-to-understand product information. Carrefour encourages the development of new products and new supply channels that deliver significant benefits to customers and the environment. Carrefour is also introducing innovative practices to offer agroecological farm products and non-GMO or antibiotic-free meat, and implementing blockchain technology has helped to boost the transparency and traceability of its products along the entire production chain.

Relations with suppliers and SMEs

Carrefour nurtures close relationships with a multitude of stakeholders, including customers, suppliers, employees, communities, investors, universities, trade associations and governments. These relationships are forged every day in a climate of trust. Carrefour's aim is to strengthen its partnerships with suppliers, support their growth and contribute to improving working conditions in countries where special vigilance is needed. Carrefour has set up voluntary initiatives and partnerships with its own-brand and national brand suppliers focusing on a number of themes. For example, it has provided all of its suppliers with an online sustainable development self-assessment test and helped roll out a self-assessment test for the entire retail sector. The international purchasing team also organises annual meetings with international suppliers to encourage them to roll out action plans related to the food transition.

1.4.4 FINANCIAL AND PURCHASING SERVICES

While varying by country and local practices, Carrefour services help satisfy customers with the same commitment to quality products and services at the best price by enabling them to book a trip or theatre tickets, rent a car, print photos, buy eyeglasses, get their laundry dry-cleaned or benefit from concierge services.

All of the Group's integrated countries offer customers financial services that cover a wide range of credit and payment solutions. These affordable, high-quality products are designed to help customers carry out their projects and meet their needs on a day-to-day basis. These services include financing solutions and products that relate to the stores' operations (consumer credit, specific purpose credit, insurance, payment cards), as well as personal loans.

Market Pay, an international payment platform founded in 2016 to meet Carrefour's omni-channel retail challenges in its various geographies, began marketing its payment services in France, Belgium, Spain and Italy in May 2020. The FinTech company, which targets both retailers and pure players to help them roll out innovative and reliable payment solutions, has seen strong growth. Operating in six European countries and in Brazil, it had managed a volume of 2.3 billion transactions by end-2021, representing 29 billion euros in value, 130,000 terminals and more than 5 million cards. In October 2020, Carrefour sold 60% of Market Pay to AnaCap Financial Partners. Through this transaction, which was completed in April 2021, Carrefour aims to capitalise on AnaCap's in-depth expertise in the sector and its experience in growth and business development. The disposal also enables Market Pay to continue developing, diversifying and accelerating its transformation in support of Carrefour's innovation projects and its other existing and prospective customers. In 2021, Market Pay acquired the FinTech company dejamobile.

The Group has built up a strong presence in financial services and insurance, including through its five own banks (in France, Brazil, Spain, Belgium and Argentina) and commercial agreements. In 2021, these activities represented more than 10 million credit cards, more than 6 million outstanding consumer and revolving loans and 3.5 million insurance contracts sold annually. They have already been partly digitised, with 30% of cardholders recruited through digital channels and 38% of credit production coming from digital technology.

As part of its digitalisation strategy, the Group intends to capitalise on its bank in Brazil, which is a centre of expertise and innovation in the digitalisation of financial services, to develop new financing and insurance products and services for its B2C *and* B2B customers in all the Group's countries. They will be fully integrated into the customer path of physical and digital retail operations in order to develop their visibility and marketing and thus encourage multi-equipment. The digital strategy for financial services is expected to generate an additional 200 million euros in recurring operating income in 2026 compared to 2021.

1.4.5 LOGISTICS AND SUPPLY CHAIN OPERATIONS

The Company's logistics and supply chain operations are a key driver of its operational efficiency. Carrefour pays particular attention to this, in all its geographical areas.

The various logistics units employ more than 20,000 people worldwide. Employees and service providers are there to serve the Group's various store formats and customers. They lead all the operations involved in cross-functionally managing the flow of goods and information amongst all the links in the supply chain, including ordering merchandise from suppliers, receiving, storing and preparing the online or store-bought items in warehouses and then delivering them to point of sale and stocking them on store shelves or delivering them directly to customers.

Carrefour uses advanced teams and estimation systems to manage supplier orders, inventory, order preparation platforms equipped with mechanised sorters, as well as the largest fleet of non-diesel trucks in France.

As part of its omni-channel strategy, which provides for close integration between e-commerce and physical retail, Carrefour is building a cutting-edge industrial ecosystem to enhance the efficiency and responsiveness of its supply chain and shorten delivery times for online orders. It includes: automated order fulfilment centres serving Drives and click & collect pick-up points; semi-automated order fulfilment solutions in stores ("dark stores"); and partnerships with operators specialised in last-mile logistics.

As of end-2021, the Group had 139 warehouses and logistics centres in its integrated countries, operated either on a full ownership basis or by service providers, 15 of which are specifically for e-commerce.

1.4.6 PROPERTY MANAGEMENT

Carrefour also enjoys extensive real estate expertise, which it leverages to enhance store appeal and increase value, with the goal of creating and operating aligned, well-managed retail environments. Its ambition is to design places conducive to a warm, friendly shopping experience, while sustainably contributing to the appeal and vitality of each host city and region.

Whether the stores are located in city centres or on the outskirts, in historic shopping districts or in new neighbourhoods, this retail vision requires solutions aligned with changing environments, lifestyles and spending habits. The new formats and concepts offered by Carrefour in these districts constitute new generation shopping and lifestyle environments that act as sustainable sources of economic and social vitality for their host communities.

As of December 31, 2021, the Group operated 16.5 million sq.m. of sales area under its banners, with property and equipment being mainly comprised of sales areas operated by the Group. The Group's store ownership strategy depends on the country and the format.

More generally, the Group owns most of its outlets' total sales area, with ownership accounting for more than 72% of hypermarket sales area and around 45% for its supermarkets.

In France, Spain and Italy, hypermarket and supermarket real estate is held by Carrefour Property, which manages nearly 1,250 proprietary Carrefour-brand stores. The unit also has all of the real estate expertise needed to lead the Group's real estate projects: in such areas as asset management, project management and design, delegated project management and property management.

Carrefour is also bringing ambitious retailing environment projects to life in other countries, with the support of the Group's commercial real estate experts. In every host country, the combination of property and retailing expertise is making it possible to design and operate multi-format complexes aligned with shopper needs and aspirations, from shopping centres and retail parks to neighbourhood shopping malls.

The Group can also rely on its 35.5%-owned property company Carmila, which is dedicated to enhancing the appeal of shopping centres adjacent to Carrefour hypermarkets in France, Spain and Italy. Set up in 2014, Carmila works to strengthen local leadership of the shopping centres in which Group banners are located by developing the property, via renovations or extensions, and by ensuring a complementary commercial offering to help assets integrate into the community in the long term. Working in synergy with the hypermarkets, it deploys a local and digital cross-channel marketing strategy to improve customer satisfaction, retention and recruitment, with the help of partners in the shopping malls and local players.

1.5 The Carrefour group in 2021

1.5.1 SIGNIFICANT EVENTS OF 2021

- **January 14**: Carrefour Belgium opens its first Express store of the year in Brussels.
- **January 18**: Carrefour France gears up to support the Small Change Campaign (*Opération Pièces Jaunes*). The collection is paperless due to the coronavirus pandemic.
- **January 25**: The Carrefour Foundation celebrates its 20th anniversary.
- **February 16**: Carrefour and Système U finalise agreements with Sodiaal, Yoplait, Lactalis, Savencia and Eurial designed to increase the revenue paid to milk producers for the third year running.
- **March 2**: Carrefour France pledges to ensure fairer pay for its Carrefour Quality Line producers and launches the Salon Grandeur Nature campaign to bring producers closer to their consumers.
- **March 5**: For the fourteenth consecutive year, Carrefour France reiterated its commitment to the Restos du Cœur food aid network by participating in its national food drive.
- **March 9**: Carrefour Brazil deploys Blockchain technology in the citrus industry.
- **March 15**: Carrefour finalises the acquisition of 172 convenience stores and supermarkets in Spain under the Supersol banner.
- **March 17**: Carrefour Spain lowers the price of more than 1,000 essential own-brand items. More than 600 items are available for 0.99 euros.
- **March 24**: Carrefour strengthens its leading position in Brazil with the acquisition of Grupo BIG, the country's third biggest food retailer.
- **April 2**: The Carrefour Foundation issues a call for projects to tackle food insecurity among students in France.
- **April 6**: Carrefour and Deliveroo sign a partnership in France and internationally to deploy express home grocery delivery services.
- **April 19**: Carrefour notes that its CSR and Food Transition Index targets are rising and is setting new ones. The CSR index is factored into the variable compensation of all Group-level employees and integrated-country executives.
- **April 29**: Carrefour reasserts its commitments on soy and calls on the French and European authorities to strengthen their actions against imported deforestation.
- **May 6**: Carrefour Partenariat International and Coop Nordics Group sign a commercial partnership agreement in Northern Europe focusing on the Group's own brands.
- **May 19**: Carrefour France contributes 300,000 euros to a 1 million euro project of the Fairtrade/Max Havelaar movement to support small organic fair trade banana producers in Peru and the Dominican Republic.
- **May 25**: Carrefour Spectacles teams up with Ticketmaster, the global leader in ticketing for live events, to offer its customers an enhanced range of products.
- **May 28**: Carrefour Italy is the first transalpine retailer to join Filiera Italia, a non-profit dedicated to the promotion of "Made in Italy" agri-food excellence.
- **June 1**: Carrefour Belgium launches the "Healthy Prices" campaign to ensure that everyone can afford the best products: 470 permanent low prices are offered on Carrefour brand products, across all categories.
- **June 15**: The Carrefour group announces its new Data and Retail Media strategy with the launch of the Carrefour Links platform, which gives its industrial partners access to more detailed knowledge of Carrefour customer expectations.
- **June 22**: Carrefour is the first retailer in France to display the Eco-score of the products available on its Carrefour.fr website.
- **June 23**: The launch of Carrefour Bio in Brazil helps to democratise organic prices in the country.
- **June 29**: Carrefour France is launching the "Cost price for resistant fruit" campaign, to support producers who were hard-hit by April's late frost.
- **July 1**: In partnership with Pickup, a subsidiary of the La Poste group, Carrefour France announces the roll-out of more than 400 automatic parcel collection lockers.
- **July 9**: Carrefour supports the implementation of an ambitious legal framework in Europe to fight deforestation.
- **July 13**: Carrefour France confirms the commitments made in the National Pact on Plastic Packaging, including a target to reduce packaging by 20,000 tonnes by 2025.
- **July 16**: Carrefour Belgium organises a round-up campaign to raise funds for flood victims.
- **July 28**: Carrefour Argentina adopts blockchain technology in its Huella Natural meat products. The banner is the first in the sector to use this technology in the country.
- **July 28:** Carrefour France acquires a stake in Cajoo, a start-up that has deployed a 15-minute home shopping delivery service in around ten cities over the past six months.
- **September 10**: Carrefour Spain signs food transition agreement with 50 listed manufacturers.
- **September 28**: Carrefour Romania launches the School of Leaders programme, in partnership with the Bucharest Academy of Economic Studies.
- **October 7**: Carrefour announces an unprecedented partnership with Delipop, a start-up specialising in the logistics of e-commerce food orders, to develop a new offering of automatied walk-in Drives.
- **October 8**: Carrefour extends its commercial partnership with Nordic Coops in Northern Europe to international brands.
- **October 14**: Carrefour expands its non-food e-commerce offering to include new partners (Miliboo, Disney, Samsung and Interforum) and new services (mobile packages, Internet box, electricity/gas).
- **October 26**: Carrefour joins forces with Uber Eats and Cajoo to launch Carrefour Sprint, a service that delivers everyday products in under 15 minutes.

- **October 31**: The Carrefour group sets itself the target of achieving carbon neutrality by 2040.
- **November 4**: Carrefour Argentina launches Bringo, a new e-commerce application that connects each customer with a personal assistant.
- **November 9**: Carrefour presents its Digital Retail Strategy 2026 and sets the goal to be a global leader in digital retail. The Group enters into a global strategic partnership with Meta (formerly Facebook) to deliver more personalised and connected experiences to its customers and employees.
- **November 30**: Carrefour Occasion launches its digital product buyback website to reinforce its commitment to the circular economy.
- **December 1**: Carrefour Voyages launches in Belgium.
- **December 9**: Carrefour is recognised on CDP's 'A-list' for its commitment to fighting global warming.
- **December 21**: After successful partnerships in Italy and Poland, Carrefour extends its commercial agreement with Everli, Europe's leading e-grocery marketplace, to France.

1.5.2 SIGNIFICANT EVENTS OF FIRST-QUARTER 2022

- **January 11**: in partnership with Retail & More, a subsidiary of TeleUnicom, Carrefour relaunches its brand in Greece by announcing the opening of new franchised stores.
- **January 18**: Carrefour becomes the biggest private investor in the MiiMOSA transition #1 fund, supported by the leading agricultural and food transition fundraising platform MiiMOSA.
- **February 1**: Carrefour and Brut announce the creation of Brut Shop, a joint venture whose aim is to become the leader on the French social commerce (live shopping) market.
- **February 4**: Carrefour and Système U, through the Envergure joint purchasing centre, are taking action alongside all the entities making up the Sodiaal Cooperative to increase the price of milk in 2022 to protect the income of French farmers.
- **February 8**: Carrefour Taiwan has been awarded a Golden Egg by the NGO Compassion In World Farming (CIWF) for its commitment to cage-free animal husbandry.
- **February 14**: Carrefour and Everli are extending their partnership to 10 French cities (Paris, Lille, Lyon, Nice, Toulouse, Bordeaux, Montpellier, Nantes, Grenoble and Rennes) and their suburbs. Consumers in these cities will be offered up to 25,000 products from over 140 of their local shops, delivered the same day.
- **March 23**: Carrefour sucessfully completes its 1.5-billion-euro inaugural Sustainability-Linked Bond offering.

1.5.3 SUMMARY OF FINANCIAL PERFORMANCE

(in millions of euros)	2021	2020 restated[(1)]	2019 restated[(2)]	2019 post-IAS 29 post-IFRS 16	2018 restated for IFRS 5 post-IAS 29
CONSOLIDATED INCOME STATEMENT					
Gross sales	81,245	78,609	80,672	80,672	80,772
Net sales	72,958	70,719	72,397	72,397	72,355
Recurring operating income before depreciation and amortisation[(3)]	4,550	4,465	4,417	4,417	3,403
Recurring operating income	2,272	2,173[(4)]	2,099	2,088	3,403
Recurring operating income after net income/(loss) from equity-accounted companies	2,284	2,160	2,101	2,090	1,952
Operating income	1,911	1,686	1,071	1,060	823
Net income/(loss) from continuing operations	1,259	853	216	219	36
Net income/(loss) from continuing operations, Group share	1,030	663	29	32	(187)
Total net income/(loss)	1,301	831	1,308	1,311	(344)
Net income/(loss), Group share	1,072	641	1,126	1,129	(561)
CONSOLIDATED STATEMENT OF CASH FLOWS					
Cash flow from operating activities	3,796	3,408	3,400	3,400	2,107
Net cash from operating activities	3,661	3,395	3,247	3,247	2,108
Net cash from/(used in) investing activities	(1,334)	(1,841)	(1,013)	(1,013)	(1,613)
Net cash from/(used in) financing activities	(3,060)	(1,126)	(1,987)	(1,987)	529
Net change in cash and cash equivalents	(735)	(27)	166	166	708
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Net debt	2,633	2,616	2,615	2,615	3,510[(5)]/3,785[(6)]
Total equity	11,830	11,609[(7)]	11,673	11,286	11,286
Equity – Group share	10,251	10,103[(7)]	9,937	9,169	9,169

(1) 2020 restated for the IFRS IC decision on IAS 19.
(2) 2019 restated for the IFRS IC decision on IFRS 16.
(3) Recurring operating income before amortisation (including supply chain depreciation).
(4) Recurring operating income for 2020 includes income expenses related to Covid-19. Exceptional bonuses and other similar benefits awarded to employees (128 million euros in first-half 2020) are reported under "Non-recurring income" or "Non-recurring expenses".
(5) Excluding the IAS 17 impact: liabilities relating to finance leases recorded in accordance with IAS 17 were restated as lease liabilities.
(6) Including the IAS 17 impact.
(7) 2020 restated for the new IFRS 16.

1.5.4 SUMARY OF STOCK MARKET PERFORMANCE

Summary of stock market indicators

Closing price *(in euros)*[1]	2015	2016	2017	2018	2019	2020	2021
High	32.80	26.74	23.64	19.62	18.14	16.89	17.54
Low	23.65	20.90	16.47	13.14	14.62	12.33	13.99
At December 31	26.65	22.89	18.04	14.91	14.95	14.03	16.11
Number of shares at December 31	738,470,794	756,235,154	774,677,811	789,252,839	807,265,504	817,623,840	775,895,892
Market capitalisation at December 31 *(in billions of euros)*	19.7	17.3	14.0	11.8	12.1	11.5	12.5
Average daily volume[1] [2]	3,064,488	3,167,915	3,310,080	3,723,706	2,394,148	3,218,500	3,253,806
Net dividend *(in euros)*	0.70	0.70	0.46	0.46	0.23	0.48	0.52[3]

(1) Source: Euronext.
(2) Average daily volume on Euronext.
(3) Subject to approval by the Shareholders' Meeting.

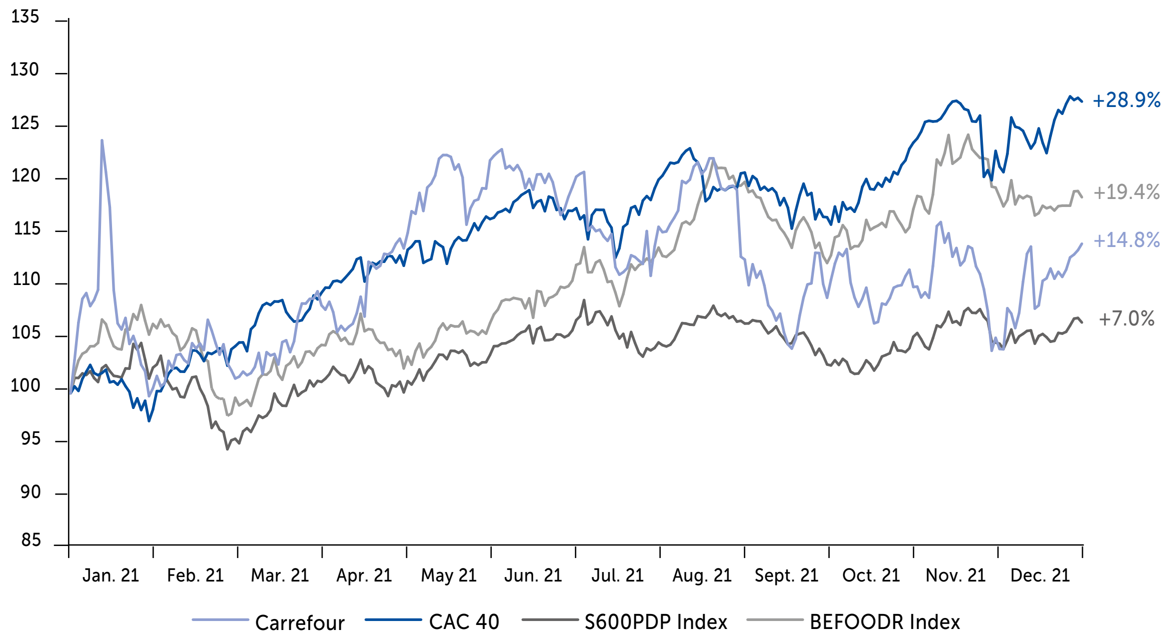
Carrefour share price in 2021

	High[1]	Low[1]	Average closing price[1]	Number of shares traded	Amount of capital traded[1]
January	17.54	13.99	15.25	143,397,804	2,281,408,522
February	15.05	14.1	14.54	60,437,948	881,275,859
March	15.445	14.235	14.69	62,574,041	921,303,429
April	16.105	14.88	15.42	51,546,979	795,263,536
May	17.335	16.04	16.80	76,344,395	1,275,031,251
June	17.415	16.505	17.02	57,779,946	984,183,603
July	17.1	15.66	16.23	52,777,847	856,230,899
August	17.29	16.065	16.81	46,536,176	780,338,074
September	15.98	14.65	15.40	97,616,808	1,513,185,815
October	16.03	15	15.48	63,896,498	990,208,898
November	16.405	14.62	15.74	62,923,824	986,737,510
December	16.105	14.64	15.49	63,649,736	984,002,684

(1) In euros.

Share price in 2021 (100 base)

Carrefour share price in relation to the CAC 40, BEFOODR[1] and STOXX Europe 600 Personal Care Drug and Grocery Stores.[2]

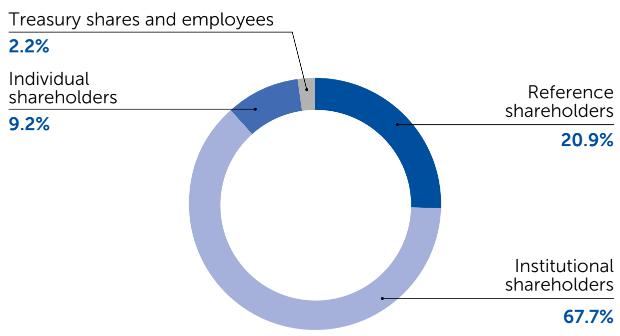


Share capital and ownership structure

At December 31, 2021, the share capital amounted to 1,939,739,730 euros (one billion, nine hundred and thirty-nine million, seven hundred and thirty-nine thousand, seven hundred and thirty euros), divided into 775,895,892 shares with a par value of 2.50 euros each.

The number of voting rights at December 31, 2021 was 955,881,146. After deducting the voting rights that cannot be exercised from this figure, the total number of voting rights is 946,423,607.

To the Company's knowledge, the breakdown of the capital and voting rights at December 31, 2021 was as follows:



(1) Composition of Bloomberg Europe Food Retailers (BEFOODR) index at December 31, 2021: Ahold Delhaize, Carrefour, Colruyt, HelloFresh, Jeronimo Martins, Kesko OYJ, Marks & Spencer, Metro AG, Ocado, Sainsbury's, Tesco.

(2) Composition of STOXX Europe 600 Personal Care Drug and Grocery Stores (S600PDP) at December 31, 2021: Ahold Delhaize, Beiersdorf, Carrefour, Colruyt, Dino Polska, Essity, Galenica, Greggs, HelloFresh, Jeronimo Martins, Kesko OYJ, Ocado Group, Reckitt Benckiser, Sainsbury's, Tesco, Unilever, Zur Rose Group.

1.5.5 SUMMARY OF NON-FINANCIAL PERFORMANCE

Carrefour deployed a CSR and Food Transition index in order to monitor the achievement of its objectives, assess its CSR performance and motivate its in-house teams. In 2019, the Group's performance in meeting these objectives was included in the criteria for executive compensation and serves as the basis for calculating 25% of executive compensation as part of the long-term incentive plan, and 20% of the Chief Executive Officer's compensation. Since 2021, the CSR index has been integrated into the variable compensation of executives in integrated countries.

Designed to measure CSR performance over a period of several years, the index sets an annual objective for 15 indicators. The Index's overall score is a simple average of the score across the indicators. With some targets coming to an end in 2020, Carrefour has revised the CSR and Food Transition Index by increasing some objectives and setting new ones for the 2021-2025 period. For example, new objectives have been set for sustainable farming, animal welfare, supplier commitments, local action, employee engagement and training, and for the Act For Food customer communication programme. The objectives that had been set for raw materials, climate, the food transition in stores and gender equality have been raised. In 2021, the CSR and Food Transition Index was published for the first time on a multi-annual basis (at six-month intervals).

In 2021, Carrefour exceeded its non-financial objectives, as measured by its CSR and Food Transition Index with a score of 111%. This performance reflects in particular the progress made by the Group in reducing its greenhouse gas emissions, reducing packaging, engaging employees and deploying its training plan.

FIGURE 1 – CSR AND FOOD TRANSITION INDEX

Carrefour's 2021 CSR & Food Transition Index 2021 score: 111%

No.	Status	Category	Objective	2020	2021	Score 2021
	Products					**106%**
1.	NEW	Sustainable farming	15% of fresh food product sales generated by organic or agroecological products by 2025	-	5%	96%
2.	RAISED	Raw materials	100% of sensitive raw materials must be covered by a risk reduction plan by 2025[1]	-	54%	101%
3.	RAISED	Packaging	20,000 tonnes of packaging saved by 2025 (total since 2017)	6,212	11,068	119%
			100% reusable, recyclable or compostable packaging in 2025[2]	44%	46%	
4.	NEW	Animal welfare	100% of the key objectives of our animal welfare policy implemented in all countries by 2025[3]	-	62%	101%
5.	NEW	Supplier commitment	300 suppliers committed to the Food Transition Pact by 2025.	26	114	114%
	Stores					**102%**
6.	CONFIRMED	Food waste	50% reduction in food waste (vs. 2016)	-29%	-31%	93%
7.	CONFIRMED	Waste	Recover 100% of waste by 2025	66%	68%	95%
8.	RAISED	CO_2 emissions	50% reduction in GHG emissions (scopes 1 and 2) by 2030, and 70% reduction by 2040 (vs. 2019)	-14%	-20%	116%
9.	NEW	Partner producers	45,000 local partner producers in 2025	36,277	38,580	103%
	Customers					**112%**
10.	NEW	Food transition in stores	30-point improvement in the in-store customer survey on organic and local products, packaging and food waste reduction, health and nutrition by 2025[4]	-	+8	120%
11.	CONFIRMED	Act for Food programme	80% of our customers believe that Carrefour helps them to eat healthier and more responsible food that remains affordable by 2022[5]	77%	78%	104%

No	Status	Category	Objective	2020	2021	Score 2021
	Employees					**123%**
12.	NEW	Employee engagement	Minimum employer recommendation score of 75/100 awarded annually to Carrefour by its employees[6]	80%	83%	132%
13.	NEW	Gender equality	35% women executives (top 200) by 2025	22%	25%	103%
14.	NEW	Training	At least 50% of employees undertake training every year	-	81%	161%
15.	CONFIRMED	Disability	Employees with a disability to represent at least 4% of the total workforce by 2025	3.6%	3.4%	95%

(1) Three objectives concerning: fisheries resources, materials with a risk of deforestation (palm oil, Brazilian beef, soy, cocoa and trader traceability) and textile materials (cotton, cashmere and viscose).
(2) Group objective. After a pilot period in France, the reporting process is now being rolled out across all Group countries.
(3) Four objectives concerning: the sale of cage-free eggs, the use of cage-free ingredient eggs, the conditions under which chickens are reared and animal welfare audits in slaughterhouses.
(4) The survey measures customer satisfaction in stores on a scale of 0 to 200 for the following criteria: "Choice of organic products" (baseline 2020), "Choice of local products" (b. 2020), "Reduction of plastic packaging" (b. 2020), "Fight against food waste" (b. 2021) and "Quality of Carrefour-brand products" (b. 2021).
(5) 1.1 million respondents in 2021.
(6) 25,000 surveyed in 2021.

This index is designed as an oversight tool for the various professions. It also allows us to report externally on the roll-out of the Group's CSR strategies, in particular with regard to climate, biodiversity, health, partner and employee engagement. The table below cross-references the CSR index objectives and the CSR policies presented in Section 2.2.

Topic	Performance indicator from the CSR index	Average score in 2021
Biodiversity (Section 2.2.2)	7 associated objectives (no. 1, 2, 3, 5, 6, 7 and 9)	103%
Climate (Section 2.2.3)	8 associated objectives (no. 1, 2, 3, 5, 6, 7, 8 and 9)	105%
Health (Section 2.2.4)	4 associated objectives (no. 1, 5, 10 and 11)	109%
Customers and partner commitments (Section 2.2.5)	4 associated objectives (no. 5, 9, 10 and 11)	110%
Employees (Section 2.2.6)	8 associated objectives (no. 12, 13, 14 and 15)	123%

Carrefour regularly replies to questionnaires by ratings agencies to assess its performance based on business, social and governance criteria. Since 2017, Carrefour has been included among the world's most successful companies in the Dow Jones Sustainability World Index (DJSI). In 2021, the Group was again ranked the leading French retailer and in the top six global retailers by the Dow Jones Sustainability Index (DJSI) World for the fifth consecutive year. Also in 2021, Carrefour was awarded an "A" score from the Carbon Disclosure Project (CDP) for its commitment to the fight against global warming, placing it among the 200 best performing companies out of more than 13,000 surveyed.

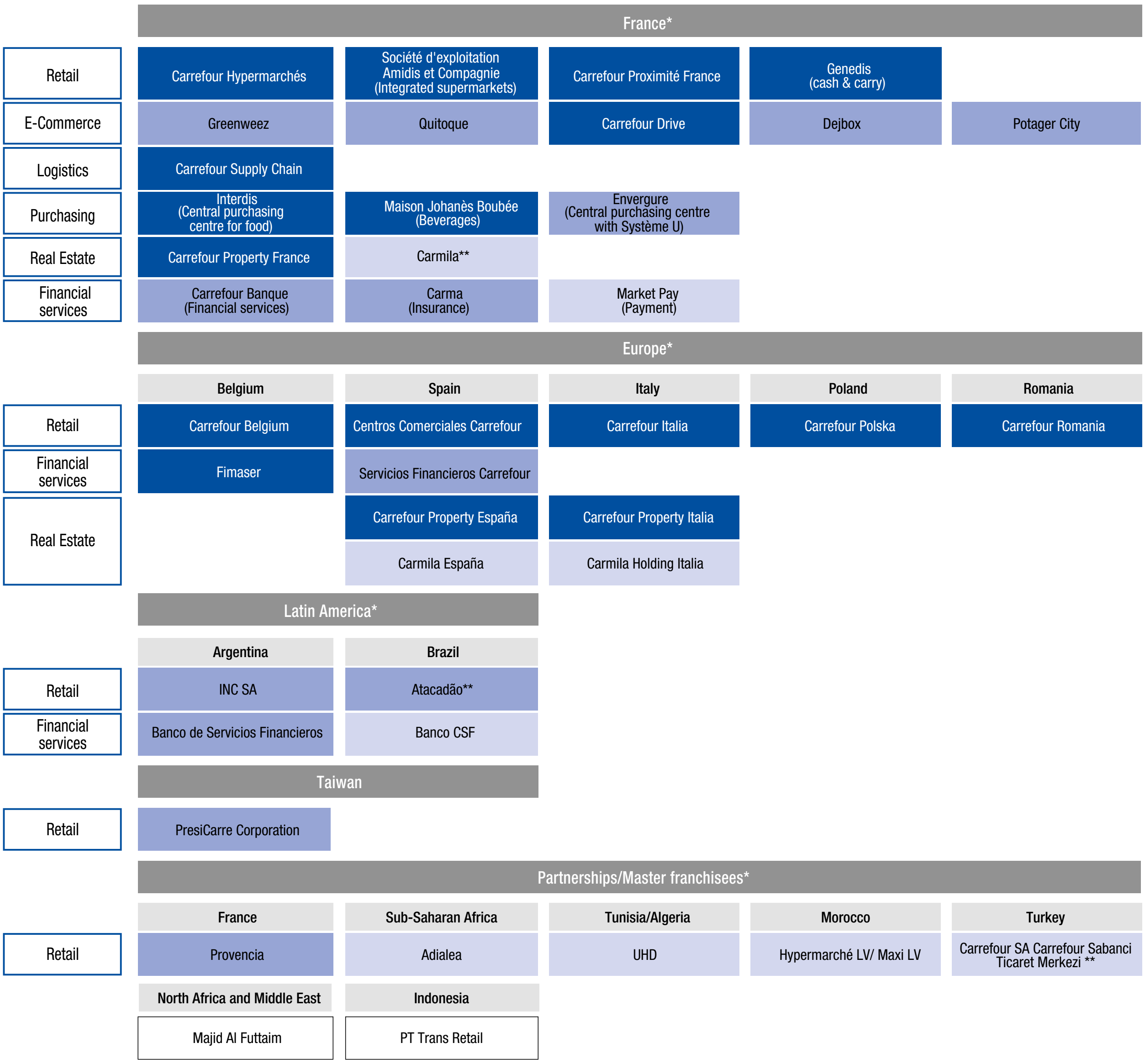
Ratings agency	2016	2017	2018	2019	2020	2021
CDP – CARBON DISCLOSURE PROJECT	B[1]	A-	A-	A	A-	A
OEKOM	Prime C+	Prime C+	Prime C+	-[4]	Prime C+	Prime C+
DJSI – ROBECOSAM	74	74 68[2]	69	73	73	72
MSCI	A	A	A	AA	AA	A
VIGEO	55	67	A1+[3] 68	67	67	64
CDP Forest						
• Palm oil	B	A-	B-	B	B	B
• Soy	B	B	B-	B	B	B
• Meat	C	B	C	B-	B	B
• Wood and paper	B	A-	B-	B-	B	B
CDP Water	B	-	-	-	A-	A-

(1) Evaluation rating system was changed in 2016.
(2) The evaluation rating system was changed in 2018 – an equivalent rating with the new rating system.
(3) The Carrefour group's solicited rating in addition to the standard rating.
(4) No rating in 2019.

In 2021, Carrefour won recognition from a number of organisations:

- The World Benchmarking Alliance (WBA) ranked Carrefour the number one French retailer for its action on the environment, inclusion and governance. Carrefour was among the top five global retailers out of the 62 evaluated. The WBA represents organisations working at global, regional and local levels to shape private sector contributions to achievement of the Sustainable Development Goals.
- Carrefour is engaged in dialogue with the Platform Living Wage Financials (PLWF), a coalition of 18 financial institutions that works on living wage challenges. Carrefour is rated "Maturing" in the PLWF's annual report, the highest level among the retailers assessed.
- Since 2018, the SIRIUS awards have recognised the best collaborative practices between industry and retail that meet societal and consumer expectations. At the 4th edition of the SIRIUS Awards, organised by the Institut du Commerce on November 16, 2021, Carrefour won the SIRIUS for CSR Pedagogy for the project entitled "L'Oréal, Carrefour and Terracycle join forces to recycle cosmetics containers and packaging in stores".
- In terms of the environment, Carrefour is among the European leaders according to the *Financial Times*, which based its analysis on the percentage reduction in greenhouse gas emissions achieved between 2014 and 2019.
- Carrefour tops the first-ever ranking by Universum of the most committed CAC 40 companies according to post-graduate students in France. Respondents ranked companies according to their CSR commitments regarding (i) the environment (Carrefour ranks third), (ii) human resources (Carrefour ranks first) and the local and responsible economy (Carrefour ranks first).
- Carrefour won the ESSEC Responsible Retail 2022 Grand Prize for its ambitious CSR strategy. This prize rewards companies in the B2B and B2C trade and e-commerce sectors for their CSR and sustainable development initiatives in France.
- Carrefour is included in the CAC 40 ESG index. This index, launched by Euronext in 2021, identifies the 40 companies in the CAC Large 60 index that demonstrate the best Environmental, Social and Governance (ESG) practices.

SIMPLIFIED LEGAL CHART AT DECEMBER 31, 2021



* Owned directly or indirectly by Carrefour SA
** Listed company

100% owned
50% or more owned
Less than 50% owned
No equity stake

2

CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE

Introduction

The following sections of the Universal Registration Document present the components that underpin Carrefour's Corporate Responsibility strategy.

Section 1 presents Carrefour's *raison d'être* and its ambition to become the leader of the food transition for all. In line with this ambition, this chapter also looks at projects developed by the Group, as well as a materiality analysis that ensures the alignment of these strategic priorities with stakeholder expectations, and an analysis of Carrefour's business model. Lastly, it reviews the Group's CSR performance summary and the achievement of its objectives based on the CSR and Food Transition Index.

Section 2 details how CSR is structured within the Group, and the method deployed for implementing the food transition for all, creating more value for all stakeholders, and therefore developing the positive impact of the organisation's activities on society. It describes the methodologies enabling Carrefour to develop CSR policies in response to social, environmental and societal risks it has identified in its business model and through dialogue with stakeholders. It highlights these policies, action plans and duty of care measures put into action to address identified risks. Lastly, it transparently explains the Group's CSR performance through a set of key indicators. Section 2 also contains information on the Non-Financial Statement, the EU sustainability taxonomy, the duty of care and the main international standards applied, in particular the Sustainability Accounting Standards Board (SAS-B), the Task Force on Climate Disclosure (TCFD) and the Global Reporting Initiative (GRI). Cross-reference tables specific to the Non-Financial Statement, SAS-B, TCFD and GRI-G4 appear in Section 9.6.

Alignment with applicable regulations

Non-Financial Statement: this Universal Registration Document complies with the requirements of French government order no. 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017, providing for a Non-Financial Statement as stipulated notably under Articles L. 225-102-1 and R. 225-105 *et seq.* of the French Commercial Code *(Code de commerce)*. This information concerns the activities of Carrefour SA (the parent company) and all the Group's consolidated companies.

The Non-Financial Statement consists of the following:

- the business model, provided in Section 1.1.5;
- the map of Group risks based on the business model, which incorporates societal risks, presented in Section 4.1.2. The methodology for identifying societal risks and their definition are detailed in Section 2.1.1.2;
- the policies and action plans that address societal risks, described in Section 2.1. Thus, all the societal risk factors encountered by the Group in its activities are subject to its CSR policy. The CSR policy sections are structured as follows: biodiversity (Section 2.1.2), climate (Section 2.1.3), health and product quality (Section 2.1.4), business ethics and supply chains (Section 2.1.5) and employees (Section 2.1.6);
- the Group's Key Performance Indicators in 2021 are detailed for each policy in Section 2.1. Performance is summarised in Section 2.4 and Section 2.4.1 provides details on the reporting method;
- lastly, Section 2.4.2 contains the independent third-party report on consolidated CSR information.

Duty of care: this section contains information on the Group's duty of care plan for identifying risks and preventing serious violations of human rights and fundamental freedoms, the health and safety of individuals, and the environment. It complies with the requirements set out in French law no. 2017-399 of March 27, 2017 with regard to the duty of care. As such, the following items and information are covered:

- the map used to identify, analyse and classify risks (see Section 2.2.2);
- procedures used to regularly assess the position of subsidiaries, subcontractors and suppliers with which the Group maintains an established business relationship, based on the risk map (see Section 2.2.3);
- adapted actions for mitigating risks or preventing serious threats (see Sections 2.2.3.1 and 2.2.3.2);
- the whistleblowing and warning systems for reporting the existence or materialisation of risks, established in cooperation with the trade unions of said company (see Section 2.2.1.5);
- the system for monitoring actions taken and measuring their effectiveness (see Section 2.2.4.2);
- the report on the implementation of the duty of care plan covering the previous financial reporting year (see Section 2.2.4).

The information included in Carrefour's duty of care plan is presented in this section as follows:

- governance of CSR and the food transition, as applied to the implementation of the duty of care plan along with measures specifically related to these areas, is presented in Sections 2.2.1.1 and 2.2.1.2;
- procedures for dialogue and collaboration with stakeholders, which can be used to set policy and to update and evaluate the implementation of third-party assessments and risk prevention and mitigation measures are presented in Section 2.2.4.1;
- the methodology used to map risks relating to human rights and fundamental freedoms, health and safety, and the environment is presented in Section 2.1.1.2.1. The main risks identified and their definition are available in Section 2.1.1.2.2;
- risk prevention frameworks, third-party assessments, risk prevention and mitigation measures and whistleblowing systems covered in the duty of care plan are detailed in Sections 2.2.2, 2.2.3 and 2.2.4. The report on actions implemented in 2021 as part of the duty of care plan is available in Section 2.2.4;
- a summary of Carrefour's non-financial reporting, which covers all of the Group's non-financial performance indicators, is presented in Section 2.2.4.3.

Sustainability taxonomy: Section 2.3 complies with Regulation (EU) 2020/852, the EU sustainability taxonomy, which came into effect on July 12, 2020 and establishes a common classification system for all European Union countries to identify sustainable economic activities. To date, the taxonomy's scope does not cover product distribution in the Group's stores. The regulation is applicable to only a few of the Group's ancillary businesses, such as building construction and vehicle rentals.

2.1 Non-financial policies, action plans and performance

2.1.1 CSR METHODOLOGY AND NON-FINANCIAL RISKS AND PERFORMANCE

2.1.1.1 CSR methodology

In conducting its business activities, Carrefour gives importance to creating value for all its stakeholders. The Group has implemented CSR governance, developed reporting methods and continuously improved its decision-making processes, tools and strategies to increase its positive impact on society.

Since the transformation plan was launched in 2018 by its Chairman and Chief Executive Officer Alexandre Bompard, the Group has accelerated its actions to promote sustainable development and the food transition for all. The Group's *raison d'être*, adopted at the Shareholders' Meeting in June 2019 and enshrined in the preamble of the Company's Articles of Association, marks the starting point of this acceleration and the transformations in progress (see Section 1.3).

Figure 1 below shows the key events in Carrefour's history and their positive impact both on integrating CSR into the Group's business operations and on improving production and consumption modes.

The Group's CSR approach has evolved significantly due to the actions taken in implementing the "Carrefour 2022" transformation plan. The methodology is based on the following principles:

- **transparent goals with stakeholders supported at the highest level of the organisation:** Carrefour works with its partners in setting specific, quantitative targets. The Group presents its short- and long-term goals in line with material issues identified with its stakeholders (the materiality matrix is detailed in Section 1.3.1.4). The Group's objectives associated with CSR and the food transition are measured through a set of performance indicators. The most strategic objectives are integrated into the CSR & Food Transition Index. This index measures an achievement rate, which is also a criterion factored into management compensation (see Section 1.5.5);
- **dedicated governance:** governance bodies for CSR and the food transition have been set up at every level in the organisation (see Section 2.2.1.1). The Group has created an external Food Transition Advisory Committee, which is chaired by Alexandre Bompard. Internal Food Transition Advisory Committees were set up at Group level and in integrated countries and within the various professions depending on the issues addressed;
- **actions integrated into products and stores for its customers:** the integration of actions tested by customers into stores is a key marker of the methodology, as these actions embody the Group's long-term objectives.

To achieve its mission of becoming the leader of the food transition for all, the Group acts at all levels to participate in transforming markets; directly engaging suppliers, partners, and customers; and bringing innovative solutions that can reshape production and consumption modes. **Figure 2** below shows how all actors are involved in the reduction of packaging within the Group. Carrefour uses the following drivers to make this mission a success:

- **working towards a positive transformation in market standards:** Carrefour acts for progress in market standards through initiatives supported by retail companies, suppliers and stakeholders in the value chain, organisations and public authorities;
- **implementing exclusive initiatives at a local or international level** that serve as an industry benchmark and can change consumer standards. Initiatives that have been successful with consumers are applied industry-wide and help bring about transformation on the market. Campaigns include *C'est qui le patron ?* (Who's the Boss?), "Bring your own container", returnable packaging, no-waste boxes, and the elimination of plastic from the fruit and vegetables section. Carrefour and its partners work to identify innovative solutions and support the implementation of these solutions in order to suggest new ways of producing and using products;
- **getting direct suppliers and partners involved:** Carrefour has direct relationships with thousands of farmers, manufacturers and service providers:
  - the Group uses its trade relations, especially with its suppliers of Carrefour-brand products, to include standards in line with CSR and the food transition. In 2020, Carrefour updated its purchasing rules to support the food transition, for example including criteria and requirements to respect marine resources, protect forests, integrate ecodesign into packaging and promote agroecology,
  - Carrefour sets up voluntary collaborations with its suppliers of Carrefour-brand products and national brands to initiate the transformations necessary to bring about the food transition for everyone. Carrefour offers its suppliers opportunities to work on joint projects (e.g., Collaboration for Healthier Life in Lyon), innovation platforms (e.g., the RESET project for ecodesign in packaging) and technical support for supply lines (e.g., the development of agroecology in Carrefour Quality Lines). Lastly, the Group launched the Food Transition Pact in 2019, which unites national brand suppliers around common objectives on biodiversity, transparency, health and nutrition, climate and packaging.
  - In order to increase involvement among its suppliers, Carrefour launched the first European Food Transition Awards in 2021, a competition that rewards the most virtuous suppliers in terms of CSR in the eyes of customers;
- **educating and engaging customers:** to transform consumer habits, Carrefour offers products and solutions in stores to promote sustainable consumption. Carrefour aims to identify and better meet customers' emerging societal and environmental expectations. But the Group also hopes to educate people about sustainability issues and co-build solutions that everyone can adopt. Carrefour also established customer consultation and engagement channels to define its strategies (e.g., activist consumer groups in Spain and France).

FIGURE 1: TIMELINE OF KEY EVENTS AND THEIR POSITIVE IMPACT BOTH ON INTEGRATING CSR INTO INTERNAL PRACTICES AND ON IMPROVING PRODUCTION METHODS AND CONSUMER HABITS

1976

■ Launch of "produits libres" (unbranded products), the first private-label products.

1987

■ "Our Common Future" report (Brundtland report) and definition of the term "sustainable development".

1992

■ Rio Earth Summit.

■ Creation of Carrefour Quality Lines (*Filières Qualité Carrefour* – FQC), the first tripartite agreements with farmers to develop taste, authenticity and agroecology.

■ Launch of Boule Bio organic bread, produced in French hypermarkets.

1997

■ Launch of an organic grocery line and organic baby food line under the Carrefour Bio brand name.

1998

■ Launch of the WWF® action plan.

■ Voluntary application of the precautionary approach to genetically modified organisms (GMOs).

2000

■ Eight Millennium Development Goals (MDGs) drafted by the United Nations.

■ Launch of the human rights programme in partnership with the International Federation for Human Rights (*Fédération internationale des ligues des droits de l'homme* – FIDH).

2001

■ Adherence to the UN Global Compact.

■ Formalisation of the sustainable development policy agreement with UNI Global Union in support of workers' rights and the promotion of equal opportunity (agreement updated in 2015).

2004

■ Signing of the Diversity Charter.

■ Adoption of a Code of Ethics.

■ Introduction of the Consume Better Manifesto.

2005

■ Launch of a range of products sourced from sustainable fisheries.

2013

■ Initial ISO 26 000 diagnostic.

2015

■ UN Sustainable Development Goals (SDGs).

■ Paris Agreement (COP21).

■ Commitment by Carrefour to fight climate change through the introduction of CO_2 emissions reduction targets.

2017

■ Introduction of a CSR Index.

■ Listing on the Dow Jones Sustainability World Index.

■ Global Compact Advanced Certification.

2018

■ Announcement of the "Carrefour 2022" transformation plan designed to help the Group achieve its ambition to become the world leader of the food transition for all.

■ Launch of the worldwide Act for Food programme, which brings Carrefour's actions and their concrete results to the fore in all the countries where the Group operates.

■ Creation of the Food Transition Advisory Committee with external well-known figures and chaired by Alexandre Bompard.

■ Launch of the first Food Transition Store Challenge International which involves in-store employees in the food transition project.

2019

■ Inclusion of a *raison d'être* in the Group's Articles of Association, which aims to support Carrefour in fully embracing its ambition to become the world leader of the food transition for all by 2022.

■ Launch of the Loop project to promote returnable packaging both in-store and online, the first of its kind in the retail industry.

2020

■ Launch of the Food Transition Pact with national brands.

■ Alexandre Bompard co-leads the Forest Positive Coalition of the Consumer Goods Forum.

■ Approval of new climate goals by the Science Based Targets initiative and inclusion of a target to save 20 megatonnes of CO_2 for products sold.

2021

■ Launch of the first European Food Transition Award to reward suppliers for their CSR performance.

■ Launch of Loop returnable packaging in stores.

■ Commitment by Carrefour to fight climate change with the announcement of its target to achieve carbon neutrality by 2040.

■ Setting of new targets for the CSR and Food Transition Index and inclusion in the compensation criteria for country executives.

■ Commitment by Carrefour to e-commerce.

■ markers of the integration of CSR into Group strategy
■ markers of Carrefour's positive impact on production methods and consumer habits
■ key events in CSR history

FIGURE 2: EXAMPLE OF THE ACTION PLAN ON PACKAGING AND PLASTIC: HOW CAN EVERYDAY CONSUMER USE BE TRANSFORMED INTO SOMETHING POSITIVE?

CSR Index 2021	Save **20,000 tonnes** of packaging by 2025
Participate in the market transformation	■ New Plastics Economy Global Commitment ■ European Plastic Pact ■ Plastic Pact Poland ■ French National Plastic Pact on Packaging
Get customers involved	■ Zero plastic challenge ■ *Défi Zéro Plastique*
Implement innovative solutions to transform our partners	■ Loop ■ (Re)set packaging
Make our initiatives visible in stores	■ 11,068 tonnes of packaging avoided since 2017 ■ Developing bulk groceries: more than 1,000 stores equipped ■ Possibility of bringing refillable containers to all stores (traditional foodstuff sections)

Carrefour uses analysis and dialogue tools to identify material issues, and define its policies and action plans while taking a continuous improvement approach. The Group implements the following actions, which are detailed in other sections in this document:

- engaging with stakeholders and consumers on societal issues (Section 2.2.1.4.1);
- defining policies and helping the business segments to deploy them through action plans and objectives (Section 2.1);
- risk analysis (Sections 4.1.1 and 2.1.1.2) and materiality analysis (Section 1.3.1.4);
- evaluating non-financial performance (Section 1.5.5).

2.1.1.2 Content of the Group's map of CSR risks

2.1.1.2.1 Methodology for analysing Group risks

Carrefour relies on different internal risk management procedures to identify and assess the risks applicable to the Group. These include risks of violations of human rights, health and safety, and the environment relating to the Group's business operations.

For the first step, the Group identifies the key risks that include criteria relating to the Company's corporate social responsibility.

The methodology for identifying risks includes:

- international standards and guidelines (GRI G4, ISO 26000, SAS-B);
- expectations expressed in ESG questionnaires to which the Group responds every year;
- the materiality analysis conducted with both internal and external stakeholders, which is used to confirm the main societal risks included in the analysis.

The Group's key risks are identified and assessed by all Group entity departments concerned. The Group's general risks are then identified and analysed with all departments concerned in each country. This helps refine the assessment of risks detected in each region. This process is detailed in Section 4.1 of this Universal Registration Document. These risks are then ranked in order of their net criticality.

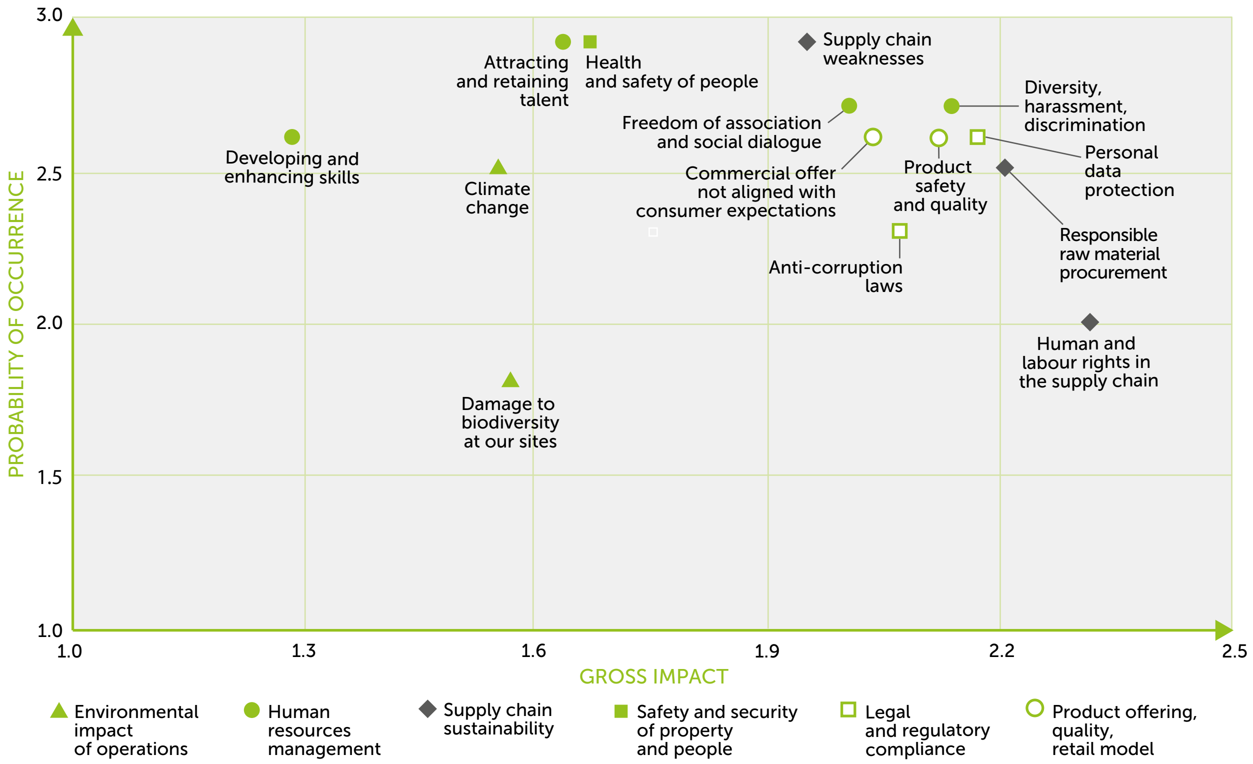
This first generic analysis highlights the main risks that could affect the Group's operations, financial position, reputation and results. The analysis is updated annually, and results are submitted to the Audit Committee, the Group Executive Committee and the Board of Directors.

Carrefour then identifies which Group risks are CSR risks that could lead specifically to violations of human rights, health and safety, and the environment. This selection of key CSR risks primarily measures the impact on stakeholders (including customers, suppliers, NGOs and civil society). Section 2 details the analysis methods, action plans and performance indicators related to these CSR risks. It therefore contains information relating to the Non-Financial Statement and the duty of care plan.

2.1.1.2.2 Map of the Group's CSR risks

The scope of the Non-Financial Statement specifically addresses various CSR risks identified by the Group's risk analysis. Carrefour rates each of these societal risks. These risks are assessed based on the following criteria:

- gross impact: this indicator measures the impact on stakeholders (consumers, employees, suppliers, organisations, etc.), as well as the financial and reputational impacts. It is rated on a scale of 1 to 4;
- gross probability: this criterion measures the risk's probability of occurrence, without taking the ability to control the risk into account. The probability is assessed on a scale of 1 to 4.



2.1.1.2.3 Definition of the Group's societal risks and associated policies

This mapping initiative identifies non-financial information reporting risk categories. The manner in which they are broken down and defined throughout the Group is detailed in the table below. These non-financial information reporting risk categories correspond to risks identified by the Group Internal Audit and Risk department. The significance of these risks has been confirmed by the materiality analysis conducted with both internal and external stakeholders. Section 2.1 presents the measures used to manage these risks, which are covered in the last column of the table below.

TABLE 1: DEFINITION OF PRIORITY SOCIETAL RISKS USED FOR NON-FINANCIAL INFORMATION REPORTING PURPOSES

Non-financial information reporting risk category	Group risk	Description of the non-financial information reporting risk category	Non-financial information reporting policies, action plans and performance
Sourcing sensitive raw materials	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Carrefour could stand accused of using raw materials whose value chains could have an impact on deforestation, depletion of scarce resources or human rights abuses (unpaid or poorly paid work, child labour, etc.).	Section 2.1.2.3 Section 2.1.5.2 Section 2.1.5.3
Occupational health and safety risks	Workplace accidents, psychosocial risks and occupational illnesses	As the largest private-sector employer in France and one of the top 50 employers in the world, Carrefour has a duty to safeguard its employees against workplace accidents, psychosocial risks and occupational illnesses.	Section 2.1.6.5
Contribution and vulnerability to climate change	Failure to control energy and refrigerant consumption, and contribution to climate change	Carrefour may suffer from poor control over its energy and refrigerant consumption, particularly following the promulgation of EU F-gas and F-gas II regulations, which will gradually prohibit the replacement and use of the most polluting refrigerants (e.g., Freon gas) by 2030.	Section 2.1.3.3
	Natural disasters and climate change	Natural disasters (e.g., flooding, heavy snowfall, heatwaves, etc.) may interrupt business (plant closures, breakdowns, serious damage) and endanger the lives of Carrefour customers, employees or suppliers.	
Quality, compliance and product safety failure	Significant lack of product control and traceability	Major deficiencies in product control and traceability could have serious consequences for the health of our customers and not meet consumer expectations regarding product origin. These shortcomings could also impact Carrefour's business development and results.	Section 2.1.4.2
	Failure of the removal and recall device	Malfunctions in the recall and withdrawal procedure for batches of food products could have serious health impacts on customers.	Section 2.1.4.2
Failure to develop and value skills	Failure to assess, develop and value skills	Poor deployment of skills assessment, development and recognition policy by managers and human resources is likely to demotivate employees and result in lower productivity and increased turnover.	Section 2.1.6.3
Failure to attract and retain talent	Inability or difficulty in attracting and retaining key employees	The Group could encounter difficulties in attracting, hiring or retaining talent for key positions. This risk may arise in particular due to departures from critical positions such as Directors and Senior Directors.	Section 2.1.6.3
Lack of supply chain resilience	Riots, street demonstrations, strikes, protests and agricultural crises	Farming or industry crises could lead to supply shortages (e.g., milk or butter shortages in France). Supply chains can also be disrupted by events related to economic or political crises. Environmental and social crises can impact supply chains, raising the price of raw materials and lowering the Group's profits.	Section 2.1.5.2 Section 2.1.5.3

Non-financial information reporting risk category	Group risk	Description of the non-financial information reporting risk category	Non-financial information reporting policies, action plans and performance
Failure to uphold human rights and decent pay across the entire value chain	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair remuneration.	Carrefour strives to uphold human rights across the entire value chain. Any instances of forced labour or exploitation of children, or failure by a supplier to pay the minimum wage could have a strong negative impact on the Group's reputation.	Section 2.1.5.2 Section 2.1.5.3
Failure to respect the principles of diversity and combat discrimination and harassment	Failure to respect the principles of diversity and equality and failure to combat discrimination and harassment	Carrefour may encounter difficulties in deploying its anti-discrimination policy, particularly with regard to gender diversity and equal pay or the employment of people with disabilities.	Section 2.1.6.4
Failure to respect freedom of association and the right to collective bargaining	Poor management or deterioration of the social climate within Carrefour	Insufficient social dialogue can lead to demotivated employees. These events are likely to result in loss of productivity and/or revenue.	Section 2.1.6.2
Non-compliance with laws on the protection of personal data	Non-compliance with laws on the protection of personal data (RGPD, LGPD, etc.).	Carrefour processes large volumes of personal data for customers, employees and suppliers. Data protection and privacy legislation – e.g., the General Data Protection Regulation (GDPR) in force since May 25, 2018 in the European Union in addition to existing national legislation, and the "General Data Protection law" (LGPD) which came into force in Brazil in September 2020 – establish a new legal data protection framework with increased protection for citizens' rights and new legal obligations for businesses. Carrefour must ensure that it complies with all of the requirements of such legislation.	Section 2.1.5.4
Non-compliance with anti-corruption laws	Non-compliance with anti-corruption legislation (Sapin II law)	The Sapin II law on transparency, corruption and modernised business practice requires French companies, such as Carrefour and its subsidiaries, to set up a compliance programme to both prevent and detect any corruption or use of undue influence both inside or outside France. Carrefour may fail to comply with all of the pillars and provisions of this legislation.	Section 2.1.5.5
Non-sustainable product offering and retail model	Commercial offering not aligned with customers' social and environmental expectations (local products, reduction in packaging, food waste, etc.)	Carrefour could be held liable in a scandal involving food waste and poor waste management. Product offerings and the management of store operations could be misaligned with customers' emerging societal expectations, such as selling local products, promoting local distribution networks, or reducing packaging and plastic in stores.	Section 2.1.2.4 Section 2.1.3.4
Pollution and the impacts of our operations on biodiversity	Damage to biodiversity (pollution from oil-based products, waste, construction work, etc.) caused by business operations.	Carrefour's business operations may have a negative impact on biodiversity, particularly due to pollution events. Ecosystems may be destroyed by construction work, pollution from fuel retail operations or poor waste management.	Section 2.1.2.5

1 2 3 4 5 6 7 8 9

2.1.2 BIODIVERSITY

2.1.2.1 Overview of objectives

Context The food industry is highly dependent on biodiversity, so preserving biodiversity is an industry imperative. However, biodiversity is in an unprecedented[1] global decline caused by five main factors[2] significantly exacerbated by the food industry:

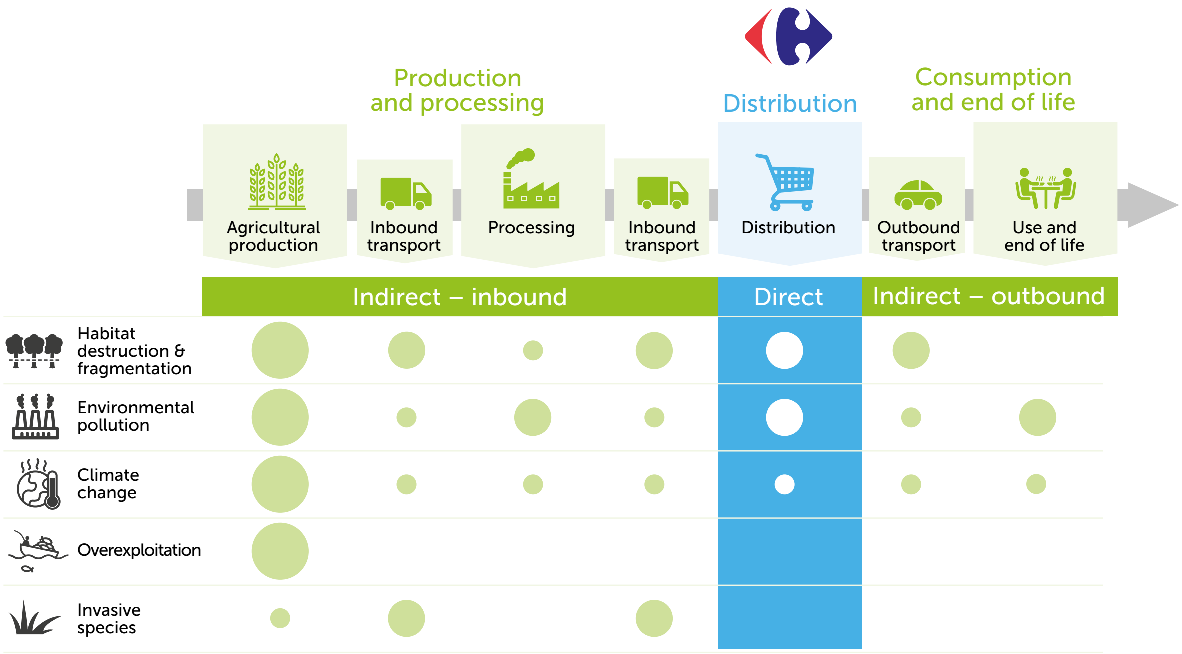
- changes in how land is used;
- water, soil and air pollution and the resulting reduction in water quality;
- direct exploitation of certain organisms;
- climate change;
- the spread of invasive alien species.

Carrefour has a responsibility to preserve biodiversity and is involved in several initiatives to limit both its own impact and that of other links in its value chain. Furthermore, consumer behaviour is at a turning point. Consumer expectations are constantly changing: they want more information, better quality products and greater transparency, and rightly so.

Risks and opportunities

Preserving biodiversity is a real challenge for the Group. It offers Carrefour an opportunity to improve the quality of its products and better meet consumer needs. However, its loss threatens long-term food production.

The figure below presents Carrefour's direct and indirect impacts on biodiversity throughout its value chain, within its operations and, later on, in the homes of its customers:



Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). Three biodiversity-related issues were identified as major issues for stakeholders:

- developing sustainable farming, mainly through organic farming and agroecology (ranked first);
- responsibly sourcing seafood and aquaculture products (ranked second);
- combating deforestation related to sourcing sensitive raw materials (ranked eighth).

Finally, customers have particularly high expectations regarding the following two issues: "Ecodesign of products and a circular economy for packaging" (ranked first by customers) and "Offering a customer experience and in-store/online process that makes it easier to buy healthier and organic products involving zero waste and zero plastic" (ranked second by customers).

(1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 2019. Seventh IPBES Global Assessment report.
(2) World Business Council for Sustainable Development (WBCSD). Vision 2050.

Our initiatives

Carrefour's mission is to provide its customers with products and services that meet their needs. Carrefour's strategy is based on four key areas:

- **promoting and developing sustainable agriculture** through organic farming, agro-ecology and the development of financing solutions that are more respectful of health and nature;
- **protecting biodiversity for sensitive materials:** One of Carrefour's goals is to limit its products' impacts on biodiversity through three key objectives: combating deforestation (palm oil, wood and paper, Brazilian beef, cocoa, soy, etc.), preserving fishery resources and developing more sustainable textile supply chains;
- **developing ecodesign and a circular economy for packaging:** The Group seeks to reduce the quantity of packaging that it places on the market. It also seeks to improve the use and ultimate disposal of the packaging that remains necessary, by guaranteeing, for example, its re-use or recycling;
- **limiting the impact of our sites on biodiversity:** Carrefour aims to limit the environmental impact of its sites as much as possible. Each store, warehouse or logistics hub must monitor and optimise its water and energy consumption and its waste management, and reduce its food waste, while minimising its impact on the surrounding ecosystems and biodiversity.

Coalitions and partnerships

- **Act4nature international**
- **Science Based Targets for Nature engagement programme (Science Based Targets Network)**
- **Lab Capital Naturel (WWF)**
- **Forest positive coalition (Consumer Goods Forum)**
- ***Entreprises engagées pour la nature* (French government programme)**

Contribution to the UN Sustainable Development Goals

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Our objectives

TOPIC	OBJECTIVE	DEADLINE
Promoting and developing sustainable agriculture	15% of fresh food product sales generated by organic or agroecological products by 2025	2025
	Carrefour Quality Lines: 10% market penetration rate for Carrefour Quality Lines in fresh products by 2025	2025
	Agroecology: 100% of Carrefour Quality Lines products must display an agroecology-specific message or be part of an agroecological approach by 2025	2025
Protecting biodiversity for sensitive raw materials	100% of sensitive raw materials must be covered by a risk reduction plan in 2025	2025
	For targets by raw material, see Section 2.1.2.3 *Protecting biodiversity for the responsible supply of raw materials*	2025
Limiting the environmental impact of our plants	Recover 100% of retail waste by 2025	2025
	Reduce retail food waste by 50% by 2025 (when compared to 2016)	2025
	All new shopping centres exceeding 2,000 square metres and all expansion projects certified to BREEAM (Building Research Establishment Environmental Assessment Method) standards, 75% of existing shopping centres certified to BREEAM In-Use standards	-
	100% BREEAM In-Use certification of operational sites by 2025.	2025
Water management	Reduce water consumption per sq.m. of sales area	-
Developing ecodesign and a circular economy for packaging (plastic)	100% reusable, recyclable or compostable packaging in 2025	2025
	Recover 100% of waste by 2025	2025
	20,000 tonnes of packaging avoided, including 15,000 tonnes of plastic packaging by 2025 (cumulative since 2017)	2025
	30% of packaging using recycled plastic by 2025	2025
	1,000 reusable packaging solutions available in-store	2025
	Reduce food waste by 50% (vs. 2019)	2025
	500 stores must have a package re-use system by 2025	2025
	50 new "bulk" experiences	2025
Climate	See Section 2.1.3	

2.1.2.2 Supporting the transition to sustainable agriculture

Context and definition

An increasing number of consumers are changing their consumption habits. They seek out products that are more respectful of the environment and that are processed locally. To meet their expectations, producers must adapt their production methods by switching to more virtuous and sustainable techniques, such as agroecology, organic farming and soil conservation in agriculture.

With food products representing more than 80% of its sales, Carrefour is committed to supporting the transition to sustainable agriculture, in particular through its Carrefour Quality Lines brand and the development of affordable organic products. This commitment involves developing agroecology for the market and fresh product suppliers with whom Carrefour has a direct relationship, as well as limiting the use of at-risk raw materials that can have a specific impact on biodiversity.

Policy and performance

Carrefour is securing its organic lines and Carrefour Quality Lines to facilitate deployment of sustainable, environmentally-friendly agricultural practices. The Group is focusing on three areas to promote a more sustainable agricultural transition: fairer terms with suppliers (including long-term pricing and volume commitments); developing and showcasing a responsible product offering; and creating financing solutions.

Carrefour is focused on increasing its organic offering and aims to generate 15% of sales from organic or agroecological food products by 2025. In France, the targets for organic and in-conversion partner farmers were reached in 2021 with 3,538 French organic and 188 in-conversion partner farmers.

Key Performance Indicators	2021	2020	Change	2022 target
Sales of organic products[1]	€2.73 billion	€2.72 billion	+0.4%	€4.8 billion

(1) Sales in the food, household and personal care sections.

Indicators	2021	2020	Change
Number of Carrefour-brand organic product references[2]	1,200	1,100	+9%
Number of organic farming producers (supported through sector-based contractual arrangements)	3,538	2,150	+65%

(2) In France.

The Group is aiming to capture 10% of fresh product sales by 2025 by developing Carrefour Quality Lines, which serve as Carrefour's agroecology laboratories: The objective is for all product lines to carry an agroecology-specific message by 2025 (e.g., "fed on GMO-free feed", "fed without antibiotics" and "grown without chemical treatment").

Key Performance Indicators	2021	2020	Change	2025 target
Market penetration rate of Carrefour Quality Lines in fresh produce *(in %)*	7.2%	7.4%	-0.2 pt	10%

Indicators	2021	2020	Change
Number of Carrefour Quality Lines products	651	753	-14%
Number of Carrefour Quality Lines partner producers	25,173	25,843	-3%
Gross sales of Carrefour Quality Lines products *(in billions of euros)*	1.14	1.17	-2.6%

Comments on 2021 performance. In 2020 and 2021, Carrefour finished streamlining the number of Carrefour Quality Lines products and partners so it could develop partnerships with more robust contractual commitments in terms of volumes and prices. This initiative also improved monitoring of agroecological criteria for the line.

More generally, Carrefour is introducing responsible policies for sourcing raw materials that are at risk from a social and environmental perspective (see Section 2.2.1.3 Sourcing raw materials at risk). Animal welfare is also a strategic focus for developing sustainable agriculture (see Section 2.1.5.6 Guaranteeing ethical farming).

Action plans

1. Developing an affordable organic offering

Carrefour is investing heavily in organic food to achieve its objectives. This means activating three drivers: making the organic offering affordable by developing production channels based on support for producers; developing organic ranges that fit with consumer expectations (i.e., bulk organic offering, plastic-free offering, local produce, etc.); and making organic products accessible in-store and online.

The Group offers its organic farming suppliers three- to five-year contracts that commit to volumes and purchase prices and take account of production constraints. Carrefour also supports producers who are in the process of transitioning to organic farming through long-term contracts – lasting three to five years – which secure their investments through intermediate pricing arrangements between conventional and organic farming prices and offset the impact of lower productivity on their income. These contracts are offered in France, Romania and Taiwan. In 2021, Carrefour supported more than 1,300 new organic farmers, bringing the total to more than 3,500 organic farming partner producers.

In its stores, Carrefour aims to offer a selection of organic products matched to consumer demand. Under Carrefour-brand products and national brands, the Group continues to adapt its product offering by adding vegan and raw products for example. Carrefour is prioritising the elimination of plastic packaging in the Bio product range, while 80% of Carrefour Bio-brand packaging is already recyclable, reusable or compostable. Since 2018, Carrefour has been developing locally-grown organic fruit and vegetable ranges, including non-packaged produce. There are 1,200 Carrefour-brand Bio product references in France (Carrefour Bio, Nectar of Bio, Baby Bio), including the new Carrefour Bio range of grocery products (wholegrain pasta and fruit *purées*).

Carrefour is harnessing all store formats to achieve its ambition by developing specialised stores (Carrefour Bio, So.bio, Biomonde), showcasing organic products in general stores (aisles in hypermarkets dedicated to organic products, shop-in-shop in supermarkets, organic sections in convenience stores) and the creation of a benchmark omni-channel model for organic products (*Carrefour.fr*, Greenweez, Planeta Huerto, etc.). In 2020, Carrefour strengthened its network in this segment by acquiring Bioazur and Bio c' Bon. In 2021, the Group had 168 specialised organic stores in France. New organic sections have been opened in stores, bringing the total number of Bio Expérience areas in hypermarkets to 60 and the number of shop-in-shops in Carrefour Market stores to 166 at the end of 2021.

2. Promoting agroecology via Carrefour Quality Lines (CQLs)

Carrefour has a unique tool for developing agroecology: the Carrefour Quality Lines (CQLs). There are 651 CQL products worldwide, involving 25,173 producers and offering market-fresh produce that meets strict traceability, quality and taste criteria. The Group has prepared three-year contracts with partner producers who implement responsible methods such as crop rotation, soil-less crop production, and no post-harvest chemical treatment of fruit and vegetables, among others. Carrefour draws up strict product specifications with each producer covering production methods as well as taste criteria and environmental protection obligations.

Carrefour supports its Carrefour Quality Lines suppliers by developing pilot crops and implementing progress plans to extend agroecological practices into various lines. The Group also encourages the exchange of best practices throughout the country through producer clubs and meetings.

In 2021, CQL product sales surpassed 1 billion euros and represented 7.2% of the Group's fresh product sales.

3. Providing financing solutions

Carrefour supports producers in their agricultural transition by providing different financing solutions:

- Carrefour's financing entities offer financial services to small- and medium-sized businesses, farmers and producers. For example, the French financing entity Finifac provides loans to help farmers transition to organic farming;
- in June 2019, Carrefour initiated the first CSR-linked credit transaction in the European Retail sector by teaming up with 21 partner banks to finance an investment structure dedicated to the food transition. In 2021, six projects were funded for a total of 1.1 million euros;
- thanks to Carrefour's crowdfunding platform *JeParticipe.carrefour.com*, launched in partnership with MiiMOSA in 2019, these agricultural food transition projects are being financed with the assistance of ordinary citizens through donation matching or interest-bearing loans. At the end of 2021, Carrefour had financed 172 projects with the support of some 18,000 contributors. Fourteen products are available under the Carrefour brand, and others under their own brand. Carrefour invested 1.5 million euros in 14 selected projects and over 5 million euros were raised in total;
- Carrefour also invested 5 million euros to support the food transition in partnership with the MiiMOSA crowdfunding platform, which launched a new debt fund. This investment is a follow-up to the investment structure dedicated to the food transition. This fund, which aims to reach 50 to 60 million euros, has already attracted 30 million euros. It focuses on 11 key aims: contributing to food safety and sovereignty, guaranteeing people's health, tackling climate change, protecting biodiversity, protecting natural resources, producing renewable energy, combating waste, ensuring animal welfare, contributing to regional development, providing decent working and living conditions and enhancing social cohesion. Through this investment, Carrefour became the fund's biggest private investor, providing 10% for loan-supported projects;
- the Carrefour Foundation supports organisations that promote agricultural practices such as agroecology, the transition to organic farming and urban agriculture. In 2021, 24 sustainable and solidarity-based agricultural projects were funded by the Foundation for a total amount of 2,715,450 euros (51.3% of the overall budget). In Romania, the Carrefour Foundation supports four local associations – Synerb Venture Catalyze Association, PACT, CMSC, and the Civitas Foundation – that help local farmers develop their labour. In Brazil, it supports IDH, which assists veal producers that respect forest resources. In this way, the Carrefour Foundation helps to create fair and steady compensation for producers.

Joint initiatives and partnerships

- Synerb Venture Catalyzer Association, Civitas, Civitas Foundation and PACT
- Cirad (a French agricultural research body focused on international cooperation)
- MiiMOSA
- Open Agri Food

Find out more

- *Carrefour.com*: Employment at Carrefour and managerial transformation/CSR (see the Employees section)
- *Carrefour.com:* Guaranteeing ethical farming/CSR (see the Business ethics and supply chains section)
- *Carrefour.com:* Taking action to combat deforestation/CSR (see the Biodiversity section)
- *Carrefour.com:* Protecting biodiversity/CSR (see the Biodiversity section)

2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials

Context and definition

The production of certain raw materials can have significant consequences for biodiversity (deforestation, environmental pollution, risks to species, etc.), and the globalisation of supply chains makes it difficult to monitor and trace them. However, everyone participating in these supply chains bears some responsibility and can work to improve the practices used to produce these raw materials. Civil society, which is increasingly aware of and informed about these issues, is asking them to do it. In fact, consumers are demanding more information, better quality products and greater transparency.

As a retailer, Carrefour has a role to play. The Company has categorised certain raw materials that come under close scrutiny as "sensitive": soy, palm oil, cotton, fishery products, etc. Carrefour's objective is to limit the impact that products sold in stores have on biodiversity by actively helping to improve agricultural practices, fishing and land use methods and manufacturing processes. To do so, Carrefour works in close cooperation with stakeholders such as NGOs and certification bodies, and is setting up systems that improve the traceability of certain products.

Policy and performance

This section presents the new targets set for the different types of sourcing and the progress achieved to date. In 2021, the targets were strengthened to reaffirm the Group's goal of combating deforestation and protecting land and marine biodiversity.

Key Performance Indicators(1)	2021	2020	Change	Target
Sensitive raw materials: progress made in rolling out action plans on sensitive raw materials *(as a %)*	53.6%	New		100% by 2025

(1) This composite indicator covers raw materials considered a priority in the fight against deforestation (palm oil, Brazilian beef, soy, cocoa and trader traceability), protection of fishery resources and sensitive raw materials for textiles (cotton, cashmere and viscose).

Tackling deforestation

Carrefour is committed to eliminating deforestation with respect to its at-risk supplies, promoting sustainable fishing and guaranteeing animal welfare in its production chains by adapting farming conditions.

As part of its "Zero Deforestation" policy, the Group has committed to the following targets:

1. **Palm oil:** 100% of palm oil and palm kernel oil used as an ingredient in Carrefour-brand products must be RSPO-certified under the "Segregated" system by 2022.
2. **Soy:** 100% of Carrefour Quality Lines and key Carrefour-brand products must use deforestation-free soy for livestock feed by 2025.
3. **Wood and paper:** 100% of paper and cardboard packaging for all certified products must comply with the sustainable forests policy by 2025.
4. **Brazilian beef:** 100% of suppliers are geo-monitored and compliant with the forest policy or committed to ambitious policies to combat deforestation by 2025. Scope: direct suppliers of fresh, frozen and processed meat, distributors and warehouses.
5. **Cocoa:** 100% of Carrefour-brand chocolate bars must comply with our Sustainable Cocoa Charter by 2023 (in France, Belgium, Spain and Italy).
6. **Traceability and assessment of traders:** 100% of key traders (intermediaries trading in agricultural commodities near the beginning of the supply chain) must be assessed and be making progress towards complying with the forest policy (palm oil, soy, wood and paper, Brazilian beef, cocoa) by 2025.
7. **Textiles:** 100% of wood fibres (i.e., viscose, modal and lyocell fibres) used in our TEX products must be deforestation-free by 2023.

Indicator – Palm oil[2]	2021	2020	Change	Target
Proportion of palm oil used in controlled products that is certified sustainable and fully traced (RSPO-certified under the "Segregated" system)	79.2%	54.6%	+24.6 pts	100% by end-2022
Proportion of palm oil used in regulated products that is certified to RSPO or equivalent standards	99.4%	86.2%	+13.2 pts	-

(2) Calculated based on weight of raw material contained in the products. Scope: 100% of 2021 consolidated gross sales. Non-comparable BUs (RO excluded in 2020).

Comments on 2021 performance. Significant work was done in 2021 to ensure almost all (99.4%) of the palm oil used in Carrefour-brand products was RSPO-certified (Segregated or Mass Balance). In addition, the 2021 objective for palm oil to be certified sustainable and fully traced has almost been achieved. The Group is therefore on track to meet its final target of 100% by 2022.

Indicator – Wood and paper	2021	2020	Change	Target
Proportion of paper and cardboard packaging for all certified products that comply with our zero deforestation forest policy	*Reporting methodology currently under development*			100% by 2025
Sales of Carrefour PEFC and FSC products *(in millions of euros)*[3]	545	534	+2%	
Proportion of Carrefour own-brand products in ten priority categories sourced from sustainable forests *(as a %)*[4]	79.5%	70.2%	+9.3 pts	100%

(3) Scope: 90% of 2021 consolidated gross sales. Non-comparable BUs (RO FSC incl. in 2021 and IT & AR FSC excl. in 2021).
(4) Scope: 100% of 2021 consolidated gross sales. Non-comparable BUs (RO included in 2021).

Comments on 2021 performance. The Group is continuing to roll out its sustainable forest policy across all ten of its priority product families containing wood or paper (such as toilet paper and wood furniture) in every country where the Group operates. Furthermore, Carrefour is working on developing a reporting methodology for compliant cardboard packaging.

Indicator – Brazilian beef[5]	2021	2020	Change	Target
Percentage of Brazilian beef suppliers that are geo-monitored and comply with our forest policy or are committed to an ambitious policy to combat deforestation	86.9%	72%	+14.9%	100% by 2025

(5) Scope: Carrefour Brazil and Atacadão. Direct suppliers of fresh, frozen and processed meat, distributors and warehouses.

Comments on 2021 performance. Carrefour Brazil achieved its 2020 target, with 100% of fresh and frozen meat suppliers geo-monitored. In 2021, Carrefour expanded geo-monitoring of its Brazilian beef supply chain for Atacadão in Brazil. This means that Carrefour Brazil and Atacadão use geo-referencing to monitor more than 40,000 farms. The sustainable beef policy was strengthened by introducing action plans for indirect suppliers (see Section 2.2.4).

Indicator – Soy[6]	2021	2020	Change	Target
Percentage of Carrefour Quality Lines and other key Carrefour-brand products that use zero-deforestation soy as animal feed	2.9%	New	-	100% by 2025

(6) Carrefour Quality Lines products and key Carrefour-brand products (excluding discount and no-name products): the following unprocessed fresh or frozen products (excluding deli meats) – chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat. Scope: France only. 54.1% of 2021 consolidated gross sales.

Indicator – Cocoa[7]	2021	2020	Change	Target
Percentage of Carrefour-brand chocolate bars that comply with our Sustainable Cocoa Charter	30.8%	New	-	100% by 2023

(7) Scope: BE, ES, FR, IT, PO. 83% of 2021 consolidated gross sales.

Comments on 2021 performance. In 2021, Carrefour defined sourcing criteria for zero deforestation soy and a Sustainable Cocoa Charter for its chocolate bars. For the first time, Carrefour France reported the percentage of its key products that use zero-deforestation soy. This measure will be rolled out to all countries in 2022.

Comments on 2021 performance. The Group is also reporting for the first time the proportion of cocoa mass used for chocolate bars sold in Belgium, France, Italy and Spain that complies with our Sustainable Cocoa Charter.

Indicator – Traceability and assessment of traders[8]	2021	2020	2025 target
Traceability and assessment of traders: 100% of key traders assessed by 2025	100%	New	100%
Traceability and assessment of traders: 100% of key traders making progress towards complying with our policy by 2025	*Assessed based on 2021 data*		100%

(8) Traders: intermediaries trading in agricultural raw materials near the beginning of the supply chain.

Comments on 2021 performance. Work on traceability has been initiated to identify intermediaries trading in at-risk raw materials near the beginning of the Group's supply chain. Carrefour worked with the Consumer Goods Forum to define an anti-deforestation policy assessment methodology for traders in its supply chains. In 2021, 35 traders were assessed.

Protecting fishery resources

Targets for end-2025:

Carrefour was even more ambitious in the area of the sustainable fishing in 2020 and announced a new target. The Group is now including national brand products for all sections within the scope of its commitment and aims to ensure that 50% of all fish sold must come from sustainable sources by 2025.

Key Performance Indicators	2021	2020	Change	Target
Percentage of sales of fishery and aquaculture products, Carrefour-brand products, and national brands produced using sustainable practices(1)	34.7%	New	-	50% by 2025
Percentage of sales of Carrefour-brand fishery and aquaculture products produced using sustainable practices(2)	52.9%	47.9%	+5 pts	

(1) Scope: 100% of 2021 consolidated gross sales. Sustainable fish sales comprise fish certified as organic, MSC, ASC or from Carrefour Quality Lines, as well as fish sold under other responsible programmes. This ratio includes:
- all controlled products sourced from fishing or aquaculture;
- all national brand products across all product categories sourced from fishing or aquaculture (scope extended in 2021).

(2) Scope: Non-comparable BUs. RO excluded in 2020. 100% of 2021 consolidated gross sales.

Developing more sustainable textile supply channels

In 2021, the Group committed to ensuring that 100% of its natural raw materials for textiles (cotton, wood fibre, cashmere and wool) is sourced from suppliers that comply with its TEX sustainability policy by 2025.

Key Performance Indicators	2021	2020	Target
Percentage of natural raw materials for textiles that comply with our TEX sustainability policy	41.6%	New	100% in 2025
Percentage of TEX products made with organic cotton	18%	New	50% in 2025
Percentage of wood-derived fibres in our TEX products that are deforestation-free	40%	New	100% in 2023
Percentage of the wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems	New	New	100% in 2025
Percentage of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification	100%	-	100% in 2021

Action plans

Carrefour has established social and environmental compliance guidelines for its retail and non-retail purchases (see Section 2.1.5). These rules apply to all controlled products purchased in all the Group's countries, and may also apply to national brand products as appropriate. The Group has created a list of sensitive raw materials that must be covered by action plans by 2025. In 2021, a number of raw materials were included in the CSR index and were the focus of specific action plans, i.e., palm oil, fish and seafood, Brazilian beef, soy, cocoa, cotton, wool, cashmere and viscose.

Specific raw materials purchasing rules are drawn up in concertation with the stakeholders (i.e., experts, NGOs, customers, suppliers, public authorities, etc.). Comprehensive objectives and action plans are devised, deployed and monitored by a dedicated project management team. The purchasing rules for the food transition – including purchasing objectives and criteria for at-risk raw materials – were updated in 2021 and circulated to all countries. Training courses were organised for the Merchandise and Quality departments and the actions put in place are brought to the attention of consumers.

1. Tackling deforestation

To step up the Group's commitment to forests and help drive systemic changes with all market stakeholders, Alexandre Bompard now co-leads the Consumer Goods Forum's Forest Positive Coalition of Action, bringing together 20 companies who are eliminating deforestation in their supply chains through concrete measures such as jointly assessing traders' policies and the degree to which they are implemented. The coalition uses these assessments to get traders to apply measures to combat deforestation across their own supply lines. For individual traders, these assessments can serve as a basis for dialogue and specific trade measures. This process has already been adopted for soy and palm oil. Carrefour is currently working on implementing a similar approach for beef.

MONITORING DEPLOYMENT

Material	Key issue	Solution deployed/identified
Palm oil	Impact on biodiversity and land use. Social development. Working conditions.	Group-level purchasing policy and rules devised for products containing palm oil: the sourcing of palm oil complies with RSPO certification requirements. Collective involvement of traders in the CGF and factoring outcomes into purchasing decisions.
Brazilian beef	Impact on biodiversity and land use. Contribution to global warming.	Geo-referencing platform that maps the location of beef suppliers, including tier 1 suppliers (slaughterhouses) and tier 2 supplier farms. Pilot project to monitor indirect suppliers. Collective involvement of traders in the CGF and factoring outcomes into purchasing decisions. Investment in landscape approach projects to ensure full traceability from calf production to stores. Initiatives to educate and encourage Brazilian retailers to implement the unified *boi na linha* protocol *(https://www.boinalinha.org/)* to monitor the beef supply chain across Brazil.
Wood and paper	Impact on biodiversity and land use.	Group-level purchasing policy and rules provide for the use of FSC and PEFC or recycled wood and paper, or the performance of specific audits based on level of risk. This policy applies to ten priority(1) product categories that account for more than 80% of wood and paper supplies and for any development or replacement of packaging. Paper for commercial publications is FSC- or PEFC-certified, or recycled.
Cotton	Impact on biodiversity and land use. Local pollution linked to pesticides. Water consumption. Social development. Working conditions.	Prohibiting sourcing from Uzbekistan and Turkmenistan. Developing 100% traced organic cotton lines in India (see case study in Section 2.1.5.3 Tracing production channels and communicating transparently). Developing blockchain technology for baby products and household linens to provide consumers with full farm-to-store traceability via QR code.
Soy	Impact on biodiversity and land use. Local pollution.	Certification (ProTerra) and development of local livestock feed chains that guarantee zero deforestation in all countries. Participation in local initiatives such as *Moratoire amazonien sur le soja* and Cerrado Manifesto. Signing of a Soy Manifesto by French industry players, insertion of a non-conversion/non-deforestation clauses into agreements with key suppliers. Collective involvement of traders in the CGF and factoring outcomes into purchasing decisions.
Cocoa	Impact on biodiversity and land use. Sensitivity to global warming. Social development. Working conditions.	*Transparence Cacao* programme for Carrefour chocolate bars (Carrefour Sélection & Carrefour Bio products) in France. Definition of a Cocoa Commitment Charter that applies to all suppliers of Carrefour-brand chocolate bars, with a focus on combating deforestation, ensuring no child labour is used and securing better compensation. In 2019, Carrefour joined the Retailer Cocoa Collaboration to participate in a dialogue between retailers and cocoa suppliers, allowing for the collective involvement of traders and for outcomes to be factored into purchasing decisions. In 2021, Carrefour joined the French Sustainable Cocoa Initiative, which brings together public authorities, NGOs, the *Syndicat du chocolat* (French chocolate trade union), traders and scientists to develop a sustainable cocoa supply chain.
Bananas	Impact on biodiversity and land use. Sensitivity to global warming. Social development. Working conditions.	Development of agroecological and organic fair trade solutions. Investment in a field project in Peru for Carrefour-brand organic fair trade bananas with Max Havelaar.

(1) The ten priority controlled product families identified for G4 by the French teams are: toilet paper; paper towels; printing paper; nappies; handkerchiefs; exercise books and notebooks; paper sheets; paper napkins and tablecloths; charcoal; incontinence and feminine sanitary towels; wooden furniture.

2. Protecting fishery resources

Carrefour began its responsible fishing range in 2005. In 2018, it committed to fielding the widest range of sustainably sourced fish on the market by 2022. To achieve this target, the Group committed to sustainably sourcing 50% of its fish by 2025 (Carrefour brands and national brands for fresh products).

With this in mind, Carrefour works closely with producers and other players in the sector on the following points:

- favouring the more abundant species, products certified by MSC as being from sustainable sources, and fishing techniques having the least impact on ecosystems. Carrefour has also stopped selling vulnerable species;
- supporting the development of responsible aquaculture practices through the promotion of best practices (limiting industrial fishing, banning the use of antibiotics and, if applicable, practising GMO-free feeding) and greater emphasis on ASC-certified products;
- supporting local sustainable fishing through local partnerships;
- highlighting a broad range of sustainably sourced seafood products in-store;
- promoting the combat against illegal fishing.

MONITORING DEPLOYMENT

Material	Key issue	Solution deployed/identified
Fish and seafood	Impact on biodiversity. Working conditions.	Group-wide shared purchasing policy and rules are in place for fishery and aquaculture products: a range of solutions are used, including BIO, MSC, ASC, Carrefour Quality Lines and other responsible approaches (e.g., small-scale fishing, fishing techniques that respect the marine environment, and alternatives to using fishmeal in aquaculture fish feed).

3. Developing more sustainable textile supply channels

In 2019, Carrefour became a signatory of the Fashion Pact, a global coalition of 56 companies representing approximately 250 brands in the fashion and textile industry. The Fashion Pact's goals are focused on three areas:

- stopping global warming (reducing CO_2 emissions);
- restoring ecosystems and protecting key species (by promoting sustainable supply chains: organic cotton, sustainable cellulose fibre, animal fibres that respect animal welfare, and land conservation);
- protecting the oceans (phasing out single-use plastics, reducing microplastic pollution).

Carrefour plans to achieve these objectives through two major initiatives:

- responsible production of agricultural raw materials;
- and plans for monitoring, assessing and improving the environmental performance of its suppliers.

MONITORING DEPLOYMENT

Material	Key issue	Solution deployed/identified
Textiles: wool, cashmere	Animal welfare. Impact on biodiversity and land use.	Traceable supply lines, ensuring improved farming conditions and soil recovery.
Textiles: recycled polyester	Local pollution.	Recycled material incorporated into the product manufacturing process.
Textiles: viscose	Impact on biodiversity and land use.	Wood fibres used in FSC-certified products.

Joint initiatives and partnerships

- Consumer Goods Forum
- Round Table for Sustainable Palm Oil
- Marine Stewardship Council
- Retailer Cocoa Collaboration
- WWF France

+ Find out more

- *Carrefour.com:* Protecting biodiversity/CSR (see the Biodiversity section)
- *Carrefour.com:* Ensuring animal welfare/CSR (see the Business ethics and supply chains section)
- *Carrefour.com:* Taking action to combat deforestation/CSR (see the Biodiversity section)

2.1.2.4 Developing ecodesign and a circular economy for plastic packaging

Context and definition

More than 350 million tonnes of plastic are produced each year worldwide, with 40% for packaging. And the figure is constantly on the rise. Plastics are harmful to the environment and to biodiversity. Ineffective collection and recycling infrastructure in many countries can lead to plastic waste "leaks" into the environment, where it remains unprocessed. From there it can be carried away by winds and currents, and end up contaminating marine environments. It is estimated that around 250 kg of plastics[1] enter the world's oceans every second. This plastic waste will have various impacts on biodiversity: ingestion, pollution from its components (pesticides, lead, heavy metals, etc.), transport of invasive species that cling to it, etc.

The use of plastics is closely linked to the boom in large-scale retail: they solve transport, preservation and food safety issues. Consequently, the retail sector has a key role to play in changing practices and meeting the expectations of its consumers, who are increasingly well-informed about environmental issues. With this in mind, Carrefour wishes to spearhead the sector's transition towards a more reasonable, measured and conscious consumption of the packaging in its stores and used for its products. It aims to do so by working alongside its rivals to promote the ecodesign innovations of product and packaging suppliers, raising consumer awareness on the matter, and partnering with NGOs in the field.

In 2018, nearly 800 suppliers[2] of Carrefour-brand products were assessed for the first time. This gave a rough idea of how much packaging is used for these products: 123,000 tonnes of Carrefour-brand packaging were placed on the market in France, Spain, Italy and Belgium, including 57,000 tonnes of plastic resins, 30,000 tonnes of glass, 18,000 tonnes of cardboard, 7,300 tonnes of metal and 4,500 tonnes of paper. Carrefour has decided to act at all levels of its value chain to limit the use of plastic and encourage people to reduce, reuse and recycle packages. It calls upon its ecosystem of suppliers, customers and NGOs to help it achieve these goals.

Consumers are getting behind the efforts undertaken: according to a comparative study by Alkemics OpinionWay, although the health crisis has resulted in a slight decline in the relative importance accorded to this issue, it still remains highly relevant and topical. Despite the impact of the health crisis, customers continue to express a preference for recyclable or even reusable packaging across many categories of food products.

Policy and performance

In 2019, the Carrefour group was a founding signatory of France's National Pact on Plastic Packaging. Then, in March 2020, it joined the European Plastics Pact, which brings together governments and companies that are pioneers in reusing and recycling single-use plastic products and packaging. With this in mind, in July 2021, the Group reaffirmed the targets set in 2017 for the year 2025: to reduce packaging by 20,000 tonnes (replacing the initial objective of 10,000 tonnes for the same time period), to incorporate recycled plastic into 30% of packaging, and to ensure that all Carrefour-brand packaging is reusable, recyclable or compostable. Carrefour's policy therefore seeks to reduce the quantity of packaging it places on the market as well to improve the use and ultimate disposal of the packaging that remains necessary, by guaranteeing, for example, its re-use or recycling.

Key Performance Indicators	2021	2020	Change	Target
Cumulative reduction of packaging since 2017 *(in tonnes)*	11,068	6,212	+78%	20,000 tonnes in 2025
Percentage of Carrefour-brand packaging that is reusable, recyclable or compostable[1]	46%	44%		100% in 2025
Percentage of Carrefour-brand packaging that uses recycled plastic	*Reporting methodology currently under development*			30% in 2025
Number of reusable packaging solutions (e.g., Loop project)	43	25	+72%	1,000 in 2025
Number of stores equipped with a reusable packaging system	*Reporting methodology currently under development*			500 in 2025
Number of "Bulk" experiences	*Reporting methodology currently under development*			50 in 2025

(1) Scope: France only. 54% of 2021 consolidated gross sales. Comparable BUs.

Comments on 2021 performance. Carrefour is ahead of schedule regarding its targets for reducing the amount of packaging that it puts on the market, with significantly more progress made in all Group countries in 2021. Carrefour is also publishing, for the first time, the percentage of its packaging that is reusable, recyclable or compostable in France. The reporting methodology will be implemented in other Group countries.

Carrefour has achieved its target of 80% of recyclable packaging for its own-brand organic products. Carrefour Bio fruit and vegetables are the target of a specific goal, which is to remove the plastic packaging (whether entirely plastic or partially plastic) from 90% of product references in France by the end of 2021.

(1) Surfrider Foundation.

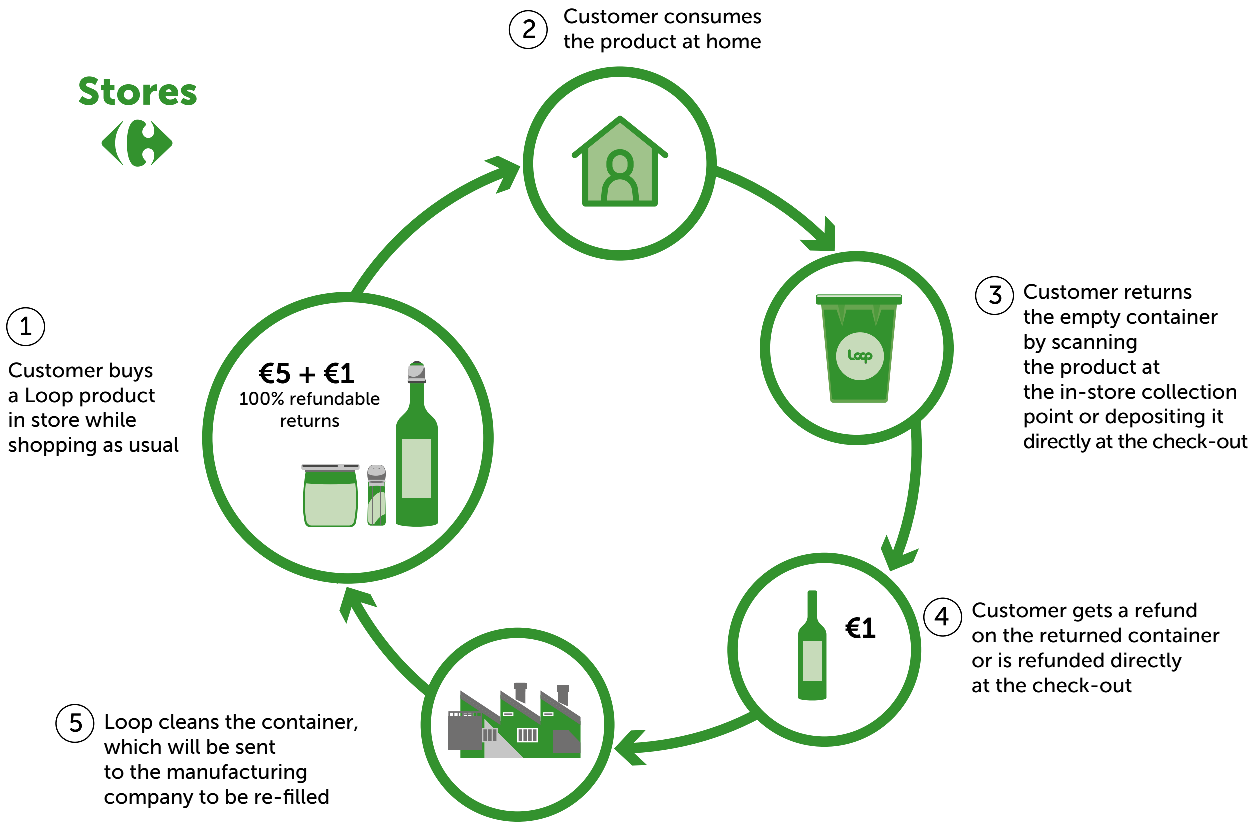
(2) "*Les Français et la réduction des emballages*", March and November 2020, Alkemics OpinionWay.

Action plans

Carrefour's commitments in each country form the basis for action plans with the following focuses:

1. Transform the customer experience by developing reusable packaging solutions

Reusable packaging solutions in all formats appear in stores: Carrefour was the first retailer to introduce a "bring your own container" campaign in all European countries, where customers would be able to use their own containers for products bought at traditional foodstuff sections: fish & seafood, meats, delicatessen, etc. In France, all bio-plastic bags have been removed from store shelves and replaced by brown paper bags and reusable organic cotton bags. Carrefour is also developing e-commerce solutions to promote reusable packaging solutions. A short, circular-economy loop has been set up for all home delivery bags used by *Carrefour.fr*: over 600,000 bags per year are recovered and reused. With TerraCycle, Carrefour launched Loop by Carrefour in 2019, making the Group one of the first French retailers to introduce a returnable packaging solution in partnership with Loop. Loop is a system of returnable long-life containers that helps cut down on single-use packaging. It included around 43 product references at end-2021. This initiative was also introduced into stores in October 2020 and consumers are now able to return containers for certain products in seven Paris convenience stores. In 2021, this initiative was extended to the Montesson hypermarket near Paris and to 10 new convenience stores, thus raising to 20 the number of stores using the Loop returnable service.



2. Reducing and eliminating plastic packaging in stores by adopting a customer perspective

Carrefour has established a number of priorities based on in-store surveys conducted in France and Spain to identify customers' main concerns. Bio-plastic bags were replaced with brown paper bags for all organic fruit and vegetables in various French hypermarkets and the Group continues its drive to replace packaging with recyclable alternatives. These changes helped achieve annual reductions of 32 tonnes for organic bananas (substituting ribbons and labels), as well as reducing plastic by 171 tonnes by using less virgin plastic in bottles of dishwashing liquid.

Priority is given to non-packaged items in all Carrefour organic produce formats and sections. There are already 149 product references available in non-packaged form in France. Plastic-free packaging is being tested in the Group's in-store bakeries. Carrefour is also working to reduce over-packaging of products on special offer and individually-wrapped portions. Electronic item packaging was reduced (light bulb packaging has been reduced by over 350 tonnes since 2019) and 45 less tonnes of plastic were used to package stationery items in 2020.

3. Ensuring the recyclability of packaging and making it easier for consumers to collect and sort

Ecodesign initiatives are being rolled out in all countries to make packaging more recyclable. In Brazil, a packaging recyclability index has been introduced. All Carrefour own-brand suppliers underwent a recyclability diagnostic in 2019, resulting in the replacement of non-recyclable packaging for more than 5.4 million products. To promote this initiative among consumers, a specific logo identifies all recycled, recyclable, reusable and compostable products. Since January 2019, Carrefour in France has been backing the launch of (RE)SET, a packaging innovation accelerator working on new complex formats for biscuits, salads, etc.

Carrefour works with customers to improve collection and sorting. Due to the positive results achieved, two additional RVMs (Reverse Vending Machines) have been installed in the Chartres and Rambouillet stores.

The Group is also getting its suppliers involved in the Food Transition Pact network, which provides a platform for sharing best practices and new opportunities for working together. Participating suppliers sign up to an action plan that includes eliminating unnecessary packaging, reducing packaging volumes and providing clear information about recycling. In 2021, 114 suppliers were members of the pact, including 38 international suppliers representing 30% of the Group's FMCG turnover.

Finally, as part of the National Pact on Plastic Packaging, the Group is working with other companies to collectively think about how to use less plastic and innovate to develop a circular economy. A consensus emerged within Pact members that plastic should never become waste. To meet this goal, companies have made the following commitments:

- eliminate all problematic or redundant packaging;
- develop non-packaging and reusability solutions;
- ecodesign and recyclability;
- accelerate recycling;
- include recycled plastic;
- develop innovative solutions.

To meet the requirements of the National Pact on Plastic Packaging, the Group has increased the number of initiatives that limit the use of plastic. For example, in July 2020 Carrefour Bio started selling a range of unsweetened nectars packaged in bottles made entirely of recycled plastic.

4. Include more recycled materials in Carrefour-brand product packaging

50% of plastic used for Carrefour-brand water bottles will be recycled by 2022 in France.

5. Eliminating polystyrene from our packaging in France

In 2021, Carrefour and other members of the National Pact on Plastic Packaging made several commitments regarding polystyrene, which the National Pact on Plastic Packaging categorises as a raw material under review. In particular, the decision was made to maintain the ban on polystyrene foam, suspend all development of industrial polystyrene packaging production capacity, assess the implementation of a credible recycling trajectory that is in line with 2025 targets and gradually stop using polystyrene packaging until it is phased out in 2025.

Joint initiatives and partnerships

- Global Declaration on Plastics & New Plastics Economy: signed in December 2018
- National pact on plastic packaging for 2025: founding signatory in 2019
- (RE)SET: innovation accelerator on replacements for problematic packaging standards (non-recyclable plastics, nomad packaging, etc.)
- Loop: launch of the Loop by Carrefour project in cooperation with Carrefour own-brand and national brand suppliers

Find out more

- *Carrefour.com:* Protecting biodiversity/CSR (see the Biodiversity section)
- New plastics economy: *https://www.ellenmacarthurfoundation.org/our-work/ activities/new-plastics-economy*
- National pact on plastic packaging (in French only): *https://www.ecologique-solidaire.gouv.fr/sites/default/files/ 2019.02.21_Pacte_National_emballages_plastiques.pdf*

2.1.2.5 Limiting the environmental impact of our plants

Context and definition

Carrefour's sites (stores and warehouses) impact biodiversity in various ways throughout their life cycle, including: GHG emissions, water consumption, waste generation, food waste, pollution generated by transport to and from the sites, soil artificialisation, and more. Limiting these impacts involves anticipating them and trying to minimise them from initial design through to everyday operation.

With 1,130 hypermarkets, 3,754 supermarkets, 8,642 convenience stores, 440 cash & carries and 139 warehouses (including 15 dedicated to serving the online business) and logistics hubs worldwide, Carrefour is committed to limiting the impact of its buildings on their ecosystem even more than existing regulations require.

Consequently, each site can play its part by working with regional stakeholders to take biodiversity-positive actions that are appropriate for its geographic location. This includes ecodesigning its buildings and renovating them to be more sustainable, taking action to reduce waste (including food waste), managing water consumption and implementing measures to reduce the pollution associated with buildings.

Policy and performance

Carrefour targets minimum waste production and recovery of 100% of store waste by 2025. It also aims to reduce food waste in 2025 by 50% compared to 2016.

Key Performance Indicators	2021	2020	Change	Target
Proportion of hypermarket and supermarket waste recovered[1]	68.2%	66.2%	+2 pts	100% in 2025
Percentage of food waste recovered (by weight)[1]	53.2%	57.4%	-4.2 pts	
Reduction in food waste since 2016 *(in kg/sq.m.)*	-30.7%	-28.7%	-2 pts	-50% by 2025

(1) Scope: Excl. ES (SM, PRX, C&C), IT (C&C), BE (HM, SM), & TW (HM, SM). Non-comparable BUs (90.2% of 2021 consolidated gross sales). Including warehouse data for Atacadão.

Indicator	2021	2020	Change	Target
Total waste *(in thousands of tonnes)*[1]	672	729	-7.8%	-

(1) Scope: Excl. IT. Non-comparable BUs (93.6% of 2021 consolidated gross sales vs. 96.1% in 2020).

Carrefour's policy is focused on promoting responsible water use, seeking to reduce water consumption and impacts upstream, as well as in its operations and downstream. It focuses on the direct impacts of its business operations as well as the indirect impacts linked to products sold in stores. In particular, Carrefour is working to reduce water consumption per sq.m. of sales area.

Indicators	2021	2020	Change
Water consumption per sq.m. of sales area *(in cu.m./sq.m.)*	1.39	1.38	0.1%
Amount of water consumed *(in millions of cu.m.)*[1]	13.9	12.9	7.8%

(1) Scope: Non-comparable BUs (100% of 2021 consolidated gross sales *vs.* 99% of 2020 consolidated gross sales – RO SM).

In France, Spain and Italy, all new shopping centre constructions and expansions larger than 1,000 sq.m. are BREEAM (Building Research Establishment Environmental Assessment Method) certified. BREEAM In-use certification has been rolled out across 75% of sites, meaning that Carrefour's objective was achieved a year ahead of schedule. BREEAM In-Use certification is renewed annually by audit.

Indicators	2021	2020	2019	Change	Target
Projects certified to BREEAM New Construction standards *(in %)*[1]	100%	100%	100%	-	100%
Sites certified to BREEAM In-Use standards *(in % by value)*[1]	90.6%	86%	60%	4.6 pts	75% by end of 2021
• o/w Very Good *(in % by value)*	57%	75%	87%	-18 pts	
• o/w Good *(in % by value)*	30%	25%	13%	5 pts	

(1) Scope: sites managed by Carmila in France, Italy and Spain.

Action plans

1. Manage waste and prevent food waste

In collaboration with its suppliers, Carrefour works to cut down the production of waste packaging and point-of-sale advertising materials at each store. This involves encouraging waste sorting and recovery through innovative solutions such as joint collection rounds and biomethane and compost production from organic waste.

Carrefour's global strategy includes participating in the development of sorting and recovery processes in countries where these are covered by official regulations. This involves joint work on the recovery of cardboard, plastic, organic waste and wood, the aim being to transform the constraint of waste management into financial opportunity. In countries without regulations on the matter, Carrefour takes part in developing these kinds of structures.

At the global level, nearly a third of gross agricultural production is wasted or lost before consumption[1]. According to ADEME (French Environment & Energy Management Agency), the French retail sector accounts for 14% of losses and waste by weight[2]. Aside from the related ethical and economic issues, this wasted food, which is produced, processed, packaged and transported before ultimately being thrown away, affects the environment in several ways. These include the five main drivers of biodiversity loss, since producing these products contributed to:

- the use of agricultural land resulting in land artificialisation, habitat degradation and fragmentation, soil degradation and loss of soil function and biodiversity (1.4 billion hectares of land, or 30% of the world's agricultural land[3]);
- overexploitation of biological resources (e.g., 250 cu.km. of water, i.e., three times the volume of Lake Geneva);
- environmental pollution, such as from nitrogen and phosphorus used in agriculture or air pollutants emitted at various stages;
- the spread of invasive alien species, especially for products transported over long distances.

Moreover, due to its position at the end of the food value chain and as a retailer, Carrefour has a significant role to play in combating food waste (See also Section 2.3.1.4 Combating food waste). When a food product is wasted, all of the earlier stages (agricultural production, storage, processing, packaging and transport) and their corresponding environmental impacts can be considered wasted as well. In addition to reducing food waste on its own sites, Carrefour can help reduce food waste at other stages of the value chain, especially with its suppliers. For example, it can suggest solutions for products that do not meet specifications for reasons unrelated to taste quality (size, differences between batches, colour, etc.)

Country-specific initiatives

- France: Carrefour France has set up a virtuous-circle system involving new biomethane delivery vehicles and service stations to locally convert stores' organic waste into fuel.

2. Saving water

Carrefour conducted an analysis of water consumption issues, including direct and indirect depletion, direct and indirect discharge of organic materials, pesticides, industrial discharge, soil sealing, changes in land use, deforestation. In 2021, Carrefour updated an analysis of the physical water-related risks for all of its sites. An analysis of the water impact of the Group's supplies has also been also been carried out to assess the risks associated with the products sold by the Group. This enabled the Group to set priorities and draw up action plans designed to limit the water footprint and impacts of its products and business operations.

The Clean Water project is a good example of an action plan deployed in sourcing operations. This worldwide programme aims to identify the main global and regional environmental risks for the textile industries, and to raise awareness, train and monitor suppliers in the management and efficiency of processes that consume water and chemical products.

Carrefour Quality Lines products are produced using enlightened sustainable farming practices that comply with agroecology principles. Reducing water consumption is therefore both a production criterion and a quality driver.

Stores are gradually phasing in solutions to reduce their water consumption, including precise monitoring (with dedicated meters), and new solutions. Given the nature of their business, stores do not produce heavily polluted wastewater. Nevertheless, wastewater treatment and recycling systems have been introduced in some countries.

Country-specific initiatives

- Spain: due to potential water shortages, an action plan to anticipate the consequences of potential regulations has been deployed in all hypermarkets and is in the process of being extended to the supermarkets, representing 297 sites or 51% of all Spanish sites.
- Brazil: to improve management of water consumption under current conditions of growing water scarcity in the country, Carrefour Brazil conducts online monitoring of water consumption at all its stores and has started work on upgrading its water supply lines.

3. Protect biodiversity on our retail sites

With regard to the real estate business of Carrefour Property and Carmila in France, Italy and Spain, the Group has introduced a sustainable construction policy aligned with BREEAM Construction certification standards, to ensure that buildings are designed and built in a commitment to safeguarding the environment, occupant health and safety, and preserving biodiversity. Store architecture is planned from the outset to optimise energy consumption (through the use of natural materials and renewable energies) and ensure unobtrusive integration in the natural or urban environment. On each shopping mall construction and renovation project, measures are taken to encourage shoppers to use environment-friendly transport solutions: agreements with bus companies on additional stops, provision of car-share areas, electric vehicle charging stations, etc. Special provisions are made for local wildlife, with the provision of habitats for insects and birds. Ecological balance is also sought in the choice of plants. All companies working on construction sites for Carrefour stores have signed the Green Site Charter. Service stations managed by the Group are equipped with systems for preventing environmental risks and odours. In addition, a precise log of incoming and outgoing fuel volumes is kept to minimise the risk of fuel leakage.

(1) FAO, 2011, Global food losses and food waste – Extent, causes and prevention, Rome.
(2) ADEME, 2016, Food losses and waste – Inventory and management at each stage in the food chain.
(3) FAO, 2013, Food wastage footprint – Impact on natural resources – Summary report.

A Biodiversity Charter was drawn up for all operational sites in the summer of 2020. It proposes solutions for developing biodiversity at shopping centres by focusing on four aspects:

- improving knowledge of local biodiversity and managing green spaces;
- developing on-site biodiversity;
- managing green spaces with an ecological mindset and limiting the impact of business operations on biodiversity;
- raising awareness, communicating and showcasing initiatives.

Joint initiatives and partnerships[1]

- Opening of a biomethane station in Cestas (33), with *Planète Végétal*
- Too Good To Go pact: bringing together industry, retail, NGOs, trade organisations and digital operators in the fight against food waste

Find out more

- *Carrefour.com:* Protecting biodiversity/CSR (see the Biodiversity section)

2.1.2.6 Case studies in 2021

Creation of two new French organic lines

For more than 30 years, Carrefour has been supporting French producers, helping them to develop their organic farming activities and ensuring their long-term existence. The banner signs renewable multi-party contracts with them that commit to a specific volume of raw materials and finished products for at least three years. At the Tech&Bio International Trade Fair in Bourg-lès-Valence in September 2021, the Group signed two new partnerships that reaffirm its support for France's organic sector. The first covers the organic milling wheat/flour/precooked bread product line with Bionatis, Moulin Marion and Envisol for four products: organic loaf, organic seed baguette, organic baguette and quinoa baguette with a target of 960 tonnes in 2022. The second is for the Provence Broccoli product line with the EARL les Demoiselles for a volume of 100 tonnes. At the same time, Carrefour renewed its commitments to the beef product line with UNEBIO (the union of organic livestock farmers) with a target volume of 9,500 steers in 2024. It is also continuing its partnership with the Permanent Assembly of Chambers of Agriculture to develop local, regional and national organic agricultural product lines and product lines that are organic or in the process of switching to organic farming methods. Thanks to these new agreements, Carrefour now supports more than 3,000 organic producers through its product lines.

Promotion of sustainable second-hand textiles and TEX Recycled

Carrefour is committed to offering its customers more responsible and sustainable fashion, and ensures its TEX-brand products are environmentally friendly throughout their life cycle. The Group guarantees the brand's transparency, while also making sure that the materials it uses are sustainable and the environmental impact of its supply chain and packaging is reduced. Its goal is for 100% of the natural raw materials in its textile products be sustainable and traceable by 2030. The TEX brand prioritises the use of recycled materials in manufacturing its products and is committed to using more water- and energy-efficient processes that generate less pollution, particularly for all its denim product lines. All wood-derived fibres (such as viscose) used in TEX products will be deforestation-free by 2023. To commemorate World Recycling Day on May 17, 2021, Carrefour Argentina presented its new "TEX Recycled" line made from recycled raw materials, which offers its customers an opportunity to consume more responsibly. All hypermarkets in the country offer "TEX Recycled" underwear, blouses and jackets made from recycled polyamide and polyester at very competitive prices. Meanwhile, Carrefour Spain promoted the circular economy with shop-in-shops featuring second-hand goods in its Madrid and Barcelona stores. These shop-in-shops were run with Patapam, a local second-hand clothing business. They sold more than 4,000 items of second-hand clothing for infants, children, women and men between the summer and the end of October 2021, while complying with mandatory health and safety rules.

Concerted action in favour of zero-deforestation soy

Carrefour has set the goal of reducing the negative ecosystem impacts of soy production in its supply chain. Since 1998, 100% of Carrefour Quality Lines non-GMO fed products have been guaranteed to have no link to deforestation. Accordingly, the Group has upheld the Amazon Soy Moratorium since 2006. In 2016, it created Sojalim, a sustainable soy production line based in south west France, which offers farmers locally sourced animal feed. In 2020, the Group decided to go even further by taking over joint management of the Consumer Goods Forum's Forest Positive Coalition of Action and committed to the Soy Manifesto, which pushes French stakeholders to take action against imported deforestation associated with soy. In particular, the Group asked its suppliers to reject soy grown on deforested land in Cerrado, which is the main region in Brazil being deforested for soy production, from January 1, 2020 (deadline). This commitment applies primarily to Carrefour's own-brand poultry, pork, beef or dairy products that consumed soy-based livestock feed. Since January 2021, Carrefour has required its own-brand suppliers to include non-conversion/non-deforestation clauses for soy among their suppliers' contractual conditions. The Group is also urging national brand products to make these commitments. Since end-2021, Carrefour has been able to define its footprint, map its soy supply chain and assess the actions taken by traders. Its goal for 2025 is for 100% of Quality Lines and Carrefour's own-brand products to meet this commitment, and for all soy traders to be assessed and in compliance with the Group's policy.

(1) In France.

Partnership with local Spanish fishermen

In Spain, Carrefour works with more than 60 local fish markets that supply an assortment of fresh products to its stores every day. In order to support the Spanish fishing sector, which was weakened by the Covid-19 crisis, in 2020 the Group signed a first agreement with the fishing guild of Santoña, Cantabria, to market their mackerel. The purpose of this kind of partnership is to eliminate the uncertainty associated with bidding and guarantee a minimum income for fishermen. This purchasing guarantee also makes it possible to offer our customers price stability. This was the first of 12 agreements signed throughout 2021 in various regions of the Spanish coast. For example, in May 2021, the Group reached an agreement with the Barbateña Association to market 40 tonnes of sustainably caught anchovies from the Gulf of Cádiz at a price of 3.90 euros/kg in its stores in Andalusia, Valencia and Madrid. Other agreements were signed, notably with the Roquetas de Mar auction house to market 70 tonnes of fresh swordfish, the Puerto Celeiro auction house for 40 tonnes of hake, and the Ebro delta fisheries and producers' organisation for 7,000 units of oysters and 10 tonnes of mussels.

Complete waste recovery at Noisy-le-Grand hypermarket in France

The Carrefour group's objective is to recover 100% of waste by 2025. In France, the waste separation rate for hypermarkets stood at 75% at the end of December 2021. The first Waste Committee was set up in January 2021, bringing together several directorates to ensure coordinated waste management and monitoring. This committee involves the CSR, Non-Market Purchasing, Technical, Hypermarket and Supermarket Format, and Management Control departments. Several stores have taken the lead in this area, such as the Noisy-le-Grand hypermarket, where the recovery rate rose from 69% to 82% between September 2020 and December 2021. This success is attributable to both the quality of waste sorting systems and the deployment of local recovery networks. The store set up a dedicated sorting space where each waste type is clearly identified by a sign to make it easier to do the right thing. Consequently, recoverable waste is systematically separated from residual waste, increasing the waste separation rate. The quality and volume of waste is also checked daily, with reminders given to teams at each morning meeting. The hypermarket launched recovery initiatives with a number of partners. Polystyrene, rigid plastics, brochures and hangers are collected and recycled by Veolia. Fruit and vegetables that cannot be donated or sold are picked up by a local farm as feed for its chickens and other livestock. It used to take just one week to fill the residual waste compactor, but now it takes a month thanks to these initiatives.

Launch of Natural Capital Lab and the Eco-score

As part of the International Union for Conservation of Nature (IUCN) World Congress in September 2021, Carrefour participated in the launch of the "Natural Capital Lab", an initiative launched by WWF France and the Ecological Accounting Chair to experiment and study sustainable and responsible accounting solutions. The Lab helps pioneering companies implement tools and approaches grounded in strict conservation targets. For example, it is helping develop the CARE *(Comprehensive Accounting in Respect of Ecology)* multi-capital accounting method, which integrates natural and human capital into financial accounting for companies, encouraging them to rethink their strategic objectives and business models. Carrefour is testing the use of CARE to evaluate how it manages social and natural capital in one of its French stores. The Group is also analysing the implementation of a farm sustainability indicator (*Indicateur de Durabilité des Exploitations Agricoles* – IDEA), which adapts the CARE method for agricultural production, in one of the farms that supplies the Group's vegetables. As a result of this project, the Carrefour Foundation is funding a thesis to study the use of this multi-capital accounting method among suppliers in France. With these pilot projects, the Group is trying to help develop new market practices that report on the impact of economic activities with respect to planetary boundaries and societal expectations. Finally, Carrefour is testing environmental labelling by putting an Eco-score on all food products sold under national and private labels. This environmental rating, which has been available on *Carrefour.fr* since June 2021, helps customers select the products they consume each day. This awareness-raising initiative, the first of its kind in the retail industry, prioritises products with smaller environmental footprints, such as products of French origin, non-packaged items or recyclable packaging, certified products, or sustainably fished or deforestation-free products.

Launch of the first batch of 100% deforestation-free meat

Thanks to its partnership with IDH (Sustainable Trade Initiative) and support from the Carrefour Foundation, in the third quarter of 2021, Carrefour Brazil began selling meat from farms in the Amazon biome that follow agricultural best practices. This affordably priced beef has no impact on deforestation and is traced from the time the calf is born until the meat reaches supermarket shelves. Consumers can find out everything there is to know about the product by scanning a QR code stamped on its label. This is the culmination of a sustainable calf production programme set up in 2018 by Carrefour Brazil with 450 small producers in Mato Grosso. To protect the Amazon biome, the Group provides them with technical, financial and environmental assistance while also developing a sustainable and profitable livestock production chain. The programme also helps tackle climate change by restoring low-productivity grazing areas, limiting deforestation and encouraging low-carbon agriculture. Part of the project is located in the Juruena Valley, which accounts for 35% of Mato Grosso's calf production and supplies much of the beef line. Carrefour Brazil and IDH are already laying the groundwork for the next step, which will be to launch a national protocol that combines procedures and processes guaranteeing social and environmental origins.

2.1.3 CLIMATE

2.1.3.1 Overview of objectives

Context In 2015, the COP21 Paris climate agreement set goals for limiting global warming, advocating reorientation of the world economy toward a low-carbon model and the phase-out of fossil fuels.

A 2019 assessment of the Group's greenhouse gas (GHG) emissions highlighted the following: 98% fall into Scope 3 indirect emissions. In Scope 2, the emissions are related to the stores' energy and refrigerant consumption. As for Scope 3, 72% of the Group's emissions are from products and packaging sold in stores, 12% from the use of fuel sold, 5% from the upstream transport of products and packaging sold and, lastly, 5% from the use of non-food products sold.

At its Shareholders' Meeting of May 29, 2020, Carrefour announced a series of climate-protection goals, approved by the Science Based Targets initiative (SBTi), a partnership between the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the WWF®. Carrefour has been certified, along with more than 800 other companies, in light of its commitment to keeping the global temperature increase to below 2°C by 2100 compared to pre-industrial temperatures. Carrefour has thus revised its ambitions upward and, for the first time, has included emissions indirectly related to its activities, mainly from products sold.

In 2021 Carrefour again raised its targets for emissions directly related to its activities (Scopes 1 and 2) and announced its goal of making its stores carbon neutral by 2040, with a reduction aligned with a 1.5°C trajectory of -30% by 2025, -50% by 2030 and -70% by 2040 (compared to 2019). Carrefour has also announced that its e-commerce activities will be carbon neutral by 2030.

Risks and opportunities

Carrefour is committed to fighting climate change by reducing the Group's GHG emissions and minimising the climate risks to which its business is exposed. The risks analysed for Carrefour in relation to climate change can be broken down into the following four categories:

- in-store physical risk: in the countries where it operates, the Group may be exposed to natural disasters and uncertain weather conditions, which have direct or indirect impacts on its activities, assets, customers and employees (for example, changes in temperature);
- regulatory risk: the Group is subject to significant regulatory pressure, particularly with regard to the application of the F-Gas regulation concerning refrigeration systems used in stores;
- market risk: the Group is subject to a risk related to new consumer behaviour which is linked in varying degrees to climate change and which deeply impacts the spending patterns of the Group's customers: automobile use, local produce consumption, energy-efficient products, the reduction of animal protein consumption;
- securing raw material supplies: the Group has identified sensitive materials that contribute to climate change or that are highly sensitive to climate change. Carrefour may thus be exposed to a risk of supply shortages for raw materials, or increases in raw materials prices. This may weaken Group suppliers, but also jeopardise the partnership relationship established with them.

Carrefour's climate change-related risks are factored into the Group's risk management procedures (see Chapter 4.1). The risks analysed concern both Carrefour's contribution to climate change and the more or less direct impacts of climate change on Carrefour's business.

In addition, Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). Three climate-related issues have been identified as major by the stakeholders within the framework of the Group's food transition strategy, and they are among the ten priority issues:

- combating food waste (third-ranked);
- product range favouring goods from the country and regions in which we operate (fourth-ranked);
- reducing transport- and e-commerce-related CO_2 emissions (seventh-ranked).

Lastly, customer expectations are particularly high for the following three issues: "Eco-design of products, packaging and circular economy", "Combating food waste" and "Offering a customer experience and a store/online process that facilitates 'zero waste' purchases, zero plastic for organic products and healthier products".

Our initiatives

Carrefour has several measures at its disposal to reduce its direct and indirect emissions, and these measures can be implemented in its supply chain, stores and warehouses, supply chains and relations with its stakeholders in order to transform the market:

- at the plant and transport level, Carrefour aims to provide flawless operational management, in order to optimise its activities and reduce GHG emissions associated with its direct and indirect operations;
- at the supply chain level and to transform the product offer available in stores, Carrefour defines responsible sourcing criteria for its own branded products, and selects the national brand offer to reflect the food transition throughout the store;
- in order to engage market players and reduce its indirect emissions, Carrefour works collectively through local and global initiatives to share its objectives with other companies in the sector. Carrefour also collaborates with its suppliers and service providers, in particular within the framework of the Food Transition Pact;
- lastly, Carrefour promotes low-carbon consumption among its customers through concrete initiatives in stores.

Coalitions and partnerships

- **Business Ambition to 1.5 – Our Only Future**
- **Race to zero**
- **European Climate Pact**
- **RE100 – Validation in progress**

Contribution to sustainable development goals

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Reducing our direct emissions **Scopes 1 & 2**

	FORMER TARGETS SET BY THE SBTI IN 2019	NEW TARGETS SET IN 2021	
2025	**Reduce emissions by 30%** by 2025 (vs. 2019)		
2030	**Reduce emissions by 30%** by 2030 (vs. 2019)	**Reduce emissions by 50% by 2030** (vs. 2019) Target aligned with the SBTi 1.5°C scenario	
		• **RENEWABLE ELECTRICITY**	100% of electricity consumed from renewable sources by 2030
		• **ENERGY EFFICIENCY**	Reduce energy consumed by 27.5% by 2030 (vs. 2019)
		• **REFRIGERANTS**	Reduce refrigerant-related emissions by 50% by 2030 (vs. 2019)
2040	**Reduce emissions by 55%** by 2040 (vs. 2019)	**Achieve carbon neutrality in our direct operations by 2040**	
		Reduce emissions by 70% by 2040 (vs. 2019) Target aligned with the SBTi 1.5°C scenario	
		• **REFRIGERANTS**	Reduce refrigerant-related emissions by 80% by 2040 (vs. 2019)

Reducing our indirect emissions
Scopes 3

2025	**Food waste**	**Reduce food waste by 50% by 2025** (vs. 2019)
	Waste	**Recover 100% of waste by 2025**
	Packaging	**100% reusable, recyclable or compostable packaging**
		20,000 tonnes of packaging avoided, including 15,000 tonnes of plastic packaging (cumulative since 2017)
		30% of packaging using recycled plastic
		1,000 reusable packaging solutions available in-store
		500 stores equipped with a reusable packaging system
		50 new "bulk" experiences
	Deforestation	**100% of sensitive raw materials covered by a risk reduction plan in 2025**
	Supplier commitment	**300 suppliers** involved in the Food Transition Pact
	Plant proteins	**Develop plant proteins** through a dedicated offer and the promotion of a more plant-based diet
2030	**Purchase of goods and services**	**Reduce emissions from purchased goods and services by 30%** (vs. 2019) – this target translates into savings of 20 megatonnes of CO_2, in collaboration with our suppliers
	Product use	**Reduce emissions related to the use of our products by 27.5%**
	Outbound transport	**Reduce our transport-related CO_2 emissions by 20%** (vs. 2019)

2.1.3.2 Helping stores become carbon neutral (Scopes 1 and 2)

Context and targets

In 2020, Carrefour was ahead of these targets with a 9% reduction in 2020 compared to 2019. In 2021, Carrefour has raised its targets and announced a "carbon neutral" target for its stores by 2040. Carbon neutrality and the use of renewable energies are strongly-held expectations among citizens and consumers. Aware of its pioneering role in distribution, the Carrefour group has set itself the goal of achieving carbon-neutral stores by 2040 (Scopes 1 and 2). Its action plan to achieve carbon neutrality aims to reduce CO_2 emissions from its activities as much as possible at source.

The Group aims to **reduce emissions from its stores (Scopes 1 and 2) by 30% by 2025, by 50% by 2030 (compared to 2019) and by 70% by 2040 (compared to 2019)**, a target aligned with the SBTi 1.5°C scenario.

To achieve this, Carrefour is taking the following initiatives:

- **the use of 100% renewable electricity by 2030.** To achieve this, the Group will give priority to on-site production for self-consumption or supplying the network, then the use of PPAs (Power Purchase Agreements). Electricity consumption accounted for 58% of GHG emissions in 2020;
- **a 27.5% reduction in energy consumption by 2030 (compared to 2019),** i.e., the equivalent of more than 1 million MWh per year and a reduction of 240,000 tonnes of CO_2 equivalent. This reduction implies annual savings of 100 million euros on energy purchases. Energy consumption accounted for 66% of GHG emissions in 2020;
- **reducing emissions from the use of refrigerants by 50% by 2030 and by 80% by 2040,** in particular by replacing fluorinated refrigerants with new installations using CO_2, in synergy with the EU F-Gas Regulation. The consumption of refrigerants accounted for 34% of GHG emissions in 2020.

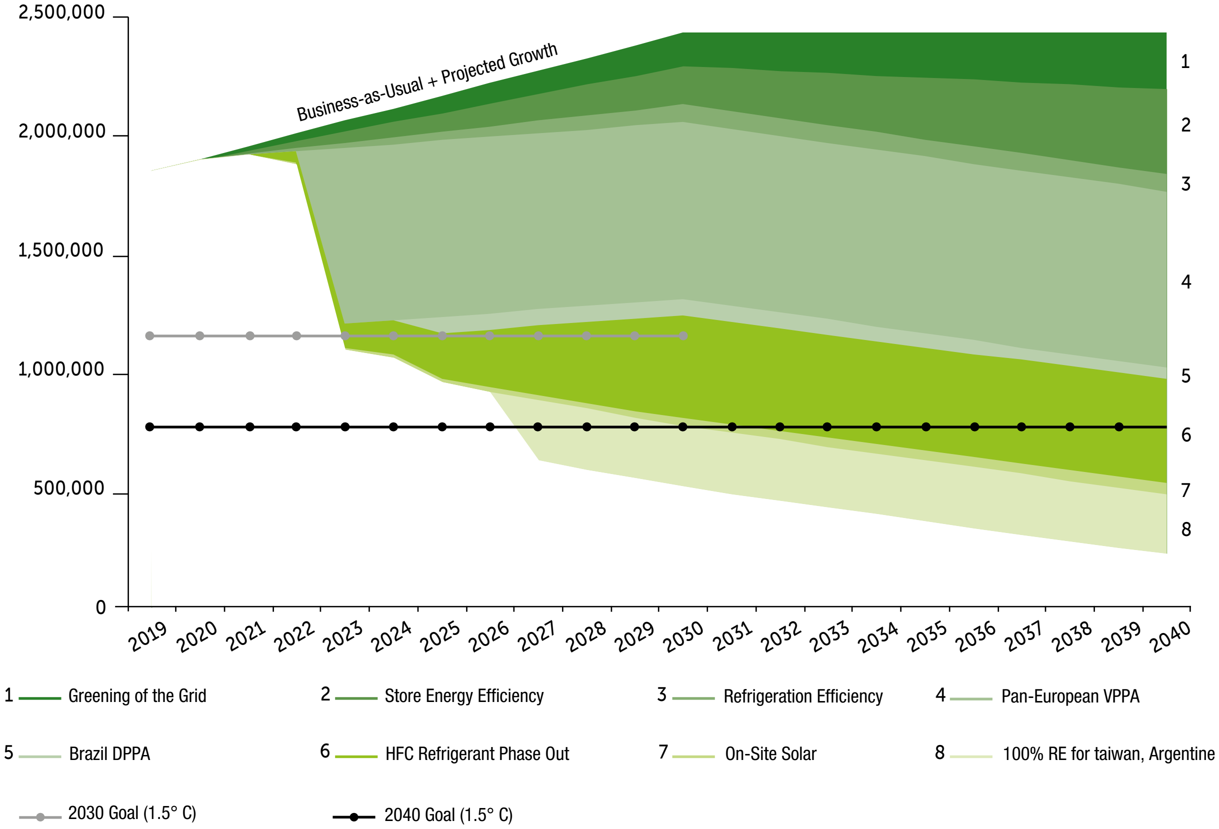
Performance

Key Performance Indicators	2021	2020	Change	Target
SCOPE 1 AND SCOPE 2				
Scope 1 and Scope 2 GHG emissions *(in T. CO_2 eq.)*	1,483,001	1,599,584	-7.3%	
% reduction in Scope 1 and Scope 2 GHG emissions (vs. 2019)	20.1%	13.9%	-6.2 pts	-30% by 2025, -50% by 2030, and -70% by 2040, (vs. 2019)
Energy(1)				
CO_2 emissions related to energy consumption *(in T CO_2 eq.)*	996,918	1,035,250	-4%	
Energy consumption per sq.m. of sales area *(kWh/sq.m.)*	467.9	479.8	-2.5%	
% reduction in energy consumption per sq.m. of sales area vs. 2019	7%	5%	-2 pts	
Refrigerants(2)				
Refrigerant-related CO_2 emissions	486,083	564,334	-14%	
% reduction in refrigerant-related GHG emissions compared with 2019	31%	20%	-11 pts	
OTHER INDICATOR				
CDP Climate rating	A	A-		

(1) Scope: Comparable BUs (100% of 2021 consolidated net sales).
(2) Scope: Comparable BUs (84.5% of 2021 consolidated net sales) – excl. BRAT.
Indicators subject to an audit providing reasonable assurance.

Action plans

In 2021, the Group defined the target scenario for achieving its goal of reducing greenhouse gas emissions from its integrated stores, in relation to the consumption of energy and refrigerants (Scopes 1 and 2). This scenario is based on a projection of the Group's emissions to 2040, using current emissions and the Group's estimated growth to 2040 *(Business as Usual + Projected Growth)*. This scenario breaks down the different actions to be implemented to achieve carbon neutrality and the reduction of GHG emissions associated with each action.



The use of renewable energy

The Group's priority is to develop on-site electricity production for self-consumption or supplying the network. In France, the Carsol project launched in 2020 is currently equipping seven hypermarkets with photovoltaic systems, covering 10% of the energy consumption (21 GWh) of these stores. In Europe, two stores are also equipped with solar panels, one in Poland and the other in Belgium. In order to achieve its goal of 100% renewable electricity by 2030, Carrefour will also use PPAs (Power Purchase Agreements).

Reducing energy consumption

In 2013, Carrefour launched a worldwide strategic plan, encouraging all Group entities to improve their energy efficiency. Teams in Group host countries were issued a list of five priority action and technology recommendations for their stores: doors for refrigeration units operating at 0°C to 8°C; electronic speed controllers; low-consumption LED lighting; submetering systems; and phase-out of high warming potential HFC refrigerants for cooling systems. In Europe, Carrefour Belgium, Carrefour France and Carrefour Italy hold ISO 50001 certification for their integrated stores (hypermarkets and supermarkets) as well as for their head offices and warehouses. This represents 35% of the sales area of the Group's integrated hypermarkets and supermarkets.

The reduction in emissions from refrigerant use

Carrefour is committed to phasing out HFC refrigeration units and phasing in systems using natural refrigerants (CO_2), which have much lower emission levels, by 2030 in Europe and 2040 in other geographies.

The roll-out of the F-gas regulation in Europe aims to gradually phase out hydrofluorocarbon (HFC) refrigerant gases, in order to replace them with lower-emitting alternatives. Each country has drawn up a roadmap for tackling this issue.

When a CO_2 plant is replaced, an additional energy gain is expected, thanks to the new, more modern plants, with an estimated 8% reduction in electricity consumption for food refrigeration. Efforts are also made to limit refrigerant leaks by stepping up equipment maintenance and keeping it as leak-free as possible in all countries of operation.

Joint initiatives and partnerships

- Race to zero
- Business ambition for 1.5°C
- RE100
- Signatory to the French Business Climate Pledge
- Consumer Goods Forum (CGF) network
- Science Based Target Initiative (SBTi)
- Climate Disclosure Standard Board (CDSB)
- Carbon Disclosure Project (CDP) – Reporter Services Membership
- Food Transition Pact

+ Find out more

- *Carrefour.com:* Fighting and preparing for climate change/CSR (see the Climate section)
- CDP Climate: see the CDP website

2.1.3.3 Promoting low-carbon consumption (Scope 3)

Context and targets

Carrefour has set the goal of achieving a 29% reduction in its indirect GHG emissions (Scope 3) by 2030, compared with 2019. The Group's ambition has been approved by the Science Based Targets initiative for its alignment on a trajectory below 2°C. In view of its main indirect emissions drivers, Carrefour has structured its Scope 3 Climate Action Plan around the following emission items that together account for 90% of Scope 3 emissions:

- **purchases of goods and services:** reducing emissions from goods and services purchased by 30% by 2030, compared with 2019 (well below the 2°C scenario). This target implies cutting 20 megatonnes of CO_2 between 2030 and 2019;
- **product use:** reducing emissions from product use (especially for fuel and consumer electronics) by 27.5% by 2030, compared with 2019 (2°C scenario);
- **outbound transport:** reducing CO_2 emissions linked to outbound transport by 20% by 2030, compared with 2019 (2°C scenario).

To achieve these objectives, Carrefour has several means of promoting low-carbon consumption, such as selecting the products and packaging on the shelves, supplier commitment to reduce emissions, defining responsible purchasing criteria, promoting the circular economy and guiding customers in their consumption choices. Carrefour has set the following objectives:

- **supplier commitment:** 300 suppliers have committed to the Food Transition Pact by 2025;
- **local and national products:** 45,000 partner producers by 2025;
- **responsible production:** 100% of products from Carrefour Quality Lines committed to an agro-ecological approach by 2025; 100% of sensitive raw materials covered by an action plan to combat deforestation by 2025 (palm oil, Brazilian beef, wood and paper, soy, cocoa);
- **packaging reduction and the circular economy:** 20,000 tonnes of packaging saved, including 15,000 tonnes of plastic packaging by 2025 (cumulative since 2017); 100% reusable, recyclable or biodegradable packaging by 2025; 30% integration of recycled plastic in packaging by 2025;
- **waste and food waste management:** 50% reduction in food waste by 2025 (compared to 2016); 100% recovery of store waste by 2025.

Performance

Indicators	2021	2020	Change	Target
Number of Food Transition Pact partner suppliers	114	26	+338%	300 in 2025
Number of partner producers[(1)]	38,580	36,277	-	45,000 in 2025
Percentage of Carrefour Quality Lines products committed to an agro-ecological approach	*Reporting methodology currently under development*		-	100% in 2025
Percentage of sensitive raw materials covered by an action plan to combat deforestation[(2)]	53.6%	New		100% in 2025
Reduction in packaging since 2017 *(in tonnes)*	11,068	6,212	+78%	20,000 in 2025
Percentage of reusable, recyclable or biodegradable packaging for Carrefour-brand products[(3)]	46%	44%	-	100% in 2025
Percentage of integrated recycled plastic in packaging for Carrefour-brand products	*Reporting methodology currently under development*		-	30% in 2025
Percentage of food waste avoided *(in kg/sq.m)* compared to 2016[(4)]	30.7%	28.7%	-2 pts	-50% in 2025
Percentage of store waste recovery[(5)]	68.2%	66.2%	+2 pts	100% in 2025

(1) National partner producers in organic farming, Carrefour Quality Lines, regional and local producers listed directly by stores.
(2) This composite indicator covers raw materials considered a priority in the fight against deforestation (palm oil, beef, soy, cocoa and trader traceability), protection of fishery resources and sensitive raw materials for textiles (cotton, cashmere and viscose).
(3) Scope: France only. Comparable BUs (54.1% of 2021 and 2020 consolidated net sales). Reporting methodology being rolled out in other countries.
(4) Scope: Excluding ES (SM, PRX, C&C), IT (C&C), BE (HM, SM), & (HM, SM). Non-comparable BUs (90.2% of 2021 consolidated gross sales) Including warehouse data for Atacadão
(5) Scope: Excl. IT. Non-comparable BUs (93.6% of 2021 consolidated gross sales vs. 96.1% in 2020).

Reduce Scope 3 emissions

Carrefour has put together a Scope 3 Climate Action Plan on reducing the main indirect emissions arising primarily from the products it sells. This action plan consists of:

1. Optimizing the operation of plants and supply chains and promoting the circular economy

Limiting food waste and recovering waste. According to a study by ADEME[1], In France, 10 million tonnes of food are lost and wasted every year throughout the chain. Carrefour is implementing action plans (detailed in Section 2.1.2.2) to reduce food waste by 50% by 2025 (compared to 2016). Carrefour also aims to recover 100% of waste by 2025 (Section 2.1.2.4).

Recovery, reuse and recycling of electrical products and household appliances. The production of electrical and electronic equipment generates significant CO_2 emissions. For example, a laptop is responsible for 169 kg of CO_2 equivalent during its entire life cycle, which is equivalent to a 600 km flight. In France, the Carrefour group, in partnership with environmental organisations, recovers neon lights and batteries in each integrated store. The Group's hypermarkets collect small and large household appliances and, from 2022, large furniture with no obligation to purchase. In order to encourage consumers to bring back their equipment, Carrefour launched initiatives to recover televisions and sound bars in October in exchange for vouchers.

Throughout France and in partnership with Cash Converters, Carrefour is opening "second-hand" corners in its hypermarkets. To date, 17 corners have been opened in hypermarkets with an average surface area of 100 sq.m. The goal is to open 80 corners in hypermarkets by the end of 2024. These corners give a second life to telephone equipment, small electrical appliances, computer equipment, but also books, DVDs, games, jewellery and leather goods. In addition, in 120 hypermarkets that do not have a second-hand corner, and thanks to a partnership with BackMarket, Eco ATM terminals have been installed to allow the recovery of telephone equipment, which is then recycled or reconditioned.

Develop packaging deposits and recyclability. The Group wishes to eliminate packaging thanks to the development of bulk sales, but also to returnable packaging. When it is impossible to eliminate the packaging or reuse it, Carrefour wishes to guarantee the effective recyclability or biodegradability of the packaging, in line with the national recycling channels (see Section 2.1.2.5).

Downstream transport. Carrefour aims to achieve a 20% reduction in outbound transport-related CO_2 emissions by 2030 compared to 2019, through optimisation of logistics models and development of alternatives to diesel fuel. Supply chain teams in each country are working with carriers to improve truck loading, optimise travel distances and phase in alternative transport modes consistent with Group policy. In France, Carrefour is modernising its fleet. At end-2021, it had 600 PIEK-certified trucks, which run on biomethane and generate less pollution and noise (under 60dB).

2. Transforming the range of products available in stores and e-commerce

Definition of purchasing rules for controlled products: Carrefour is implementing a set of action plans to develop responsible sourcing and thus reduce the climate impact of its own-brand products. The Group is particularly committed to combating deforestation, developing agro-ecological practices within its Carrefour Quality Lines and sourcing fish from responsible fishing (see Sections 2.1.2.2 and 2.1.2.3). Carrefour aims for each of its Carrefour Quality Lines products to be committed to an agro-ecological approach by 2025. Examples include: "cultivated without GMOs", "cultivated without antibiotic treatment", "grown without chemical treatment", etc. Some of these practices reduce the CO_2 emissions from agricultural production, such as reducing the use of pesticides and nitrogen fertilisers, soil conservation in agriculture (see Section 2.1.2.2). In addition, the Group is working on responsible sourcing of its packaging and is aiming for 100% paper and cardboard packaging of controlled products to comply with the sustainable forests policy by 2025 and to include 30% recycled plastic in its plastic packaging by 2025. Moreover, 99.9% of trade publications are FSC® (Forest Stewardship Council®), PEFC® (Programme for the Endorsement of Forest Certifications®) certified, or made from recycled fibers.

The greening of food. ADEME has calculated that meat production is responsible for half of the food sector's greenhouse gas emissions. This is why the greening of food is high on Carrefour's list of priorities. There is indeed a strong societal expectation at the crossroads of major climate issues, the preservation of biodiversity, the sharing of resources at the global level and major public health issues. This expectation is already reflected in strong growth in demand, which is impacting the markets. Carrefour is committed to developing vegetarian product ranges with a view to offering an alternative to the consumption of animal proteins. These products are aimed at a wide variety of consumers whether they are vegans, vegetarians, those concerned about animal welfare or flexitarians. Carrefour is attentive to the quality and nutritional profile of these products. The first French retailer to launch a vegetarian range under its own brand, Carrefour now has 110 products, i.e., the widest vegetarian offer in supermarkets and hypermarkets. In 2021, Carrefour continued its acceleration in the meat substitute segment, launching more than ten innovations to meet consumer demand for "Eating better" and "Consuming better". For every type of meat or dairy product, there is a plant-based alternative. These alternative products are available in all European countries where the Group operates, in all formats.

Choosing local and seasonal vegetables. Choosing seasonal vegetables is an obvious way for consumers to reduce their carbon footprint. ADEME estimates that a tomato produced out of season emits 10 times more CO_2 than a tomato produced in season not in a heated greenhouse. In line with this, Carrefour offers its consumers a range of seasonal and local products. To develop this product range, the Group is committed to signing contracts with 45,000 local or national partner producers by 2025.

Non-food products and fuel. In addition to its strategy for food products, Carrefour has a similar objective to reduce Scope 3 emissions on non-food products, particularly products that entail high electricity use or fuel consumption. To act on GHG emissions from combustion of traditional fuels, the Group is developing its range of alternative fuels and is seeking to increase their share in the mix and encourage consumers to choose vehicles with green engines. For example, thanks to a partnership with Meridiam, Carrefour Property, the Group's real estate company, enabled the installation of charging stations in the car parks of 211 hypermarkets for a total investment of 117 million euros in 2021. The Group plans to install 2,000 charging stations by 2023. In order to encourage its customers to use electric vehicles, Carrefour offers 1 hour of recharging per week to loyalty card or pass card holders. These charging stations will be powered by 100% renewable electricity. In addition, free recharging facilities for soft mobility (scooters, bicycles) will be available in all hypermarkets and most supermarkets. Of the 215 shopping centre sites operated by Carmila, more than 200 are located less than 500 m from public transport.

(1) Food losses and waste: Inventory and management at each stage in the food chain, May 2016.

Reducing the impact of packaging. According to ADEME, one kilogram of plastic packaging results in the emission of one kilogram of CO_2. This is why the reduction and elimination of packaging is one of the Group's strategic priorities. Carrefour has undertaken to save 20,000 tonnes of packaging on its products, including 15,000 tonnes of plastic packaging (cumulative since 2017) and to develop reusable packaging (see Section 2.1.2.4).

3. Involving our partners

Food Transition Pact. Products sold by Carrefour and supplied by major national brands are subject to specific attention. Carrefour favours a partnership approach for these products with the development of the Food Transition Pact. At the end of 2021, 114 suppliers had committed to the international pact and to local pacts. The Group's objective is to have 300 committed suppliers by 2025.

In 2019, Carrefour launched the Food Transition Pact, a network of Carrefour suppliers committed to the food transition for all. The Pact provides a platform for these suppliers to discuss matters and best practices, explore new opportunities for collaboration with Carrefour, and share progress with consumers. The Pact rests on four pillars: packaging, biodiversity, climate, and health/nutrition. Food and non-food supplier candidates ready to join the Food Transition Pact must present an ambitious action programme on at least three of the Pact's four pillars. This programme is approved by a panel of internal experts and suppliers are required to report on their progress regularly. Working groups are organised throughout the year.

On the climate pillar, the "20 Megatonnes" project launched in 2020 aims to encourage suppliers to make commitments to reduce their emissions, measure their progress, involve consumers and develop low-carbon consumer habits. In 2021, Carrefour launched a collaborative platform open to all its suppliers on a dedicated website. This platform enables the Carrefour group to monitor the commitments and progress of its suppliers in the fight against global warming and to highlight their most innovative actions. This platform was developed within the framework of the Climate Working Group of the Food Transition Pact, co-piloted by Pepsico and including Johnson & Johnson, Essity, Beiersdorf, Mars, Danone, Soufflet, Coca-Cola, Kimberly Clark, Heineken, Reckitt, Innocent, L'Oréal, Kellogg's, Andros and Savencia. Each supplier will be able to communicate its greenhouse gas emissions, its reduction objectives and the achievement of its objectives year after year. The method used is aligned with industry benchmarks (Greenhouse Gas Protocol and Carbon Disclosure Project).

4. Engage customers in their product choices

First, Carrefour aims to highlight the low-carbon characteristics of its products. In France, the eco-score is provided on more than 40,000 products of all brands. Some products with an eco-score of A are highlighted by promotional prices. To highlight low-carbon vegetarian products in stores and on the website, Carrefour has modified the display hierarchy on the e-commerce site and has enhanced visual identification in stores.

In addition, Carrefour has pushed ahead with anti-food waste actions, which promote products having minor defects or close to their use-by date, while remaining as good and safe as the rest. In 2020, the Group introduced the *Zéro Gaspi* (zero waste) challenge, a cross-functional tagging system designed to draw customers' attention to all of the initiatives deployed to cut down on waste. An additional *Zéro Gaspi* initiative was launched in France in 2020 to accelerate the reduction in food waste, Carrefour has signed, with 50 French players, the national pact to make use-by and best-before dates easier to read.

A study is under way to determine to what extent the Group can accelerate decarbonisation of the average consumer basket. The aim is to make low-carbon products accessible by enhancing product range and marketing.

Joint initiatives and partnerships

- Food Transition Pact, Climate Working Group co-piloted with Pepsico
- Science Based Targets
- Cash Converters
- Back Market
- Meridiam

2.1.3.4 Combatting food waste

Context and definition

According to a report published by NGO WWF and Tesco, the UK's largest supermarket chain throws away 2.5 billion tonnes of food each year worldwide. This is double the estimate contained in the latest UN report on food waste (2011)[1]. Food waste represented 10% of greenhouse gas emissions worldwide in 2021[2]. Of the 2.5 billion tonnes, 1.2 billion tonnes of food was wasted on farms, particularly in Europe and the US. And 931 million tonnes were thrown away by retailers or consumers. The rest was lost during transportation, storage, manufacturing and product processing. This waste has many causes: overproduction, calibration criteria, interruption in the cold chain, poor stock management and supply-demand mismatching, among others. Each link in the agri-food chain therefore has a role to play in limiting losses.

In 2018, Carrefour assessed food waste throughout the value chain, from the farm to the consumer's table, for five of its best-selling fresh products: avocados, cod, carrots, bread and chicken. This assessment highlighted several solutions throughout the value chain: crop growing & harvesting, sorting, packaging and transport, quality control, distribution and consumption. Cutting down on food waste is a major challenge for Carrefour, both for shrinking the environmental footprint of its activities and for improving operational efficiency. Methods such as discount management for products nearing their sell-by date and recovery of unsold produce create opportunities to cut waste.

This global issue took on a whole new dimension in 2020 as the health crisis aggravated the difficulties of vulnerable people and low-income households. It became more important to cut down on the amount of perfectly healthy and nutritious food being wasted, so that it could be given to those most in need. In 2021, solidarity actions continued to be carried out.

Policy and performance

Carrefour shares the Consumer Goods Forum (CGF) goal of achieving a 50% reduction in food waste by 2025 (compared to 2016). Carrefour's global policy of cutting food waste has three focus areas: in-store measures, cooperation with suppliers, and improving consumer awareness. Carrefour's ambition is to ensure operational excellence in its own waste reduction and to catalyse action among stakeholders (suppliers and consumers) throughout its business ecosystem.

Key Performance Indicators	2021	2020	Change	2025 target
Percentage reduction in food waste (*vs.* 2016)[1]	30.7%	28.7%	-2 pts	50%
Percentage of unsold food products recovered	53.2%	57.4%	-4.2 pts	-

(1) Excl. ES (SM, PRX, C&C), IT (C&C), BE (HM, SM). Non-comparable BUs (90.2% of 2021 consolidated gross sales). Including warehouse data for Atacadão.

Indicators	2021	2020	Change
Number of meal equivalents of unsold products donated to food aid associations *(in thousands of meals)*[1]	44,134	77,071	-42.7%
Weight of unsold products recovered through sale of food baskets in partnership with Too Good To Go[2]	3,440 tonnes	3,885 tonnes	-11.4%

(1) Scope: This figure includes food donations by stores in all of the Group's integrated countries, as well as donations made by the Group's warehouses in France.
(2) Scope: BE, ESP, FR, IT, PO.

Comments on 2021 performance. After a very sharp drop in food waste in 2020 against the backdrop of the health crisis, food waste continued to decline in 2021. The optimization of management of stocks and products approaching their use-by date continues, as well as the sale of Too Good To Go baskets in stores. Carrefour has extended its reporting scope and now covers 90% of its network of integrated stores (compared to 70% in 2020).

(1) FAO. 2012. Food loss and waste in the world – Extent, causes and prevention. Rome. https://www.fao.org/3/i2697f/i2697f.pdf
(2) Cirad.fr, 10% of global greenhouse gases linked to food loss and waste, https://www.cirad.fr/les-actualites-du-cirad/actualites/2021/10-des-gaz-a-effet-de-serre-mondiaux-lies-aux-pertes-et-gaspillages-alimentaires

Action plans

1. An in-store approach to cutting down waste

To minimise the volume of products that have to be taken off the shelf, Carrefour starts by improving its management of stocks and orders. Store managers are issued daily information on their waste figures, with a top-40 ranking of products by value or waste rate. Fresh produce line managers use sale and production forecast charts, adjusting them to allow for weather and other factors.

Carrefour stores are tasked with finding solutions for selling products instead of having to take them off the shelves. Examples include slicing pineapples with dry leaves to cut fresh chunks for sale in trays, selling single bananas from damaged bunches, and packaging cloves of garlic or other detached products. In Belgium, Italy, France, Poland and Spain, Carrefour is committed to offering reduced-price baskets of unsold products through a total of 2,624 stores via the Too Good To Go application.

Stores are also promoting products nearing their use-by dates, offering 30% to 60% discounts in French stores, and up to 90% in Polish stores, where prominent endcap displays were tested in 2020 and will be rolled out in 2021 to hypermarkets and supermarkets.

Items that cannot be donated may be offered to organisations or companies that use unsold products as raw material for creating eco-friendly products (jams, for example). Products that can neither be donated or processed are recycled into biomethane for use in almost 600 Carrefour delivery vehicles.

During the health crisis, the Group stepped up its support for food banks and associations. Partnerships with food banks have been continued at all Carrefour hypermarkets in Brazil, Spain and France. The Group has also partnered with Caritas and the Red Cross in some other integrated countries, such as Poland and Argentina. Every morning, the stores sort out unsold products that are safe and appropriate for donation to local organisations, ensuring an uninterrupted cold chain for products where needed.

Since the start of the health crisis, the Carrefour Foundation has released more than 3.8 million euros, primarily to support food distribution in Argentina, Brazil, Romania and France in 2021.

Carrefour Italy launched an initiative to support food banks in more than 1,400 stores: customer donations were converted into gift cards for the most disadvantaged families. Dejbox distributed tens of thousands of meals in hospitals, clinics and doctors' surgeries free of charge. The food donated by Carrefour in 2021 represented the equivalent of more than 44 million meals.

2. Solutions with suppliers

In 2017, Carrefour and its suppliers began a joint programme on reviewing use-by dates. So far, more than 400 Carrefour-brand products have had their use-by or best-before dates extended, while the latter has been removed from over 100 products. Legally required texts along the lines of "preferably use by the end of..." are accompanied by the text "best before", for clearer consumer recognition.

In 2020, hypermarkets set up endcap displays to market products whose best-before dates had been exceeded by up to one month. Employees receive awareness training on waste reduction and best practices on a day-to-day basis, via an e-learning module on Cap Formation, Carrefour's in-house training tool available to all employees.

3. Customer education

Special offers and in-store displays help inform customers on the cost advantage of buying products for same-day or next-day consumption. Carrefour is also pushing ahead with food waste avoidance programmes for products having minor appearance defects but still perfectly safe to consume. In France, Carrefour sells products that are non-compliant for shape or weight reasons, while guaranteeing their quality via its own *Tous Antigaspi* label. In Spain, Carrefour encourages consumption of various Andalusian vegetables by offering a 25% reduction on the price of imperfect produce.

The educational approach behind these initiatives also extends to Carrefour's suppliers. A consumer awareness campaign on cooking with visually unappealing vegetables was launched with Barilla in Spain and Italy. A national anti-waste day was run with Unilever in Argentina. In Spain, a research programme was run with Danone, Barilla and Pascual.

In 2020, the Group introduced the *Zéro Gaspi* (zero waste) challenge, a cross-functional tagging system designed to draw customers' attention to all of the initiatives deployed to cut down on waste. Carrefour Spain has been very proactive in this area, producing and selling one-litre vegetable soups made from very ripe ingredients. In France, since December, anti-waste baskets of substandard fruit and vegetables have been packaged in batches and sold off at knock-down prices in cardboard boxes bearing the *Zéro Gaspi* logo.

France launched another *Zéro Gaspi* initiative in 2020: in an attempt to accelerate the reduction in food waste, Carrefour and 50 other French industry participants signed a national pact to make use-by and best-before dates easier to read.

Carrefour also wants to promote an anti-waste culture, by making the younger generation aware of their responsibilities so that they choose to contribute to more sustainable consumption and to the conservation and enhancement of food through responsible behaviour. As part of its digital innovation strategy, Carrefour Italy launched the #CarrefourZeroWaste challenge on TikTok in 2021.

Users were invited to share a video of one of their recipes or dishes made with products close to the expiry date purchased in Carrefour stores in Italy, to show how, with a little creativity in the kitchen, it is possible to make delicious dishes while avoiding food waste. For each video published, Carrefour donated one kg of products to Banco Alimentare, which distributed them to charities that help people and families in need in the region.

Joint initiatives and partnerships

- Consumer Goods Forum
- Too Good To Go pact: bringing together industry, retail, NGOs, trade organisations and digital operators in the fight against food waste

Find out more

- *Carrefour.com:* Combating food waste/CSR (see the Climate section)
- See also Section 2.1.2.5 Limiting the environmental impact of our plants

2.1.3.5 Case studies in 2021

Multiple packaging innovations

Combatting plastic packaging is one of the Group's priorities. Carrefour France is supporting the roll-out of bulk products in all its formats, with over 1,100 stores now offering this service. The Group tripled its revenue in this segment between 2017 and 2020. To accelerate the development of this market, Carrefour launched the "Carrefour Bulk Innovation Challenge" at VivaTech 2021. This challenge targets start-ups and entrepreneurs in the food industry and aims to find innovative solutions to the ten issues that are currently holding back the development of bulk sales. Alexandre Bompard attended the presentations of the 15 finalists in November 2021. The five winners, announced on January 5, 2022, will develop and test their solutions at Carrefour's Bulk Lab.

The Group is also developing packaging deposits. After launching the Loop returnable and reusable packaging solution in Carrefour City and Market stores in Paris at the end of 2020, Carrefour introduced it in a hypermarket in Montesson, and in ten additional convenience stores in 2021. Carrefour Poland, at the forefront of green practices in its sector, has been offering Jurajska brand sparkling water in one-litre returnable glass bottles since November 2021: on the first purchase, the customer pays a deposit for the bottles and their transport crates; on subsequent purchases the bottles and the crates are replaced free of charge.

Carrefour is also testing new recycling systems. In the Île-de-France region, a pilot system for recycling used nappies in partnership with Pampers and TerraCycle has been set up with connected bins in five Carrefour stores. The cellulose from the nappies is recycled to make furniture, while the recycled plastic can be used to make bottle tops. This system, which was tested from May to November 2021, will make it possible to assess the feasibility of collecting on a larger scale. During the summer, Carrefour also offered Parisians a recycling service for their single-use masks, by providing collection boxes made entirely of recyclable cardboard in 106 Carrefour City stores in the capital. The 700,000 masks collected were processed into polypropylene pellets to be used in the production of plastic parts for cars, for example.

Coordinating the Food Transition Pact

In 2019, Carrefour launched the Food Transition Pact, a network of suppliers committed to the production of healthy, responsible and planet-friendly products. The network shares good practices and works to improve consumer eating habits. In order to keep its partners mobilised over the long term, Carrefour launched the "European Food Transition Awards" in 2021. From October 16 to November 1, 410,000 of the banner's European customers elected via a special platform the most emblematic products of the food transition for all. 250 products were selected for their commitment to four key themes: healthy products, packaging, climate and biodiversity. Nine European prizes representing nine categories were awarded. The jury also awarded a national prize to each of the six countries participating in the operation: France, Spain, Romania, Belgium, Italy and Poland. Carrefour shares its commitment to healthy and responsible eating with consumers, and organises Food Transition Weeks, entirely dedicated to sustainable and local products.

The supply of electric vehicle charging stations in France

In 2021, Carrefour became the first retail banner in France to offer a complete range of charging stations for electric vehicles in partnership with Meridiam, an investor that specialises in essential infrastructure. By 2023, 2,000 charging stations using 100% green energy will be installed throughout the Group's French hypermarkets. Each store will have approximately 10 equipped parking spaces. Carrefour's e-mobility solution meets the different needs of users. It includes a "comfort" charging service, at 22 kW, free for the first hour for customers with a loyalty card or Carrefour pass; a fast to ultra-fast charging service from 50 kW to 350 kW, enabling an "electric fill-up" in 15 minutes to 45 minutes depending on the vehicle, as well as a free service for soft mobility (electric bikes and scooters). Thanks to Carrefour's wide territorial coverage, its recharging service will be one of the largest in France, but also one of the highest performing, with 56% "super chargers". The Group is already considering a second wave of installations to equip Carrefour Market and franchised stores.

Combatting in-store food waste

Fully committed to combatting food waste, the Group is bringing innovations to all its departments. Since 2020, Carrefour has been developing the sale of baskets made up of products nearing their use-by date, in partnership with the Too Good To Go app. In 2021, Carrefour France set up "zero waste challenge" display cases in 30 of its stores: they collect undamaged eggs from broken or soiled boxes and sell them in bulk at a low price. In order not to lose healthy fruit and vegetables, packaged in trays, mesh or plastic bags and withdrawn from sale due to the deterioration of one or two products, "zero waste" repackaging in baskets has been set up in all stores. In the same spirit, Carrefour Spain offers a 25% reduction on the price of healthy but "ugly" vegetables. The initiative limits waste while allowing customers to enjoy quality products at a lower cost.

1 2 3 4 5 6 7 8 9

2.1.4 HEALTH AND PRODUCT QUALITY

2.1.4.1 Overview of objectives

Context Consumers want clear information and quality standards[1]. Carrefour strives to ensure the quality and safety of its own-brand products, from logistical monitoring to implementing withdrawal and recall procedures if necessary, as well as complying with the highest hygiene standards in its stores. These issues are crucial for the Group, as they can have a major impact on its reputation and financial performance, and potentially result in liability.

Against the backdrop of Covid-19, the Carrefour group has made every effort to protect the health of its customers and that of its teams, by constantly adapting to the health regulations and recommendations of public authorities in each country. Independent third-party certifications have been obtained in France, Spain, Romania and Brazil, further demonstrating the Group's commitment to protecting its employees and customers from the pandemic and associated risks.

Risks and opportunities

Risks related to the quality, compliance and safety of products for Carrefour are integrated into the Company's risk management process (see Chapter 4.1). The risks analysed annually primarily concern the Group's quality processes, the design of specifications and product traceability, compliance with hygiene standards and emergency measures:

- lack of product control and traceability: major deficiencies in product control and traceability could have serious consequences for the health of our customers and fall short of consumer expectations regarding product origin. These shortcomings could also impact Carrefour's business development and results;
- deficiency in the development or compliance with the specifications of MDC products: the specifications of an MDC product include an error or omission which makes it impossible to market;
- failure to meet quality and hygiene standards in the store or warehouse: in the case of a supermarket where inspectors find that spoiled or overripe produce is still available on the shelves following an audit, this leads to sanctions;
- failure of the removal and recall device: malfunctions in the recall and withdrawal procedure for batches of food products could have serious health implications for customers.

In addition, Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). Four issues related to product quality and health are identified as important by stakeholders in the context of the Group's food transition strategy and are among the twenty priority issues:

- developing the range of accessible healthy products, informing customers on health and nutrition (11th-ranked);
- combatting food insecurity and supporting food aid associations (18th-ranked);
- transparency, traceability and guaranteeing product safety (19th-ranked), with customers' expectations particularly high on this issue;
- development of accessible and quality products, in particular thanks to the banner's own brand (11th-ranked).

Our initiatives

The Group relies on various initiatives to guarantee the quality, compliance and safety of its products, as well as to promote the health of its customers through good food. Carrefour thus implements a policy based on:

- quality processes: ensuring efficient quality processes in the store, the warehouse, the design and monitoring of product specifications, and the implementation of traceability. The design of the specifications and the ranges of products available must meet public health priorities and include in particular:
  - regular reformulation of controlled products to limit energy content, salt, sugars and fats (saturated and trans) and the removal of additives and controversial substances,
  - the development of a food range that addresses the problems of allergens and food-related pathologies (e.g., gluten-free, salt-free or low-salt ranges, etc.), defined in conjunction with consumer and patient associations, foundations and research bodies;
- offering healthy products: developing a healthy product offer to facilitate access to "eating well" for everyone, especially those with particular health concerns. Through its own brands and the development of special services, Carrefour facilitates access for all to a balanced, quality diet and promotes food that is good for the environment;
- customer involvement: supporting the transition of eating habits towards a healthier and environmentally-friendly diet through simplified nutritional information, communication programmes and dynamic marketing initiatives;
- employee commitment: instructing and training employees to make them ambassadors of the food transition in stores, nutrition and healthier eating habits.

(1) See the Group's materiality matrix in Section 1.3.1.4.

Coalitions and partnerships

Collaboration for healthier lives (The Consumer Goods Forum)

As part of the Group's reflection on health and nutrition, in January 2022, a panel brought together various stakeholders (customers, suppliers, associations, start-ups, Carrefour teams and experts) dedicated to health and nutrition in the presence of Carrefour's General Secretary and the Executive Director of Marketing and Customers.

Contributions to the Sustainable Development Goals

Our goals

TOPICS	OBJECTIVE	DEADLINE
Suppliers	Undertake a quality audit on 100% of the supplier base	Permanent
Traceability/ blockchain	Deploy blockchain technology on a hundred CQL products	2023
Health	Eliminate controversial substances in Carrefour-brand products[1]	Permanent
	Provide clear and transparent nutritional information to the consumer	Permanent
	Propose an optimised nutritional profile on the Carrefour product offer	Permanent
	Nutri-score for 7,000 products in Europe	2022
Organic farming	15% of fresh food product sales generated by organic or agroecological products by 2025	2025
CQL products	Achieve 10% penetration of CQLs in fresh products	2025
	100% of CQLs have a differentiating agro-ecological claim	2025

(1) The establishment of the list of controversial substances is the result of a continuous monitoring process that allows the initial list to be constantly updated with new controversial substances.

2.1.4.2 Guarantee the safety of our customers and the quality of our products

Context and definition

Consumers are looking for guarantees on the quality of their food. They want clear information and standards. In line with its *raison d'être*, "to become a leader in the food transition for all", Carrefour rises to their expectations by democratising healthy, quality food. The Group thus ensures the quality and safety of its own-brand products, from logistics to the implementation of withdrawal and recall procedures if necessary. It takes great care to comply with hygiene standards in stores. These issues are crucial for Carrefour, as they can have a major impact on its reputation and financial performance, and potentially result in liability.

Policy and performance

Carrefour has implemented quality, compliance and product safety processes for controlled products and national brands in stores in all host countries that meet three objectives:

- ensure the quality and safety of Carrefour-controlled products via product specifications, quality control plans, in-store quality processes and alert and withdrawal systems;
- guarantee the transparency and traceability of Carrefour products through the use of blockchain technology, which enables the complete traceability of food products (while guaranteeing the protection of recorded data and the history of product information in the chain, and third-party certifications);
- remove substances that are controversial in health and environmental terms from Carrefour products, right from the start of their production, by reducing the use of pesticides and excluding GMOs.

Key Performance Indicators[1]	2021	2020	Change
Number of suppliers – plants[1]	3,040	2,670	13.9%
Number of inspections performed – analyses	49,002	44,727	9.6%
Number of inspections performed – external panels	4,084	3,265	25.1%
% of plants certified to IFS or BRC standards[1]	89%	89%	0 pt
% of plants audited by Carrefour[1], o/w:	11%	11%	0 pt
• % of audit ratings ranging between A and B[1]	95%	93%	2 pts
• % of audit ratings ranging between C and D[1]	4.3%	6.3%	2 pts
Number of products withdrawn[2]	533	546	-8.6%
% of Carrefour-brand products withdrawn	53%	58%	5 pts
Number of products recalled[3]	452	334[1]	35.3%
% of Carrefour-brand products recalled	18%	24%	-6 pts

(1) Scope: suppliers of Carrefour-brand products purchased by the European purchasing centre.
(2) Sales in the food, household and personal care sections.
(3) 145 product recalls were attributable to the sesame seed incident.

Comments on 2021. Carrefour implements a series of requirements and procedures to guarantee the quality and compliance of the products it sells. All plants producing Carrefour own-brand products are certified to either International Featured Standard or British Retail Consortium standards (89% in 2020), or audited by Carrefour (11% in 2020). Carrefour's control plans also include consumer focus groups and warehouse and in-store checks of product freshness and origin.

In 2021, the number of recalls was strongly impacted by the discovery of traces of ethylene oxide in several food additives by the European authorities. This situation is being normalised, as both the sources and origins of this contamination are now clearly established.

Key Performance Indicators[1]	2021	2020	Change
Number of products equipped with blockchain technology and a visible QR code	478	New	
Number of sectors equipped with blockchain technology	55	34	62%
Sales of organic products *(in billions of euros)*[2]	2.73	2.72	0.03%
Market penetration rate of Carrefour Quality Lines in fresh produce *(in %)*	7.2%	7.4%	-0.2 pt

Comments on 2021. The Group guarantees the transparency and traceability of its Quality Lines (CQLs) in France, thanks to blockchain technology which should cover around a hundred products by 2023, i.e., the majority of the Lines' sales. The Group is also working on identifying and eliminating controversial substances in its own-brand products and on reducing pesticides by supporting the development of organic farming, aiming for 15% of fresh food product sales generated by organic or agroecological products by 2025 and 3,000 French farmers supported in organic farming and in conversion to organic farming. Carrefour also intends to raise market penetration rate of Carrefour Quality Lines to 10% in fresh products by 2025.

Action plans

Ensuring the quality and safety of Carrefour products

The Group's Quality department develops standards and tools (including purchasing rules), charters and quality guidelines, which it circulates in all of the Group's host countries. The Country Quality departments are brought together in a network to exchange and share best practices in order to guarantee the consistency of approaches. The Group has also launched a major employee training programme and regularly communicates with customers about food safety.

QUALITY PROCEDURES AND POLICIES

Carrefour works constantly with stakeholders to ensure the quality and safety of its own-brand products in all of the Group's host countries, operating a five-pronged policy: supplier compliance with product quality standards, product specifications, quality control plans and customer opinion surveys, in-house expertise, and traceability and data tracking.

The Group seeks stakeholder feedback to continuously improve the safety and quality at each stage of the product's life cycle. For example, Carrefour encourages suppliers to adopt its quality, social practices, health and safety criteria in their production chain. This collaboration implies a lasting relationship of trust, as evidenced by the number of suppliers with more than five years of seniority at Carrefour: 69% in 2019 and 83% with more than two years of seniority. Carrefour also collaborates with civil society organisations (experts, associations, the scientific world, NGOs, consumer associations, public authorities) in order to take its expectations into account.

CRISIS MANAGEMENT, ALERT AND PRODUCT RECALL

The quality system includes a procedure for swiftly removing any potentially dangerous product from stocks and shelves. In order to guarantee that a non-compliant product is no longer accessible to the end consumer, Internet platforms for the transmission of the information have been developed. This facilitates transmission of the data necessary for the withdrawal by the manufacturer concerned, and the listing and alerting of warehouses and stores likely to have received batches of non-compliant products to ensure effective removal. The EAN barcode.of recalled products is blocked at checkout.

Carrefour has an alert system known as AlertNet to inform all stores as quickly as possible if they must withdraw or recall a product. It is available online at all times and access is free for suppliers. In the event of an alert, Carrefour immediately withdraws the products and checks that the withdrawal has taken completed within 24 hours.

Guarantee product transparency and traceability

BLOCKCHAIN TECHNOLOGY

To ensure complete traceability and transparency for consumers, Carrefour is the first European Retailer to use blockchain, a technology for storing and transmitting information that cannot be falsified and operates in shared mode. This allows all players in the value chain – producers, processors and distributors – to provide traceability information for the same batch of products. By scanning the QR code on the product label with a smartphone, the customer has instant access to information on the product and its journey from farm to store shelf.

Carrefour wants to accelerate the deployment of the blockchain in all its lines and in all host countries. Carrefour France launched the first food blockchain in Europe in 2018 on Carrefour Quality Lines for free-range chickens in Auvergne. Since then, it has been deployed in 55 Carrefour Quality Lines (CQLs). In 2021, all the Group's countries benefited from the blockchain and Carrefour joined the IBM Food Trust platform, the objective of which is precisely to create an international standard for food traceability. In 2019, the platform integrated a wider range of products traced thanks to the blockchain with the arrival of manufacturers such as Nestlé or Unilever. In 2021, Majid Al Futtaim, the pioneer and leader in shopping centres, local and regional authorities, retail and leisure in the Middle East, Africa and Asia, turned to IBM Food Trust to ensure the traceability of food distributed in Carrefour-banner stores.

CERTIFICATES, LABELS AND CLAIMS

Carrefour uses third-party certifications, which provide a guarantee on complex supply chains, for which full traceability of raw materials is not always available. In order to apply the label to its products, the supplier must meet certain specifications that are verified and validated by a third party before obtaining the certification. Certified products attest to their superior quality and provide consumers with information about their certified characteristics.

Certification can also be a means of reducing the environmental and social impacts related to procuring risky raw materials. However, it has its limitations, as market transformation is not always rapid. This is why Carrefour is seeking to diversify solutions to improve the traceability of raw materials. For example, to ensure that the origin of the beef distributed in Brazil does not contribute to deforestation, Carrefour relies on a geo-monitoring tool that surveys breeding plots via satellite. Where certification results in an *a posteriori* guarantee, geo-monitoring verifies real-time compliance with the specifications defined by Carrefour. The Group is studying the use of these tools for other types of agricultural production.

Eliminating the use of controversial substances for health and environmental reasons

REMOVING CONTROVERSIAL FOOD ADDITIVES FROM CARREFOUR-BRAND PRODUCTS

Ahead of legislative and regulatory change, Carrefour has embarked on a global campaign aimed at eliminating controversial substances from its product ingredients. Authorised additives are examined to establish a continually updated classification divided into four categories:

- black: substance already absent from all Carrefour-brand product categories;
- red: substance authorised only in certain product categories (such as certain alcohol colourants);
- orange: substance authorised, but to be replaced if possible;
- green: substance authorised without restriction.

Carrefour has implemented a workplan to eliminate by 2022 all controversial substances likely to be classified as "black". When substitute solutions for certain substances classified as "black" are not available, Carrefour first chooses to reduce their levels and works to identify satisfactory substitute solutions in the short term.

To go further, in 2020 Carrefour launched the competitively-priced Carrefour Classic' OUI AU BON ! brand. An even longer list of undesirable substances and ingredients, such as polyphosphates, carmines and artificial flavours, have been excluded from products in this range. In line with consumer expectations, these products are also GMO-free, derived from animals fed without GMOs, and without additives, preservatives, colourings or pesticides.

REDUCING PESTICIDE USE

Carrefour invests in organic farming and enlightened sustainable farming practices through the deployment of agro-ecological practices. Carrefour is aiming to generate 15% of fresh food product sales through organic or agroecological products by 2025. For the Group, helping farmers to convert to organic farming reflects its social responsibility, contractualised by a commitment lasting 5-7 years. The banner wants to support hundreds of producers in this profound change in crop and livestock farming. At the end of 2021, the Group had 3,538 partner producers in organic farming. In France, Carrefour has also decided to eliminate some chemical pesticides by developing agro-ecology for its Carrefour Quality Lines (CQLs) and Reflets de France ranges. Carrefour has made a commitment with its partner producers that 100% of its Carrefour Quality Lines products will be agro-ecological by 2025 and that CQL products will represent 10% of its fresh produce range. In concrete terms in the store, it is possible to find strawberries without synthetic pesticides once they bloom, kiwis and frozen broccoli without insecticides, as well as pasta and lentils.

CUTTING OUT GMOS

In 1998, Carrefour brought in a policy of excluding GMOs and their derivatives from its own-brand products and from the feed of livestock used in its Carrefour Quality Lines. All Carrefour own-brand products have been free of genetically-modified ingredients since 1999. This policy extends to the cultivation of non-GMO soybeans. The Group developed a first GMO-free soy livestock feed line for Carrefour Quality Lines products in Brazil in 2000, as well as a French line in 2017.

Ensuring the safety of customers in stores during the health crisis

In response to the Covid-19 pandemic, Carrefour took decisive steps in all countries to protect consumers shopping in its stores (see Section 1.2.1). As soon as the first lockdown was announced, the Group introduced protection measures relating to the management of incoming goods, cleaning and disinfecting shopping carts and baskets, plexiglass protective screens at checkouts and customer service desks, and floor markings to ensure social distancing. Employees were provided with thermometers for taking temperatures on a voluntary basis. Masks were provided to Carrefour teams in the warehouse and in the store. In Poland, free masks were given out to senior customers in the Group's Warsaw hypermarkets. In certain Group stores, opening hours were staggered so that shelf-stacking could take place when stores were closed.

The proper application of health, hygiene and safety rules is regularly and strictly controlled and audited. The quality of the protection measures deployed by the Group is certified by third-party bodies. In Spain, Carrefour became the first company to obtain AENOR Covid-19 certification in June. Carrefour Brazil became the first retailer in the country to be awarded the international My Care label developed by DNV GL. In France, hypermarkets, Carrefour Market stores and warehouses obtained AFNOR certification in November.

Joint initiatives and partnerships

- IBM Food Trust

Find out more

- *Carrefour.com:* Product nutrition, quality, compliance and safety/CSR (see the Health and product quality section)
- *Carrefour.com* and CSR report: Protecting biodiversity/CSR (see the Biodiversity section)

2.1.4.3 Our products and our customers' health

Context and definition

Food is key to health and poor nutrition is one of the main factors in chronic diseases. For a more balanced nutritional intake, people are advised to eat more fruit and vegetables, pulses, whole grains and dried fruit, and to consume less salt, sugars and fats. Improving eating habits is a societal issue that requires action by all stakeholders. Retailers should offer healthy products, adapted to the needs of different populations and cultures, and adopt a marketing approach that encourages "Eating better".

In line with its *raison d'être*, Carrefour has tasked itself with providing quality services, products and foodstuffs that are accessible to all. Accordingly, as part of its mission to "become the leader of the food transition for all", Carrefour aims to meet its customers' expectations in terms of nutrition, and contribute to their health and well-being by making healthy, quality food widely available.

Action plans

1. Develop a healthy product offer to facilitate access to good food for all

CREATE RANGES OF PRODUCTS WITH HIGH NUTRITIONAL VALUE

In all of its host countries, Carrefour has created ranges of products with high nutritional value, as well as ranges meeting specific needs (lactose-free, gluten-free, salt-free, etc.). For example, Carrefour France worked with a nutritionist to develop *Nutrition et plaisir*, a new line of fresh produce. This range offers balanced meals that meet complete nutritional needs. It addresses three categories of nutritional needs: *Vitalité* (protein-rich), *Essentiels* and *Légèreté* (low-fat).

EXTENDING OUR VEGETARIAN PRODUCT LINES

See also Section 2.1.3.3 Promoting low-carbon consumption.

The Carrefour Veggie product range offers 100% vegetarian or vegan recipes, source of fibre and/or protein, without artificial flavouring or colouring, and without palm oil. All products carry the European V-label, issued by the Vegetarian Association of France.

In 2021, Carrefour Belgium launched a brand new range of balanced prepared meals, made up of ten recipes, including four vegetarian ones. Each dish has a Nutri-score of A and is made up of at least 50% vegetables. The meals are packaged in environmentally-friendly packaging made of 90% natural, renewable raw materials and 90% industrially biodegradable. In Brazil, as part of Celiac Disease Day, Carrefour has stepped up its efforts to expand its healthy range so that everyone can have access to healthy food, taking into account their nutritional needs and dietary restrictions.

2. Supporting the transition towards a healthier and more environmentally-friendly diet

PROVIDING THE CUSTOMER WITH ADDITIONAL NUTRITIONAL INFORMATION ON PRODUCTS

Customers are being provided with nutritional information thanks to the introduction of the Nutri-Score label on the packaging of Carrefour own-brand products in France and on the *Carrefour.fr* website. This five-colour logo, which classifies products from A to E based on their nutritional quality, will appear on 7,000 products in Europe by 2022. By involving all of its partners (producers and suppliers) in the Nutri-Score initiative, Carrefour is supporting the public authorities in their food education efforts. To raise customer awareness about "healthier eating", Carrefour also communicates via digital media (such as "Panda" recipes in partnership with WWF France and Carrefour's Nutri-Score web page), flyers, and in-store product promotion and events.

In 2020, Carrefour launched the personalised INNIT score on its Carrefour.fr website. This digital platform devoted to food helps consumers optimise their choices and enjoy a balanced diet according to their preferences by providing them with customised information. This new service is another step in the process of providing consumers with a better understanding of food so they can make informed decisions to "eat better".

In 2021, the Carrefour Foundation and Carmila launched a call for projects which rewarded ten associations carrying out local initiatives in favour of the food transition.

3. Raising awareness, training and mobilising employees to eat better

Training is a priority for Carrefour. In 2021, employees received an average of over 13 hours of training in all Group host countries. In addition to the mandatory subjects on health and safety, the training covers the major themes of the "Carrefour 2022" transformation plan: promoting the food transition and advocating good practices for better eating are key areas. In 2021, 8,483 employees were trained face-to-face and 2,806 via e-learning modules on the food transition and organic product basics.

Carrefour is mobilising its employees around the challenges stemming from its "Carrefour 2022" transformation plan. The Group has rolled out the "Act for Food Superheroes" programme to showcase the work of employees who are most committed to the food transition programme and encourage them to share their best practices. This programme harnesses the enthusiasm of Carrefour employees to get involved in the food transition. It is part of a new managerial strategy developed by Act for Change which strengthens employee leadership skills.

As part of an "intrapreneurial" mindset, everyone is able to deploy a project or an initiative that serves the Group's mission. In 2021, more than 2,000 food transition "superheroes" were identified across the Group. The programme is being deployed in all countries in which the Group operates. The solutions from the field are highly diverse: showcasing healthy products, events focusing on healthier eating and cooking, initiatives to reduce waste, etc.

Joint initiatives and partnerships

- IBM Food Trust
- WWF France
- Consumer Goods Forum
- The Health and Nutrition Panel which brought together various stakeholders on the subject of health and nutrition, with the presence of the Group's Secretary General, the Executive Director of Marketing and Customers

✚ Find out more

- *Carrefour.com:* Product nutrition, quality, compliance and safety/CSR (see the Health and product quality section)

2.1.4.5 Case studies in 2021

Promoting better eating

Carrefour supports its customers in their transition to healthier, higher quality and accessible foods. The Group uses new technologies to guide consumers in their in-store choices. In Brazil, for example, Carrefour has launched a new feature on its My Carrefour application: the Nutri Choice tool. Based on an algorithm that analyses the purchase history of each customer, Nutri Choice offers, via a list of suggestions, personalised alternatives that are both more balanced and more economical. Carrefour Brazil's Cybercook online platform also offers an interactive cookbook, downloadable via the My Carrefour application, which is available in stores in hard copy: "*ComerEmCasa*: the best recipes for a simple and healthier life". Through 81 recipes, the book explains how to cook healthy food while saving money. Each recipe has a QR code that directs the reader to the preparation and special pages that provide more general information on the ingredients and their costs.

Roll out the lines that reduce the use of pesticides

As part of its plan to foster agro-ecology, Carrefour has undertaken to promote the reduction, or even the elimination, of chemical pesticides (synthetic insecticides, fungicides and herbicides) for the fruit and vegetables in its Carrefour Quality Lines (CQLs) and Reflets de France ranges.

The process began in 2014, with Reflets de France strawberries and has since been rolled out year after year. At the end of 2020, 24 out of 35 CQLs were involved in the process, representing 400 producers and 80 suppliers. Carrefour marketed 38,000 tonnes of fruit and vegetables without chemical pesticides, out of a total volume of 100,000 tonnes of products from the CQLs and 20,000 from Reflets de France.

Despite difficult weather conditions, volume increased in 2021 and new partners got involved. Four new agro-ecology lines have been created, for mangos, persimmons, avocados and white button mushrooms. The historical lines have also been expanded, thanks to new suppliers' commitment to the approach. In 2021, 600 producers and around 100 suppliers produced 45,000 tonnes of fruit and vegetables for Carrefour according to the principles of agro-ecology in France.

2.1.5 BUSINESS ETHICS AND SUPPLY CHAINS

2.1.5.1 Overview of objectives

Context As a retailer, Carrefour is in direct contact with numerous stakeholders and has a duty to maintain high-quality relations with its suppliers, producers, trade union representatives, public authorities, investors, NGOs, associations and customers. In 2021, the Group surveyed its customers when it updated its materiality analysis. They expressed high expectations in terms of respect for human rights, creating sustainable relationships and fair distribution of the value created within supply chains. Respect for animal welfare and guaranteed ethical farming are also identified by customers as a priority issue for the food transition.

More broadly, under its duty of care, the Group has a responsibility to its direct and indirect stakeholders to guarantee human health and safety, human rights and the environment. Carrefour aims to act beyond reproach in its relations with its partners at all levels, especially in its business relations, in compliance with applicable regulations such as the General Data Protection Regulation (GDPR) and the Sapin II law on corruption.

The importance that Carrefour gives to quality relationships with its partners, particularly its suppliers, was highlighted during the health crisis. Carrefour has been successful in building sustainable relationships with its partners. The wide range of partnerships with local economies and producers helped secure supplies, especially in the fruit and vegetable supply chain. Additionally, Carrefour continued to honour its commitments to its suppliers, a key factor in sustaining the local economy in the host communities where it sources products. Fulfilment of orders was a question of livelihood for its suppliers in countries coping with social risk during the health crisis.

Risks and opportunities

In its analysis of Group risks, Carrefour identified three main risks involving relations with partners and stakeholders:

- "Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair compensation". To identify those countries where risk of non-compliance with the charter is the highest, Carrefour has established a country-by-country risk map, which was revised in 2018 in line with the duty of care plan. The list of risk countries with this social component is derived from the country-by-country risk classification defined by amfori-BSCI and on the ITUC Global Rights Index. The classification also takes into account recommendations from the International Federation for Human Rights and from Carrefour's local teams;
- "non-compliance with anti-corruption legislation (Sapin II law)". The corruption risk mapping process was updated in 2021 for each main business sector (Retail, Property, Banking and Insurance). 576 employees were interviewed in the course of sessions organised throughout the Group. This update was used to redefine corruption risk scenarios for each managerial and operational process and rank any action plans for more effective risk management and analysis of existing controls;
- "non-compliance with data protection legislation (GDPR, LGPD, etc.)".

Our initiatives

Carrefour's responsibility to its stakeholders is manifold. The main issues identified are:

- **support for the local economy:** thanks to its global network of 13,894 integrated and franchised stores, Carrefour provides its customers with convenient local retail options in all its countries of operation. Each store has the independence necessary to adapt its product assortment and services portfolio to local needs and build close relationships with its customers. The promotion of local products is notably encouraged with the development of brands such as Reflets de France and Terra d'Italia. Through its partnerships with local producers of organic products, Carrefour Quality Lines and local SMEs, the Group supports local economic development;
- **respect for health, safety and human rights within the supply chain:** working with its various stakeholders (investors, consumers, NGOs, etc.), Carrefour anticipates risks relating to its activities upstream of its distribution operations, via their supply chain. In this regard, Carrefour is committed to constantly improving working conditions and protecting human rights and the environment among its suppliers. To meet its commitments, Carrefour puts risk assessment and prevention at the heart of its management system. Carrefour endeavours to assess the social and environmental compliance of its suppliers worldwide and to promote CSR practices throughout its value chain;

- **guaranteeing ethical farming:** for the past few years, Carrefour has been deploying a programme aimed at improving animal welfare in its supply chains. In collaboration with its stakeholders and NGOs specialising in animal welfare, Carrefour has defined its criteria and ensures they are included in specifications. Progress plans and monitoring tools have also been developed to support the transformation of production methods;
- **supporting fair trade and promoting decent wages:** Carrefour is committed to ensuring adequate compensation for its employees and within its supply chains to provide them with an adequate standard of living, which is recognised by the United Nations and the International Labour Organization as a human right. Work is therefore undertaken to guarantee a decent wage across Carrefour's employee population and supply chain network. Through its purchases, Carrefour has been developing and supporting fair trade for more than 20 years, and in doing so contributes to improving the living conditions of producers and the long-term development of communities;
- **guaranteeing fair practices and personal data protection in business relationships:** corruption can take several forms in Carrefour's normal course of business. Bribery, gifts and favouritism can be linked to the purchasing functions, as well as business development requiring official authorisations. The commitment of Carrefour's governing bodies should give local teams a better understanding of the fight against corruption and accelerate global compliance. Data protection is also a vital challenge for Carrefour. Compliance on this issue is an opportunity for the Group to strengthen the relationship of trust with Carrefour customers, employees and partners as part of a more comprehensive approach to digitising the Company.

Coalitions and partnerships

- Institute of Public and Environmental Affairs (IPE)
- Fashion Pact
- Initiative for Compliance and Sustainability (ICS)
- Business Social Compliance Initiative (BSCI)
- Leather Working Group
- *Laboratoire d'Innovation Territorial Ouest Territoires d'Élevage* (LIT Ouesterel)
- *Association Étiquette Bien-Être Animal* (AEBEA)
- Other animal welfare organisations: World Animal Protection, Welfarm, OABA, CIWF

Contribution to the UN Sustainable Development Goals

Our objectives

TOPIC	OBJECTIVE	DEADLINE
Suppliers	300 suppliers involved in the Food Transition Pact in all Group countries by 2025	2025
Local action	45,000 partner producers in all Group countries by 2025 (organic producers, Carrefour Quality Lines, regional and local)	2025
Supply chain	Social audits performed on all supplier factories of controlled products located in high-risk or risk countries	Permanent
Raw materials	Only sustainable and traceable raw materials used in TEX products by 2030	2030
GDPR	Establishment of an organisation, rules and procedures for the protection of personal data	Permanent
Animal welfare	Eight key objectives of our animal welfare policy implemented in all Group countries by 2025	2025

2.1.5.2 Respect for human rights and labour rights

Context and definition

Business activities impact human rights in host countries and beyond, whether through their own operations, within their sphere of influence or via their value chain. In respect of their duty of care, companies have in recent years made progress in taking the social and environmental impacts of their internal and purchasing processes into account. They have worked to define objectives and monitor indicators to disseminate best practices among their teams and suppliers and, where necessary, to rectify their practices.

Carrefour pledges to promote, respect, enforce and protect human rights in its sector of activity and within its sphere of influence. Carrefour's policies draw on international, universally recognised instruments upholding human rights: the Universal Declaration of Human Rights, the International Labour Organization (ILO), Declaration on Rights at Work, and other relevant ILO conventions. The Group, which works with thousands of suppliers around the world, also measures the risks inherent to its supply chains, assesses the social and environmental compliance of its suppliers, and promotes CSR best practices throughout its value chain.

Carrefour's policy and performance

The Group aims to promote respect for human rights by all of its employees and the employees of its franchisees. Drawing on the key recognised international standards and guidelines on human rights, Carrefour has set targets in line with the following issues: compliance with local and regional legislation and regulations on labour law and human rights in general; child labour; forced labour, slavery and human trafficking; excessive working hours; employee health and safety; decent pay; employee benefits; the fight against all forms of harassment and discrimination; social dialogue, collective bargaining rights, freedom of expression and association; and privacy and personal data protection.

Carrefour is also committed to improving its suppliers' working conditions and respect for human rights and the environment, with the aim of eventually creating sustainable and fair trade supply chains for both direct and indirect purchases. For example, Carrefour puts in place a set of tools and procedures for monitoring its suppliers. In accordance with Carrefour's purchasing rules, all supply plants located in high-risk or risk countries must undergo a social audit conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Initiative (BSCI) standards.

Carrefour has also made the following commitments:

- compliance audits performed on all supplier factories located in high-risk or risk countries;
- only sustainable and traceable natural raw materials used in TEX products by 2030.

Key Performance Indicators(1)	2021	2020	Change
Percentage of audits with alerts (potential production plants)	14%	17%	-3 pts
• Of which alerts related to working hours	27%	29%	-2 pts
• Of which alerts related to compensation, working conditions and benefits	22%	25%	-3 pts
• Of which alerts related to health and safety	38%	33%	5 pts

Indicators(2)	2021	2020	Change
Number of social audits (potential production plants)	918	1,418	-35.3%
• Of which Bangladesh	51	60	-15%
• Of which China	576	915	-37%
• Of which India	59	64	-7.8%
• Of which Turkey	63	69	-8.7%
• Other	169	310	-45.5%

(1) Audits carried out according to the ICS standard only.
(2) Audits conducted under ICS standards (number of audits carried out at Carrefour's request) and BSCI standards (number of audits carried out at Carrefour's plants).

Comments on 2021. As in 2020, the decrease in the number of social audits can be attributed to several factors. The ongoing health crisis prompted a strategy aimed at maintaining activity among existing suppliers, which resulted in a slowdown in sourcing and consequently a drop in the number of pre-listing audits. Also, some audits were postponed due to Covid-19 travel restrictions.

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Carrefour provides training, implements regional projects and supports fair trade to help its suppliers, promote CSR within its supply chains and foster development in host communities where it sources products.

Indicators	2021	2020	Change
Gross sales of fair trade products (own-brand and national brand) *(in thousands of euros)*	127,811	111,198	15%

Action plans

1. Protecting Group employees

For the past 20 years, Carrefour has demonstrated its commitment to the protection of human rights, health and safety, and the environment, in particular through partnerships with major NGOs working in these areas, including the WWF® for environmental protection (1998), UNI Global Union for working conditions and fundamental freedoms (2001), and the International Federation for Human Rights (FIDH) (2000-2018). The Group has been a signatory of the United Nations Global Compact since 2001, and all integrated Group host countries are members of the ILO.

First distributed in 2016, Carrefour's Principles of Ethics provide employees with a set of guidelines on how to conduct themselves in the workplace on a daily basis. These principles mainly cover respecting diversity, contributing to a safe and healthy working environment, promoting social dialogue, banning all forms of harassment and discrimination, ensuring the safety of people and property, and acting with integrity, both individually and collectively.

To make sure the principles are applied properly, Carrefour has set up its own ethics whistleblowing system that can be used by Group employees or stakeholders to report any situations or behaviour that do not comply with its Principles of Ethics *(see also Section 2.2.4.2 Summary of alerts and corrective actions taken)*.

Carrefour also provides its employees at Group level and throughout France with e-learning courses on human rights to educate them about these issues. In 2021, modules mainly covered gender equality, the Mission Handicap programme for people with disabilities, sexual harassment and sexism, gender prejudice in toys, and domestic violence prevention.

Carrefour also takes steps to ensure that its international franchisees respect human rights by systematically attaching a Human Rights Protection Charter to their contracts, requiring them to comply with international labour rights standards. Franchisees also agree to ensure that all employees, suppliers, sub-licensees, subcontractors and sub-franchisees comply with these commitments.

2. Protecting Carrefour's suppliers and value chain

Carrefour is committed to improving working conditions and protecting human rights among its suppliers, by implementing purchasing rules, tools and procedures to verify its suppliers' compliance and assist them in the compliance process.

The purchasing rules provide the framework for the social and environmental compliance of purchases of certified products, which meet specifications defined by Carrefour and undergo specific quality checks. These rules apply to all Group entities and all production countries based on their risk level. Disseminated in all countries where the Group operates, the rules specify that suppliers must sign a Commitment Charter; the process and compliance rules for social audits; the Group's purchasing entities must appoint a person in charge of social and environmental compliance; and an action plan to bring sensitive production phases and raw materials into compliance with specific purchasing rules.

An integral part of all purchasing contracts in all countries, the Supplier Commitment Charter essentially extends Carrefour's respect for and promotion of human rights to a broader scope. The charter takes up the Group's Principles of Ethics and stipulates that suppliers agree to comply with its standards on human rights, ethics and the environment. It prohibits any concealed or unreported subcontracting, and requires, as a knock-on effect, Group suppliers to apply the same social compliance standards to their own suppliers.

MAPPING SUPPLIERS AND VALUE CHAIN

To identify those countries where risk of non-compliance with the charter is the highest, Carrefour has established a country-by-country risk map, which was revised in 2018 in line with the duty of care plan. Procurement potential and purchasing rules therefore depend on the risk rating assigned to each country:

- severe risk: production and supply are suspended in these countries;
- high risk: authorisation at Group level is required for any production in these countries. Once the country is approved, Carrefour teams working in the country approve and monitor plants;
- moderate risk: the plant is selected in strict application of the Group's purchasing rules;
- low risk: purchasing rules apply, but an audit is not required.

SECTOR-BASED APPROACHES AND SENSITIVE MATERIALS

Since 2018, Carrefour has also kept an up-to-date list of "sensitive" production phases that may present human rights and environmental risks. These phases may either take place during the manufacturing processes of Carrefour suppliers or further upstream in the value chain. The Group also identified the raw materials associated with social and/or environmental risks throughout their value chain. These raw materials have been prioritised based on their risk level and materiality for Carrefour.

SUPPORTING AND TRAINING EMPLOYEES AND SUPPLIERS

Training is provided on specific social issues. Courses on purchasing rules and the BSCI programme was provided for staff in France and Spain. Since 2019, some 80 purchasing and quality staff members have been trained, along with more than 250 people from Global Sourcing teams (Shanghai, Hong Kong, Bangladesh, India, Turkey, Cambodia and Vietnam).

Carrefour also supports its suppliers to improve CSR performance within the supply chain outside its direct scope, in collaboration with consultants and local NGOs. All suppliers must assess their own tier 1 suppliers identified as being high-risk (tier 2 suppliers for Carrefour) based on ESG criteria using a framework/application provided by Carrefour, which reduces non-compliance risk upstream. In 2019, Carrefour provided training at the plants of its tier 1 suppliers in Bangladesh, Pakistan and India, along with other tools to deal with identified risks. The project was deployed in 2020 in the following countries: India (242 tier 2), Bangladesh (309 tier 2), Pakistan (57 tier 2), Cambodia (8 tier 2), Vietnam (4 tier 2), Burma (3 tier 2) and Sri Lanka (15 tier 2).

The Group has also drawn up the Good Factory Standard, a practical training document featuring a breakdown by sector and/or by type of product (bazaar, clothing, wood, leather, etc.). It offers a set of basic requirements to follow and lists good and bad practices.

DEVELOP CONTROL PROCEDURES

In accordance with Carrefour's purchasing rules, all supply plants located in high-risk or risk countries must undergo a social audit conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Initiative (BSCI) standards. To be accredited, suppliers are subject to several checks, including a pre-audit, a technical audit, a social audit and an environmental audit. Social audits are mandatory for suppliers located in countries classified as risk countries, for all plants manufacturing products under Carrefour brands with a required rating of A or B grade (C, D and E ratings do not qualify). For suppliers located in low-risk countries, the inspection system is adapted to the business, local problems and on-site practices, as external audits are not performed systematically.

In addition to the audits, Global Sourcing's quality teams visit sites according to an inspection schedule set by Carrefour to check product quality compliance and offer on-site surveillance during production. All textile plants are systematically inspected at least once a year to ensure that quality procedures and the factory standard are in line with the Carrefour Good Factory Standard.

Since 2019, clothing supplier assessments have incorporated a CSR score in addition to the usual commercial, quality, and delivery (supply) scores. This CSR assessment includes the results of social audits, environmental assessments and alerts, management of suppliers (tier 2 suppliers for Carrefour), component traceability, supplier certifications and good CSR practices (aside from mandatory compliance).

Joint initiatives and partnerships

- Initiative for Compliance and Sustainability (ICS)
- Business Social Compliance Initiative (BSCI)
- Bangladesh Transition Accord

+ Find out more

- Supplier Commitment Charter
- Principles of Ethics
- Duty of care (see Section 2.2 of this chapter)
- Ethics whistleblowing system

2.1.5.3 Fair compensation and decent wages

Context and definition

Carrefour's employees are its key asset. In its day-to-day business, the Group seeks to protect and develop its human capital and that of the community in which it operates. It focuses on achieving this by providing favourable working conditions, fair compensation and decent wages.

As part of the "Acting with simplicity" commitment of its "Act for change" programme, which aims to provide a secure and positive professional environment for its employees, Carrefour pledges to respect the human rights and fundamental freedoms of its employees. Consequently, the Group is committed to ensuring that each employee receives an adequate living wage to achieve a suitable standard of living, which is recognised by the UN and more specifically by the International Labour Organisation (ILO) as a human right. Carrefour also pays close attention to recognising its employees' work. To retain its talent, it rewards its employees' performance and skills through fair and satisfactory compensation.

Policy and performance

1. Among Carrefour suppliers

Each host country sets its own compensation policy, in line with local standards. However, the Group has defined the following global compensation goals applicable to all its host countries, which aim to guarantee decent wages for all its employees:

- compliance with local or regional laws and regulations concerning wages in all Carrefour and franchisee countries;
- compliance with sectoral collective bargaining agreements on compensation (in particular by enforcing the minimum wage set by the country or province) in all countries where Carrefour, the Group's directly operated entities and its franchisees operate;
- efficient payroll management;
- fair definition of compensation;
- performance assessments relating to pay and decent wages.

2. Among local, national and SME suppliers

Carrefour has set a target to partner with 45,000 organic farmers, Carrefour Quality Lines, regional and local producers by 2025. One of the guarantees from entering into agreements with these partners is fair pricing practices. The Group is also introducing SME Plans in all countries to develop business with SMEs. Lastly, Carrefour supports local industries through various crises (for example, the milk crisis in France, health crisis in Spain, etc.).

3. Among Carrefour suppliers and throughout the supply chain

Through its Carrefour Supplier Commitment Charter on human rights, Carrefour pledges to provide workers with satisfactory compensation to meet their basic needs and those of their family members who depend directly on them. In accordance with Carrefour's purchasing rules, all supply plants located in high-risk or risk countries must undergo a social audit, including assessments on the minimum wage for employees of these suppliers. The audits are conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Initiative (BSCI) standards.

Key Performance Indicators	2021	2020	Change
Percentage of audits with alerts (potential production plants)	14%	17%	-3 pts
Number of social audits performed	918	1,418	-35.3%
• Of which alerts related to compensation, working conditions and benefits	22%	25%	-3 pts
• Of which alerts related to working hours	27%	29%	-2 pts
• Of which alerts related to health and safety	38%	33%	5 pts

Carrefour also implements regional projects and supports fair trade to promote CSR within its supply chains and foster development in regions where it sources products.

Indicators	2021	2020	Change
Gross sales of fair trade products (own-brand and national brand) *(in thousands of euros)*	127,811	111,198	15%

Action plans

1. For our employees

The Group enforces a sustainable compensation policy, which takes into account the issues of purchasing power within each country. Compensation levels most often exceed the local legal minimum wage and are usually supplemented with profit-sharing plans, social protection and employee benefit schemes. The employee compensation policy is defined by country, with consideration for the local context, practices and issues, and in line with the Group's goals that apply in all host countries. The working time monitoring systems, implemented at all Carrefour and franchisee sites, optimise payroll management and ensure that employees receive fair compensation, aligned with actual working hours and at regular intervals. Each country uses individual and collective performance assessment systems to adjust compensation and bonuses accordingly.

2. Among our local, national and SME suppliers

Carrefour's goal is to bring together 45,000 organic, regional and local Carrefour Quality Lines partners. A partner producer is a producer or supplier with which Carrefour has a close relationship, governed by a specific contract (multi-year commitment, commitment on price, commitment on volumes, simplified listing process, accelerated payment, SME contract, other). The partnerships between Carrefour and its local and national suppliers are bound under contractual terms to guarantee fair compensation.

Each country where the Group operates has introduced an SME plan to build close relationships with small and medium-sized companies (including direct contact, setting up of clubs, awards programmes to foster innovation, etc.) and a "Carrefour SME contract", set for a specific duration and offering a dual ombudsmen system, a system to ease cash flow for SMEs, a specific e-mail address, and contract signing on December 31. This action plan also includes training for buyers on specific issues related to business relations with SMEs and ensuring compliance with Carrefour's Code of Ethics (e.g., displaying the Code of Professional Conduct in the booths where negotiations take place). To develop business with these smaller entities, local listing and payment processes can be accelerated. In France, Carrefour implemented multiple local initiatives in 2021 to support supply lines and reasserted its commitment to SMEs by signing contracts with more than 3,400 local and regional SMEs.

Finally, Carrefour supports local industries in meeting challenges identified in the various host countries, particularly since 2020 in response to the health crisis. For example, for the third consecutive year in France, Carrefour and Système U signed agreements in 2021 with SODIAAL, Yoplait, Lactalis Fromages, Lactalis Nestlé Ultra Frais, Savencia and Eurial, to revalue the price of milk paid to producers. Thanks to these partnerships, this revised price will apply to more than 800 million dairy products manufactured in France and sold in Carrefour group and Système U banners. Also, through sales of its *C'est qui le patron ?* (Who's the Boss?) products, Carrefour contributed to providing better pay for producers. In Spain, Carrefour promoted Spanish-made footwear within its TEX brand by working with seven regional suppliers, as part of its commitment to and support of the country's quality producers. The Group also showed its support for small and medium-sized local producers of green asparagus experiencing difficulties within their sales channels due to the current health crisis.

3. Among our suppliers in high-risk countries and throughout the supply chain

ENSURING TRACEABILITY OF PRODUCTS AND SUPPLIERS TO ENSURE FAIR COMPENSATION

Supply chain traceability is a necessary requirement for supporting our suppliers and their suppliers in improving their social performance. As part of the 2030 objective: "all natural raw materials used in its TEX products should be sustainable and traceable", Carrefour has developed a methodology to identify its tier 2 suppliers, trace supply lines and as a result ensure fair compensation throughout the value chain.

Mapping tier 2 suppliers in high-risk countries

The Group began mapping tier 2 suppliers in 2020 to have visibility of the various third parties involved across the production and supply chain and then to better identify specific social issues, including fair compensation. Compensation is an identified social risk already covered by the audit criteria for the Group's tier 1 suppliers. For the clothing sector, this task consists of identifying the suppliers of the suppliers involved in the following stages: cloth manufacture (spinning, knitting, dyeing), product assembly, etc. Carrefour began this mapping process "manually" for Bangladesh and India, and an IT solution is currently being studied that could be used to systematically roll the process out to all of the Group's high-risk countries.

Tracing supply lines and communicating transparently

As an example, since 2019, Carrefour has been working with over 8,000 small organic cotton producers in the Madhya Pradesh and Maharashtra regions in India on a project combining quality organic cotton, decent pay for producers and traceability starting from the seed. Thanks to its partner, Cotton Connect, Carrefour ensures that its Indian organic cotton suppliers receive a higher rate than conventional cotton producers. The first 100% "sustainable cotton" collection is a direct result of this approach, comprising home textiles, undergarments, babywear and children's clothing under the TEX BIO brand sold in all of Carrefour's French and Spanish hypermarkets since spring-summer 2019.

SUPPLIERS' SOCIAL PERFORMANCE WITH RESPECT TO COMPENSATION

Carrefour has three levers to advance on living wage issues: fair trade products, social audits and implementing additional services to supplement compensation.

Principles of social audits covering our suppliers with respect to their workers' compensation policy

Carrefour's purchasing rules on implementing decent wages include audits in compliance with minimum wage, legal overtime pay requirements and freedom of association. Specific roadmaps covering these three themes were defined at the local level. The social performance of suppliers is regularly monitored and checked through social audits. Corrective action plans are systematically implemented and progress monitored over time. In addition to social audits, Carrefour develops local projects to meet specific needs of its suppliers. More than 80% of cases of non-compliance identified in plants in high-risk countries each year relate to the following three categories: "compensation, benefits and conditions", "health and safety" and "working hours".

Social compliance of suppliers with respect to workers' pay

In 2021, 918 social audits covered the Group's potential production sites, 35.3% less than in 2020. This decrease is due to the Covid-19 pandemic. An alert is raised for any critical point of non-compliance identified during the audit. When alerts apply to accredited suppliers, immediate action is required, after which Carrefour only retains suppliers once they have been cleared by a pre-audit within a three-month period. The main occurrences of non-compliance discovered among Carrefour suppliers related to working hours, compensation levels and workers' health and safety. In 2021, 14% of audits conducted on potential production plants generated one or more alerts.

Supporting fair trade

In France, Carrefour was the first major retail banner to sell a fair trade product, Malongo brand coffee back in 1998, produced by small farmers. Many Max Havelaar® certified products have since been added to store shelves through brands such as Alter Eco, Ethiquable, Lobodis, etc., with several international agreements signed twenty years later between Carrefour and Max Havelaar®.

In 2021, more than 127 million euros in fair trade products were sold in Carrefour stores worldwide (up 15% from 2020). Product sales generated nearly 1.5 million euros in development bonuses for cooperatives, on top of the fairer retail price paid to producers, which have financed study grants, water purifiers, schools, a maternity unit, and more. Carrefour's own-brand organic range, launched in partnership with Max Havelaar®, now has a wide range of listings in five product categories: bananas, coffee, chocolate, honey and tea. In 2021, 930 fair trade products were available at Carrefour stores worldwide.

4. Among franchisees

Charter for the protection of human rights for international franchisees

Carrefour is working to ensure that its international franchisees respect human rights by systematically attaching to their contracts a charter for the protection of human rights. The charter binds franchisees to provide workers with compensation that meets their basic needs. Such compensation must at least correspond to the minimum wage set by the national legislation of the country concerned or, in the absence of regulations, it must facilitate decent living conditions for workers. By signing this charter, franchisees agree to ensure that all employees, suppliers, sub-licensees, subcontractors or sub-franchisees, as the case may be, comply with these commitments. Franchisees are also bound to introduce checks to ensure that commitments are met, such as visits to observe suppliers' practices relating to working conditions. Findings are compiled in dedicated reports to assess compliance with the charter. If necessary, corrective action plans are implemented and follow-up visits planned. Franchisees must also authorise the Carrefour group, or any person authorised under the Group's internal and external monitoring system, to carry out unannounced visits to check compliance with the charter's commitments.

2.1.5.4 Personal data protection

Context and definition

Personal data protection is a vital challenge for Carrefour. Compliance on this issue is an opportunity for the Group to strengthen the relationship of trust with Carrefour customers, employees and partners as part of a more comprehensive approach to digitising the Company, in compliance with the regulations in effect. Non-compliance constitutes a potential threat to its image with consumers and a regulatory risk representing 2% to 4% of its sales (under the GDPR).

Policy and performance

Carrefour has deployed a plan to comply with the General Data Protection Regulation (GDPR). The plan applies to all of the Group's integrated countries and involves regular communication between the different Data Protection Officers (DPO) to harmonise practices and comply with local legislation and specific local needs.

Indicators	2021	2020	Change
Number of countries/entities with a DPO[1]	8/8	8/8	-

(1) New indicator in 2020. Excl. AR because the nomination of a DPO is not required under local regulations.

Action plans

Carrefour has developed a continuous monitoring plan covering all the key issues relating to the GDPR to ensure proper compliance and, if necessary, take continuous remedial action.

The compliance programme covers:

- application of general data protection policy;
- consent management;
- creation and updating of data processing records;
- creation of a data rights management process for providing responses within legal deadlines;
- implementation of a training programme;
- data conservation policy;
- deployment of a network of data protection officers in accordance with the recommendations of the French Data Protection Authority (CNIL);
- a DPO in each country to deal with data protection issues and support the country business segments;
- a register of incidents and personal data breaches in accordance with the GDPR for tracking different incidents, qualifying them from a legal standpoint to self-assess the appropriateness of notifying the French Data Protection Authority and/or disclosing them to the persons concerned;
- reporting tools for integrated countries or BUs to report to Group level.

2.1.5.5 Fair practices

Context and definition

Corruption is a criminal offence subject to national laws, international conventions and laws with extraterritorial scope, such as the American Foreign Corrupt Practices Act (FCPA), the UK Bribery Act (UKBA) and the French Criminal Code. France's Sapin II law of December 9, 2016, which strengthened the country's anti-corruption system, requires large companies to adopt measures to prevent corruption. Corruption can take several forms in Carrefour's normal course of business. Bribery, gifts and favouritism can be linked to the purchasing functions, as well as business development requiring official authorisations.

Carrefour complies with several rules and regulations for its business, including competition law and those relating to trade and industry. Competition law encompasses all laws and regulations aimed at enforcing compliance with the principles of free and fair trade and industry. Competition policy helps to stimulate productivity, give consumers a wider choice, and improve the quality of goods and services at the most competitive prices. In EU countries, competition law is based on EU law. This harmonisation provides legal certainty within a single legal framework and basic rules applicable in each EU country.

Lastly, from a tax perspective, the Group's policy is one of transparency and the payment of appropriate taxation wherever it creates value.

Policy and performance

Carrefour contributes to the fight against corruption, money laundering and the financing of terrorism by eschewing all forms of corruption and enforcing the applicable laws. The Group promotes a culture of trust and integrity, which it shares with its stakeholders, enabling each of its employees to report any violation of the law anonymously.

Carrefour is committed to the rules of fair competition in its business relations with its different partners (franchisees, suppliers, service providers, etc.). It is very careful to maintain high-quality, transparent and loyal relations with its different commercial partners and to negotiate balanced agreements that comply with applicable laws and regulations, especially competition law. The confidentiality of all information exchanged is also strictly respected and managed.

The Group ensures compliance with the applicable rules in all the countries where it operates, including those aimed at fighting tax evasion. No Carrefour entity is located in a country listed on the French or European Union lists of non-cooperative jurisdictions for tax purposes (e.g., the EU "blacklist" published by the Council of the European Union).

Indicators	2021	2020	Change
Amount paid by all Group entities in respect of their tax obligations	€948 million	€962 million	-1.5 pts
Social security contributions borne by the Group	€1,613 million	€1,597 million	1%
% of at-risk employees trained on anti-corruption topics[1]	98.6%	61%	2 pts

(1) New indicator in 2020. Scope: excl. e-learning data in France and excl. PO BE.

Action plans

1. Governance

As part of its responsible business conduct policy, Carrefour ensures compliance with the rules applicable to the transactions it carries out in all the countries where it operates or conducts its business, mainly by developing an ethics and compliance network comprised of representatives in various roles and from different levels within the organisation. This network includes:

- a Group Ethics Committee, the Group Legal Director and the Director of Ethics, Compliance and Personal Data Protection, who acts as secretary;
- the Ethics, Compliance and Personal Data Protection department, which reports to the France and Group Legal departments, overseeing compliance for the Carrefour group;
- Ethics and Compliance Officers from integrated countries and BUs who are responsible for ensuring the compliance of their respective entities;
- all employees with key roles in compliance, so that Carrefour group can collectively comply with ethics and compliance regulations

Joint governance arrangements shared between the Safety and Compliance departments are being rolled out to all entities and countries in which Carrefour is present, for even more effective reporting and oversight.

2. Fighting corruption, money laundering and terrorism financing

Risk mapping and governance

The corruption risk mapping process was updated in 2021 for each main business sector (Retail, Property, Banking and Insurance). The commitment of Carrefour's governing bodies is reflected in the decision to appoint a Compliance Officer in each Carrefour-integrated country where this was not already the case, to give local teams a better understanding of the fight against corruption and speed up the process of ensuring overall compliance.

This was also demonstrated by Alexandre Bompard and Laurent Vallée speaking to all Group countries on International Anti-Corruption Day on December 9 to reiterate their commitment to the fight against corruption and influence peddling.

In 2021, a Responsible Lobbying Charter and a Governing Charter for the Carrefour Foundation were approved by the Group Ethics Committee and distributed to be applied to the process of selecting sponsorship projects.

Policy

Carrefour has drafted an "Anti-bribery and Corruption Policy", providing practical illustrations of concepts (such as rules governing the acceptance of gifts and invitations). This policy establishes the frame of reference in which employees must all perform their duties on a daily basis, in all of Carrefour's subsidiaries and integrated countries. It applies to all employees in all Group countries. In addition, each country subsidiary takes into account locally applicable regulations, and implements the appropriate compliance programmes and the necessary prevention measures. Carrefour expects third parties with which it has a relationship to take measures to prevent the main corruption risks and to inform their employees accordingly. The Principles of Ethics are shared with suppliers through charters signed or appended to their contracts, which are an important part of the prevention process.

The Group has implemented a plan to comply with the Sapin II law on anti-corruption, strengthening the French law on anti-money laundering and counter-terrorism financing. It covers the following points:

- an awareness-raising and training system has been rolled out for functions on the front lines. It takes the form of either in-person or online meetings and has been attended by several thousand employees directly concerned. Functions that are not on the front lines have also participated to learn more about these issues. All employees involved in a purchasing or selection process are required to sign a declaration of independence each year, with the aim of publicly disclosing any conflicts of interest in order to handle them better. Carrefour has performed a bribery and corruption risk mapping process;
- corruption risks are mitigated by a series of accounting control procedures;
- local whistleblowing systems and an outsourced global whistleblowing service were set up in all countries in 2016. They are available 24/7 via the Internet *(ethique.carrefour.com)* or the hotline;
- Carrefour evaluates third parties with the highest risk of corruption and with which it has a business relationship. It aims to standardise and centralise Group practices by deploying a common approach to evaluating third parties.

In all host countries, relations with the public authorities are governed by an ethical framework that complies with the applicable regulations. For example, as required by the Sapin II law, Carrefour's lobbying activities in France are entered on the register of interest representatives, which is monitored by France's High Authority for Transparency in Public Life.

Work is also in progress on a global training plan to ensure that employees are well informed about the risks of corruption based on their level of exposure. To date, 98.9% of the employees identified in 2021 as most exposed to risks of corruption have received training. For employees with a lower risk of corruption, an awareness programme is also available and was taken by 80,010 employees in 2021.

An ambitious project to standardise assessments of third parties and stakeholders is also being rolled out

2. Competition law

Carrefour has set up and deployed processes that comprise the following:

- specific training in competition law compliance is regularly provided by the Legal Affairs departments in each country, mainly for those employees who are most exposed.

In France:

- new hires in functions on the front lines have compulsory training that includes a specific module on Purchasing law. Some of the training is organised in the form of role-play;
- more specific and targeted training is provided when purchasing alliances are formed;
- each employee must adhere to a Code of Professional Conduct covering the principles of confidentiality and compliance with competition law *inter alia*;
- these principles are sent to the Group's commercial partners, in particular in the Carrefour Ethical Standards for Suppliers Charter, which they are asked to sign;
- contract templates drafted and circulated by the Legal departments of each country include clauses on compliance with applicable laws and regulations, including competition law. These contract templates are updated regularly to reflect changes in these rules and regulations. Each Legal department provides tailored and secure contractual solutions for the different operational departments;
- the Legal departments in each country monitor legal developments to anticipate any changes in the regulatory framework in which Carrefour conducts its business and to inform the departments concerned in order to mitigate their impacts.

3. Tax strategy

Carrefour applies a tax compliance and transparency policy, guaranteed by its well-trained expert tax team, aligned with the latest tax reforms. In its host countries, the Group cultivates long-term relationships of trust with tax authorities, providing them with the information they need within a reasonable time. It ensures the compliance of its operations with tax regulations, aiming to pay an appropriate amount of tax according to where value is created in the normal course of its commercial activity, without artificially transferring value to low-tax jurisdictions. The Group does not use opaque structures or entities in tax havens to conceal information useful to tax authorities. It applies the arm's length principle for transfer pricing, and does not use transfer pricing as a tax planning tool. As the Group's organisation is decentralised, its intra-group transactions are not significant, representing less than 5% of total trade sales. The Group applies an intra-group flow policy in line with OECD principles and guarantees transparency, notably through Country-by-Country Reporting (CBCR).

The ethics whistleblowing system can be used by Carrefour employees, suppliers or service providers to report – in confidence – any situations or behaviour that do not comply with the Group's Principles of Ethics, including for tax matters.

Joint initiatives and partnerships

- Member of Transparency International (France) since 2009
- Participation in the work of the Companies in Society Commission of the French section of the International Chamber of Commerce (ICC France)

Find out more

- *Carrefour.com*: Our Principles of Ethics
- *Carrefour.com*: Anti-corruption policy

2.1.5.6 Guaranteeing ethical farming

Context and definition

Throughout the world every year, 70 billion animals are reared to feed humans with meat, milk or eggs. Without a fundamental change in our food patterns, global demand will increase by 25% between 2015 and 2030. The response to this growing demand is mainly provided by intensive livestock farming, which accounts for 70% of world livestock production.

In this context, respect for animals and their sensitivity is a growing concern among the general public. According to the United Nations Food and Agriculture Organisation (FAO), animal welfare is a common good that forms an integral part of the livestock sector's sustainable development. It is linked to food safety and quality, human and animal health, and rural development. In several countries, and especially in Europe, new consumer habits are emerging, such as reducing the quantity of meat consumed, choosing to replace meat with plant proteins, or turning to products made using more sustainable and more animal-friendly farming methods. These changes are happening fast, and farming practices must be adapted accordingly.

Carrefour's policy and performance

For the past few years, Carrefour has been deploying a programme aimed at improving animal welfare in its supply chains. This programme is based on the "five fundamental freedoms" of animal welfare, adapted to different livestock farming methods: physiological freedom (absence of hunger, thirst or malnutrition), environmental freedom (adapted housing, absence of climatic or physical stress), health-related freedom (absence of pain, injury or disease), behavioural freedom (possibility to exhibit normal, species-specific behaviour) and psychological freedom (absence of fear or anxiety). Carrefour developed an animal welfare policy in 2019 based on ten priority areas that are shared within its relevant animal product lines:

1. combating antibiotic resistance and banning antibiotics and growth hormones;
2. banning cloning and genetically modified animals and researching biodiversity;
3. switching to cage-free farming and keeping animal confinement to a minimum;
4. keeping stress during transport and slaughter to a minimum;
5. limiting controversial practices and systematically optimising pain management;
6. requesting proper nutrition;
7. carrying out health monitoring;
8. banning animal testing (cosmetics, personal care and household products);
9. banning materials of animal origin not derived from livestock whose primary purpose is to produce food;
10. improving habitats.

In 2020, the nine integrated countries defined progress plans for these ten priority areas, broken down according to species and product category. Carrefour has measured its performance in achieving the eight targets using indicators common to all Group countries concerned:

- shell eggs: 100% of shell eggs sold for certified and national-brand products must be from cage-free production facilities by 2025 (or 2028 depending on the country);
- eggs as ingredients: 100% of eggs used as ingredients in Carrefour-brand products must be from cage-free production facilities by 2025;
- cage-free farming: the sale of products from other animals (rabbits and quails) raised in cages for Carrefour-brand products must be discontinued by 2025;
- chickens: 50% of Carrefour-brand chicken sales must guarantee compliance with improved animal welfare[1] criteria by 2026 (Better Chicken Commitment criteria);
- pigs: 100% of organic and Carrefour Quality Lines pork products must guarantee compliance with improved animal welfare criteria by 2025;
- horses: 100% of horse meat sources must be independently audited or from EU producers by 2025;
- animal slaughter: 100% of slaughterhouses that deliver unprocessed products certified by Carrefour must be audited for compliance with animal welfare standards by 2025;
- transparency: each country must implement a system to inform consumers about farming methods used for Carrefour-brand products by 2025.

Performance indicators	2021	2020	Change	Target
Shell eggs – Percentage of gross sales of certified products from cage-free production facilities[1]	77.0%	71.1%	5.9 pts	100% by 2025 (2028 depending on the country)
Shell eggs – Percentage of gross sales of national-brand products from cage-free production facilities[2]	77.5%	76.8%	0.7 pt	100% by 2025 (2028 depending on the country)
Eggs as ingredients – Percentage of Carrefour-brand products containing cage-free eggs used as ingredients[3]	51.2%	New	-	100% by 2025

(1) The animal welfare guarantees are in line with the Better Chicken Commitment criteria.

Performance indicators	2021	2020	Change	Target
Cage-free farming – Percentage of gross sales of animals (rabbits and quails) in certified products raised cage-free	*Reporting methodology currently under development*		-	100% by 2025
Chickens – Percentage of gross sales of certified products that guarantee compliance with animal welfare criteria	36.2%	New	-	50% by 2026
Pigs – Percentage of gross sales of Carrefour organic and Carrefour Quality Lines pork products that guarantee compliance with improved animal welfare criteria	*Reporting methodology currently under development*		-	100% by 2025
Horse meat – Percentage of gross sales of horse meat in independently audited certified and national-brand products or from EU producers	*Reporting methodology currently under development*		-	100% by 2025
Slaughter – Percentage of Carrefour supplier slaughterhouses audited for compliance with animal welfare standards[4]	46%	New	-	100% by 2025
Transparency – Percentage of species raised using transparent farming methods, for Carrefour-brand products	*Reporting methodology currently under development*		-	100% by 2025

(1) Scope: Non-comparable BUs (100% of 2021 net sales *vs.* 93% of 2020 net sales – excl. IT).
(2) Scope: Non-comparable BUs (100% of 2021 net sales *vs.* 84.5% of 2020 net sales – excl. Italy and Belgium). 2020 data updated.
(3) Scope: FR, IT, ES, BE, RO and PL. 88.5% of 2021 consolidated net sales.
(4) Scope: Outside Belgium. 91.8% of 2021 consolidated net sales.

The performance of our animal welfare policy is measured using the Business Benchmark on Farm Animal Welfare (BBFAW). In 2020, Carrefour ranked in tier 3 of the benchmark.

Indicator	2021	2020	Change
Business Benchmark on Farm Animal Welfare (BBFAW) ranking	3	3	-

Action plans

1. Combating antibiotic resistance

For 30 years, the Group has been working with its suppliers to create lines of products made from "animals reared without antibiotics" in all of its nine integrated countries. The Group encourages responsible use of therapeutic antibiotics throughout its supply chains to limit antibiotic resistance. It therefore bans growth hormones and antibiotics which diminish animals' physiological capacity and contribute to antibiotic resistance. It systematises prevention (rural animals, limiting density, etc.), vaccines and self-vaccines and sets up "antibiotic-free" production lines. Carrefour is supporting its commercial partners in all integrated countries by implementing pilot projects in order to sell an increasingly complete range of products made from "animals reared without antibiotics" by 2025. In France, for example, by the end of 2021, Carrefour had 187 products labelled "raised without antibiotics" for all or part of the rearing period. These products include chicken (free range and indoor), guinea fowl, pork, veal, laying hens, quail, salmon and shrimp. In Brazil and Poland, Carrefour already sells Carrefour Quality Lines chicken raised without antibiotic treatment.

2. Banning cloning and genetically modified animals

Carrefour supports current regulation which in effect excludes genetically modified clones and animals from its supply chain. The Group pays careful attention to the choice of breeds and strains in terms of growth rate, resistance and origin.

3. Switching to cage-free farming and keeping animal confinement to a minimum

In liaison with its suppliers, Carrefour has launched a global transformation project to ensure that all of its Carrefour-brand eggs are sourced from alternative cage-free farms. The project is already in progress in Italy, Belgium and France. It will take effect in Brazil, Argentina, Taiwan, Poland, Spain and Romania in 2025. The commitment will then be extended to all eggs sold in Carrefour stores – all own brands and national brands, and to processed products from G6 countries. Carrefour France has also committed to phasing out the purchase of quail eggs from farms that use cage-rearing methods for its Carrefour brand by the end of 2021.

4. Keeping stress during transport and slaughter to a minimum

Carrefour's animal welfare policy stipulates that animals must be slaughtered after minimal transport time and in satisfactory conditions (e.g., density, temperature, transfer methods). In the specifications of the Carrefour Quality Lines and in the AEBEA poultry specifications (for 90% of Carrefour brand chickens), transport time is limited and controlled. The best available techniques and technologies should be implemented to limit stress and avoid pain during transport and slaughter. Stunning and checks before slaughter guarantee a painless death and must be applied to the majority of sources for our own-brand products. Audits and video surveillance are to be implemented at the Group's partner slaughterhouses as two priorities for the coming years.

5. Limiting controversial practices and optimising pain management

Carrefour agrees, with its partners, to systematically seek an acceptable technically and economically viable alternative to mutilation practices, in particular: castration, dehorning, tail docking and debeaking. If these practices are maintained, pain management must be comprehensive (anaesthesia or analgesia). For pig farming, Carrefour encourages its suppliers to test alternatives to surgical castration, such as raising uncastrated males and performing immunocastration.

6. Requesting proper nutrition

Animals should have access to fresh, clean water. They should be provided with plenty of healthy food, adapted to their species, age and nutritional needs. Their diet must aim to keep them healthy and vigorous. These issues are included in the minimum requirements for products sold under the Carrefour Quality Lines brand, and are therefore audited in all Group countries.

7. Requiring health monitoring

Farms must undergo regular veterinary health monitoring or inspections. Any animal that appears sick or injured must be treated immediately in line with regulations on drug use. Animals must be euthanised following strict protocols to alleviate irreversible suffering. Euthanising healthy animals is prohibited. These requirements will gradually be included in the specifications of Carrefour Quality Lines products and will be audited in all Group countries.

8. Banning animal testing

In Europe, as required by regulations, Carrefour does not accept any finished cosmetic product that has been tested on animals. The Group hopes to extend this practice to all its integrated countries for cosmetic, personal care and household products.

9. Banning materials of animal origin not derived from livestock

Carrefour only buys products with leather, down, feathers and wool that are a co-product of the food industry for all Carrefour-brand products sold in Group countries.

Carrefour-brand textiles do not use animal fur or wool from Angora rabbits.

The Group also bans feathers and down taken from live animals, and the cashmere in TEX products is sourced from a traceable quality chain that guarantees animal welfare.

Also, Carrefour does not sell zebra, kangaroo or crocodile meat, all brands combined (Carrefour brands or national brands) in any of the Group's integrated countries.

10. Improving animal habitats

Carrefour encourages its lines to develop habitats that allow for outdoor access or the open air. The Group also encourages its partners to install features enabling animals to express their natural behaviours in enhanced habitats (such as natural light sources, roosting perches for chickens, manipulable materials for pigs, outdoor access yards or winter gardens, chew objects for rabbits, etc.).

In collaboration with World Animal Protection, Carrefour Brazil has set up a differentiated production chain that is more respectful of animals for three-quarters of the pork sold in its stores. Consequently, by December 2022, all sows will go into Group housing during gestation, limiting their confinement in crates to 28 days, and ear tags used to identify pigs will be banned. Immunocastration will replace surgical castration by December 2025.

In early 2020, Carrefour announced that it had joined AEBEA *(Association Étiquette Bien-Être Animal)* to provide consumers with clear, systematic information on animal welfare and farming methods for all its fresh chicken products under its brands. As a result, all chickens sold under Carrefour brands are being raised in environments that are gradually becoming more comfortable, equipped with perches, anti-pecking devices, natural light and reduced density. This transformation has enabled ten million chickens per year to enjoy living conditions that guarantee a substantial improvement in animal welfare.

Joint initiatives and partnerships

- *Oeuvre d'Assistance aux Bêtes d'Abattoirs* (OABA)
- *Laboratoire d'Innovation Territorial Ouest Territoires d'Élevage* (LIT Ouesterel)
- *Association Étiquette Bien-Être Animal* (AEBEA)
- Welfarm
- Compassion in World Farming (CIWF)

✚ Find out more

- *Carrefour.com:* Ensuring animal welfare/CSR (see the Business ethics and supply chains section)

2.1.5.7 Case studies in 2021

Support for local and national industries

The Group continues to support its suppliers and local partners in implementing the food transition for all. In January 2021, Carrefour France reasserted its commitment to 3,400 local and regional SMEs and very small businesses in the food industry. Three-year contracts were signed with 1,935 of these suppliers. The Group also supported its partners when they faced hardships, for example due to climatic-related hazards. After a historic frost damaged crops spanning hundreds of thousands of hectares, Carrefour France took action to support its 4,000 Carrefour Quality Lines, Reflets de France and Carrefour Bio partner producers by maintaining three-year commitments, making the most of production spared by the frost ("Cost price for resistant fruit" campaign), reducing payment terms, and giving priority to selling seasonal products of French origin. At the beginning of 2021 in Spain, Carrefour agreed to sell 600,000 kg of green asparagus in its stores in a bid to support the small producers of the Los Gallombares cooperative near Granada, who were hit hard by difficulties with their usual sales channels due to the Covid-19 crisis. The Group also bought 500 tonnes of cherries from Grupo Alba, a social economy and sustainable business in Estramadura, which works with 400 local farmers. In July, Carrefour France agreed to support the development of the French organic almond sector in partnership with the La Melba cooperative, which brings together producers from the Pyrénées Orientales region who are switching to organic farming. In the autumn, the "Forgotten good deals of French fishing" campaign showcased fish from the French fishing industry, selling it at cost price in all of its supermarket and hypermarket fish counters over three weekends. In the same month, Carrefour France renewed the agreements of 11 of its Carrefour Quality Lines (CQLs), which promote the development of quality products and fair compensation for the work of all who contribute to these lines.

Improving the living conditions of workers in Bangladesh

Bangladesh is the world's second largest exporter of textiles and the sector employs more than 4.2 million workers. Most do not have access to either healthcare or medical services. Three years ago, the Carrefour Foundation teamed up with non-profit SNV, two insurance companies and four local medical centres to fund a health insurance programme for textile workers in five factories in Bangladesh for three years, until 2019. Thanks to the coverage provided, workers got free access to medical consultations and diagnosis, family planning and maternity services. The annual cost was estimated at six euros per worker: the Carrefour Foundation paid four euros in 2017, three euros in 2018 and two euros in 2019. The programme was first rolled out in five and then eight Bangladesh factories, reaching more than 14,000 workers. It succeeded in reducing absenteeism and employee turnover while boosting productivity. Carrefour learned a great deal from this experience and is now looking for the best way to put it to good use in its living-wage project.

Similarly, in 2020 Carrefour piloted a scheme with another health insurance policy launched in 2019 based on the "Fair Price Shop" (FPS) model. Bengali workers who buy a basket of basic food necessities (rice, etc.) in the FPS get their annual health insurance for free. The aim is to link this to the Act for Food programme to educate workers in healthier eating while providing them with health coverage.

In 2020, one store was opened, and 2,478 workers benefited from discounts on food, with 96 signing up for health insurance.

Supporting small farmers of organic, fair trade bananas

Bananas are an essential source of employment and income for 4 million families in southern producer countries and are the biggest selling item on Carrefour's fruit and vegetable stands (140,000 tonnes sold each year in France, Spain, Belgium, Italy, Romania and Poland). However, the smallest farmers are not always guaranteed a fair price, and banana production has a high environmental footprint. To meet these challenges, Carrefour has been offering organic and fair trade bananas in its shops since 2014. In 2021, Carrefour contributed 300,000 euros to an innovative one-million-euro project developed by the Fairtrade/Max Havelaar movement and funded by the French Development Agency (AFD), to support environmentally-friendly practices and promote gender equality across the organic, fair trade banana sector. The three-year initiative will benefit 10,000 people working in 11 cooperatives in Peru and the Dominican Republic. The project's priorities are to sustainably improve revenue, empower women and young people and implement measures to increase resilience to climate change. Practical initiatives include building micro-factories to produce organic inputs, setting up diversification field schools, training women and young people through teaching modules, and bringing together producers and cooperatives in both countries to discuss their experience. In addition to this fair trade supply line, in 2020, the Group created a new source of Caribbean Carrefour Quality Lines bananas, in partnership with UGPBAN (Union of banana producers of Guadeloupe and Martinique) and Cirad (a French agricultural research body focused on international cooperation). The aim is to enable the production of agro-ecological bananas in the French West Indies without insecticides and, by 2022, without herbicides. Carrefour will apply blockchain technology to this line to promote it among consumers.

Traceability in organic cotton production in India

By 2030, Carrefour aims to ensure that all natural raw materials used in its TEX products should be sustainable and traceable. Since 2019, Carrefour has been working with over 4,500 small organic cotton producers in the Madhya Pradesh region in central India on a project combining quality organic cotton, decent pay for producers and traceability starting from the seed. The Carrefour Foundation has helped build two organic pesticide production units that enable 2,000 local producers to obtain better yields and boost their income. This has made it possible to drill 100 wells to provide regular irrigation to cotton fields. A total of 1,000 farmers in 18 villages also received training in organic farming techniques. Thanks to its partner, Cotton Connect, Carrefour ensures that its Indian organic cotton suppliers receive a higher rate than conventional cotton producers. The first 100% "sustainable cotton" collection, comprising household linen, undergarments, babyware and children's clothing, is a direct result of this approach. These products have been on sale under the TEX BIO brand in all of Carrefour's French and Spanish hypermarkets since spring-summer 2019. All phases – from seed to finished product – are tracked and recorded to ensure complete traceability of all TEX BIO products. Blockchain technology introduced for textiles in 2020 now makes it possible to include a QR code on the label that will enable customers to track the cotton from the field to the store shelf. In 2021, Carrefour promised that 50% of cotton TEX products will be organic by 2025.

Control of animal protection in slaughterhouses

In France, audits are carried out one to three times a year by qualified independent auditors for all animal species, to monitor transport conditions for animals and their protection in slaughterhouses. Carrefour relies either on a methodology co-constructed with OABA *(Oeuvre d'Assistance aux Bêtes d'Abattoirs)*, a French body specialising in the protection of farm animals intended for human consumption, or equivalent approaches with AEBEA *(Association Étiquette Bien-Être Animal)* for chickens and with INTERBEV (French National Interprofessional Livestock and Meat Association) for cattle. Carrefour has asked all slaughterhouses to introduce a video surveillance system at sensitive stages. In 2021, 93 slaughterhouses were equipped with a video control system for the sensitive stages of the process, of which 30 have a video control system (18 with a CVS in all sensitive stages, and 12 with a partial CVS as not all stages are filmed). New slaughterhouses must have video surveillance systems in place before they can be listed as referenced suppliers.

At Group level, each country prepared a progress plan in 2020 with the aim of having animal protection audit processes for CQL slaughterhouses and Carrefour-brand products up and running by 2022 and 2025, respectively. The assessment methodology will be based on that applied in France, adjusted if necessary with local animal protection NGOs.

Implementation of animal welfare labelling

Since 2020, Carrefour has provided information about animal welfare and farming methods for chickens sold under the Carrefour brand and Carrefour Quality Lines, and is including this information with the products through blockchain technology. This animal welfare data will concern over 20 million chickens. The label rates both animal welfare and farming methods with a grade of A to E. The first products to be labelled are Auvergne Carrefour Quality Lines free-range chickens at level A (superior), then Carrefour chickens raised in henhouses at level C (fairly good). To produce the new labels, Carrefour participated in a working group with other members of *Association Étiquette Bien-Être Animal*. Independent external audits are also being performed to ensure compliance with labelling criteria.

Improving poultry farming conditions

Carrefour has been supporting the egg industry for several years to improve the welfare of farmed hens and chickens. After signing up to the Better Chicken Commitment initiative in December 2019, in 2020, Carrefour France introduced spectrophotometers for *in ovo* egg sexing to select prospective laying Carrefour Quality Lines hens, thus putting a stop to the slaughter of male chicks. As of May 1, 2020, this technology had been used on 30,000 chickens. The Group has rolled out this type of action across several of its regions. In 2018, Carrefour Taiwan became the first retailer in Asia to announce that its hypermarkets and supermarkets would sell eggs exclusively from cage-free hens by 2025. In 2021, the 66 hypermarkets, 262 supermarkets and 25 premium supermarkets under the Wellcome supermarkets and Jasons Market Place chains, officially acquired by Carrefour Taiwan, also made this commitment. In June, Jasons Market Place in Taipei became the first supermarket in Taiwan to stop selling eggs from hens raised in cages. In Europe, Carrefour Spain confirmed that 100% of fresh eggs sold under its own brand would be from cage-free sources by 2022, asking its national-brand suppliers to follow suit. Carrefour Spain plans to extend this agreement to eggs used in its own-brand recipes as of 2025. The Company also pledges not to work with suppliers that use multi-tier aviary systems. In 2021, Carrefour Poland was the first retail chain in its country to sign up to the European Chicken Commitment, which takes action against poor farming conditions. By 2026, it will cover all fresh and frozen products and own-brand processed products containing at least 50% poultry meat. Lastly, Carrefour Belgium pledged to sell exclusively fresh and frozen poultry meat that meets the animal welfare standards of the Better Chicken Commitment, by 2026.

2.1.6 EMPLOYEES

2.1.6.1 Overview of objectives

Context A Group with a multi-local, neighbourhood presence, Carrefour employs 319,565 people worldwide, 55.6% of whom are women. It is the skills of all its employees that allow Carrefour to offer quality services, products and food for everyone through all distribution channels – not only in the Group's nine integrated countries, but also in the 30 countries that are home to international franchises.

With the labour-intensive nature of the retail sector, Carrefour faces major challenges in recruiting, retaining and engaging its employees. To attract talent, recruit in the best possible conditions, retain employees despite the demands of the job and encourage everyone to give their best every day, Carrefour fosters a unique, attractive and engaging promise to its employees. The Group capitalises on an established equal opportunity culture that is built on two levels: diversity from the get go and a career advancement strategy that offers unique opportunities for promotion to the most deserving employees.

Carrefour provides employment in more than 300 job families, many of which are open to everyone, with or without a diploma, and are geared towards workers in our host regions regardless of their age, origin or social and professional background. This openness to all candidates fosters the diversity of our teams. Welcoming all kinds of talent enables us to work more effectively on a day-to-day basis – because we take into account the aspects of each individual that can help us to achieve our *raison d'être* – while also upholding social justice.

In addition, through its training capabilities and a well-established practice of merit-based internal promotion, Carrefour offers development and career opportunities to its most committed employees and gives everyone the chance to reach their full potential. Mechanisms are in place to support this culture of talent development and internal promotion and to ensure that career advancement opportunities can be offered across the Board.

Risks and opportunities

Employee-related risks are included in Carrefour's risk management process (see Section 4.1). The risks analysed annually relate to employee skills, talent retention and diversity and inclusion, more specifically:

- **failure to assess, develop and value skills:** poor deployment of skills assessment, development and recognition policy by managers and human resources is likely to demotivate employees and result in lower productivity and increased turnover;
- **failure to attract and retain talent:** the Group could encounter difficulties in attracting, hiring or retaining talent for key positions. This risk may arise in particular due to departures from critical positions such as Directors and Senior Directors;
- **failure to comply with principles of diversity, discrimination and harassment:** Carrefour may encounter difficulties in deploying its anti-discrimination policy, particularly with regard to gender diversity and equal pay or the employment of people with disabilities;
- **occupational health and safety risks:** as the largest private-sector employer in France and one of the top 50 employers in the world, Carrefour has a duty to safeguard its employees against workplace accidents, psychosocial risks and occupational illnesses;
- **failure to respect employees' freedom of association and right to social dialogue:** insufficient social dialogue may demotivate employees. These events are likely to result in loss of productivity and/or revenue.

In addition, Carrefour updated its materiality analysis in 2021 (see Section 1.3.1.4). One employee-related issue was identified as a major issue for stakeholders in light of the Group's food transition strategy (i.e., ranked in the top 10), while three others were identified as important issues (i.e., ranked in the top 20):

- employee well-being, satisfaction and motivation (ranked 4th);
- attracting and retaining talent (ranked 12th);
- diversity and inclusion in the workplace (ranked 15th);
- training employees and developing their skills (ranked 20th).

Our initiatives

Employees play a key role in helping us achieve our objectives. They allow Carrefour to offer quality services, products and food for everyone on a daily basis, through all distribution channels – in the Group's nine integrated countries.

Carrefour supports this ambitious goal, in particular, by:

- **employee awareness and mobilisation:** Carrefour attaches great importance to upskilling teams;
- **reflecting the social diversity of its host communities:** Carrefour was very quick to commit to promoting diversity through the signature in 2004 of a Diversity Charter aimed at giving everyone, in all countries, the same career development and recruitment opportunities;
- **protecting employees' health:** since 2020, all of the Group's host countries have an action plan on health, safety and quality of life at work. Local teams are responsible for setting the objectives, particularly in relation to workplace accident frequency and severity, and for structuring the action plan.

Coalitions and partnerships

- Gender Equality European & International Standard (GEEIS)
- CEASE
- in3Women
- National Committee for UN Women, France
- International Labour Organization (ILO)
- UNI global Union
- International Labour Office (charter)
- European Week for the Employment of People with Disabilities with AGEFIPH (LADAPT)
- Quality of Life at Work Observatory
- Parenting Charter
- French Association for Diversity Management Professionals (AFMD)

Contribution to the UN Sustainable Development Goals

Our objectives

TOPIC	OBJECTIVE	TIMELINE
Gender equality	35% women executives (top 200) by 2025	2025
	GEEIS certification in all countries	Annual
Disability	Employees with a disability to represent 4% of the total workforce by 2025	2025
Training	At least 50% of employees have access to training every year	Annual
Employer recommendation	Minimum employer recommendation score of 75/100 awarded annually to Carrefour by its employees	Annual

2.1.6.2 Employment at Carrefour and managerial transformation

Context and definition

Across its various store formats, Carrefour employs 319,565 people in more than 300 job families across its nine integrated countries and in the more than 30 countries that are home to international franchises. The Group operates in three key markets: Europe, Latin America and Asia. As part of the "Carrefour 2022" plan initiated in 2018, Carrefour's ambition is to become the leader of the food transition for all and to make healthy, fresh, organic and local foods available to everyone. To align managerial behaviour with these objectives and give employees a central role in the Group's transformation, Carrefour has reviewed its business model and rolled out its international Act for Change programme. The programme is based on four key commitments: "Growing and moving forward together", "Serving the customer with passion", "Acting with simplicity" and "Taking pride in transforming our profession".

Social dialogue, a key component of the Carrefour corporate culture, is also being used to pick up the pace on the transformation of Carrefour's business families, and contributes to the Group's performance, ensuring a positive social environment in all its stores.

Carrefour's policy

Employees are central to the Group's transformation. The "Be proud to change our business" pillar of the Act for Change programme reflects three objectives, which are closely linked to managers' skills – open up to the outside world, bring Carrefour's strategy to life within teams, and stimulate innovation and experimentation. These objectives are supported by initiatives to help Carrefour gain recognition as the leading retailer in the food transition and by employee "superheroes" who on a daily basis find practical ways to inspire their colleagues and raise awareness among consumers of the importance of healthier eating.

In addition, as part of the "Carrefour 2022" plan, the Group has streamlined its organisation for greater efficiency. These changes are supported by giving priority to negotiation, mobility, internal redeployment and training. Carrefour aims to maintain robust, constructive and regular social dialogue at national, European and international level, covering all labour-related topics and any other issues specific to the local context.

1. Employment at Carrefour

CHANGES IN HEADCOUNT

Carrefour's global workforce contracted slightly from 322,164 in 2020 to 319,565 in 2021, reflecting both the vitality of Carrefour's operations worldwide and changes to the scope of consolidation.

Several new banners entered Carrefour's scope of consolidation in 2021, including Supersol in Spain, Makro in Brazil and Bio c' Bon in France. This increase was partly offset by the transition of certain stores to franchised status.

BREAKDOWN BY STORE FORMAT

The employee breakdown by store format changed slightly during 2021. However, hypermarkets still represent the majority of the workforce, with over half of the total (71%) – 225,481 employees – working in this well-established Carrefour format.

Format	2021	2020	Change
Total hypermarkets	71%	70%	+1 pt
Supermarkets	15%	16%	+1 pt
Total other formats and businesses	14%	14%	-

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Workforce by region

A pioneer in countries such as Brazil, Carrefour has operations in Europe, Latin America and Asia. It is one of the largest private employers in several countries, including France, where the Group has its roots, but also Brazil, Argentina and Italy. Atacadão (Brazil) and Spain increased their workforces in 2021 (by 13% and 9%, respectively).

Region	2021	2020	Change	% change
Latin America	115,310	111,031	4,279	4%
Europe	191,707	197,978	(6,271)	3%
Asia	12,548	13,155	(607)	5%
REGIONS TOTAL	319,565	322,164	(2,599)	0.8%

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Type of employment contract

The majority of Carrefour's personnel works full time (73.6%) on permanent contracts (91.5%).

Contract	2021	2020	Change
Permanent contracts	91.5%	91.9%	+0.4 pts
Fixed-term contracts	8.5%	8.1%	+0.4 pts
% of part-time employees	26.4%	27.1%	-0.7 pts

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Type of new hires

Employees are hired on permanent and fixed-term contracts. The use of fixed-term contracts helps deal with increased workloads during busy seasons with high footfall.

Number of new hires	2021	2020	Change
Permanent contracts	68,358	65,415	+4.5%
Fixed-term contracts	75,425	76,269	-1.1%
TOTAL	143,783	141,684	1.5%

Scope: Comparable BUs (100% of 2021 consolidated net sales).

Departures

Departures of employees on permanent contracts fell sharply in 2020 (down 17.9% versus 2019), due in part to the more static job market caused by the global health crisis. In 2021, this effect wore off and the number of departures of employees on permanent contracts returned to the level recorded by Carrefour before the crisis (74,853 departures in 2019).

Category	2021	2020	Change
Executive Directors	0.04%	0.11%	
Senior Directors	0.07%	0.11%	
Directors	0.5%	0.6%	-0.1 pts
Managers	10%	10.1%	-0.1 pts
Employees	89.4%	89.2%	+0.1 pts
TOTAL	100%	100%	-

Scope: Comparable BUs (100% of 2021 consolidated net sales).

2. Act for Change programme

To support the transformation of its corporate culture, in 2019 Carrefour introduced the Employee Net Promoter Score® (E-NPS), an indicator of employee commitment measured via an online survey sent to a representative sample of 20,000 employees from across the Group's nine countries. Structured around five questions, a general question and one for each Act for Change pillar, the survey provides insight into the progress made on the programme.

The fourth campaign of the survey was carried out between May 10 and June 4, 2021, and its results reflect the transformation taking place within the Group.

Response rate	63%
Total number of respondents	16,496
Group score in the last survey	73
Group score in 2021	80
Don't know	4
Don't agree	16

3. Driving transformation

Carrefour's goal was to identify 2,000 employees as food transition "superheroes" by the end of 2020. This goal was not only achieved but exceeded. As a result, the Group had over 2,000 food transition "superhero" employees in 2021.

4. A culture of social dialogue

Social dialogue is governed by local collective bargaining agreements in the Group's host countries.

Performance indicators	2021	2020	2019
% of employees covered by a collective bargaining agreement	91%	(1)	-
Number of agreements signed	453	87	

(1) New indicator.

Our action plans

Act for Change programme

The Act for Change programme covers the managerial and cultural aspects of the "Carrefour 2022" transformation plan. Action plans have been developed for the programme's four pillars, resulting in training opportunities, communication initiatives and annual objectives for employees. Managers, both at stores and warehouses, are responsible for ensuring that the programme is effectively implemented across all the Group's operational sites.

"Growing and moving forward together". The first pillar of the programme is about developing talent, fostering diversity and encouraging cooperation among the Group's various departments and store formats. The internal promotion and management training programmes in each country and the Carrefour University programmes have all been updated and restructured with this commitment in mind.

"Serving the customer with passion". To support the second pillar of the Act for Change programme, in 2021 Carrefour continued its roll-out, in all Group host countries, of the 5/5/5 customer method, a simple solution for improving customer satisfaction that has been implemented in Taiwan, Argentina and Spain since 2018. The 5/5/5 method is based on three principles – trust, service and experience – and is broken down into 15 concrete commitments that make customers central to stores' concerns again.

"Acting with simplicity". The third pillar corresponds to three objectives: using resources appropriately and efficiently; acting quickly and simply; and empowering yourself and others. Carrefour is particularly committed to organising a variety of initiatives to improve quality of life in the workplace, establishing constructive and regular social dialogue, and implementing a shared workplace health policy across all countries.

The **"Taking pride in transforming our profession"** pillar aims to bring the Group's strategy to life within teams, stimulate innovation and experimentation, and open Carrefour employees up to the outside world. Carrefour puts a particular focus on the development of the skills of its managers, for whom innovative programmes are now in place.

Employees' key role in the transformation process

Carrefour teams, in all of the Group's host countries, work hard every day to support the food transition. For example, the Purchasing teams support partner farmers in their conversion to organic farming; the digital teams develop blockchain technology to ensure the traceability of products from Carrefour Quality Lines; and the store-based teams advise customers, promote local and organic ranges, and ensure the quality of products prepared directly on site. Carrefour has a proactive training policy, which is designed to enable employees to develop in a stimulating environment and pursue diverse career paths. It has also set an objective of training all employees in the key issues related to the food transition.

Driving transformation

INVOLVING AND INSPIRING EMPLOYEES

Food transition "superheroes"

Carrefour launched the food transition "superheroes" programme back in 2018 to rally employees around the challenges relating to its "Carrefour 2022" transformation plan. Rolled out in all Group host countries, the programme recognises the contribution of committed store employees who champion the food transition among colleagues and customers. The aim is to showcase their initiatives in each country in order to inspire the entire employee population. This thriving community of food transition ambassadors grew in 2020 to more than 2,200 employees.

Internal and stakeholder panels

Several times a year, Carrefour arranges meetings in order to issue functional recommendations on a specific CSR issue. These meetings are attended by around 50 people representing the Group, NGOs, governments, customers, investors and suppliers, who come together to share their expertise or point of view. Several of the Group's host countries also conduct in-store communication or engagement campaigns on a range of CSR topics, such as energy efficiency, sustainable fishing, biodiversity, organic products, socially responsible recycling and waste.

Training employees in line with the Group's transformation

Carrefour is committed to providing managers with the skills necessary to become ambassadors of the Group's transformation. **Carrefour University**'s role in this regard is to create an open, disruptive learning ecosystem that encourages experimentation, networking and knowledge sharing, thereby giving all Carrefour managers the opportunity to develop both individually and as a team. Through the "Manage for Change" and "Manage for Lead" programmes, for example, managers learn to guide their teams' performance in accordance with Carrefour's strategic priorities.

Digital innovation is also a core focus of the Group's strategy, which is why Carrefour entered into a partnership with Google in 2018 to speed up the development of its digital culture.

Since 2018, the Group's **Leaders School**, an internal training school for high-potential employees, has given structure to its commitment – upheld since its founding – to be a driving force for social mobility. Initially launched in Argentina and Spain, it was rolled out to several other countries in 2021, such as France early in the year, where the first intake, known as the "Marcel Fournier" class, was mentored by Alexandre Bompard. Roll-out of the initiative then continued in Poland, Italy, Romania, Belgium – with its own version, "Carrefour Academy" – and lastly Taiwan in late 2021. The multi-format programme is open to anyone who wants to take part, from non-management employees to Executive Directors, whether they work in hypermarkets and supermarkets or at the Group's head offices.

To support the roll-out of Act for Food, Carrefour is devoting significant resources to training its employees in fresh produce and the food transition. Employees are notably taught the fundamentals of the food transition so they can embody Carrefour's *raison d'être* in their interactions with customers. In Italy and Argentina, for example, "trade schools" support employees from Traditional Fresh Products departments in their efforts to continuously improve service quality through certification training, sharing of best practices, experimentation and the testing of innovative projects.

A culture of social dialogue

INTERNATIONAL SOCIAL DIALOGUE

Carrefour and international union federation UNI Global Union renewed their global framework agreement in October 2018. The agreement aims to promote and encourage:

- continuous, constructive social dialogue;
- diversity and equal opportunity in the workplace via joint initiatives, mainly relating to gender balance, discrimination and violence against women;
- defence of and respect for the basic human rights of workers – freedom of association and collective bargaining – along with their safety and working conditions at Carrefour and at supplier and franchise sites.

In addition, Carrefour representatives are invited to meet annually with trade unions in the countries where the Group operates during Global Alliance meetings organised by UNI Global Union. Thanks to its participation in the Global Deal with the French Ministry of Labour, Employment and Economic Inclusion since 2017, Carrefour has been identified as one of France's most active companies in terms of international agreements, helping to protect the fundamental rights of employees around the world.

EUROPEAN SOCIAL DIALOGUE

In 1996, Carrefour created its European Works Council, the European Consultation and Information Committee (ECIC), by way of an agreement signed with the FIET (part of the UNI). This agreement was renewed and added to in 2011 with the international union federation UNI Global Union. Thanks to the quality of its work and of the dialogue between management and employee representatives, the ECIC is now one of the most recognised works councils in Europe. The main topics covered are the organisation of work, promoting diversity, professional training and employer health and safety policy, together with CSR and basic rights. A plenary meeting is held annually. An annual information and training seminar focuses on a specific theme selected by the members of its Steering Committee, which changes each year. Special committees also meet to discuss issues relating to corporate social responsibility, diversity and new technologies.

The ECIC joint declaration for a European Health Pact was signed in 2020. The text was discussed and negotiated with the ECIC Steering Committee in the midst of the Covid-19 health crisis and was unanimously approved by its members. It provides a common set of measures and commitments that have been circulated for implementation in each of the Group's European countries.

The number of ECIC meetings in 2021 returned to its normal rhythm compared with 2020, which was particularly affected by the health crisis. An Employment and Training Monitoring Group was created within the ECIC and met for the first time in 2021.

Carrefour also plays an active role in sector-wide social dialogue meetings as part of European trade organisation Eurocommerce, alongside the trade union delegation from UNI Europa.

LOCAL SOCIAL DIALOGUE

In each Group country, social dialogue is governed by local collective bargaining agreements. These play a major part in the Group's economic performance but also in employees' working conditions and, more broadly, in quality of life in the workplace.

Carrefour is engaged in regular negotiations with employee representatives in all of the countries where it operates. These negotiations have resulted in numerous agreements that address various topics and cover a range of issues, including labour rights and the organisation of work. In 2021, Carrefour France signed a new agreement on remote working. In addition, the Social Transformation Monitoring Group and the Jobs and Skills Monitoring Group merged in 2021 to form the Jobs, Skills and Social Transformation Monitoring Group, which met for the first time mid-year. Inflation issues in Argentina resulted in several revisions being made to the annual wage agreement between the national workers federation and the organisation representing employers. In Romania, a trade union was officially and legally established for the Artima banner. Italy extended its collective bargaining agreement, which notably provides for a special Gender Equality Committee. In Brazil, numerous collective bargaining agreements have been signed for both Carrefour Brazil and Atacadão. Carrefour Spain signed several collective bargaining agreements following the integration of the Supersol employees into its workforce in order to align their working conditions with those of other Group employees.

RESPONSIBLE REORGANISATION

Since 2018, Carrefour has cut back its workforce, particularly in its head offices, and sold or converted into franchises certain stores in several countries, including France, Poland and Italy. Workforce reduction plans have been supported by a sustained social dialogue process and a set of measures aimed at helping employees relocate or find another job within or outside the Group. These measures were notably put in place pursuant to agreements negotiated and signed with employee representatives. In France, two amendments were signed in 2021. One related to the agreement on anticipating and supporting social transformation and creating the Jobs, Skills and Social Transformation Monitoring Group. The other related to adapting GPEC tools to the challenges of transforming the Group's headquarters and support functions. Social dialogue also led to the adoption of a new agreement that introduces early retirement leave for employees who work at a supermarket or hypermarket to be brought under a franchise or management lease.

✚ Find out more

- *Carrefour.com:* Employment at Carrefour and managerial transformation/CSR (see the Employees section)

2.1.6.3 Attracting, supporting and developing talent

Context and definition

The world of work is changing in the wake of societal, technological and commercial developments, and the demands of the new generations joining the corporate world are evolving. Younger employees want to take advantage of new management and work methods. These upheavals represent key challenges for Carrefour, which has developed its approach to attracting, developing and retaining talent accordingly.

To strengthen its customer-centric culture, the Group is focusing its training and recruitment efforts on the skills required in the strategic areas of digital transformation, the food transition and management. Carrefour puts particular emphasis on developing the skills of its managers, for whom innovative programmes are now in place.

The Group is also committed to promoting mobility within its teams in order to prepare as effectively as possible for the future of the retail sector, which is undergoing rapid and wide-reaching change. This objective is central to the "Growing and moving forward together" commitment, the first of the four pillars of the Act for Change programme.

Carrefour's policy

In line with the "Growing and moving forward together" commitment, Carrefour's policy is designed to:

- **attract talent** by strengthening its recruitment and development programmes, its promotion of work-study and work experience initiatives, and its partnerships with schools and universities;
- **retain talent** through a motivating career management and compensation system;
- **develop employees' skills** by making training a key priority, notably through new multi-format and multi-business development programmes, and by investing heavily to prepare its employees for the changes taking place in the retail industry. Since 2019, Carrefour's training policy has been structured around the four key topics that underpin in its *raison d'être* and strategy: the food transition, customer-oriented culture, people management and the digital transformation.

Carrefour's performance

1. Attracting talent

Employees are the ones who put the Group's strategy into action, so Carrefour has always taken great care to attract the right profiles for the right positions.

Performance indicators	2021	2020	Change
Number of new hires	143,783	141,684	+1%

2. Retaining talent

Employee turnover and length of service

Performance indicators	2021	2020	Change
Attrition rate among Senior Directors and Executive Directors[1] *(in %)*	4.6	4.1	+0.5 pts
Turnover[2] *(in %)*	22.9	19.7	+3.2 pts
Voluntary turnover[3] *(in %)*	12.7	9.9	+2.8 pts
Average seniority of employees	9	9	-

(1) New indicator in 2020 to measure the number of employee resignations at Director and Senior Director level as a proportion of the population.
(2) Turnover of employees on permanent contracts, including new hires during the year, redundancies, resignations and completed trial periods, and calculated based on the workforce at December 31, 2020.
(3) Voluntary turnover of employees on permanent contracts including resignations.

Internal mobility and promotion

Thanks to all the Group's programmes and initiatives, employees' average length of service is stable and 2,941 employees were promoted in 2021 (versus 2,073 in 2020).

In total, 49% of new managers, 60% of new Directors, 44% of new Senior Directors and 44% of new Executive Directors were promoted internally in 2021.

Indicators	2021	2020	Change
Rate of internal promotion: total	50%	44%	+6 pts
Rate of internal promotion: manager	49%	43%	+6 pts
Rate of internal promotion: Director	60%	68%	-8 pts
Rate of internal promotion: Senior Director	44%	32%	+12 pts
Rate of internal promotion: Executive Director[1]	44%		

(1) New job category created in 2021 from among Senior Directors.

3. Developing employees' skills

A personalised career management process has been introduced for key talent to ensure that these employees continue to enhance their skills and pursue appropriate career paths. Carrefour's objective for 2025 is to ensure that at least 50% of its employees receive at least four hours of training each year, regardless of format. This objective has been included in the Group's CSR and Food Transition Index since 2020. Due to a catch-up effect in relation to 2020, it was amply exceeded in 2021; the health crisis had a major impact on the organisation and delivery of training at Carrefour in 2020 and some training had to be postponed to 2021. In addition, to support its strategy of improving customer satisfaction, an exceptional volume of training was provided to Carrefour France employees during the year to strengthen the customer-oriented culture (50,000 employees benefited from this training in 2021).

Indicators	2021	2020	Change
% of employees trained during the year (at least 4 hours of training)[1]	81%		
Average number of training hours per employee	13.25	8.04	5.21
Total number of training hours over the year *(in millions)*	4.2	2.5	+1.7

(1) New indicator created in 2021.

13.25 training hours on average per employee and **271 euros** spent on average per FTE on training and development (Scope: France. Excluding wages and ancillary costs).

Action plans

1. Attracting talent

1.1. KEY RECRUITMENT-RELATED OBJECTIVES

In line with its transformation and to keep up with developments in the retail industry, one of Carrefour's key objectives is to strengthen its skills base, especially in digital technology, areas associated with the food transition and specific professions, such as those relating to food. To achieve this objective, all of the Group's host countries are taking initiatives aimed at:

- **improving Carrefour's recruitment strategies** and modernising practices by **better identifying recruitment needs and issues**, diversifying distribution channels according to profiles, professions and locations, and widening the candidate pool. In France, for example, more than 26,350 jobs offers were relayed on the websites of institutional partners and associations in 2021. Recruitment teams are also using innovative software solutions that for example use videos or text messaging to carry out the entire recruitment process;
- **strengthening the visibility of the Group's professions** through a strong employer brand and by regularly producing targeted content showcasing the expertise of its employees. The Group's host countries make active use of LinkedIn, Instagram, Facebook and Twitter to promote the Group's professions and relay information about jobs at Carrefour;
- **forging numerous partnerships with key schools**, such as business, engineering and IT schools. Carrefour pursued this strategy remotely in 2021 with major target schools in France. It notably signed a partnership agreement with Paris-Dauphine University and its Foundation. This enables Carrefour to support the university's "equal opportunities" and "student housing" programmes, in particular by presenting opportunities, coaching students and handing over of keys to the beneficiaries of the "student housing" programme. As part of the Group's partnership of the Equal Opportunity Programme (EOP) run by Sciences Po Paris, several EOP students have benefited from the support of Carrefour mentors;
- **stepping up work-study and work experience initiatives** in all countries to enhance the Group's visibility and facilitate recruitment in specialised areas where Carrefour lacks resources, such as food-related professions and IT and digital technology. In France, a sponsored recruitment campaign was carried out to enhance the Group's attractiveness to younger generations, focusing on professions where more workers are needed;
- **taking various specific steps to attract digital talent**, such as investing in a Codingame licence that allows tests to be taken online; establishing contact and organising events with schools that specialise in IT training, such as "École 42" in Paris; and participating in the "Next Gen RetAll" international chair dedicated to data science in association with École Polytechnique;
- **renewing the Executive Management, Finance and Hypermarket Graduates Programmes**, which are designed to attract and develop high-level profiles internally. These two-year programmes are based on a rigorous selection process targeting leading business schools. The primary objective is succession planning for key Executive Management and Finance positions at headquarters or for the Group's hypermarkets. The programmes were enhanced in 2021, notably via a revision of the training plan. In addition, new graduates will be sponsored by an Executive Committee member and will have the opportunity to acquire international experience towards the end of their two-year stint. The launch of the new *Tremplin* programme in late 2021 has opened up a new pathway to these Graduates Programmes. Among the 15,000 young people from priority urban areas recruited in 2021, a group will be selected to take part in this innovative and inclusive work-study programme. They will benefit from training (with a strong focus on the Carrefour leadership model), immersion sessions and coaching from former graduates, with the aim of joining a Graduates Programme later on.

1.2. KEY TALENT STRATEGIC PLANNING

In 2021, Carrefour strengthened its strategy for identifying and tracking key talent, which includes Executive Directors, participants from Executive Management Graduates Programmes, and high-potential employees with skills that are essential to the Group. A study was carried out to establish an inventory of the skills available among key management staff and those missing. The map of key positions was updated in order to identify all management positions with a significant impact on strategy at Group, country and business unit level and to ensure that each of them exists in the Group's main host countries. The HRIS system introduced in late 2021 enables accurate analyses of the gaps between available skills and those required as a result of market trends. All of these elements guide the Group's internal and external recruitment processes.

2. Retaining talent

2.1. CARREFOUR'S CAREER MANAGEMENT SYSTEM

Carrefour's career management system is based on the initiatives implemented by human resources teams, such as the systematisation of annual performance reviews, the possibility of internal mobility or promotion, and the training programmes made available to employees. Twelve management practices were defined in 2019 to enhance the annual performance review process and inspire specific development plans. These practices reflect the Group's strategic commitments in relation to the four pillars of its Act for Change programme. In addition to the traditional performance review process, career development meetings are also organised in all of the Group's host countries.

A specific career management system has been set up for key talent to ensure that the compensation packages, career prospects and mobility opportunities offered to these employees are in line with their aspirations. As a result, every Carrefour employee identified as a key talent receives personalised support, resulting in a customised career plan that includes both training needs and mobility opportunities within the Group.

2.2. INTERNAL PROMOTION AND MOBILITY, A CORE ASPECT OF THE CARREFOUR DEVELOPMENT MODEL

Carrefour is committed to developing internal promotion and professional development programmes. In Italy, for example, it has set up a Masters Retail for Talents programme to train store directors in new retail trends. Thanks to the Group's policy of enhancing versatility, employees can discover other professions by changing jobs or taking on new responsibilities. In addition, Carrefour's work-based learning programmes enable young employees to gain expertise in all areas of the Group's business. Priority is given to internal promotion, notably thanks to the Leaders School, an in-house training institute that has gradually been deployed in several countries and serves as a powerful springboard for social advancement.

Carrefour also provides professional experiences that allow employees to show initiative, enabling them to achieve personal fulfilment while also contributing to the Group's performance. Some countries have also launched non-professional skills development programmes to support employees in their internal mobility. In France, skills sponsorship opportunities are offered to employees to meet their desire for purpose and commitment while enhancing their skills.

2.3. LONG-TERM INCENTIVE SYSTEM

In 2019, Carrefour revived its long-term retention programmes for key contributors to the Group's transformation. The programmes are based on the allocation of free shares subject to presence and performance conditions, with the CSR and Food Transition Index accounting for 25% of the performance criteria. Initially restricted to the top two levels of management, the plans' scope was expanded in 2021 to include all key contributors to the Group's transformation. As a result, of the almost 700 employees who benefited from the plan in 2021, nearly 80% were from outside the Group's senior management community.

2.4. LISTENING TO EMPLOYEES

In 2021, Carrefour initiated the deployment of a permanent listening platform at Group level, in order to be able to more easily gather feedback from employees on internal issues and increase its responsiveness regarding the actions to be implemented. Thanks to this platform, a second round of the **internal "all managers" survey** has been carried out, providing insight into the priorities to be addressed within the teams.

3. Developing employees' skills

3.1. MANAGEMENT TRAINING PLANS

In the digital age, the approach to creating value is changing radically and management needs to be agile in this respect. With this in mind, Carrefour has deployed innovative programmes to help its managers acquire the necessary skills.

Carrefour University has expanded its training offer – aligning it with the "Carrefour 2022" transformation plan – so that managers can better understand technological and societal changes and their impact on the retail industry and on the Group and more fully grasp Carrefour's strategy so they can integrate it effectively into their scope of action. Carrefour University provides a stimulating, international environment for sharing ideas and practices with leaders from all of the Group's host countries.

New programmes have been introduced to develop Carrefour's managers, including:

- **senior executive programmes** for high-potential managers, like the Next Generation programme, which is designed to help future leaders develop strong leadership skills;
- **the multi-format management courses, Manage for Change and Manage for Lead**, which provide first-time and experienced managers with the skills necessary to oversee their teams' performance;
- **individual coaching and mentoring programmes**, available in the employee's own language;
- **best practice webinars**, an international initiative that involves bringing together senior executives from different countries once a month to share best practices.

3.2. TRAINING TO SUPPORT THE DIGITAL TRANSFORMATION

The Group's ambition is to be a world leader in digital retail with a strategy based on a "data-centric, digital first" approach. All countries where Carrefour operates are therefore developing programmes and tools to help employees better understand digital environment and culture. In 2019, the Group overhauled its learning management system to ensure a multi-format approach. The content of e-learning modules was completely reworked to align employee training with the Group's strategy, the digital transformation and the food transition for all.

In 2024, all Carrefour employees will be able to receive dedicated digital training via the Digital Retail Academy, corresponding to around 100,000 employees trained per year. In addition, to facilitate interaction and encourage innovation, Carrefour will give all its employees access to Workplace, the communication and collaboration tool developed by Meta (formerly Facebook).

3.3. TRAINING RELATING TO THE FOOD TRANSITION AND FRESH PRODUCTS

Fresh products and the food transition are key topics in the Group's training strategy. Specific training modules on fresh products has therefore been introduced in every country. In Brazil, around 40 expert employees provide training all year round to anyone handling fresh produce at a dedicated vocational school. The Fresh Goods School – an in-house institute for training food service industry professionals – continued to grow in 2021. Argentina launched its third round of training sessions and France created its own Fresh Goods School with five programmes leading to certification. Carrefour Spain also has a regional training facility dedicated to fresh products and meat-cutting training for butchers, and continues to participate on the Chair of Food and Nutrition of CEU San Pablo University.

Strong emphasis is also placed on strengthening skills that relate to the food transition. Poland, for example, has organised training sessions and webinars on organic products. In Spain, e-learning modules on nutrition have been added to the training catalogue available to employees for them to learn the principles of healthy eating. In Italy, an academy set up with suppliers gives employees a better understanding of the products they sell and the associated production processes, particularly in relation to the Terre d'Italia quality line. In France, employees have access to numerous e-learning modules on a variety of topics, including Carrefour Quality Lines, hygiene and quality, and sustainable fishing. Romania also offers training, on food quality and security. In 2021, 11.6% of Group employees participated in training programmes relating to the food transition, versus 4% in 2020.

3.4. TRAINING TO FOSTER A CUSTOMER-ORIENTED CULTURE

Carrefour's customer strategy is built on the three cornerstones of trust, service and convenience. It is supported by the rigorous monitoring of Key Performance Indicators (KPIs), including the Net Promoter Score® (NPS®), a tool for gauging customer satisfaction that was widely deployed across the Group in 2019. With customer satisfaction in mind, Carrefour has implemented action plans to enhance the flexibility of its in-store teams and reduce the out-of-stock rate. It has also introduced procedures for the detection, monitoring and rapid resolution of customer complaints. As part of this approach, Carrefour has set up a platform that allows all Group employees from integrated stores and head offices to consult their NPS® and the associated comments. The number of logins to the platform has increased six-fold in two years, a demonstration of Carrefour teams' commitment to customer satisfaction. In addition, the NPS® was incorporated into the variable compensation criteria for all Carrefour senior executives in 2019 and for all managers in France in 2020.

Listening to and better understanding customers are also the basis of other training programmes, including the 5/5/5 approach, adopted in all Group countries since 2020. Designed to meet customers' expectations on a practical level, it sets out 15 commitments to provide employees with a checklist to ensure customer satisfaction, and that can be consulted at any time.

In 2021, 50,000 employees in France took the "Being a Carrefour Ambassador" training course and 9,014 additional employees received training on other customer relations topics (up from 8,559 in 2020). Customer satisfaction, as measured by the NPS®, has improved in all the Group's locations.

Joint initiatives and partnerships

- Partnership with the International Labour Organization (ILO)
- ILO Charter since 2015
- CEASE
- Orange Day with UN Women France, for the past six years
- International agreement between Carrefour and UNI Global Union signed in October 2018
- Diversity Charter
- OneInThreeWomen Charter

Find out more

- ILO Charter
- OneInThreeWomen Charter
- *Carrefour.com*: Attracting, retaining and developing talent/CSR (see the Employees section)

2.1.6.4 Encouraging diversity and inclusion and battling all forms of harassment and discrimination

Context and definition

Carrefour employs 319,565 people worldwide, of which 177,611 or 55.6% are women and 3.41% are disabled.

Since its creation, Carrefour has been committed to reflecting and integrating the social diversity of the areas where it operates. The Group firmly believes that representing all its customers, in all their cultural diversity, represents a key competitive advantage improving customer service and consequently performance. Social and cultural diversity also help to retain employees, which is why diversity naturally forms part of the Group's human resources strategy.

Carrefour's policy

"Promoting diversity" is one of the three objectives of "Growing and moving forward together", the first pillar of Carrefour's Act for Change programme. Carrefour was very quick to commit to promoting diversity: it signed the Diversity Charter in 2004, in which it pledges to give everyone, in all countries, the same opportunities in terms of career development and recruitment. It also makes sure that the composition of its Board of Directors reflects the Group's diversity.

Carrefour has been actively promoting gender equality in the workplace for many years. Equal career opportunities for every employee, equal pay and equal access to management positions for women are all key Group commitments.

Committed to disability inclusion for over 20 years, Carrefour makes every effort to keep employees with disabilities in its workforce. It also has an ambitious disability training and awareness policy and is working to change the way people view disabilities.

Inclusion and battling all forms of harassment and discrimination are also key commitments. In all its host countries, Carrefour aims to promote equal opportunity for all and foster a culture of respect, acceptance and inclusion that is not only valued but also expressed through real-world initiatives.

Carrefour's performance

1. Gender equality in the workplace

The commitments made by the Group in this regard relate primarily to:

- combating violence against women;
- promoting gender equality within the Company, in particular by: strengthening internal development programmes;
- implementing training and awareness initiatives for employees;
- obtaining and maintaining Gender Equality European & International Standard (GEEIS) certification in all countries;
- incorporating into the CSR and Food Transition Index the new target of at least 35% women Executive Directors by 2025.

Indicators	2021	2020	Change
% of women appointed to key positions	28.5%	23.2%	+5.3 pts
% of women on the Board of Directors	46%	43%	+3 pts
% of women on the Group Executive Committee(1)	21%	15%	+6 pts
% of women among Executive Directors(2)	24.7%	22.4%	+2.3 pts
% of women among Senior Directors	19.4%	19.3%	+0.1 pts
% of women among Directors	25.2%	23.9%	+1.3 pts
% of women among managers	43.7%	42.7%	+1 pt
% of women among employees	57.1%	57.1%	-
GROUP TOTAL – % OF WOMEN IN THE WORKFORCE	**55.6%**	**55.4%**	**+0.3 pts**
% of management positions held by women	42.5%	41.5%	+1 pt

(1) At December 31, 2021.
(2) New job category created from among Senior Directors. Indicator incorporated into the CSR and Food Transition Index.

2. Employees and customers with disabilities

Carrefour is firmly committed to integrating people with disabilities into its workforce and keeping them in its employment. This commitment is integrated into the Group's governance, by entering into the composition of Carrefour's CSR and Food Transition index, with the objective of employing 4% of people with disabilities throughout the Group by 2025, either directly or via specialised structures.

The Group has 10,902 employees with disabilities; they make up 3.4% of its workforce. Both the number and the percentage of employees with disabilities declined during 2021. This can be explained in particular by very strong dynamics in Latin America, where the employment rate is lower than that of Europe: the growing weight of this zone in the workforce is lowering the average rate. To support this commitment, best practice exchange workshops involving HR departments from nine countries were organised to identify and circulate the best initiatives within the Group.

Key Performance Indicators	2021	2020	Change
% of employees recognised as having a disability	3.4%	3.6%	-0.2 pts
Number of employees with a disability	10,902	11,306	-3.6%

3. Inclusion and equal opportunity

One of France's leading employers, Carrefour has fulfilled the commitment made at the end of 2020 to recruit 15,000 young people in 2021, offering them either a permanent contract (7,000 in total) or a work-study contract (8,000 in total).

Key Performance Indicators	2021	2020	Change
% of employees under 30	34%	34%	-
% of employees between 30 and 50	48%	49%	-1 pt
% of employees over 50	18%	17%	+1 pt

4. Battling all forms of harassment and discrimination

In 2021, 5,024 alerts were received through the ethics hotline, which is available in all Group countries. Alerts concerning discrimination and harassment accounted for 6% of total alerts received. These alerts help the Group fine-tune its action plan and initiatives to battle all forms of harassment and discrimination.

Action plans

1. Promoting diversity and gender equality

1.1. HELPING WOMEN TAKE UP LEADERSHIP POSITIONS

Worldwide, 177,611 women are employed by the Group, representing 55.6% of the total headcount. Carrefour has made it a priority to support and train all women, whether employees or managers, by offering them specific leadership programmes. The goal is to increase the percentage of women among Executive Directors from 22% to 35% by 2025. The Group develops individual coaching and mentoring programmes designed for women so as to increase the number of high-potential female employees, including:

- in-house programmes at Group level, such as Empowering Women Leaders and *Carrefour Elles* for women Directors. Many initiatives have also been implemented at country level to improve gender diversity in management and in certain job families. In Spain, for example, Carrefour has partnered with an innovative coaching programme for high-potential female employees. Every year, the participants compete in an inter-company regatta. The aim is to get them to know themselves better and encourage them to seek out new challenges. Specific career committees are in place, particularly in Belgium, to foster the promotion and visibility of women;
- the EVE programme initiated by Danone;
- the international Women Leaders programme, which reflects several Group commitments and led to the signature in 2013 of the UN Women's Empowerment Principles (WEP) by the Chairman and Chief Executive Officer and the Executive Directors for Spain, Argentina, Brazil and Belgium;
- in all Group training programmes designed to facilitate internal promotion, particular attention is paid to ensuring gender diversity among graduating classes. The Leaders School plays a key role in promoting gender equality at Carrefour, as illustrated by the diversity of its graduating classes, as does the Next Gen programme, in which 60% of participants are women.

The Group also offers its employees numerous opportunities for networking and sharing best practices, notably via its partnership with the LEAD Network, a professional network dedicated to gender equality in the retail and consumer goods industry in Europe. A wide variety of initiatives have been carried out in the Group's host countries in relation to this partnership. Carrefour role models have spoken at LEAD Network events, Carrefour Belgium participated in the launch of the local chapter and Carrefour Romania organised a webinar to present the network to employees.

Carrefour's commitment is also reflected in the Group's CSR and Food Transition Index, which tracks progress over time in two key areas:

- **Gender Equality European & International Standard (GEEIS) certification:** to have external assurance about the effective implementation of its gender equality policies while also enhancing the visibility of its initiatives, Carrefour wanted to adopt a standard that would be recognised worldwide. The decision to use GEEIS was motivated by the Group's desire to have a single, external, auditable reference system, adapted to our global presence and to the diversity of our social legislation. GEEIS assessments – both qualitative and quantitative – allow for clear reporting to management on the progress made. In 2020, in keeping with the commitment announced publicly in 2017, Carrefour achieved its objective of obtaining GEEIS certification in all its host countries. Campaigns to audit our entities against the GEEIS continued during 2021, with maturity levels maintained or improved in all countries and an extension of the certification scope in Carrefour Brazil to GEEIS Diversity;
- **increasing the number of women on governing bodies:** In 2021, Carrefour's Board of Directors made a new commitment, which was incorporated into the CSR and Food Transition Index – to have "35% women Executive Directors by 2025". This has led to targets, by year and by country, which are monitored at Group level. At end-2021, this indicator was 24.7% at Group level, an increase of 2.3% on 2020.

Thanks to Carrefour's policy, the portion of women increased in all management categories in 2021 (43% versus 41.5% in 2020) and more specifically to 44% of managers (42.7% in 2020), 25% of Directors (23.9% in 2020) and 19.4% of Senior Directors (19.3% in 2020).

At the end of 2021, the Executive Committee had 14 members, including three women, i.e., 21.4% in 2021 compared with 7% in 2017. Two new appointments in January 2022 raised membership to 16, of whom 5 are women, and the percentage of women on the Executive Committee is now 31%. 46% of members on the Board of Directors are women.

1.2. COLLECTIVE AGREEMENTS ON PROFESSIONAL AND PAY EQUALITY

In 2020, Carrefour's management signed a new gender equality agreement with trade unions that aims to facilitate career advancement for women and allow men to play a larger role in family life, with no judgement or worry about their careers. The agreement covers recruitment, training, promotion, generous compensation, working conditions and work-life balance. Together with the trade unions, the Group has defined objectives and committed to implementing practical initiatives in each of these areas.

Equal pay policies are also being implemented across the Group. In France, for example, the new gender equality agreement signed by Carrefour hypermarkets on March 9, 2020 includes a system for monitoring pay equality at both the individual and collective level.

In 2021, 88 new agreements (or amendments) were signed.

1.3. PROTECTING WORK-LIFE BALANCE AND SUPPORTING PARENTS

Carrefour is strongly committed to promoting work-life balance, one of the four focus areas of the Women Leaders programme. Measures benefiting both women and men have been implemented. Indeed, employees can benefit from childcare facilities. In France, for example, employees can use the *crèche* at head office or receive financial assistance in the form of CESU employer vouchers to which Carrefour contributes 50%.

At the same time, there are numerous initiatives in all the Group's host countries to help employees at every stage of parenthood. In France and Romania, additional leave is granted to employees involved in an assisted reproduction programme. In Brazil, special medical check-ups are offered to pregnant employees. Specific measures have also been introduced at Carrefour Argentina, which grants maternity and paternity leave that is more advantageous than that required by local law, and where women leaders benefit from a specific support programme on their return to work, which includes flexible hours. Dedicated breastfeeding areas are available, for example, at Carrefour's head offices in Brazil, Taiwan and Argentina, and in all Carrefour Spain hypermarkets. In addition, employees in most countries can take leave when their children are unwell.

2. Employees and customers with disabilities

2.1. RECRUITING, INTEGRATING AND RETAINING PEOPLE WITH DISABILITIES

Carrefour has made its approach to hiring and integrating people with disabilities, and keeping them in employment, a fundamental part of its human resources policy. The first agreement on the employment of people with disabilities was signed in 1999 for the French hypermarkets. It has since been renewed eight times, most recently in 2020. The purpose of the agreement is secure the career paths of people with health problems and keep them in employment. It also promotes the recruitment of people with disabilities on work-study contracts. Carrefour is very committed to this issue and works closely with the employees concerned throughout their careers, with the help of disability liaison officers appointed for each format.

2.2. CHANGING THE WAY PEOPLE VIEW DISABILITIES

In its efforts to drive lasting change, Carrefour supports and participates in several events to raise awareness about disabilities and differences within its teams. For example, in 2021, France and Belgium took part in Duo Day, a European initiative that involves pairing up employees in the public or private sector and people with disabilities. The "duos" spend a work day together, either in person or online. To mark the 25th edition of European Week for the Employment of People with Disabilities, Carrefour supported *Le Grand Pitch*, France's first public speaking contest for people with disabilities, organised from November 15 to 26, 2021 by our partner association *Pépites Emploi*. In Spain, the INCLUYE programme aims to promote the inclusion and visibility of employees with disabilities through meetings, tutors and initiatives organised by the human resources teams and the employees themselves. Another programme gives Carrefour employees the chance to volunteer their services to provide training to people with intellectual disabilities. In Brazil, September 21 is National Day of Support for People with Disabilities. In 2021, various disability inclusion initiatives were organised throughout the week, for both managers and employees. Conversation circles were also organised to discuss issues relating to inclusion and the careers of people with disabilities.

3. Inclusion and equal opportunity

Establishing an inclusive corporate culture that promotes equal opportunity within its organisation is a key priority for Carrefour. Inclusion and equal opportunity have therefore been integrated into the strategy for listening to employees. In the last survey, carried out in the first half of 2021, all of the Group's managers (over 16,000 respondents) were asked about their feeling of belonging to the Group and their opinion on the level of acceptance, authenticity and equal opportunity at Carrefour. The results showed that a culture of inclusion and equal opportunity is seen as one of the Group's key strengths.

3.1. INCLUSION OF YOUNG PEOPLE

A proactive proponent of youth recruitment and training for many years, Carrefour stepped up its efforts in support of youth employment with the December 8, 2020 announcement that it would hire 15,000 young people on permanent contracts or work-study programmes, with a target of 50% from disadvantaged neighbourhoods. The objective was met by the end of November 2021, with more than 7,000 young people hired on permanent contracts and 8,000 under work-study programmes. Significant resources have been invested to offer them high-quality courses earning them certificates or diplomas, with Carrefour France in particular opening its own in-house training centre. The Group also offered job-shadowing work experience to 3,000 secondary school students aged 14 to 15 from these districts to introduce them to retail industry professions. As a result, Carrefour was awarded the Employer Brand and Recruitment Trophy at the eighth edition of France's Human Capital Leaders Awards. These various initiatives are a testimony to the Group's commitment to promoting equal opportunity at a time when younger generations are reeling from the effects of a crisis that makes it more difficult for them to find sustainable job opportunities.

3.2. INCLUSION FOR ALL

Carrefour regularly organises events aimed at facilitating the recruitment, integration and inclusion of diverse profiles. Every year, a whole day is dedicated to diversity at Carrefour in order to promote the acceptance of others among employees. For International Diversity Day 2021, an animated infographic about diversity at Carrefour was produced and shared with all Group host countries, both internally (head offices and stores) and externally (network).

Also in 2021, Carrefour Brazil organised a "Trans Visibility Day", dedicated exclusively to the recruitment of transgender people. By implementing initiatives like this throughout the year, Carrefour is helping to promote the integration of people from minority groups and stepping up its commitment to foster diversity and inclusion in its ecosystem. Action is also being taken to promote the employment of older people. One example is the Group's partnership with "Hire 45+", a non-profit organisation in Romania that aims to encourage the recruitment of people over 45.

3.3. PROMOTING EQUAL OPPORTUNITY THROUGH THE LEADERS SCHOOL

An in-house training school, the Leaders School is designed to facilitate internal promotion, which plays a key role in supporting diversity and equality at Carrefour. This is illustrated both by the gender diversity of the graduating classes (49% women in the "Jérôme Nanty" class and 50% in the third cycle of the Leaders School in Argentina), and by the inclusion of specific modules dedicated to diversity and equal opportunity.

4. Battling all forms of harassment and discrimination

4.1. INITIATIVES TO COMBAT DISCRIMINATION

Carrefour stores and entities promote diversity within their teams and the Carrefour Code of Professional Conduct is sent to all suppliers, who must pledge to adhere to the Group's ten Principles of Ethics. Since 2016, these principles relate to respecting diversity, contributing to a safe and healthy working environment, promoting social dialogue, banning all forms of harassment and ensuring the safety of people and property.

4.2. INITIATIVES TO COMBAT VIOLENCE AND HARASSMENT

The Group's various host countries are firmly committed to combating sexual harassment and casual sexism. On March 8, International Women's Day, various awareness-raising initiatives were organised for employees. Brazil communicated internally, asking people to reflect on sexist behaviour and how to change mentalities. It also took part in the initiative to support employability organised by the Women's Secretariat of the São Paulo Trade Union. In France, the Group has had sexual harassment and sexism liaison officers since 2019 (around 300 drawn from the Works Council and 300 Carrefour employees). These liaison officers have received training that enables them to apply regulations to real-life situations of sexism or harassment, detect risky situations and identify means of prevention. E-learning modules on sexism and harassment have also been made available to both managers and employees.

Carrefour is also actively engaged in the fight against all forms of discrimination and racial violence. Carrefour Brazil has taken firm action and performed a comprehensive review of training policies for employees and subcontractors in terms of safety, respect for diversity and values of tolerance. An action plan was developed to strengthen the measures Carrefour Brazil has implemented for many years to combat racism. These include in-house awareness-raising and training initiatives (Diversity Day, workshops to discuss unconscious prejudice, and diversity and inclusion guidelines for suppliers), as well as initiatives aimed at society at large (signing of the Coalition of businesses for racial and gender equality, institutional partnerships and sponsorship of pro-diversity forums). The importance of these initiatives was recognised in 2021 by the GEEIS Diversity certification awarded to Carrefour Brazil.

Joint initiatives and partnerships

- Partnership with the International Labour Organization (ILO)
- ILO Charter since 2015
- CEASE project (FACE)
- Orange Day with UN Women France, for the past six years
- International agreement between Carrefour and UNI Global Union signed in October 2018
- AFMD (French Association of Diversity Managers)
- ARBORUS (GEEIS)
- ORSE (French Observatory of Companies' Societal Responsibility)
- Participation in working groups to discuss non-sexist education (GLORIA)
- Quality of Life at Work Observatory (formerly OPE)

Find out more

- *Carrefour.com*: Encouraging diversity and inclusion and battling all forms of harassment and discrimination/CSR (see the Employees section)

2.1.6.5 Protecting employee health, safety and quality of life

Context and definition

As part of the third commitment of its Act for Change programme, "Acting with simplicity", Carrefour allows its 319,565 employees to enjoy a secure and positive professional environment. The Group pays particular attention to protecting employees' health and their quality of life at work. It has notably taken resolute action to prevent musculoskeletal disorders (MSD), which are the cause of 45% of workplace accidents and occupational illnesses, as well as to prevent stress and psychosocial risks and more generally to protect employees' mental health. Carrefour strives to improve quality of life at work by implementing initiatives that encourage employees to exercise, roll out remote working arrangements and enhance work-life balance.

On the front line during the Covid-19 pandemic since the first half of 2020, the food retail industry has continued to operate, ensuring the supply of necessities to communities in lockdown while also protecting its workers. Carrefour employees put in an exceptional effort once again in 2021. Thanks to their commitment, people were able to access food and basic necessities in compliance with the public authorities' recommendations. Protecting the health and safety of employees – who make service continuity possible – is clearly a key priority for the Group.

Carrefour's policy

The "Acting with simplicity" pillar of the Act for Change programme is built around three objectives: using resources appropriately and efficiently; acting quickly and simply; and empowering yourself and others. In practical terms, Carrefour is committed to protecting employee health, reducing the risk of workplace accidents in all its locations and implementing innovative initiatives to improve quality of life at work.

Since end-2020, all of the Group's host countries have an action plan on health, safety and quality of life in the workplace. Integrated local teams are responsible for setting targets, particularly in relation to workplace accident frequency and severity, and for structuring an action plan. This should cover topics such as the prevention of accidents in the workplace and at home; occupational illnesses; work-related stress; improving work-life balance; and training on conflict management in the workplace.

Performance

1. Protecting employee health and preventing workplace accidents

Key Performance Indicators	2021[2]	2021[1]	2020	Change
Workplace accident frequency rate *(number of accidents/millions of hours worked)*	-	25.33	27.87	-2.54 pts
Workplace accident severity rate *(number of days absent due to workplace accident/1,000 work hours)*	0.71	0.90	0.85	+0.05 pts

(1) Scope: Comparable BUs – Excluding AT.
(2) Scope: 100% of 2021 consolidated net sales.

Indicators[1]	2021	2020	Change
Rate of absence due to workplace and travel-related accidents	0.66%	0.63%	+0.3 pts
Absenteeism rate: illness	5.17%	5.71%	-0.54 pts
Absenteeism rate: workplace accident	0.61%	0.57%	+0.04 pts
Absenteeism rate: travel-related accident	0.05%	0.05%	-

(1) Hours absent (depending on the reason) as percentage of hours worked. Scope: excluding AT.

2. Offering psychological support to employees

Carrefour France employees have had access to round-the-clock psychological support since 2015, either remotely or on-site, in partnership with a specialised practice.

Since 2020, in light of the Covid-19 health crisis, the vast majority of the Group's host countries have also set up free hotlines and psychological support for employees who feel the need to talk.

Extraordinary indicator	2021	2020	Change
Number of countries deploying a psychological support system	8	8	-

3. Listening to employees to ensure quality of life in the workplace

To support the transformation of its corporate culture, Carrefour introduced an employee commitment indicator in 2019: the Employee Net Promoter Score® (E-NPS). After being suspended for several months due to the health crisis, the fourth "Act for Change" survey round was carried out between May 10 and June 4, 2021 to follow up on the surveys conducted in June and October 2019 and September 2020. Five questions were asked to a representative sample of 26,000 employees in the Group's nine countries, one on "employer recommendation" level (or E-reco) and one relating to each of the four Act for Change pillars.

In addition to a sharp increase in the response rate, the results of this survey showed an improvement on the previous round, with an average E-reco score of 83/100 for the Group. This indicator has also been integrated into the CSR and Food Transition Index. The objective of achieving and maintaining a Group average score of at least 75/100 up to 2025 has therefore been achieved for 2021.

Action plans

1. Protecting employee health and safety

1.1. ASSESSING RISKS TO FACILITATE PREVENTION

To reduce the number and severity of workplace accidents, Carrefour puts risk assessment and prevention at the heart of its health and safety management system. The Group's prevention teams have identified the safety hazards of around 60 workstations, as well as appropriate preventive measures, so that each site can devise, implement and update their own action plans. Carrefour's health and safety risks primarily concern employees who work in its stores and warehouses. The main causes of accidents in stores relate to the use of machines, such as ham slicers, bone saws and kneading machines. For the logistics side of operations, the main risks are associated with access to loading docks.

Workplace accident prevention begins on day one of the employee orientation process. In all Group's host countries, new hires receive training as soon as they arrive so that they know what professional risks are associated with their work environment, how to protect themselves against these risks and who to notify in the event of a malfunction or a hazardous situation.

Workplace health and safety remains a top training priority throughout the careers of Carrefour employees, who participate regularly in sessions on first aid, the prevention of risks related to manual handling and the prevention of work-related accidents.

1.2. ELIMINATING MUSCULOSKELETAL DISORDERS

Musculoskeletal disorders are a major cause of workplace accidents and occupational illnesses. Carrefour invests continuously to ensure that its employees have access to suitable handling assistance equipment, such as electric pallet trucks, shelving tables and pallet destackers. The Group's various host countries seek to innovate and offer technical solutions adapted to employees' work environments and suited to the specificities of their businesses (reduced shelving depth to limit postural constraints, warm-ups before starting work, installation of mechanical gripping devices for lifting certain items, etc.).

In France, Carrefour has invested heavily in handling assistance equipment, such as automatic pallet wrapping machines, stocking carts and lift devices, and conducted studies on workstation ergonomics to improve store design in the future. In Poland, employees involved in manual and mechanical handling activities in stores and warehouses receive training on the appropriate posture and movements required when working, particularly when carrying and moving heavy loads. At Carrefour Argentina, a specialist in ergonomics and workplace health and safety was brought on board in 2021 to update the ergonomics programme already in place.

1.3. PREVENTING STRESS AND MANAGING PSYCHOSOCIAL RISKS

The Carrefour group's preventive approach aims to assess the main psychosocial risk factors and develop appropriate action plans. Many initiatives designed to prevent stress and psychosocial risks are adopted locally, at the initiative of a single country or entity. Examples include stress management training and free hotlines and psychological support.

In France, psychosocial risk prevention training has been offered to managers for a number of formats. A tool is also being tested that aims to help identify risk factors and enable employees to suggest initiatives to be included in the Group's action plans. Tested at the head office in France, the tool will be rolled out to stores and for logistics operations during 2022.

In addition, since the onset of the health crisis in 2020, most of the Group's host countries have set up hotlines and, where necessary, psychological support for employees[1].

1.4. ENSURING AN APPROPRIATE WORK ENVIRONMENT AND WORKING HOURS

Carrefour is committed to ensuring that the Group's entities and its franchisees fully comply with local and regional legislation and regulations, as well as with sectoral collective bargaining agreements on working hours, overtime, rest periods and leave. Since end-2020, all of the Group's host countries have an action plan on health, safety and quality of life in the workplace that includes initiatives related to working hours. To support employees required to work remotely during the health crisis, the countries have conducted awareness-raising programmes on the best practices to follow to preserve work-life balance, including such materials as webinars, guides and managerial support.

1.5. ENSURING ADEQUATE SOCIAL PROTECTION FOR EMPLOYEES

Carrefour France harmonised all its death & disability and healthcare insurance schemes via an agreement signed with trade unions on June 30, 2014. A responsible employer, Carrefour France has decided to offer all employees the same high level of social protection regardless of contract type (permanent, fixed-term, apprenticeship or professional training) and after just three months of service for non-management employees. Aligned with the Group's HR policies, this commitment enables Carrefour France employees and their families to benefit from a high level of social protection by pooling the needs of a large population. In 2021, new medical cover arrangements were introduced in other Group countries, such as Poland and Romania.

(1) Taiwan does not provide a special help line, but offers help on a case-by-case basis.

1.6. PROTECTING THE HEALTH AND SAFETY OF FRANCHISEES AND TEMPORARY WORKERS

The French franchisee network benefits from a number of initiatives implemented by Carrefour to reduce workplace accidents, such as workplace health and safety assessments and a special crisis unit. In France, for example, since the onset of the health crisis, all the Group's procedures are communicated to franchises. They also have access to the internal Carrefour hotline, and their orders for protective equipment (hand sanitiser, gloves, masks) were pooled with those of other Carrefour stores at the beginning of the pandemic, when there was a shortage of supplies. In addition, in order to minimise the risk of accidents among temporary workers, Carrefour France has invested heavily to improve their safety training.

2. Innovating to enhance quality of life in the workplace

2.1. OFFERING FLEXIBLE WORK ARRANGEMENTS

Before the health crisis began, plans were already in place to support the cultural transformation required by the organisation of work. The vast majority of the Group's countries already offered employees in compatible jobs the opportunity to work from home or remotely some of the time. After the first lockdown, there were opportunities to accelerate this transformation and bring new dimensions to the working model in place within the Group – "smart ways of working" – by capitalising on the lessons learned during this period. In France, the agreement on remote working arrangements was renewed and extended and comprehensive support was provided to managers to facilitate its implementation. A dedicated website gives employees access to a wide range of resources to help them adapt to the new organisation of work, including working patterns, information and reference documents. Training and webinars were also organised for this purpose. The Group also encourages the use of technology to increase flexibility and limit travel. Since 2018, employees have had access to the new G Suite solutions, which ensure flexibility by facilitating sharing, collaboration and remote working through tools such as Google Drive, video conferencing and shared calendars.

2.2. TAKING STEPS TO PROTECT EMPLOYEES' WORK-LIFE BALANCE

To ensure that all employees thrive in their work, Carrefour is committed to promoting work-life balance. Carrefour France is a signatory to the Parenting Charter, which upholds a healthy work-life balance for employees with children and encourages the Group to take concrete action in this regard. It is also a signatory of the Quality of Life at Work Observatory's 15 commitments on work-life balance, which stipulate in particular that employers must avoid contacting their employees at the weekend, in the evenings and during leave periods, except under exceptional circumstances, and take action to limit the emails sent outside office hours and on weekends. In the same vein, the agreement signed in 2017 and renewed in 2021 reaffirms employees' right to disconnect outside working hours and the need to be vigilant about the risk of overload. The new agreement on remote working signed in France in 2021 specifically extends this "right to disconnect" to include remote working arrangements. Lastly, on October 6, 2021, the Quality of Life at Work Observatory launched the new Parenting Charter, which reinforces the inclusive approach of the original 2008 version.

2.3. DEVELOPING EXERCISE PROGRAMMES TO IMPROVE EMPLOYEE HEALTH

Carrefour's Act for Food transformation project features a new tag line: "We are all entitled to the best". Going forward with that philosophy, programmes to promote employee health focusing on healthy lifestyle and eating habits – particularly by promoting exercise – have been rolled out in the Group's host countries. Argentina, Belgium, Brazil, Italy, Poland, Romania and Taiwan have all established exercise programmes, in partnership with professionals. Programmes to discourage smoking, excess weight and sun exposure are also available to employees.

3. Supporting employees during the Covid-19 crisis

On April 9, 2020, in light of the Covid-19 pandemic, Carrefour signed a joint declaration with the international trade unions federation UNI Global Union and Auchan Retail concerning the sharing, study and deployment of good practices to prevent, reduce or eliminate the risks of contagion for employees and customers. The Group also issued health guidelines and updated its Business Continuity Plans.

Right from the outset of the crisis, Carrefour implemented rigorous measures to protect employee and customer health, in most cases anticipating and going beyond the health measures recommended by governments in each host country. The Group notably stepped up disinfection and hygiene protocols, installed plexiglass screens at checkouts, ensured the regular supply of hand sanitiser, marked floors to facilitate social distancing and developed specific disinfection and quarantine protocols for suspected cases of infection.

The strict application of health, hygiene and safety rules is regularly and strictly controlled during audits. Working conditions have continually been revised to protect employees as effectively as possible, depending on the state of the health crisis at a given time. This includes adapting store opening hours, for example, and widespread adoption of remote working arrangements for head office employees. Measures have been devised in each of the Group's integrated countries to reward store and warehouse employees, who worked so hard during the crisis.

Joint initiatives and partnerships

- Global framework agreement with UNI Global Union
- World Alliance – UNI Global Union
- Group Global Deal with the French Ministry of Labour
- Agreement establishing the European Works Council with the FIET
- European social dialogue meetings, Eurocommerce

✚ Find out more

- *Carrefour.com*: Protecting employee health, safety and quality of life in the workplace/CSR (see the Employees section)
- The Group's Principles of Ethics
- Ethics hotline

2.1.6.6 Case studies in 2021

Supporting the fight against breast cancer

Carrefour Belgium has been supporting the international breast cancer awareness non-profit organisation Pink Ribbon for seven years, notably by bringing the non-profit's various initiatives to customers in its stores throughout the year but also thanks to the commitment of its employees. In February 2021, during a major breast cancer fundraising campaign, *Le cancer du sein ? Réglez-lui son compte* (Breast cancer: settle the score), Carrefour's charity rounding up scheme raised 447,025 euros, which was donated to Pink Ribbon to support its centres dedicated to the psychosocial care of breast cancer patients. From May 1 to 31, Pink Ribbon's Belgian branch organised the third edition of its Pink Ribbon Walk initiative to promote healthy living. With 687 participants, Carrefour Belgium was the company with the most employees participating in the challenge, which involved taking 10,000 steps per day. By the end of the month, the 31,000-plus people taking part in the challenge accumulated a total of 5,468,567 kilometres, or 135.7 times the circumference of the Earth, and raised 239,295 euros for Pink Ribbon.

Combating food insecurity among students

Since the onset of the health crisis, the Carrefour Foundation has been helping to ensure that students continue to have access to basic necessities. In late March 2021, the Foundation issued a call for projects to support and encourage initiatives designed to combat food insecurity among students in France. The call for projects was aimed at non-profit organisations implementing public interest projects in this area, such as student catering facilities, subsidised grocery stores and food-related social innovation initiatives. After examining 70 different projects, the Foundation selected ten organisations, which each received 30,000 euros in funding to continue their work. Among other initiatives, Alter'Nature, a non-profit organisation created by students from Sorbonne Paris Nord University, manages two grocery stores based on solidarity and participation. Les Amis de la Coop'Cot has set up a cooperative, participation-based grocery store in Créteil, giving students access to its products at cost in exchange for three hours of volunteer work per week. The Federation of Student Associations in Saint-Étienne runs the AGORAé project, which includes a living space and a solidarity-based grocery store used by more than 200 students. Les Ateliers de la Citoyenneté has a kitchen located in the heart of Calais' working-class neighbourhoods and aims to create an additional food distribution day for young people facing considerable hardship. RECHO distributes 500 meals per week in the Greater Paris region, ESS Club creates solidarity-based living and working spaces, including one at UPEC University in Créteil, and Les Amis de la Presqu'île de Giens is developing a shared garden project for at-risk young people in its local area in southeastern France. National mutual aid network L'Équipage Solidaire runs the food aid platform Delivr'aide and Secours Populaire Roubaix has set up an innovative food distribution method: "Click and co-help". Lastly, Unis-Cité Auvergne-Rhône-Alpes takes action to promote an inclusive food transition. The Carrefour Foundation is supporting these organisations through the various phases of development of their respective projects.

Another year supporting French food charity Restos du Cœur/Long-standing partner of Restos du Cœur

For the fourteenth year running, during a period of particularly high food insecurity, Carrefour France reaffirmed its commitment to French food charity Restos du Cœur in 2021 and participated in its national food drive held from March 5 to 7, 2021. A total of 1,224 Carrefour stores took part in the initiative, giving their customers the opportunity to make donations of non-perishable food products and hygiene essentials. Thanks to the efforts made by volunteers, customers and Carrefour employees, 1,624 tonnes of non-perishable goods were collected in the Group's participating stores in 2021, the equivalent of 3 million meals. In collaboration with Danone, another long-standing partner of Restos du Cœur, Carrefour offers nearly one million additional meals each year for those in need thanks to the "2 Danone products purchased = 1 meal offered" campaign running in Carrefour stores.

Creating an inclusive environment for people with disabilities

In France, around one in seven adults, or 4.3 million people, live with a functional disorder and/or a perceived disability. Offering them the best possible customer experience is one of Carrefour's key priorities. As part of its disability inclusion plan, Carrefour has joined forces with Autisme France to improve access to its stores for all customers. To mark World Autism Awareness Day, Carrefour announced on April 2, 2021 that it was introducing a "quiet hour" in more than 1,240 hypermarkets and supermarkets to allow people with autism spectrum disorders to shop in peace. For one hour per week, from 2 to 3 p.m. on Mondays, store lights are dimmed, music and announcement systems are switched off and the use of cleaning appliances is prohibited. The Group is also taking action to support customers who are deaf or have a hearing impairment: since 2018, 79 Carrefour stores in Spain have had a video interpreting system for customers who use sign language. In France, an action plan was launched in autumn 2021 to help Carrefour store employees learn sign language so that they can communicate more effectively with deaf and hearing-impaired customers.

Employing people with disabilities has been one of the Group's key human resources policies for more than 20 years. Carrefour teams in France and Belgium have also taken up the cause. On November 18, 2021, they participated in Duo Day, a European initiative that gives employees the opportunity to pair up with someone with a disability to share and explain their work day. To mark the 25th edition of European Week for the Employment of People with Disabilities, Carrefour supported *Le Grand Pitch*, France's first public speaking contest for people with disabilities, held from November 15 to 26, 2021. Lastly, in Brazil, Carrefour organised a recruitment week in September dedicated exclusively to hiring people with disabilities.

Combating child labour and violence against women

Carrefour actively supports efforts to eliminate violence against women. On the weekend before International Day for the Elimination of Violence against Women (November 25), Carrefour participated in the Orange Day campaign. For every 2-euro bag of oranges purchased by customers in its hypermarkets and supermarkets, Carrefour donated 50 cents to France's National Committee for UN Women, which implements initiatives to combat violence against women. The Group also signed a three-year partnership agreement with Fédération Nationale Solidarité Femmes to raise awareness of the issue of domestic violence among employees and create in-house resources for supporting those affected. In October 2021, Carrefour signed a landmark agreement with Argentina's Labour Ministry aimed at promoting diversity and combating child labour and violence against women. Carrefour Argentina is the first private-sector company in the country to make such commitments on this issue.

Promoting transgender inclusion in Brazil

As part of its Diversity Days initiatives to facilitate access to employment for minority groups, Carrefour Brazil organised a Trans Visibility Day on January 29, 2021. Aware that transgender people still struggle to find jobs and remain a highly marginalised community, the Group decided to dedicate a day entirely to their employment. "We uphold the principle of diversity without exception," said Carrefour Brazil's Diversity & Inclusion Manager Kaleb Machado. "We support the employment of minority groups because we believe that having a job is a key step towards social inclusion". Carrefour Brazil also organises initiatives in the lead up to the Diversity Days. In partnership with NGO Rede Cidada, Carrefour Brazil trained more than 240 transgender people between 2015 and 2020, improving their chances of finding work in the food retail industry and ultimately leading to jobs for some of them with the Company. The Group also supports the *Cozinha e Voz* project, which helps trans people train as kitchen assistants, and the *Agora Vai* initiative, which promotes the inclusion of trans people in the labour market.

Digitising the employee experience

At its Digital Day on November 9, 2021, Carrefour set itself the goal of transforming into a "digital retail company" by 2026, placing digital technology and data at the heart of all its business operations and its value creation model. To support this strategy, Carrefour intends to update and enhance its employees' digital skills. By 2024, all Group employees will receive digital training via the Digital Retail University set up in partnership with Google. In addition, in order to facilitate interaction and encourage innovation, Carrefour will provide all 319,565 of its employees in its nine integrated countries with access to Workplace from Meta, the communication and collaboration tool developed by the company formerly known as Facebook. The aim is to enable employees to build work-related communities and capitalise on the familiar features of social networks in their daily working lives. By removing silos and promoting direct communication between all employees, regardless of their position in the Group, their entity or their host country, Workplace will help free up time to enable Carrefour teams to be more present in the field, serving customers.

2.2 Carrefour's duty of care plan

2.2.1 CSR AND DUTY OF CARE PLAN GOVERNANCE AND METHODOLOGY

2.2.1.1 CSR governance

Governance of the food transition and CSR policies is exercised jointly by the Group Executive Committee, Board of Directors and CSR Committee. This governance mainly applies to exercising the Carrefour group's duty of care. The governance bodies are the following:

- the **Group Executive Committee** defines CSR strategy, policies and objectives, and measures CSR performance. The Executive Committee of each country rolls the strategy out at the local level;
- the **Board of Directors** approves the strategy drawn up by the Executive Committee and evaluates its implementation. In 2021, during meetings with the dedicated **CSR Committee** (see Section 3.2.3.4), the Board expressed its opinion about the monitoring of the CSR and Food Transition Index, the Group's strategies with regard to health and nutrition, the reduction of greenhouse gas emissions, the reduction of packaging, the development of the organic market, diversity and youth employment. The committee annually reviews the Group's performance with respect to the Non-Financial Statement and the duty of care plan. In 2021, an extraordinary committee was established to approve the objectives of the new CSR and Food Transition Index for the period 2021-2025 (see Section 1.5.5).

At Group level, the **Food Transition Committee** chaired by Alexandre Bompard includes various actors responsible for implementing the food transition. Together, they define strategy based on results and consumer trends. In 2021, the themes of health and nutrition were addressed and a panel discussion on these two themes was held with various stakeholders. The Group Secretary General, the Strategy and Transformation, Merchandise, Quality and country-based departments coordinate the consistent roll-out of food transition and CSR programmes throughout the entire Group:

- the Group **Secretary General** oversees implementation of the food transition throughout the Group. He is in charge of the Food Transition Advisory Committee (see Section 2.1.1.4.1). The Group **Secretary General** coordinates implementation of the food transition, CSR policies and the duty of care plan consistently across all countries. The CSR, Audit and Risk, Legal and Organic Produce Market departments report to the Group Secretary General;
- the Group **Strategy department** is tasked with defining and implementing the objectives of the "Carrefour 2022" strategic plan, which includes the objectives relating to the food transition for all;
- the **Merchandise department** defines CSR and food transition targets for products and responsible purchasing. It is in charge of the **Committee on Purchasing Rules for the Food Transition**. The **Merchandise and Quality departments** then roll out objectives and implement purchasing rules for the food transition in all countries where the Group operates.

FIGURE 3: CARREFOUR'S GOVERNANCE OF CSR AND THE FOOD TRANSITION FOR ALL

Governance bodies	Executive Committee	■ Defines strategy, policies and objectives and measures performance. ■ The Country Executive Committees locally deploy the food transition for all strategy.
	Board of Directors and CSR Committee	■ Approves the strategy drawn up by the Executive Committee and evaluates its implementation. ■ The CSR Committee meets twice a year and reports to the Board.
Group departments	General Secretary	■ Coordinates the roll-out of the food transition across the Group. ■ The CSR, Organic Market and Audit & Risk departments, among others, report to the General Secretary. ■ The General Secretary is in charge of the Food Transition Advisory Committee.
	Strategy department	■ Tasked with defining and implementing the objectives of the "Carrefour 2022" strategic plan. ■ Coordinates the roll-out of strategic objectives for the food transition for all (developing organic, own-brand and local products, etc.).
	The Country Management teams	■ In each country, the CEO is in charge of carrying out commitments under the food transition for all programme. ■ Correspondents responsible for the food transition strategy and teams in charge of corporate responsibility set each country's objectives in line with the Group, and report on performance.
Operational departments	The departments responsible for store formats (physical and online) and business lines (quality, merchandise, etc.) implement the food transition for all and the CSR action plans.	

2.2.1.2 Duty of care governance

The Group's governing bodies, in particular those presented below, are involved in the development and monitoring of the duty of care plan:

- the **Committee on Purchasing Rules for the Food Transition** (formerly the Risk and Sourcing Committee) analyses risks and threats involving Carrefour's sourcing practices, and defines sourcing strategy and objectives to implement. This committee ensures that the business lines concerned implement purchasing rules for the food transition within the Group. It holds bimonthly meetings chaired by the Group Executive Director, Merchandise and Formats, which are attended by the following departments: Merchandise, Quality, CSR, Strategy, Audit and Risk, Legal, Carrefour Brand, International Partnerships, Communication and Global Sourcing (Carrefour's non-food sourcing entity since 1994, whose head office is in Shanghai). In 2021, the committee reviewed the targets for the CSR and Food Transition Index for the period 2021-2025. Purchasing rules for the food transition were updated and disseminated in all countries where the Group operates. The committee also processed more than 60 alerts during the year (see Section 2.2.4.2). The Secretary General of Carrefour Brazil has been made a permanent member of the committee in order to improve the way that alerts are managed in Brazil, especially those related to deforestation and human rights abuses;
- **duty of care working group:** a special working group was set up in 2021. The working group is responsible for coordinating the implementation of Carrefour's duty of care plan. It comprises the Risk, Legal, CSR, Merchandise, Quality and Human Resources departments. More specifically, the committee validates the methodology used for analysing risks, assesses the alignment of the action plans with the risk analysis and ensures the proper functioning of the whistleblowing system. It reports to the Committee on Purchasing Rules for the Food Transition and the General Secretary.

The duty of care plan is established, monitored and prepared by the CSR department in association with the Risk department and the other relevant departments (Merchandise, Human Resources, etc.).

2.2.1.3 General framework

Carrefour has adopted a general framework to exercise its duty of care across its operations and promote CSR among its suppliers. The framework also defines Group guidelines for preventing serious harm to the environment, health and safety, and human rights.

Carrefour has put in place a set of purchasing rules, tools and procedures for monitoring its suppliers and helping them achieve compliance. To promote CSR within its supply chains, Carrefour has also devised solutions that make it easier to collaborate with its suppliers.

Principles of Ethics: Code of Professional Conduct

All employees are given a copy of the Principles of Ethics, which new employees are asked to sign. The purpose is to establish the ethical framework governing the day-to-day activities of all employees.

These principles – which every employee must know and comply with – are based on commitments contained in the Universal Declaration of Human Rights, the eight fundamental conventions of the International Labour Organization (ILO), the guiding principles of the OECD, the United Nations Global Compact and the renewed international agreement with the UNI Global Union.

The Principles of Ethics are as follows:

Respect diversity
Contribute to a safe and healthy working environment
Promote social dialogue
Ban all forms of harassment or discrimination

Select and treat suppliers with objectivity and loyalty
Cultivate transparent business relationships
Honour commitments to our partners
Refrain from all unfair agreements and practices

Ensure the safety of people and property
Safeguard the company's resources and assets
Guarantee confidentiality
Protect the environment

Act with integrity, both individually and collectively
Provide reliable and accurate reporting
Avoid conflicts of interests
Refuse all forms of corruption

Source: *https://secure.ethicspoint.eu/domain/media/en/gui/102586/code.pdf*

Commitment Charters

The Supplier and Service Provider Commitment Charter, updated in 2018, forms an integral part of all purchase contracts in all countries for certified products and non-commercial purchases. It also forms the basis for charters aimed at other partners such as suppliers of own-brand and national brand products and franchisees.

The Supplier Commitment Charter has been drawn up with Carrefour's partners in compliance with international fundamental principles (see Principles of Ethics above). It consists of nine chapters focusing on human rights, ethics and the environment: prohibition of forced or compulsory labour, prohibition of child labour, freedom of association and effective recognition of the right to collective bargaining, prohibition of all forms of discrimination, harassment and violence, workers' health and safety, decent wages, benefits and conditions of employment, working hours, Principles of Ethics, and respect for the environment.

The charter prohibits clandestine or undeclared subcontracting, and has a cascade effect by requiring suppliers to demand the same social compliance standards of their own suppliers. In a spirit of reciprocal commitment, the charter does not allow Carrefour to impose any conditions on suppliers that would prevent them from complying with the charter.

Purchasing Rules

The purchasing rules for the social and environmental compliance of certified products concern all products purchased by Carrefour, whether or not for retail sale, food or non-food, must meet specifications defined by Carrefour and undergo specific quality checks. Updated in 2020, the rules apply to all Group entities and all production countries. Procurement potential and purchasing rules depend on the risk rating assigned to each country in the country risk map.

Pursuant to the rules, all suppliers must sign a Commitment Charter and all of the Group's purchasing entities must appoint a person in charge of social and environmental compliance. The rules also describe the process and compliance rules for social audits and outline an action plan to bring sensitive production phases and raw materials into compliance with specific purchasing rules.

The purchasing rules for the food transition set out Carrefour's commitments. The CSR and Food Transition Index measures progress in implementing them (see Section 1.5.5). Each commitment is associated with rules that must be applied in each country to meet the Group target set for the "food transition for all" strategy. Application is coordinated at the local level and updated as necessary in line with any adjustments or results from regular audits.

The rules include specific criteria for purchasing textiles, seafood, aquaculture products and products whose production can impact forests, as well as rules for the social and environmental compliance of certified products (detailed above). Other criteria cover packaging used for products, nutritional content of food, and elimination of additives and controversial substances. The rules were updated in 2021, a simplified booklet was distributed to all of the purchasing functions and training was provided in each host country.

2.2.1.4 Organisational structure of countries, professions and stores

Role and methods of departments reporting to the Secretary General

Reporting directly to the Group Secretary General, the Group CSR department oversees implementation of the CSR methodology to help meet the objectives that Carrefour has set for itself. It is responsible for building a vision for Carrefour's contribution to the UN Sustainable Development Goals (SDGs) and reports on Group performance to its stakeholders based on international standards. In addition to its contribution to Group strategy and with the help of Carrefour experts, the CSR department identifies emerging trends and supports the various professions with the design and implementation of innovative, substantive projects. It works together with the Legal, Risk, Merchandise and Human Resources departments to develop the Group's duty of care plan.

The CSR department, responsible for implementing these missions, comprises about ten employees, who work with all the Group professions and departments concerned, particularly the Merchandising, Quality, Marketing, Communication, Store and E-commerce departments. Every country where the Group operates has a CSR department.

The Risk and Audit department is tasked with identifying the Group's priority risks, which include societal risks. It assesses the integration of societal risks in the different professions and conducts audits. It evaluates the effectiveness of the organisational approach and procedures for implementing the Group's CSR policies and duty of care plan.

The Legal department helps to ensure the compliance of the duty of care plan with requirements. It ensures the operation of the alert line (see also Section 2.2.1.6 Alert mechanisms and Section 2.2.4.2 Summary of alerts and corrective actions taken).

The Group Secretary General also oversees the Organic Produce Market department, created in 2018. This multi-disciplinary team made up of about ten members has correspondents in each country. It is tasked with harmonising the deployment of organic product strategy in all regions and retail formats: franchising and consolidated stores, general and specialised stores, e-commerce, and private-label and national brands.

Organisational structure of professions and countries

All Carrefour departments and employees play a role in implementing the food transition for all within their scope of responsibility. Business lines are in charge of implementing CSR targets, which are defined collectively with the teams involved, along with the drive and support of the CSR department. The responsibility of implementing the duty of care plan is shared between the different departments involved in the process, from defining risks to implementing action plans and measuring their effectiveness and performance. Committees covering several departments are tasked with monitoring progress towards Group and country targets on CSR issues and the duty of care.

The Group's professions are arranged into international speciality divisions (merchandise, supply chain, quality and CSR, technical, finance, etc.) which serve as the basis for exchanging information between countries and professions. The CSR and Strategy departments rely on all of these channels to work with the Group's teams.

In each country, the Group's policies are implemented by the local CSR departments. Each country has its own CSR and strategic correspondents, in charge of coordinating and implementing CSR projects and for heading up the "food transition for all" programme, respectively.

Lastly, the CSR policy is also deployed in each individual store, where the actions planned and commitments made are assimilated and implemented. Stores are also where the CSR strategy and the food transition are most visible.

2.2.1.5 Organising stakeholder dialogue and collective initiatives

2.2.1.5.1 General dialogue processes with stakeholders

Dialogue with stakeholders informs the Group's actions, from devising strategic focuses and objectives and analysing risks related to its business, to ensuring the operational implementation of projects. Carrefour has therefore established two-way communication channels with internal and external stakeholders, especially with executive management in each country, trade unions, employees at headquarters and in-store, customers, suppliers, producers, contractors, institutions, NGOs and non-profits, experts, investors and shareholders. The key channels for communication are presented below.

- Social dialogue.

The Group promotes union rights and the right to collective bargaining in the countries in which it operates. Carrefour was the first retailer to sign an agreement with Union Network International, which serves as the basis for employee relations within the Group and was last renewed in 2018. Social dialogue is an instrument for implementing the duty of care locally and globally. The duty of care plan and risk mapping process relating to human rights and employee health and safety are devised in conjunction with, and submitted on a regular basis to, the European Information and Consultation Committee (ECIC).

International agreement with UNI Global Union. The global framework agreement between Carrefour and the UNI Global Union promotes social dialogue and diversity and guarantees the protection of fundamental principles and rights in the workplace. On October 14, 2020, Carrefour presented its non-financial information at a meeting held by videoconference and attended by 50 representatives worldwide.

- Stakeholder consultation.

Food Transition Advisory Committee. In 2018, Carrefour formed a Food Transition Advisory Committee, bringing together seven well-known external figures from different backgrounds who are committed and concerned about food issues.

The committee members agreed to support Carrefour's transformation of its production model. They participate in projects working towards the food transition for all, share best practices, propose new ideas and lead exploratory discussions about changing food habits.

Stakeholder panels. Several times a year, Carrefour arranges meetings in order to formulate functional recommendations on a specific CSR issue and/or the duty of care plan. These meetings are attended by around 40 people representing the Group, NGOs, government, customers, investors and suppliers, who come together to share their expertise or point of view on the subject in question. In 2021, three stakeholder consultation meetings were held on the themes of responsible e-commerce, the fight against deforestation and reduction in plastic packaging.

Bilateral dialogue and long-term partnerships. Group teams are in daily contact with expert stakeholders on issues relating to human rights, the environment, and health and safety. For all risks defined as a priority under the duty of care, Carrefour identifies the relevant actors with which special dialogue should be maintained.

Carrefour organises regular bilateral consultation processes to define and implement action plans. A consultation process was initiated in 2020 with about ten expert stakeholders to look at human rights, with a particular focus on the issue of a living wage. In 2021, a special consultation was held with several experts to improve the Group's duty of care plan.

Carrefour also leads several long-term action plans in conjunction with various non-profits, such as the WWF® since 1998 and the International Federation for Human Rights (FIDH) since 2008.

- Consultation and on-boarding of customers. Feedback channels have been set up to leverage customer input:

Consumer panels. More than 3,200 customer focus groups were organised in 2021 to test recipes, and customer requests are processed throughout the year by the Customer Service department. Carrefour also organises themed panel discussions with small customer groups to raise awareness about specific issues and build its action plans.

Civic consultation and on-boarding of customers. To secure customer buy-in to the Group strategy, Carrefour launched ten CSR projects following the *mission-zero-plastique.carrefour.com* civic platform organised in 2019. Testing is currently in progress throughout France. In 2019, Carrefour also created "activist consumer groups" in Spain and France, which now include nearly 900 consumers on social media, or 300 more than in 2020. These consumers are regularly invited to stores to discuss various topics, participate in some of Carrefour's decision-making processes – especially on projects resulting from the civic consultation process – and participate in meetings with nutrition and environmental experts. During the year, 29 events were held with the activist consumers. Representatives were identified from among these consumers to keep the groups active and build a strategy.

- Engagement tools shared with suppliers. In addition to strong restrictive frameworks like the purchasing rules, Carrefour has set up voluntary initiatives and partnerships with its own-brand and national brand suppliers. Some examples are included below.

Meetings with national brand supplier partners. Every year, the international purchasing team meets with international supplier partners to involve them in rolling out actions related to the food transition, especially the reduction of greenhouse gas emissions (GHG). National brand supplier partners comprise the Group's 50 largest suppliers.

The "food transition for all" pact: getting the national brands on board. After making commitments in relation to its own-brand products, Carrefour is now rallying all of its suppliers around a pact for the food transition for all. The aim is to encourage Carrefour suppliers to provide products and in-store tests that comply with the Group's food transition commitments in terms of packaging, biodiversity, climate, traceability and responsible products. Once validated by Carrefour, the candidates join the group of partners who have signed up to the pact. In return for reporting on their programme using performance indicators, they get access to an exclusive testing programme in all our European stores and to an annual Food Transition Week.

- Transparency and performance reporting.

NGO questionnaires, ratings agencies and investors. Carrefour believes in the importance of replying to questionnaires sent by NGOs, investors and ratings agencies. That is how the Group engages in building transparent dialogue with its stakeholders to assess the relevance of its policies and action plans and compare its performance with that of its peers and best practices available on the market. Carrefour frequently organises informational meetings for investors and takes part in socially responsible investment (SRI) conferences to keep the financial markets informed about the Group's CSR policy. Results from the CDP (climate and forest), Oekom, DJSI-SAM, MCSI, Sustainalytics and Vigeo Eiris questionnaires are detailed in Section 1.5.5.

2.1.1.5.2 Consultation and deployment of the duty of care plan with stakeholders

Carrefour works closely with trade unions, non-profits, public authorities, suppliers and industry coalitions both globally (e.g., Consumer Goods Forum, Initiative for Compliance and Sustainability, Business Social Compliance Initiative) and locally (e.g., *Cerrado Manifesto*, Bangladesh Accord, etc.) to implement its duty of care. The dialogue processes contribute to continuously improving the Group's duty of care plan. They aim to:

- **identify and prioritise risks and threats:** the Group analyses the information provided directly by stakeholders and the threats that affect the business sectors that it operates in. Reported threats, especially from non-profits and NGOs, help keep Carrefour's identified risks up to date, provide more detailed insight into local issues and specify the level of risk;
- **co-build adapted actions for mitigating risks or preventing serious threats:** Carrefour consults with its stakeholders to develop its action plans and identify shared solutions with those concerned. Non-profits and NGOs are frequently asked to consult on the objectives defined for Group policies, confirm the relevance of solutions (e.g., certification) and integrate external organisations to implement action plans;
- **monitor actions taken and measure their effectiveness:** through this dialogue, Carrefour transparently reports on the implementation of risk mitigation measures and difficulties encountered via qualitative and quantitative indicators. Sharing feedback helps better adapt the actions deployed and round out solutions identified if necessary.

The monitoring of stakeholder dialogue in 2021 is presented in the report on the 2021 duty of care plan (see Section 2.2.4).

2.2.1.6 Whistleblowing facilities

The Group governance bodies described above identify policies to be put in place in line with the assessment of risks of violations of human rights, health and safety, and the environment. In 2021, the Group strengthened its policies and prioritised actions to be taken based on reported alerts. Carrefour's partners and employees are all permanent conduits for raising the alert when necessary. Reported alerts are divided into the following categories:

- alerts or incidents identified internally via audits established by the Group (e.g., social audits, quality audits), monitoring by employees or dialogue with the trade unions;
- the ethics hotline, accessible to all employees and partners, and the Covid alert system;
- stakeholder dialogue (e.g., bilateral alerts, panels, working sessions), publications mentioning Carrefour (e.g., thematic rankings, reports, press articles);
- industry-related alerts.

Alerts are analysed by various Group bodies depending on their origin and processed by the relevant departments. Several internally defined criteria are applied to prioritise alerts and incident risks. Investigations are then conducted based on the level of risk.

Alerts or incidents identified via the trade union dialogue. A dispute management procedure is incorporated in the UNI Global Union agreement. The procedure should be followed if a dispute between a Carrefour entity and UNI Global Union relating to the interpretation or application of the agreement cannot be settled through dialogue. There are two types of claims:

- claims filed by UNI Global Union-affiliated trade unions:
  - the claim must initially be submitted to the relevant entity's management,
  - if the claim is not resolved with the relevant entity's management, the recognised local trade union or the local UNI Global Union representative may refer the matter to the relevant country management. If no trade union exists, the local UNI Global Union representative can act alone,
  - if the claim is still not resolved, UNI Global Union may refer the matter to the Carrefour group's Labour Relations department. In this case, Carrefour will conduct an open and transparent investigation,
  - if breaches are confirmed, Carrefour will ensure that the situation is remedied and that appropriate action is taken as required by the situation;
- claims filed by the management of a Carrefour entity:
  - the claim must initially be submitted to the local trade union,
  - if the claim is not resolved with the local trade union, the entity's management may refer the matter to the trade union's national office or federation,
  - if the claim is still not resolved, the local entity's management may refer the matter to the Carrefour group's Labour Relations department, which will contact UNI Global Union. In this case, UNI Global Union will conduct an open and transparent investigation,
  - if breaches are confirmed, UNI Global Union and its affiliated trade unions will ensure that the situation is promptly remedied and that appropriate action is taken as required by the situation.

The whistleblowing system, accessible to all employees and partners. Carrefour has set up its own whistleblowing system that can be used by Group employees or stakeholders to report any situations or behaviour that do not comply with the Group's Principles of Ethics. The system covers all the subject matters addressed in the Principles of Ethics, and in particular human rights and fundamental freedoms, health and safety, and the environment.

Confidentiality is assured at all stages of the process and Carrefour has pledged not to take any disciplinary action against an employee who reports an ethics issue in good faith. The system helps Carrefour to prevent serious breaches of its Principles of Ethics and to take the necessary measures when a breach does take place.

All alerts identified by the Compliance departments are processed and investigated, provided that a sufficient amount of information is available. The country Ethics and Compliance managers are responsible for relaying alerts to the appropriate departments, depending on their nature. For example, alerts related to fraud or theft are handled by the Security departments, those related to corruption are processed by the Compliance departments and alerts related to employee health and safety or discrimination are handled by Human Resources. For serious alerts, the alert is handled by the country Ethics Committees.

The whistleblowing system is one of the tools promoted under the agreement between Carrefour and UNI Global Union.

http://ethics.carrefour.com/

Country	Phone Step 1	Phone Step 2
Argentina	0 800 444 4744	
Belgium	0 800 100 10	855 409 0182
Brazil	0 800 892 0708	
China	400 601 365 2	
France	0 800 90 85 62	
Italy	800 78 32 10	
Poland	00 800 151 0163	
Romania	800 400 836	
Spain	900 814 793	
Taiwan	00 801 102 880	855 409 0182
Cambodia	1 800 209 354	
Hong Kong	800 96 1764	
India	000 117	855 409 0182
Turkey	0 811 288 0001	855 409 0182
Vietnam	1 228 0288 ou 1 201 0288	855 409 0182

The Covid alert system. Due to the Covid-19 pandemic, the Carrefour group ramped up the mobilisation of teams in charge of health and safety policy to provide optimal working conditions for employees and protect customers in stores.

A Covid alert system was set up in all Group host countries to provide a procedure for reporting cases of virus contamination and information about the disease. In France, Carrefour employees had access to counselling and social services, available 24/7.

Stakeholder dialogue, publications mentioning Carrefour and industry-related alerts.

The measures and resources implemented by the different governance bodies to develop the duty of care plan were reaffirmed, by strengthening dialogue between key people directly involved in the compliance process. A task force was also created to identify and handle alerts relating to the business operations of the Carrefour group. Alerts may involve any of Carrefour's societal challenges (issues relating to governance, compliance, and labour, ethical or environmental problems). The task force is in charge of investigating reported alerts and making sure that the most appropriate corrective action plans are implemented if a breach is confirmed.

Alerts are identified by the task force via stakeholder dialogue (bilateral alerts, panels, working sessions), publications mentioning Carrefour (thematic rankings, reports, press articles) and industry-related alerts. Task force members keep a permanent watch on the alerts and monitor any changes. Following the identification of an alert, the relevant functions are tasked with conducting an investigation, defining an appropriate response and specifying any action plans or processes to be put in place to mitigate the risk. The duty of care plan is regularly monitored by the various governance bodies (see Section 2.2.1.2).

2.2.2 RISK MAP

2.2.2.1 Identifying and defining risks associated with the environment, human rights, and health and safety

To improve the identification of risks of violations of human rights, health and safety, and the environment resulting from its business operations, the Carrefour group applies a risk analysis methodology broken down into steps, which draws on existing mechanisms within the Group. By combining different internal procedures, Carrefour identifies and assesses risks adapted to the Group's activity and size.

For the first step, the Group carries out an overall identification of general risk factors that include criteria relating to the Company's corporate social responsibility.

The framework for identifying risks includes:

- international standards and guidelines (GRI G4, ISO 26000, SAS-B);
- expectations expressed in ESG questionnaires to which the Group responds every year;
- the materiality analysis conducted with both internal and external stakeholders, which is used to confirm the main societal risk factors included in the analysis.

The general risk factors identified by the Group are then analysed by all the departments concerned in each country, which helps better refine the assessment of the risks detected in each region. This process is detailed in Section 4.1 of this Universal Registration Document.

This first generic analysis highlights the main risk factors that could affect the Group's operations, financial position, reputation and results. The analysis is updated annually, and results are submitted to the Audit Committee, the Group Executive Committee and the Board of Directors.

Carrefour identifies which Group risk factors could lead specifically to violations of human rights, health and safety, and the environment. This selection of societal risk sub-factors primarily measures the impact on stakeholders (including customers, suppliers, NGOs and civil society). Chapter 2 details the analysis methods, action plans and assessment processes applied specifically for these risks, and therefore contains information relating to the duty of care.

TABLE 1: DEFINITION OF RISKS USED FOR DUTY OF CARE REPORTING PURPOSES

Risk factor	Risk sub-factor	Description of the risk
Risks to the health and safety of people[1]		
Occupational health and safety risks	Workplace accidents, psychosocial risks and occupational illnesses	Failure to develop and disseminate health and safety standards, as well as the operation of substandard facilities, can result in injury to our employees and the development of occupational illnesses.
Violent behaviour and abuse[2]	Violent, racist or discriminatory behaviour towards third parties (customers, service providers, suppliers)[1]	A lack of awareness about this risk could result in our customers (or other stakeholders) becoming victims of discrimination or physical/verbal abuse by employees or service providers working on behalf of Carrefour.
Lack of product quality, compliance and product safety failure	Significant lack of product control and traceability	Major deficiencies in product control and traceability could have serious consequences for the health of our customers or their property.
	Failure to develop or comply with the specifications for Carrefour own-brand products	Failure to develop or comply with specifications for own-brand products could endanger our customers and employees and put them at risk of developing health problems.
	A serious breach of quality and hygiene standards in stores or warehouses	A serious breach of quality and hygiene standards in stores or warehouses could endanger our customers and employees and put them at risk of developing health problems.
	Failings in the withdrawal and recall procedure	Malfunctions in the withdrawal and recall procedure could have health consequences for our customers.
Pandemic	Rapid, massive spread of a deadly virus that disrupts Carrefour's operations	Poor management of a pandemic could cause the pandemic to spread and contaminate Carrefour employees and customers.

Risk factor	Risk sub-factor	Description of the risk
Risk of human rights violations[1]		
Sensitive raw material procurement	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Carrefour could stand accused of using raw materials whose value chains are implicated in the use of child labour, the exploitation of the local population, the overuse of resources or the conversion of ecosystems.
Lack of supply chain resilience	Riots, street demonstrations, strikes, protests and agricultural crises	The development of environmentally damaging agricultural practices or the deterioration of supplier relationships could lead to agricultural, environmental or social crises.
Failure to respect the principles of diversity and to battle discrimination and harassment	Failure to respect the principles of diversity and equality and failure to combat discrimination and harassment	Customers, employees or suppliers could be the victim of discrimination or harassment by Group employees.
Failure to respect freedom of association and the right to social dialogue	Poor management or deterioration of the social climate within Carrefour	Failure to respect freedom of association and the right to social dialogue poses a twofold risk. First, restricting freedom of association is an infringement of Carrefour employees' human rights. Second, a breakdown of the social dialogue could lead to the poor handling of alerts identified by union representatives and employees.
Failure to uphold human rights and fair pay across the entire value chain	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair remuneration	Failure by Carrefour to uphold human rights or fair pay across its entire value chain could lead to child or forced labour, unsafe working conditions, abnormal working hours that are harmful to health or the payment of a non-living wage.
Risks of environmental damage[1]		
Sensitive raw material procurement	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Carrefour could stand accused of using raw materials whose value chains are implicated in deforestation or other environmental degradation.
Contribution and vulnerability to climate change	Failure to control energy and refrigerant consumption, and contribution to climate change	Carrefour could lack sufficient control over its energy and refrigerant consumption, leading to an increase in its greenhouse gas emissions.
	Natural disasters and climate change	Natural disasters (e.g., flooding, heavy snowfall, heatwaves, etc.) may interrupt business (site closures, breakdowns, serious damage) and endanger the lives of Carrefour customers, employees or suppliers.
Unsustainable product offering and retail model	Business model not aligned with customers' social and environmental expectations (waste management, packaging reduction, food waste, etc.)	A business model that is not aligned with customers' environmental expectations could lead to the overproduction of consumer waste (plastic or food).
Pollution and the impacts of our operations on biodiversity	Damage to biodiversity (pollution from oil-based products, waste, construction work, etc.) caused by business operations	Poor control over the impact of our operations could have environmental consequences. For example, poor retail waste management could cause local pollution.

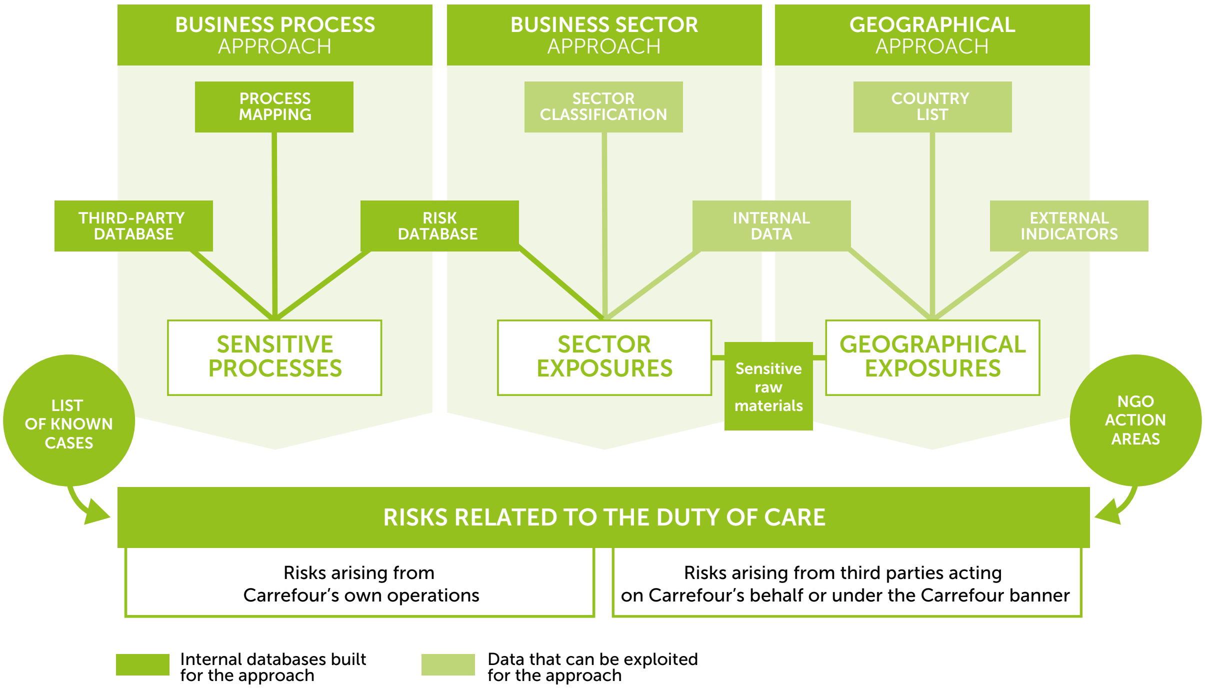
(1) The identified risks are categorised according to the materiality of their impact on health and safety, human rights, and the environment, but they may have other impacts or may impact several categories.
(2) This risk is not derived from the Group's risk analysis. It was added after a major alert was identified in 2020.

2.2.2.2 Maps and tools for the detailed analysis of risks associated with the duty of care

2.2.2.2.1 Methodology for the detailed analysis of risks associated with the duty of care

After putting together a list of risks relating to health and safety, human rights, and the environment, the Group deepens the detail and granularity of its analyses by combining several approaches summarised in the diagram below:

- risks related to Carrefour's various professions;
- risks related to business sectors with which Carrefour interacts regularly;
- risks related to countries in which Carrefour operates or to materials that Carrefour uses.



The Group applies both proprietary and shared standards and frameworks, for example:

- ILO conventions, the amfori-BSCI Country Risk Classification and the ITUC Global Rights Index;
- recommendations developed by the Task Force on Climate-related Financial Disclosures;
- Accountability Framework initiative (AFi) principles for eliminating deforestation and ecosystem conversion;
- stakeholder and Group process maps.

2.2.2.2.2 Specific risks relating to supply chain management

Identified supply chain risks are considered specific risks and must be managed differently. That is why the Carrefour group has implemented specific tools to analyse and manage risks associated with the duty of care. These tools chiefly include specific and separate maps, which can be used for an increasingly refined assessment of the level of risk. These tools cover several approaches, as mentioned above.

TABLE 2: EXAMPLE OF DETAILED MAPS IMPLEMENTED TO ANALYSE SUPPLY CHAIN MANAGEMENT RISKS.

Group risk sub-factor	Examples of detailed maps used for case-by-case analysis
Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair pay	Map of high-risk regions. Map of high-risk sectors and production phases.
Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Map of high-risk raw materials (based on the following factors: respect for the environment, impact on biodiversity, resilience to climate change, respect for human rights, workers' health and safety).
Damage to biodiversity caused by business operations	Map of high-risk sectors and production phases.

On this basis, the Carrefour group has identified the following priority risk factors relating to supply chain management:

- workers' health and safety violations and pollution at textile factories;
- human rights violations at factories located in high-risk countries;
- inadequate worker compensation by our suppliers;
- deforestation for conversion of land for agriculture (priority raw materials are Brazilian beef, palm oil, wood/paper and soy);
- human rights and environmental violations related to natural textile materials;
- damage to biodiversity and non-compliance with human rights in the use of sea resources and aquaculture;
- environmental damage caused by fruit and vegetable production and the use of GMOs;
- non-compliance with the welfare of livestock;
- pollution caused by transport for the procurement of goods;
- supply chain shortages caused by an exceptional event (health crisis, natural disasters and climate change).

2.2.3 RISK ASSESSMENT, PREVENTION AND MITIGATION MEASURES

2.2.3.1 Assessment measures

The risks identified by the Group must be assessed regularly to ensure that they are being managed effectively. Carrefour carries out audits, reports and other measures to assess how well our subsidiaries, suppliers and subcontractors are managing their risks.

Measures for assessing risks to the health and safety of people	
External audit of suppliers	100% of suppliers are audited in line with international standards such as the International Food Standards or British Retail Consortium (90% in 2019), or they are audited by the Group (10% in 2019).
Occupational health and safety audits	Audits relating to the health and safety of employees in stores and warehouses are carried out by the internal control team. The purpose of these audits is to monitor the implementation of procedures concerning health and safety at work and the use of best practices, as well as compliance with regulatory requirements.
Measures for assessing risks of human rights violations	
Social audits of suppliers of certified products	External social audits of direct suppliers of certified products are performed on the basis of the supplier's identified risk level. Audits may also be required for indirect suppliers depending on the circumstances. Identifying a supplier's level of risk involves several levels of analysis, the first one being the map of high-risk regions: • in countries where a risk has been identified, Carrefour's ultimate aim is to perform social audits on all production facilities that manufacture Carrefour-brand products; • for suppliers located in low-risk countries, the inspection system is adapted to the business, local problems and on-site practices, as external audits are not performed systematically. ◦ a. For subsidiaries identified as high risk following a raw material and production process analysis, additional guarantees are required. If the supplier is identified as being at risk, a social audit is performed. ◦ b. If the sector is not at risk, the supplier must at the very least sign the Supplier Commitment Charter (see Section 2.1.5.3). Social audits may be requested by Carrefour teams on a case-by-case basis. These audits are performed by third parties in line with ICS or BSCI standards. The process comprises several steps: • 1. a preliminary review by Carrefour of the facility's compliance with social, environmental and basic quality requirements; • 2. an initial audit, preferably unannounced, performed by an independent firm selected by Carrefour, based on a standard shared with other brands, to determine whether the facility can be listed; • 3. unannounced follow-up audits performed periodically by an independent firm to validate actions taken; • 4. specific audits performed by an external company or by partners to review specific or one-off incidents involving the facility or the audit firms' practices and procedures. The main occurrences of non-compliance identified in the Carrefour supplier network related to working hours, compensation levels and workers' health and safety. • Independent audits and inspections of supplier premises give rise to action plans designed to remedy any breaches observed, regardless of their severity. The supplier is required to implement the action plan before a specified deadline. Implementation is monitored through follow-up audits. • If a supplier audit report contains a critical non-compliance issue, Carrefour will be informed within 48 hours. These issues mainly concern child labour, forced labour, disciplinary measures, attempted corruption, document falsification and safety conditions threatening the lives of workers. Immediate action is then taken by Carrefour and/or the supplier. Training or specific support may be provided by Carrefour's teams to suppliers where warranted by non-compliance issues. Health and safety issues and water treatment are covered by Carrefour's social compliance audit process.

HR reporting and social certifications	• An annual HR reporting process is deployed. Audits are performed annually by an independent third party to verify the true and fair nature of the consolidated Group data. • All of the countries in which the Group operates obtained Gender Equality European and International Standard (GEEIS) certification in 2020. In 2021, all entities concerned by the mid-term audit conducted every two years maintained their certification, and Brazil and Romania improved their overall performance.
Measures for assessing risks of environmental damage	
CSR ratings of suppliers in the clothing sector	In 2019, clothing supplier assessments began incorporating a CSR rating in addition to the usual commercial, quality, and delivery (supply chain) ratings. This CSR rating includes the results of social audits, environmental assessments and alerts, management of suppliers' suppliers, component traceability, supplier certifications and good CSR practices (aside from mandatory compliance). Carrefour's local teams meet with the evaluated suppliers to share best practices and areas for improvement and they take this rating into account when selecting suppliers.
Environmental reporting and certifications	• A quarterly reporting system for Carrefour sites has been set up to ensure a proper assessment of the Group's response to its environmental challenges (waste management, energy consumption, greenhouse gas emissions linked to refrigerant gases, etc.). Audits are performed semi-annually by an independent third party to verify the true and fair nature of the consolidated Group data. • Quarterly product reporting is also carried out to evaluate the implementation of the purchasing rules for the food transition in all countries. Audits are performed semi-annually by an independent third party to verify the true and fair nature of the consolidated Group data. Environmental audits are performed at the premises of suppliers that manufacture labelled or certified Carrefour-brand products, and where certain production facilities or key processes may present environmental risks. • A climate accounting system on supply chains to determine the highest-emission items and sources was introduced in 2019. The Group is working with suppliers to fine-tune the system as part of the Food Transition Pact (see Section 2.1.3.3).

2.2.3.2 Measures for preventing and mitigating risks

Measures for preventing and mitigating risks are presented in three sections covering the scopes of application delineated by the duty of care: risks of serious environmental damage, risks of serious violations of human rights and risks of serious violations of health and safety.

Risk factor	Measures for mitigating and preventing risks	Scope
Risks to the health and safety of people		
Pandemic	1/ Ratification of the joint declaration on preventive measures to protect workers and consumers in the food retail industry during the Covid-19 pandemic. 2/ In September 2020, the Carrefour group launched labelling programmes, for example for AFNOR certification in France and DNV GL in Brazil. These programmes consist in checking and monitoring the Covid-19 health measures implemented at its stores, warehouses and across its supply chain. The verification process mainly involves reminders of protective measures, mask requirements, availability of hand sanitiser, installation of plexiglass barriers, social distancing floor markers, and more frequent cleaning and disinfection of equipment surfaces (basket handles, cart handles, scanners, cash registers, etc.) and store space.	Carrefour
Violent behaviour and abuse	1/ Guarantee respect for diversity and the religious and cultural specificities of all individuals, including customers. This commitment is apparent both within the Group, through awareness-raising and training initiatives (Diversity Day, workshops to discuss unconscious prejudice, diversity and inclusiveness guidelines for suppliers) and with society at large (signing of the Coalition of Businesses for Racial and Gender Equality, institutional partnerships and sponsorship of pro-diversity forums). 2/ Intensified action plans are being deployed in Brazil, where the recent death of a customer in Porto Alegre highlighted this risk: • Carrefour Brazil immediately conducted an audit. Policies on training for employees and subcontractors in terms of safety, respect for diversity and values of tolerance were reinforced; • an action plan has been prepared with an external committee for freedom of expression in diversity and inclusiveness, appointed to advise Carrefour Brazil in an independent manner on the measures to be taken to combat racism in its stores. This plan will reinforce the measures already taken several years ago by Carrefour Brazil to combat racism.	Customers
	Creation of a diversity and inclusion guide for suppliers.	Suppliers
	1/ Organisation of awareness-raising activities such as the Diversity Day or unconscious bias workshops. 2/ Organisation of country-led initiatives (e.g., Trans Visibility Day in Brazil).	Carrefour
Occupational health and safety risks	1/ Preventing workplace accidents and occupational illnesses: compliance with existing regulations, anticipating changes in regulatory requirements, implementation of strict procedures, preventive training on subjects such as in-store safety and posture and movements, employee awareness campaigns, etc. In France, a dedicated body for workplace health and safety has existed since 2012 and a Health and Quality of Life in the Workplace agreement has been signed. A Workplace Health and Safety management training programme has been set up for site managers and the *Es@nté* tool promotes the occupational risk prevention approach and facilitates administrative management of workplace accidents and occupational illnesses. 2/ Prevention of musculoskeletal disorders: massive investment in handling assistance equipment (automatic pallet wrapping machines, stocking carts, etc.), in-depth studies on workstation ergonomics (200 by the end of 2018), alterations to furniture, and gym sessions to prepare employees before they start work. 3/ Stress and psychosocial risk prevention: stress management, training, a free remote listening and psychological support system, etc. In France, employees have had access to a support service with a toll-free number since 2015.	Carrefour

Risk factor	Measures for mitigating and preventing risks	Scope
Product quality, compliance and safety	1/ Rolling out blockchain technology, particularly for new food products in the Carrefour Quality Lines, to ensure full traceability and guarantee total transparency for consumers about where the products have come from. 2/ Eliminating substances with controversial health and environmental effects: Carrefour conducts ongoing oversight to identify and eliminate the presence of controversial substances in its products, reduce the use of pesticides and remove GMOs. 3/ Guarantee the quality and safety of Carrefour-brand products. The policy has five key focuses: • inclusion on Carrefour's suppliers list requires a full assessment of compliance with quality, health and safety standards (IFS, BRC), and Carrefour requirements. In high-risk countries, a special social audit is performed. After inclusion, regular audits are performed on the suppliers' premises. If any non-compliance is detected, corrective measures are implemented, failing which the supplier may be delisted (depending on the type of non-compliance and its seriousness); • product specifications: Carrefour-brand products are made according to specifications drawn up by its Quality department. Product specifications are shared with suppliers and provide details such as the origin of the raw material and the recipe. The substances contained in products are constantly monitored. Based on scientific evidence, a detailed risk map is drawn up by category and level of criticality. Information regarding stakeholders' concerns and expectations is gathered (informal contacts with independent scientific experts by topic, monitoring of the food industry, interviews with government departments in high-risk countries, monitoring of laboratory publications, contacts with health authorities, etc.); • quality control plans and customer opinion surveys, including: ◦ manufacturing site audits, ◦ warehouse and in-shop checks, ◦ product analyses, ◦ recall processes. In order to involve customers and leverage their input, channels for sharing information, listening to their concerns and feedback and raising their awareness have been established: ◦ external focus groups, ◦ customer service: every year, an independent organisation runs a survey of customers to make sure their requests are being processed and identify the corrective actions needed; • in-house competence: ◦ quality approach overseen and managed by Carrefour experts, ◦ training in food safety and Carrefour quality procedures, ◦ in-house inspections to check that the quality policy is implemented and understood in each country; • close tracking of product data: ◦ all data is recorded, processed and monitored using professional apps (TraceOne, the TBQ quality dashboard, etc.), ◦ deployment of traceability solutions (blockchain technology). 4/ Developing the quality culture in the Group through employee training and awareness-raising, regular monitoring of performance indicators, on-site audits and laboratory analysis of products.	Carrefour Customers Suppliers
	Carrefour-brand products are made to specifications drawn up by its Quality department. Detailed specifications are shared with the suppliers.	Carrefour/ Suppliers
	1/ Quality control plans include audits of manufacturing sites (international standards or Carrefour audits), warehouse and in-store checks of product freshness, origin and category, product analyses, and recall processes for non-compliant products. 2/ Channels for two-way communication and listening to customers and raising their awareness have been set up: external focus groups, Customer Service department and the provision of qualitative and nutritional information.	
	1/ Redefining product withdrawal and recall procedures and tools using systems such as Alertnet, which warns store managers of non-compliant products and blocks them at checkout. 2/ Improving communication flows about product withdrawal and recall procedures, particularly through messaging apps. 3/ Blocking withdrawn or recalled products at checkout.	Carrefour

Risk factor	Measures for mitigating and preventing risks	Scope
Risk of human rights violations		
Encouraging diversity and battling all forms of discrimination and harassment	1/ Signature of the Diversity Charter in 2004. 2/ Group-level and national collective bargaining agreements negotiated with trade unions. 3/ Programmes developed under the auspices of international bodies. 4/ Cooperation on the ground with non-profits in Brazil, France and Romania. 5/ Gender parity in the workplace: equal pay policy, access to training for all, arrangements to facilitate work-life balance, Women Leaders programme, signature in 2013 of WEPs (Women's Empowerment Principles) in certain countries, and GEEIS (Gender Equality European and International Standard) certification. 6/ Battling all forms of discrimination, particularly more effective integration of people with disabilities in the workplace: signature of an agreement on the employment of people with disabilities in French hypermarkets. Participating in events such as European Disability Employment Week, which has been organised for the past 22 years by ADAPT, and the Free Handi'se Trophy intercompany challenge. 7/ Support for people who have difficulty accessing the job market.	Carrefour
Freedom of association and social dialogue	Negotiations and collective bargaining agreements: • at the international level: agreement with UNI Global Union guaranteeing basic rights and principles in the workplace; • at the European level: agreement to create the European Works Council, the European Consultation and Information Committee (ECIC) signed with the FIET (part of UNI Global Union since 2011). A meeting at which Carrefour presented its non-financial information was held by videoconference with 50 representatives worldwide on October 14, 2020; • at the national level: local collective bargaining agreements that frame social dialogue; • discussions and consultations with employee and trade union representatives that go beyond legislative requirements and standards; • presence of staff representatives in the Group's business activities.	Carrefour
Supply chain resilience	1/ Listing of very small businesses through ultra-local contracts. 2/ Promotion of environmentally-friendly practices and gender equality in the fair trade, organic banana sector via support for 11 cooperatives in Peru and the Dominican Republic.	Carrefour
	Signature of 14 "0 kilometre" agreements with small local producers and creation of local pacts in five Group host countries.	Suppliers
Upholding human rights and fair pay across the entire value chain	1/ Fair pay. Carrefour is very attentive to ensuring that decent wages are paid across the value chain and is testing new solutions for that purpose: • Carrefour adheres to an approach based on increasing in-kind benefits. With the support of the Carrefour Foundation, the Group worked for three years to set up a health insurance system in Bangladesh. In the last year of the project in 2019, the system covered eight factories, including five Carrefour suppliers, and the support of Carrefour Foundation helped fund the health insurance plan for approximately 14,500 workers. The Group learned a great deal from the project and is now looking for the best way to leverage its experience in its living-wage project; • Carrefour has set up its own supply chain for Indian organic cotton. Carrefour has forged a partnership with Cotton Connect to ensure that farmers receive a higher rate than conventional cotton producers. The first "sustainable cotton" collection appeared in spring-summer 2019. 2/ Stakeholder consultations and panels. Consultation with experts on living wages: non-profits, coalitions and companies involved: FIDH, Achact, Global Living Wage Coalition, Ethical Trading Initiative, Fair Wage Network, Fairtrade International, Mighty Earth, Etam, Bureau Veritas and Tesco.	Suppliers

Risk factor	Measures for mitigating and preventing risks	Scope
Risks of environmental damage		
Responsible raw material procurement	Maps of high-risk raw materials are created and regularly updated (see Section 2.1.2.2.2). The Group has implemented specific raw material purchasing rules in conjunction with stakeholders (i.e., experts, NGOs, customers, suppliers, public authorities, etc.). These purchasing rules for the food transition were updated in 2020. Carrefour takes action across its entire supply chain by setting requirements for its direct suppliers and being involved at different levels in stakeholder coalitions (e.g., Consumer Goods Forum, SoS *Cerrado Manifesto*, French Soya Manifesto). The Group has made it a priority to address the following risks: **Deforestation for conversion of land for agriculture.** Carrefour has taken on the co-leadership of the Consumer Goods Forum Forest Positive Coalition for Action and is a member of the working groups on palm oil, wood, paper, beef and soy. This platform aims to collectively mobilise suppliers to drive systemic change across supply chains. **Palm oil:** Carrefour has implemented a gradual action plan with its direct suppliers, based on RSPO certification, to protect this supply chain in all of the Group's integrated countries. The first step involved requiring its suppliers to provide certified mass balance raw materials in 2020. Standards are now being tightened to the stricter segregated certification, which ensures full traceability from plantation to consumer by 2022. In addition, Carrefour substitutes palm oil in its own-brand products when doing so improves the nutritional value of a product or to meet consumer expectations. **Wood and paper:** Carrefour has implemented a supply inspection system based on a risk analysis of production countries. Ten product categories that use the largest volumes of wood and paper are defined as priority. In these ten categories, different certification or guarantees are required depending on product origin (recycled, FSC certification, PEFC certification or specific audit). **Beef in Brazil:** Carrefour has implemented a supply inspection system for beef from ranch-raised cattle for its Carrefour-brand and national brand products via a geo-monitoring system (in Amazonia and Cerrado). The Group's purchasing data are cross-analysed against official deforestation maps, protected areas and indigenous lands. This is how Carrefour involves its suppliers in its anti-deforestation policy, while ensuring the compliance of products sold in stores. Carrefour works with its suppliers on identifying any non-compliant cattle farmers and takes action as necessary. Suppliers are urged to go a step further by signing a letter of commitment, which requires them to monitor indirect suppliers and report findings in an action plan communicated to the Group. In addition, a traceability tool used to monitor indirect suppliers is being progressively rolled out at supplier sites. Carrefour also encourages other retailers on the market to implement the unified protocol *(https://www.boinalinha.org/)* and regularly speaks at conferences to share its best practices. **Soy:** soy is used in animal feed for Carrefour-brand products and therefore concerns chicken as well as eggs. Carrefour has pledged that the soy fed to animals used to manufacture key products under its own brand will have no deforestation impact by 2025. Carrefour has several solutions for making sure this raw material does not come from farming practices that contribute to damaging forests and ecosystems: by developing local soy farming, promoting CQL organic animal feed made with GMO-free soy, using segregated certified soy and alternative proteins, supporting projects in the field and favouring the most virtuous upstream players for its supply. In addition, the Group launched the Soy Manifesto with the aim of mobilising French players (government, NGOs, distributors and upstream players) to fight against imported deforestation linked to Brazilian soy. In this context, additional criteria for the non-deforestation and non-conversion of ecosystems are integrated into the specifications for Carrefour-brand products in France. Direct suppliers are educated to apply Group standards throughout the production chain. French retailers, civil society and the French Ministry have all signed the Manifesto and are united in a joint effort around the National Strategy against Imported Deforestation to produce a viable nationwide whistleblowing system and engage the entire value chain.	Suppliers

Risk factor	Measures for mitigating and preventing risks	Scope
Responsible raw material procurement	**Biodiversity damage and human rights violations caused by the use of sea resources and aquaculture.** Carrefour has implemented sourcing rules for seafood products through a range of programmes. For example, Carrefour Quality Lines were created to encourage the adherence of aquaculture products to strict specifications. Certification, such as AB, MSC and ASC, provides strict control of each step in the supply chain. And lastly, low-impact fishing techniques are promoted (no fish aggregating devices, angling, etc.), and certain protected species including turtles and sharks are prohibited from sale at Carrefour. **Environmental and human rights violations caused by cotton production**. Cotton from Uzbekistan and Turkmenistan is banned by Group procedures. Carrefour created an organic cotton production line in Madhya Pradesh, India, combining quality organic cotton, decent pay for producers and traceability starting from the seed. The Group aims to increase the share of organic cotton in its total supply, while raising the standards of conventional cotton. Carrefour also applies blockchain technology to certain TEX BIO textile products. Using a QR code, consumers can access information that tracks the product pathway from organic cotton production to distribution. **Environmental and human rights violations caused by fruit and vegetable production.** **Bananas:** bananas are the most popular fruit sold in stores, but they are subject to threats concerning climate change issues and human rights abuses on plantations. As the leader in organic, fair trade bananas in France, Carrefour works with its suppliers to develop this type of banana production in response to these challenges. The Group also launched two new French banana lines, one organic and one agroecological, featuring blockchain technology. These lines create direct and indirect jobs in the French Antilles and provide consumers with transparent information about the production process. Local projects in high-risk regions (own-brand suppliers) include: 1/ incorporating environmental requirements into the Good Factory Standard; 2/ project with the Institute of Public and Environmental Affairs (IPE) to assess the environmental performance of production plants in China; 3/ Clean Water Project in Asia to prevent or counteract industrial pollution risks.	
Sustainable product offering and retail model	<u>Reducing the impact of packaging and decreasing and recycling waste:</u> 1/ transforming the customer experience by developing reusable packaging solutions (organic cotton bags, Loop initiative, etc.); 2/ reducing packaging at source and finding alternatives to plastics which are difficult to recycle (non-packaging solutions, replacement of polystyrene and plastic packaging, etc.); 3/ improving the recyclability of packaging in alignment with national recycling infrastructure (developing sorting processes); 4/ working with customers to improve collection and sorting of recyclable packaging (experimenting with money-back solutions). <u>Combating food waste:</u> 1/ adopting a more professional in-store approach to waste: improving stock and order management, partnership with the Too Good To Go app, development of donations, discounts for products close to their use-by and best-before dates, and recycling as biowaste and biomethane; 2/ devising solutions with suppliers to extend use-by dates and best-before dates; 3/ bringing food waste to customers' attention.	Customers
	Implementation of the Food Transition Pact to gain adherence from national brand suppliers. The Food Transition Pact provides a platform for exchanging information and best practices, developing opportunities for collaboration with Carrefour and sharing progress with consumers. Its key objectives are: • packaging: limit the environmental impact of packaging by eliminating unnecessary packaging, reducing packaging volumes and providing clear information to consumers on how to recycle the packaging; • biodiversity: encourage environmentally-friendly farming practices; • climate: guarantee a food system that is not harmful for the climate and reduces the environmental impact.	Suppliers

Risk factor	Measures for mitigating and preventing risks	Scope
The fight against climate change	1/ Teams in Group host countries have been issued with a list of five priority in-store action and technology recommendations: phasing out high-impact HFC refrigerants for cooling systems, installing doors for cooling systems to limit refrigerant leaks, and using electronic speed controllers, low-power LED lighting and sub-metering systems. The Group is committed to reducing refrigerant-related CO_2 emissions by 2025 (*versus* 2010) by phasing out hydrofluorocarbon (HFC) refrigerants and limiting refrigerant leakage. 2/ Increasing the Group's on-site production of renewable energies. 10% of the energy consumption (21 GWh) of stores equipped with photovoltaic systems will be covered by the initiative. Integrated stores in France, Italy and Belgium have been certified ISO 50001.	Carrefour
	Optimising logistics arrangements, distribution activities and non-retail activities to limit their environmental impact. In France, Carrefour is modernising its fleet. At end-2021, it had 600 PIEK-certified trucks, which run on biomethane and generate less pollution and noise (under 60dB).	Carrefour
Pollution and the impact of our operations on biodiversity	1/ In-store water consumption is monitored and optimised in order to limit the impact of activities on water resources. 2/ With regard to the real estate business of Carrefour Property and Carmila in France, Italy and Spain, the Group has introduced a sustainable construction policy aligned with BREEAM Construction certification standards, to ensure that buildings are designed and built with a commitment to safeguarding the environment, protecting occupant health and safety, and preserving biodiversity.	Carrefour
	Winning a commitment from own-brand and national brand suppliers to reduce their GHG emissions. Carrefour has set a target to reduce emissions from goods and services purchased by 30% between 2019 and 2030. This target translates into savings of 20 megatonnes of CO_2, in collaboration with its suppliers. Carrefour is also targeting a reduction of 27.5% in its emissions from product use by 2030 (especially for fuel and consumer electronics). To meet these targets, Carrefour will focus on: • encouraging the 100 biggest Carrefour suppliers to outline quantified commitments to reduce CO_2 in their direct scope and upstream. Carrefour's main aim is for its ten biggest suppliers to adopt an approach consistent with the Science Based Targets initiative, and the 30 biggest suppliers to take up a climate commitment by 2025; • reviewing the assortment of products available at Carrefour to reduce the climate impact of the average basket; • reducing the climate impact of Carrefour-brand products, by scaling back packaging, combating deforestation and developing low-carbon farming practices.	Suppliers

2.2.4 REPORT ON ACTIONS IMPLEMENTED IN 2021

In 2021, the Carrefour group stepped up the implementation of its compliance programme, by monitoring quantitative and qualitative indicators for the risk mitigation measures taken.

2.2.4.1 Summary of actions and stakeholder dialogue

Summary of improvements in 2021

Types of risks	New in 2021

Governance and method	• In 2020, the governance system in place to ensure the compliance of supply chain processes was enhanced. Purchasing rules for the food transition were updated and disseminated in all countries where the Group operates. The Committee on Purchasing Rules for the Food Transition ensures that business lines in each country apply these purchasing rules to support the food transition. In 2021, the committee met five times.
	• Following the renewal of the CSR index targets, the purchasing rules were updated. The targets were renewed in conjunction with an audit aimed at ensuring comprehension of the purchasing rules. Following the audit, each country received a brochure summarising the purchasing rules. All countries have received purchasing rule training.
	• Supplier education.
	  ◦ An initiative to raise supplier awareness on soy-related deforestation and conversion has been launched in Brazil, France and Italy through bilateral meetings, local NGO training and official letters.
	  ◦ The merchandising teams regularly inform suppliers about food transition issues, with a special focus in 2021 on packaging and deforestation. These discussions took place as part of Group meetings (Growth Together, Socomo), local trade fairs and thematic webinars.
	• A committee dedicated to coordinating the implementation of Carrefour's duty of care was created at the end of 2021. It validates the methodology used for analysing risks, assesses the alignment of the action plans with the risk analysis and ensures the proper functioning of the whistleblowing system. The committee will meet for the first time in January 2022.

Risks to the health and safety of people	• Carrefour Brazil created a fund to support the inclusion of minorities within the Company. It conducted training programmes for employees and local partners to promote the Group's commitment to equality and the absence of discrimination. A committee was specially created to advise Carrefour Brazil in an independent manner on the measures to be taken to combat racism in its stores. An audit was conducted, followed by an action plan prepared with this external committee, which advocates for freedom of expression on diversity and inclusiveness. • On September 1, Carrefour once again signed the International Accord for Health and Safety in the Textile and Garment Industry. Through the agreement, Carrefour undertakes until 2023 to comply with its legal responsibilities – including the complete cessation of operations with sites that endanger employees – in the event of failure to observe the rules of the agreement.
Risk of human rights violations	• Carrefour has contributed 300,000 euros to a one-million-euro project launched by the Fairtrade/Max Havelaar movement. Funded by the French Development Agency (AFD), the project promotes environmentally-friendly practices and gender equality in the fair trade, organic banana sector by supporting 11 cooperatives in Peru and the Dominican Republic. • In the first annual report published on the Forest Positive coalition by the Consumer Goods Forum, Carrefour's commitment to the recognition of the rights of indigenous peoples and local communities was recognised.

Types of risks	New in 2021

Risks of environmental damage	• Following the publication of the first progress report of France's national pact on plastic packaging, Carrefour reaffirmed its commitment to achieving the 2025 targets for single-use packaging and the recyclability of Carrefour-brand packaging.
	• As part of its strategy to reduce packaging and eliminate plastics, Carrefour is rolling out Loop, a circular-economy initiative that features a returnable and reusable packaging system. Following the launch of the concept in Carrefour City and Market stores in Paris at the end of 2020 and in order to further protect the environment, Carrefour introduced the returnable and reusable packaging solution in hypermarkets and ten new convenience stores during the year.
	• To coincide with the COP 26 summit that took place from November 1 to 13, 2021, Carrefour once again reiterated its commitment to climate action and announced a goal of achieving carbon neutrality by 2040. To attain its objective, the Group aims to reduce the emissions produced by its operations at source as much as possible, particularly through the use of 100% renewable electricity by 2030, the replacement of fluorinated refrigerants with natural coolants and an even greater reduction in energy consumption.
	• In 2020, Carrefour took the lead of the Consumer Goods Forum (CGF) Forest Positive Coalition of Action, an international coalition of 18 manufacturers and retailers that aims to take action by involving all supply chain participants. In September 2021, the coalition publishes its first annual report. For the first time, member companies (including Carrefour) were required to align themselves with a set of Key Performance Indicators and share their individual and collective progress by publishing reports on these indicators.
	• As part of France's 2018 national strategy to combat imported deforestation (SNDI) by the end of 2030, Carrefour has secured the commitment of its suppliers to the Soy Manifesto. The purpose of the manifesto is to involve French stakeholders in the fight against soy-related imported deforestation. Thanks to this collective effort, Carrefour is now able to define its footprint, map its soy sources and engage suppliers and soy traders via an assessment of their anti-deforestation policies. Consequently,
	  • Carrefour has developed a method for assessing soy trader performance and transparency in protecting forests and natural ecosystems;
	  • the Group has ranked the soy traders according to their level of compliance with its objectives;
	  • the Merchandise department has established a process of engagement with suppliers and soy traders based on the requirements of the CGF coalition and the Soy Manifesto.
	• The Food Transition Pact, launched in 2019, is carrying on with its initiatives. Supporting the food transition for all, this network of Carrefour suppliers launched the "20 Megatonnes" project as part of the climate pillar. This project encourages suppliers to make commitments, measure CO_2, engage consumers and develop low-carbon consumer habits. In 2021, Carrefour implemented the project via local pacts in five countries: France, Spain, Belgium, Poland and Romania. The system will be deployed in Italy in 2022.

Report on dialogue and alerts identified in 2021

Interaction with stakeholders is crucial for identifying precisely what measures to take in order to mitigate risk. The Group is in continuous contact with NGOs, non-profits, suppliers, customers, investors, trade unions, stakeholder coalitions, public authorities and other key players through bilateral dialogue and stakeholder panels. As part of its stakeholder inclusion policy, the Carrefour group also answers questionnaires from NGOs transparently and publicly.

Summary of the dialogue with Group stakeholders as part of the 2021 duty of care plan

<table>
<tr><th>Types of risks</th><th>Dialogue on risks identified in 2021</th></tr>
<tr><td>Risks to the health and safety of people</td><td>Dialogue with trade unions: in 2021, the Group held ten European Consultation and Information Committee (ECIC) meetings. The committee was able to resume a more normal work routine after being mainly absorbed by the health crisis in 2020. As a result of our health crisis response, some hypermarkets and supermarkets have obtained AFNOR certification for their Covid-19 control and prevention measures.
Bilateral dialogue: close dialogue maintained with trade unions. Monthly meetings between the Executive Director France and the representative trade unions since September.</td></tr>
<tr><td>Risk of human rights violations</td><td>Bilateral dialogue: Special dialogue maintained on the following subjects: the impact of Covid-19 on our procurement practices, human rights compliance in supply chains (e.g., Tamil Nadu in India, Xinjiang in China and Myanmar), factory worker health and safety (Bangladesh), the enhancement of whistleblowing and monitoring systems, and the living wage.
<u>Occasional dialogue</u>, in particular with: Arisa, SOMO, Transparentem, Fashion Revolution, IndustriAll Global Union, Clear Fashion and American Apparel & Footwear Association (AAFA).
<u>Regular dialogue:</u>
an extensive dialogue was engaged with Transparentem and a collective of clothing brands on the issue of forced labour in factories in Tamil Nadu in India, with around 40 meetings held between 2020 and 2021;
bimonthly updates with International Federation for Human Rights (FIDH) on human rights issues in our supply chains and review of ongoing action plans.
Coalitions: Carrefour has again signed the Bangladesh Accord. As part of its social auditing of suppliers in this high-risk country, the Group also works with the BSCI business social compliance initiative and the ICS compliance and sustainability initiative.
Response to questionnaires on:
supply chain transparency and compliance with human rights in the textile sector (Fashion Revolution questionnaire);
respect for working conditions in Tamil Nadu, India (Transparentem questionnaire);
the social and environmental impact of the textile sector (Clear Fashion questionnaire). Carrefour is engaged in dialogue with the Platform Living Wage Financials (PLWF), an alliance of 18 financial institutions dedicated to living wage issues. The PLWF annual report has rated Carrefour as "Maturing", the highest score for retailers included in the assessment.</td></tr>
</table>

Types of risks	Dialogue on risks identified in 2021
Risks of environmental damage	• **Bilateral dialogue:** Special dialogue maintained on forestry issues (mainly beef, soy, wood and paper, palm oil and cocoa), pesticide and GMO use, aquaculture fish feed, and banana, berry and tomato production. • Occasional dialogue, in particular with: Greenpeace, National Wildlife Federation, Envol Vert, Earthworm Foundation, Rainforest Alliance Norway, European Forest Institute, SumOfUs, *Riposte Verte* Changing Markets Foundation, Max Havelaar and Banana Link. • Regular dialogue: • regular updates with the WWF as part of the historic WWF-Carrefour partnership. The subjects covered in 2021 included the Group's sustainable fishing and anti-deforestation (mainly soy and cocoa) policies, natural capital (participation in the Natural Capital Lab) and the Science Based Targets for Nature engagement programme; • bimonthly updates with NGOs Mighty Earth and *Canopée* on soy and beef procurement issues; • regular updates on forest-related issues (soy, cocoa and beef/leather) with representatives of France's National Strategy to Combat Imported Deforestation (SNDI); • bimonthly updates with Eurocommerce to share Carrefour's position on forest-protection issues related to proposed legislation involving the retail sector. • **Coalitions:** • Carrefour is part of the Consumer Goods Forum. As a member, the Group actively participates in coalitions on soy, wood and paper, palm oil, beef and plastic. Alexandre Bompard now co-leads the coalition to combat deforestation; • Carrefour is part of France's National Strategy to Combat Imported Deforestation (SNDI) and participates in the Scientific and Technical Committee for Forests (CST) dedicated to soy, under which the Soy Manifesto committing French stakeholders to combat deforestation was launched; • Carrefour has joined the working group of French retailers coordinated by the Earthworm Foundation in an effort to collectively implement the French manifesto's aims; • it contributes to another French retailers working group that seeks to collectively address challenges related to aquaculture fish feed (particularly salmon) and animal welfare, in an effort to improve aquaculture practices. • **Response to questionnaires on:** • the beef supply chain in Brazil (questionnaires from NGOs *Envol Vert*, *Notre Affaire à Tous*, Mighty Earth, *Canopée* and *Commission Pastorale de la Terre*); • corporate commitments to zero deforestation (European Forest Institute questionnaire); • the environmental impact of paper use policies (*Riposte Verte* questionnaire); • palm oil sourcing policies (WWF questionnaire); • aquafeed (Changing Markets Foundation questionnaire); • MSC-certified, sustainable seafood (Bloom/Foodwatch questionnaire).

2.2.4.2 Summary of alerts and corrective actions taken

Based on alert identification and monitoring processes, Carrefour implements corrective action plans and measures the effectiveness of actions taken. The Group is now prioritising the next measures to implement and identifying areas for improvement. These points also help strengthen the methodology applied to design the corresponding risk map.

2.2.4.2.1 Report on alerts identified during the year

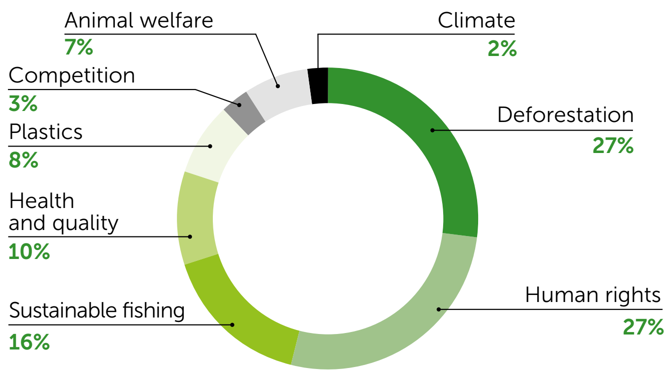
Alerts reported through the hotline. In 2021, 5,024 alerts were received, of which 75 resulted in disciplinary sanctions. 96% of alerts were reported through the ethics hotline, which is available in all Group host countries, while the remaining 4% were reported via hierarchical channels, e-mail or post.

Alerts by category	Percentage of alerts received
Human resources	56%(1)
Health and safety	22%
Other	12%(2)
Discrimination or harassment	6%
Theft, fraud and misappropriation of funds	2%
Corruption and conflict of interest	1%
Environment	0%
Human rights	0%
Accounting	0%
Antitrust and unfair trade practices	0%
TOTAL	100%

(1) Do not represent breaches of the Group's Principles of Ethics.
(2) Do not concern the consolidated scope or referred to customer services.

Stakeholder and industry-related alerts. The competent authorities – social dialogue bodies, the Committee on Purchasing Rules for the Food Transition, and other bodies at the Group or country level, depending on the case – are called upon to deal with the reported alerts. In 2021, more than 60 alerts on various matters related to products sold or supply chains were handled by the Committee on Purchasing Rules for the Food Transition.

BREAKDOWN BY CATEGORY OF ALERTS HANDLED BY THE COMMITTEE ON PURCHASING RULES FOR THE FOOD TRANSITION



The table below presents concrete examples of how Carrefour's duty of care plan was applied in 2021 and the corrective actions implemented or developed after the associated risks were ranked by priority:

Manifestation of risk or alerts identified in 2021	Associated risk(s)	Additional measures in 2021 and development of existing action plans
Carrefour Belgium beef jerky sourced from deforested land *(December 2021)*	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Alert raised by Repórter Brasil in partnership with NGO Mighty Earth concerning the sale of Jack Links products associated with deforestation in the Amazon and sold by Carrefour Belgium. The Group conducted an immediate investigation and announced that it was suspending sales of beef jerky supplied by this producer and sourced from areas at high risk of deforestation. This business decision was made by the Committee on Purchasing Rules for the Food Transition. Carrefour's purchasing rules for the food transition call for strict control of beef sourcing through geo-monitoring in Brazil. For beef sold in the Group's other host countries, preference is given to local production. Carrefour is taking the necessary steps to implement and comply with its purchasing rules. If other products are found to contain Brazilian beef with a proven risk of deforestation, the Group will make the same decision to halt sales.
Responsibility for purchasing from suppliers who are accused of violating human rights in the fruit and vegetable sector *(March 2021)*	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair pay	Alert on the use of migrant workers in the organic fruit and vegetable sectors in Spain and Italy. In response, Carrefour immediately commissioned audits of the supply chains. 11 strawberry suppliers and 17 vegetable suppliers were audited, with none identified as critical or only for issues that could be easily corrected. Carrefour subsequently stepped up its vigilance and supplemented its country risk analysis with a specific sector risk analysis to manage the targeted alerts. In addition, the suppliers are supported at every stage of the process, via the Commitment Charter and a social audit of the packing plant, in order to go further up the supply chains and guarantee better control of risks.
Publication of reports on textile factories In Tamil Nadu *(April, May 2021)*	Carrefour and its suppliers accused of failing to comply with labour law, human rights and/or fair pay	Publication by NGO Transparentem alerting 31 retailers, including Carrefour, about human rights violations amounting to forced labour in spinning mills located in Tamil Nadu in India. Dialogue was initiated with Transparentem and all of the other brands in order to work together on an action plan for the supplier in question. Following a second alert received from NGOs SOMO and Arisa, further work was undertaken and local solutions were sought (dialogue with the brands and 42 meetings between 2020 and 2021). Carrefour has implemented a more systematic action plan for this sourcing area, in particular by: • classifying the Tamil Nadu region as "high risk" by local Global Sourcing teams in terms of social compliance and factory/importer management; • mapping 30 spinning mills in the "Sustainability Map" platform of the Initiative for Compliance and Sustainability (ICS) and evaluating their performance via an audit and a specific questionnaire, with priority given to key suppliers; • setting up a "worker voice" ethics hotline in early 2022 to ensure a whistleblowing system at the local level.
Feed for farmed fish	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Publication of a report by NGO Changing Markets Foundation analysing the policies of 33 European food retailers, including Carrefour, with regard to the phase-out of wild-caught fish in aquafeed, the monitoring of mortality at aquaculture farms, and transparency in aquaculture supply chains and product labelling. According to the study, the retailers have failed to establish sufficiently robust action plans for phasing out wild-caught fish in aquaculture feed. Carrefour responded to the NGO's questionnaire by reporting transparently on the efforts of its French and Spanish operations to reduce the share of aquafeed sourced from industrial fishing and replace it with fishmonger products. Tests are being conducted with partner suppliers of CQL salmon to reduce the share of the marine diet sourced from industrial fishing and replace some of the fish oils with seaweed oils or insects. A test on the CQL trout sector in France is also underway to reduce the use of industrial fishing and remove palm oil and imported soybean meal from aquafeed. In order to take its efforts even further, Carrefour has joined the working group of French retailers coordinated by the Earthworm Foundation. The aim of the initiative is to work collectively towards more responsible aquaculture chains, starting with joint work in the salmon sector.

Manifestation of risk or alerts identified in 2021	Associated risk(s)	Additional measures in 2021 and development of existing action plans
Request for our international franchisees to make a cage-free egg commitment *(July, November 2021)*	Use of raw materials whose value chain is questioned for its environmental, social and/or ethical impact	Following Carrefour's pledge to stop selling eggs from caged farms in its host countries, NGOs from the Open Wing Alliance asked the Group to extend this approach to stores operated by international franchisees. In response, Carrefour organised experience-sharing sessions with its different partners and set up local dialogue between the franchisees and the NGOs. The objective is to evaluate existing cage-free sourcing, the potential for switching from battery-cage to cage-free, current regulations and consumer expectations in these countries.
Food sourcing/sesame seeds/ethylene oxide *(July 2021)*	Product quality, compliance and safety.	Withdrawal and recall of all affected batches of carob flour additive and processed products from distributors. The health measures imposed by the European Commission are rigorously applied and are rounded out, for Carrefour products, by the implementation of pre-delivery controls at our suppliers in order to secure the supply of Carrefour products. In December and January, further batches of ice cream had to be withdrawn and recalled.This follows the identification by the French authorities of old batches of ice cream manufactured between 2019 and 2021 including these non-compliant additive batches.

2.2.4.2.2 Specific action plans related to recurring alerts in 2021

2.2.4.2.2.1 Deforestation in Brazil linked to beef and soy

1/ CONTEXT AND RECURRING ALERTS

As a member of the Consumer Goods Forum (CGF), in 2010 Carrefour made a commitment to achieve zero deforestation by 2020. To step up the Group's commitment to forests and help drive systemic changes with all market stakeholders, since 2020 the Group has co-led the Consumer Goods Forum's Forest Positive Coalition of Action, bringing together 20 companies who are eliminating deforestation in their supply chains through concrete measures such as jointly assessing traders' policies and the degree to which they are implemented.

Carrefour is focusing in particular on raw materials with the highest level of risk based on a Group analysis, engagement with key stakeholders and the materiality of the products in its supplies. Brazilian beef and soy for animal feed have been designated as priority raw materials as part of the Group's policy to combat deforestation and conversion:

- Brazilian beef is primarily sold in our stores in Brazil. More than half is sold in unprocessed form, as fresh or frozen meat (steaks, minced meat, etc.). Carrefour Brazil sells approximately 53,000 tonnes of unprocessed beef each year. In the Group's other integrated countries, preference is given to local production. If any meat comes from Brazil, the same control rules apply;
- soy, in all its forms (sprouted soybeans, beans, soybean oil, etc.), is a common ingredient in many foods. However, almost three-quarters of worldwide soybean production is used as a source of protein in animal feed. Soy is thus used indirectly in the production of dairy products, as well as in poultry, eggs, pork, beef and farmed fish. In 2020, the Group sourced 170,542 tonnes of soy for Carrefour-brand meat products, of which 98,000 tonnes attributable to France. At the Group level, 70% of soybeans come from conventional sources, while the share of organic, non-GMO or local French soybeans amounts to 30%. In France, the breakdown is 53% for conventional soybeans and 47% for non-GMO soybeans.

In 2021, 27% of the alerts handled by the Committee on Purchasing Rules for the Food Transition concerned deforestation and conversion issues related to beef and soy production. They were either directly (via requests from the general public or reports mentioning Carrefour) or indirectly linked to Carrefour (via media articles questioning the practices of industry manufacturers or competitors). The main issues concerned forest fires associated with beef production in the Pantanal and the Amazon and soybeans in the Cerrado, the traceability of beef supplies from the first stage of production, tools for assessing trader performance and the European bill to fight imported deforestation.

2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

2.1. The Carrefour group's commitments on Brazilian beef

The Group has deployed a series of initiatives to tackle the issue of deforestation linked to beef production in Brazil. It has introduced five supply criteria applicable to the fresh beef sold in its stores and set up a satellite geo-referencing platform to ensure compliance. Supplies must not originate in regions:

1. affected by deforestation;
2. under environmental embargo;
3. located in conservation units;
4. corresponding to land belonging to indigenous populations;
5. or where illegal work is practised.

Carrefour has implemented a supply inspection system for beef from ranch-raised cattle for its Carrefour-brand and national brand products via a geo-monitoring system. The Group's purchasing data are cross-checked against official deforestation maps (in Amazonia and Cerrado), protected areas and indigenous lands. This is how Carrefour involves its suppliers in its anti-deforestation policy, while ensuring the compliance of products sold in stores. Carrefour works with its suppliers on identifying any non-compliant cattle farmers and takes action as necessary. Suppliers are urged to go a step further by signing a letter of commitment, which requires them to monitor indirect suppliers and report findings in an action plan provided by the Group.

In 2021, the beef commitment was revised to widen its scope, till then limited to the monitoring of fresh and frozen beef from ranch-raised cattle. Carrefour's objective is for all Brazilian beef suppliers to be geo-monitored and compliant with the forest policy or committed to ambitious deforestation policies by 2025. The extended scope includes suppliers of fresh, frozen and processed meat, distributors, and Carrefour Brazil and Atacadão warehouses.

2.2. The Carrefour group's commitments on soy

Carrefour has a wide variety of levers to act on soy, including developing local soy farming, promoting CQL organic animal feed made with GMO-free soy, using segregated certified soy and alternative proteins, supporting projects in the field and favouring the most virtuous upstream intermediaries for its supplies. The Group's first step in addressing the challenges of soy-related deforestation and conversion was to focus on the Carrefour Quality Lines in each host country, with the goal of developing at least one zero-deforestation livestock chain per country by the end of 2020. The objective was achieved in each country, and at the end of 2020, the Group had a total of 20 soy-based, deforestation-free supply lines. This made it possible to introduce local supply lines and/or develop alternatives to soy in animal feed. To offer an alternative to animal proteins, Carrefour is also developing vegetarian and vegan ranges in every country.

In 2021, the Group stepped up its ambition by announcing the following objectives: 100% of key traders (intermediaries trading in agricultural commodities near the beginning of the supply chain) must be assessed and be making progress towards complying with Group policy and 100% of key products must use deforestation-free soy for livestock feed by 2025. The products concerned by the commitment are Carrefour Quality Lines products and Carrefour-brand products for the following unprocessed fresh and frozen products: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat. To comply with the commitment, the soy indirectly contained in animal feed products must meet one of the following criteria:

- soy replaced by alternative proteins;
- soy sourced from a local, deforestation-free farm;
- soy certified deforestation-free with full traceability;
- sourced from a region with no deforestation or conversion risk;
- sourced from a field project with a landscape approach.

Lastly, as part of the Consumer Goods Forum, Carrefour is committed to working collectively to fight soy-related deforestation. The Consumer Goods Forum's (CGF) Forest Positive Coalition of Action calls for member retailers to implement the following requirements and assess the progress of upstream players (suppliers and traders) towards compliance with them:

- a public deforestation- and conversion-free commitment across the entire soy commodity business, including a public time-bound action plan with clear milestones;
- a set process for continued action from and dialogue with direct suppliers and traders;
- a mechanism for identifying and responding to grievances;
- support for initiatives delivering forest positive development;
- regular reporting on the main Key Performance Indicators.

3/ ACTION PLANS

3.1. Carrefour's action plans for Brazilian beef

Geo-monitoring of Carrefour Brazil and Atacadão suppliers

Cattle ranches supplying fresh and frozen meat to slaughterhouses (direct Carrefour suppliers) are all currently inspected by Carrefour's local monitoring system in Brazil. The Group plans to extend its geo-monitoring system to other activities by 2025 (see description of the objective in Section 2.2 above).

To ensure compliance with the goals of its policy to tackle deforestation, Carrefour relies on two actions: systematic geo-monitoring of supplies and implementation of an investigation in the event an alert is received by stakeholders. In the event of a proven violation of its policy, Carrefour has outlined a series of measures that allow it to suspend supplies that do not offer the guarantees and transparency it requires. In 2020, for example, following alerts from the state of Rondônia (considered to be at high risk of deforestation), Carrefour decided to suspend purchases of meat from farms in this state from its supplier, JBS. In addition, since 2021, suppliers who are late in sending data for the monthly meat purchasing report are subject to a penalty.

Engagement of upstream intermediaries

To underpin its policy, Carrefour Brazil has distributed a *termo de compromisso* (engagement letter) among its Brazilian beef suppliers inviting them to undertake a common commitment. This document describes the rules that suppliers should observe in their direct and indirect supply chain, the verification process and the consequences of non-compliance. Suppliers are asked individually to sign the agreement.

In addition to this individual approach, Carrefour is taking collective action *vis-à-vis* beef producers: It supported the establishment of a Beef Working Group within the Consumer Goods Forum. One of the objectives of this coalition is to leverage concrete, collective action to monitor indirect suppliers. Carrefour's aim is to assess the capacity of slaughterhouses to implement solutions for controlling indirect suppliers.

Carrefour Brazil is also working with the National Wildlife Federation to initiate traceability with two of its suppliers in the priority states of Mato Grosso and Pará. This is the only existing pilot project concerning indirect supplier traceability.

Lastly, the Carrefour Foundation and the IDH Foundation are partners in a field project to develop sustainable beef production. The initiative supports 450 calf-supplier farms in the state of Mato Grosso in Amazonia. The goal is to achieve total farm-to-fork beef traceability in compliance with the Group's purchasing policy. It is a way for Carrefour to encourage indirect suppliers to implement more responsible practices. Since 2019, the Carrefour Foundation has earmarked over 1.3 million euros for this project. After two years of effort across various links of the supply chain (producer, slaughterhouse, government authorities, non-profits, etc.), the project, which was launched in 2019, produced its first batch of deforestation-free beef in July 2021. The programme is a breakthrough for the Brazilian beef industry: the meat is the first to be 100% traceable, from birth to butcher. The product is sold under the Carrefour Quality Lines brand at an affordable price in the São Paulo region with a QR code that provides full traceability. This first phase of the project in Brazil is designed to demonstrate the feasibility of this type of supply chain, prior to larger scale implementation.

Local collective initiatives to galvanise the market

The Group is involved in numerous collective platforms at the national level in France and Brazil, as well as at the international level, as part of a joint effort to fight local or imported deforestation. In Brazil, Carrefour is involved in the following initiatives:

- implementation of the Collaboration for Forests and Agriculture (CFA) Operational Guidance – an initiative that is the product of a collaboration between the World Wildlife Fund (WWF), The Nature Conservancy (TNC) and the National Wildlife Federation (NWF), funded by the Gordon & Betty Moore Foundation. This program helps businesses implement deforestation- and conversion-free (DCF) commitments for beef and soy in the Amazonia, Cerrado and Chaco biomes;
- member of the working group on sustainable cattle (GTPS) since its creation in 2007;
- the Amazonian Soy Moratorium, since the initial report was published in 2006. This agreement has yielded positive results for the protection of the Amazonian region, and Carrefour encourages expanding it to other biomes;
- Carrefour works with different states through various field projects, such as the sustainable calf production programme in Mato Grosso or the implementation of a state-wide traceability programme in Pará.

3.2. Carrefour's action plan for soy

In order to reduce the impact of soy on forests and ecosystems, Carrefour acts on several fronts to heighten market standards, i.e., by focusing on its own supplies or working together with supply chain intermediaries and key stakeholders.

In procuring supplies, the Group applies the following guidelines:

- use of traceable non-GMO soy not linked to deforestation;
- development of local non-GMO soy chains;
- use of ProTerra-type certification with full traceability;
- development of vegetarian/vegan ranges through Carrefour Veggie products offering an alternative to animal proteins.

Collaboration with stakeholders to establish common rules

At the international level, and in line with the Consumer Goods Forum (CGF), Carrefour has committed to the goal of reaching zero deforestation by 2020. To step up this commitment and help drive systemic changes with all market stakeholders, the Group took the co-lead of the Consumer Goods Forum's Forest Positive Coalition of Action in 2020. The coalition's objective is to speed up efforts to eliminate deforestation from individual company supply chains and to implement collective solutions. Through collective action, the coalition aims to set higher standards, drive transformational change in key host communities and report on progress transparently. Carrefour and the other coalition member companies establish joint requirements for reducing the risks of deforestation from their soy business activities. The requirements not only include criteria for soy at the production stage, but also requirements for members to inform suppliers and assess their progress. Lastly, the coalition has set out expectations for soy traders and adopted a method for assessing their progress towards meeting them. A dialogue process has also been set up to encourage traders to change their practices.

In consumer markets, Carrefour's goal is to develop common practices with its entire ecosystem. The Group is part of the National Strategy to Combat Imported Deforestation (SNDI) and has participated in the Scientific and Technical Committee for Forests (CST) dedicated to soy. At the end of 2020, Carrefour joined with other French retailers in a joint commitment to eliminate deforestation and ecosystem conversion from their soy supply chains. This alignment of views led to the signing of a manifesto "committing French supermarkets to fight against imported soy-driven deforestation". Under the manifesto, Carrefour made a commitment to:

- implement specifications for its own-brand products, including deforestation- and conversion-free criteria across all products (poultry, eggs, pork, beef, veal, fish, lamb, dairy products and minced meat (fresh and frozen));
- request own-brand suppliers to include a conversion/deforestation-free clause taking into account the January 1, 2020 deadline and urging national-brand products to deploy these commitments.

One year after the launch of the manifesto, Carrefour has engaged with all of its suppliers through webinars, bilateral meetings and official letters from the Group Merchandise Director. In addition, the first contracts incorporating the new clauses are being signed in the chicken and pork sectors. In collaboration with key stakeholders and the SNDI, Carrefour helped to develop and launch a tool for assessing the risks of deforestation linked to soy imports in France. Thanks to this tool, it is possible to assess the sourcing risk in France based on the origin of the soy and the importer.

In Brazilian production areas, the Group participates in collective initiatives to develop synergies with all stakeholders (suppliers, competing distributors, raw material traders, regional and national governments, scientists, NGOs, data and service providers), in particular the Cerrado Working group (GTC) and the Amazonian Soy Moratorium.

Engaging traders to drive market change: In order to change practices upstream to its supply chain, Carrefour engages in a dialogue with the main soy importers at various levels via involvement in collective initiatives as well as local bilateral exchanges.

As part of the Consumer Goods Forum forest coalition, Carrefour supports the implementation of higher standards for traders. A shared assessment system has been developed to monitor and engage with traders and to allow companies to source their supplies from the most responsible traders.

Following the resurgence of forest fires during the summer, the CEO of Carrefour Brazil wrote to the CEOs of Cargill, Bunge and the main beef manufacturers to reaffirm the Group's commitment to reducing deforestation. Bilateral meetings are held on a regular basis, and the monitoring of each Company's action plans is carried out by a specific committee that reports directly to the Executive Committee of Carrefour Brazil.

2.2.4.2.2.2 Upholding human rights in the textile industry (Xinjiang, Tamil Nadu)

1/ CONTEXT AND RECURRING ALERTS

Teams dedicated to monitoring (quality, CSR) production units are present in various Carrefour Sourcing offices. Over 18,000 non-food items are sourced by Sourcing teams in 32 sourcing countries and 900 factories.

Carrefour is committed to constantly improving working conditions and protecting human rights among its suppliers. For this purpose, Carrefour has put in place a set of purchasing rules, tools and procedures for monitoring its suppliers and helping them achieve compliance.

2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

In accordance with Carrefour's purchasing rules, all supply plants located in risk countries must undergo a compliance audit. The audits are conducted under Initiative for Compliance and Sustainability (ICS) and Business Social Compliance Programme (BSCI) standards. The audit is not an end in itself, but rather a tool that paves the way for dialogue and the implementation of a compliance plan to bring the supplier's working conditions in line with requirements. To identify those countries where risk of non-compliance with the charter is the highest, Carrefour has established a country-by-country risk map, which was revised in 2018. The list of countries at risk from a social perspective is based on the country-by-country risk classification defined by amfori-BSCI and on the ITUC Global Rights Index. The country classification also takes into account recommendations from the International Federation for Human Rights and from Carrefour's local teams. Procurement potential and purchasing rules depend on the risk rating assigned to each country.

In 2021, the sustainable product textile targets were incorporated into the purchasing rules. Certain areas requiring increased vigilance (i.e., regions where forced labour is practised) are also included in the purchasing rules. The Group aims to ensure that all raw materials used in its TEX products are sustainable and traceable by 2030.

In 2021, 27.4% of alerts dealt with by the Committee on Purchasing Rules for the Food Transition concerned human rights. These were either directly (via requests from NGOs, reports mentioning Carrefour) or indirectly linked to Carrefour (via media reports questioning the practices of the textile sector). The main issues concerned cotton production in the Xinjiang region and human rights abuses in production units in Tamil Nadu.

3/ THE GROUP'S ACTION PLANS

3.1. The Group's action plans for textile supply chains

Since 2001, Carrefour has introduced actions to protect its supplier network by conducting social audits at its finished goods production facilities. All facilities have now been audited, with the support of independent auditing firms. The social performance of suppliers is regularly monitored and checked through social audits. Corrective action plans are systematically implemented and progress monitored over time. Each year, more than 80% of cases of non-compliance identified in factories in risk countries fall into one of three categories: "Compensation, benefits and conditions", "health and safety" or "working hours".

To respond to these issues, factory capacity and production schedules for Carrefour's orders from its largest textile suppliers (in terms of volume) are analysed and adjusted at a very early stage, to limit problems with "working hours". Carrefour is very attentive to ensuring that at least the legal minimum wage is paid across the value chain. Carrefour's Commitment Charter includes a legal minimum wage commitment. It states that "wages and other compensation for regular working hours should cover the basic needs of workers and their families and leave them with some discretionary income".

Carrefour provides training, implements regional projects and supports fair trade to engage its suppliers and promote CSR within its supply chains. Carrefour trains its suppliers in partnership with consultants or local NGOs. Carrefour's Sourcing teams roll out specific training programmes every year. The Group has also drawn up the Good Factory Standard, a practical training document featuring a breakdown by sector and/or by type of product (bazaar, clothing, wood, leather, etc.).

Carrefour is working to improve the traceability of its supply chains. For example, it has developed a fully traceable, organic Indian cotton supply chain. Blockchain technology introduced for textiles in 2020 now makes it possible to include a QR code on the label that will enable customers to track the cotton from the field to the store shelf.

In 2021, the Group published a list of textile suppliers that is available on its website *(https://www.carrefour.com/sites/default/files/2021-04/Liste%20des%20usines%20textiles%20Carrefour%20Avril%202021%20-%20vf.pdf)*.

3.2. Action plans for the prevention of forced labour across the supply chain

Carrefour has been working on a set of measures to better identify and prevent any human rights violations in its supply chain, and in particular to prevent any practices that are similar to forced labour by:

- reminding all its suppliers to meet their contractual commitments, in particular the obligation to have their own suppliers and subcontractors respect human rights;
- mapping supply chains for at-risk raw materials, with a focus on key suppliers;
- sending our suppliers a list of units identified as being at risk which should be banned in their supply chain (early 2022);
- developing alert systems through active monitoring of social and environmental violations, to be implemented in early 2022 (see example of Tamil Nadu below).

3.3. Action plans for alerts in the Tamil Nadu region

Publication by the NGO Transparentem alerting 31 retailers, including Carrefour, about human rights violations amounting to forced labour in spinning mills located in Tamil Nadu, India. Dialogue was initiated with Transparentem and all of the other brands in order to work together on an action plan for the relevant supplier. Following a second alert from NGOs SOMO and Arisa, further work was undertaken and local solutions were sought (dialogue with the brands and 42 meetings between 2020 and 2021).

As a result of this alert and collaborative efforts engaged in 2021, Carrefour has set up a more systematic action plan for this sourcing area, in particular by:

- classifying the Tamil Nadu region as "high-risk" by local Global Sourcing teams in terms of social compliance and factory/importer management;

- mapping the spinning mills of the area in the "Sustainability Map" platform of the Initiative for Compliance and Sustainability (ICS) and evaluating their performance via an audit and a specific questionnaire, with priority given to key suppliers;
- setting up a "worker voice" ethical hotline in early 2022 to ensure a whistleblowing system at the local level, with priority given to key suppliers.

For all production facilities in the Tamil Nadu region, issues related to social and environmental responsibility should be managed by local Carrefour Global Sourcing teams. It should be noted that spinning mills are particularly concerned by the problem and that an Indian supplier whose garment factory is located outside Tamil Nadu but who sources its yarn or material in Tamil Nadu must also be monitored by Carrefour's local Global Sourcing teams.

2.2.4.2.2.3 MSC sustainable fishing

1/ CONTEXT AND RECURRING ALERTS

Carrefour is committed to supporting its partners in this area. The Group's action plan here benefits from regular input from international NGOs, scientific committees and fishery organisations on questions of biodiversity and seafood products. Overfishing is a global problem requiring local responses. Solutions to protect resources must be adapted to each fishing area and put into practice jointly with local stakeholders. The approach is therefore being phased in consistent with country-by-country initiatives.

In 2021, 16.1% of the alerts dealt with by the Committee on Purchasing Rules for the Food Transition concerned fishing and aquaculture practices. These were either directly (via questionnaires, articles questioning our practices) or indirectly linked to Carrefour (via reports on issues facing the fishing and/or aquaculture sector). The main issues concerned modern slavery in the tuna industry and the use of wild-caught fish to feed farmed fish; half of the alerts questioned the credibility of the MSC certification's sustainability claim.

2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

Responsible Fishing Week, which was held from February 17-23, 2021, was an opportunity for Carrefour to reiterate that marine resources are fragile and that protecting them is a shared aim involving retailers, consumers, fishermen, seafood companies and others. That is why the Group's sustainable fishing policy is being built gradually over time, alongside all of its stakeholders (NGOs, scientific experts, suppliers, etc.), around several core principles:

- favour more abundant species and fishing techniques that have the least impact on ecosystems, such as line fishing;
- halt the sale of vulnerable species, such as wild sturgeon, eel and red seabream;
- develop sustainable aquaculture without antibiotics and GMOs;
- combat illegal fishing by publishing, together with WWF France, SeaWeb Europe and EJF, the first best practices guide for fishing professionals;
- support local sustainable fishing through local partnerships;
- promote sustainable fishery products and seafood diversity in stores;
- respect social conditions in countries presenting a sourcing risk.

In 2021, Carrefour extended its objective for half of the fish sold in its stores to be sourced sustainably so as to include national brands in its sustainable seafood sourcing policy. The Group's goal is for 50% of sales of fishery and aquaculture products (Carrefour-brand and national brand products) to be produced using sustainable practices by 2025.

3/ THE GROUP'S ACTION PLANS

To guarantee a responsible seafood/aquaculture offering, Carrefour is committed to developing:

- its Carrefour Quality Lines, which provide traceability back to the boat or farm;
- an organic aquaculture offering that showcases products from environmentally friendly farms;
- the Marine Stewardship Council (MSC) label for sustainable fishing, which guarantees the commitment of fishing personnel, abstaining from overfishing and respect for the marine environment;
- the Aquaculture Stewardship Council (ASC) label for responsible aquaculture, which guarantees respect for the environment, ensures animal well-being and monitors working conditions;
- fishing techniques that respect biodiversity and limit the by-catch of other species (dolphins, turtles, etc.), such as line fishing and fish aggregating devices (FADs);
- products from farms that have implemented a robust Fishery Improvement Project (FIP) (except tuna, for which FIPs are not considered sufficient to obtain a sustainability logo).

3.1. Supporting local fishing and Carrefour's tuna policy

In addition to selling products under the MSC label, Carrefour is developing specific policies for certain species. It has established its own tuna policy, for example, which goes beyond the label's requirements by banning fishing methods associated with dolphin by-catch or the use of longlines and demanding compliance with minimum-size requirements.

In 2021, Carrefour stepped up its support for the Spanish fishing sector by signing the eighth in a series of 12 agreements that the chain has committed to developing with Spanish fish markets. The purpose of these agreements is to bolster its support for the sector, help maintain fleet sustainability, remove the uncertainty of auction prices and offer a stable and competitive price to consumers. In France during the month of October, Carrefour launched a campaign called *Les bons plans oubliés de la pêche française* (the forgotten top tips of French fishing) to support French fishermen and promote French production.

3.2. Monitoring practices across our supply chain

Carrefour conducts compliance audits of its direct suppliers and expects them to require the same level of compliance from their own suppliers. These audits are performed according to strict standards (ICS, BSCI, SA 8000) and focus on key themes like human rights. The Group screens against various social criteria – no forced labour, no child labour, no harassment or discrimination, decent working hours – and conducts recurring audits and follow-up with suppliers. Auditing is a tool that creates an opportunity to engage in dialogue and implement a compliance plan to bring supplier working practices in line with requirements.

To combat illegal practices, Carrefour prohibits the use of fishing vessels from countries that have received a yellow or red card from the European Union. The EU regulation to prevent illegal, unreported and unregulated fishing (IUU) requires that "third countries" (those outside the EU) exporting their fish to the EU or lending their flag to fishing vessels that import products into the EU comply with strict fisheries management rules. If they fail to meet these standards, countries risk being carded, which means their fish could be banned from the EU market.

3.3. More responsible aquaculture practices

To develop more responsible forms of aquaculture, Carrefour works closely with producers and other players in the sector by selecting farms that promote best practices.

In this regard, it:

- bans illegal, unreported and unregulated fishing ingredients from all Carrefour brand products;
- bans GMOs from Carrefour Quality Lines products;
- reduces, or even eliminates, the use of antibiotic treatments in Carrefour Quality Lines products;
- works actively to improve aquafeed.

Measures are in place to reduce the proportion of aquafeed sourced from industrial fishing, which accounts for nearly 20% of global wild fish capture, and replace it with fishmonger by-products. Steps are currently being taken to transform aquafeed, with trials under way with partner suppliers of CQL salmon to reduce the proportion of feed sourced from industrial fishing and replace some of the fish oils with algae oils or insects. A trial in the CQL trout sector in France is also under way to reduce the use of industrial fishing and remove palm oil and imported soybean meal from aquafeed.

In addition, Carrefour joined the working group of French retailers coordinated by the Earthworm Foundation in 2021. The aim of this initiative is to work collectively towards more responsible aquaculture chains, starting with joint work in the salmon sector.

Transparency and traceability

Blockchain technology guarantees consumers full product traceability. Consumers can scan a QR code on the label with their smartphone and access an interface containing a wealth of information on the product's journey from farm to shelf. This technology also allows consumers to identify the different players involved in the production process and learn about their business, both in terms of farming practices and quality control at every step of the production chain. Rolled out in January 2020 across the entire Norwegian Carrefour Quality Lines fresh salmon chain, this technology is now being applied to skinless salmon steaks, salmon fillets and centre-cut salmon.

2.2.4.2.2.4 Inclusion and diversity in Brazil

1/ CONTEXT AND RECURRING ALERTS

As an early advocate for diversity, Carrefour signed the Diversity Charter in 2004 to give all people, in all countries, the same recruitment and advancement opportunities. In all countries where it operates, the Group embraces equal opportunity, promotes diversity and banishes all forms of discrimination – a policy that sets it apart from its peers. The Group is involved in practical initiatives, including Group and nationwide agreements entered into with unions, programmes developed under the aegis of international organisations, and cooperation in the field with NGOs in most Group countries. Every year, Carrefour organises an international diversity day where each country can reaffirm its commitment to combating all forms of discrimination.

Following a tragic event in November 2020 that claimed the life of one of the Group's customers, Carrefour Brazil promptly launched an internal investigation and cooperated fully with the local authorities.

In response to the incident, Carrefour Brazil immediately extended store opening hours by two hours in order to conduct internal training and raise awareness about the issue among employees. In addition, all income earned on sales on November 20 was donated to organisations dedicated to promoting rights among Black people.

2/ THE GROUP'S COMMITMENTS AND OBJECTIVES

Respect for all people is one of the guiding principles of the Carrefour Brazil community. By respecting diversity and fostering peaceful coexistence, the Group endeavours to establish quality relationships with all stakeholders (employees, customers, service providers, suppliers, representatives or third parties), regardless of their differences. These principles are set out in the Code of Ethics *(https://conexaoeticacarrefour.com.br/files/manual_de_etica_carrefour.pdf)* and explained in the Diversity and Inclusion Manifesto *(https://naovamosesquecer.com.br/downloads/manifesto.pdf)*.

To reinforce and ensure compliance with these principles, the Group has created a diversity and inclusion platform. As part of the platform, a Strategic Diversity Committee and a Steering Committee on diversity and affinity groups have been set up. These employee-led committees foster debate on policies and actions for greater inclusion and visibility of minority groups within the Company. Four main topics are discussed during monthly meetings: race, gender, sexual orientation and disability.

The Group also promotes its annual "D-Day" event. Designed to recruit professionals from minority groups, the topical events bolster the Group's commitment to promote and increase diversity and inclusion within the Carrefour Brazil ecosystem.

In addition to the United Nations 2030 Agenda and its Sustainable Development Goals (SDGs), which include the fight against social inequality, the Group has signed Brazil's Business Initiative, which sponsors the Brazilian Diversity Forum and Diversity Day, the country's two largest forums on racial diversity.

3/ CARREFOUR'S ACTION PLANS

The Group's inclusion and diversity measures were strengthened in 2020 with the creation of a special committee and the addition of new measures:

- **adoption of a zero tolerance policy on racism and discrimination** on the basis of race and ethnicity, community of origin, social class, gender, sexual orientation, age, disability or religion, throughout the Carrefour Brazil group and its supply chain. An anti-racism clause will be included in all supplier contracts and proven failure to comply will result in termination of the contract;
- **radical transformation of Carrefour Brazil's security model** by creating internal teams at the three Porto Alegre stores with the help of security specialist ICTS Brasil and by establishing strict recruitment and training rules to overhaul the security team. The teams will be accompanied and supported by partnerships with recognised Black rights organisations to help combat all forms of discrimination and human rights abuses, and structural racism in general. Carrefour will provide regular human rights training for all its employees and require all its suppliers, especially those in the security sector, to do the same, in partnership with recognised Black rights organisations. The use of regular surveys will make it possible to monitor human rights training results, identify opportunities and make adjustments where necessary. Carrefour will make sure that training, selection and recruitment practices rooted in the values of respect and human rights are applied and monitored across the supply chain;

- clear, visible and permanent **implementation of a zero tolerance policy** against all forms of discrimination, with training for all employees in all Carrefour units;
- **a differentiated skills training program every year for 100 Black men and women** to accelerate their careers within Carrefour and speed their access to management positions. Annual training and career development targets will be set for Black employees within the different Carrefour units, including specific targets for management positions. Specific measures will also be put in place for hiring Black health and psychology professionals to support the development of Black trainees, apprentices and people in leadership positions;
- **support for educational institutions** throughout the country for the vocational training of young Black men and women. Carrefour Brazil has invested in three impact areas – education, jobs and entrepreneurship – for the Black population, especially women and young people;
- **recruitment of approximately 20,000 new employees per year** on a gross basis, respecting the racial representation of the population of each state in the country, but with a minimum percentage of 50% Black people among new hires. Carrefour will also support racial literacy to ensure that the Brazilian population census is correctly implemented;
- **introduction of a digital platform for reporting, with guaranteed anonymity, domestic violence or racist acts against women** on the website and Carrefour apps for subsequent referral to the competent entities;
- **creation of an entrepreneurship accelerator** within the community around the Porto Alegre stores.

To best achieve all these objectives, Carrefour Brazil has established strong partnerships and made trusted contacts. In particular, Carrefour Brazil has taken part in job fairs conducted by the *Zumbi dos Palmares* University, which aim to attract Black professionals, both women and men, to the job market. The Group also has partnerships with institutions that help Black applicants find jobs, such as *Empregue Afro*. Internally, the recruitment teams frequently organise internship programme workshops focused on removing barriers that prevent the hiring of certain categories of people.

2.2.4.3 Summary of duty of care indicators

Risk factor	Indicator	2021	2020	Change	Target
RISKS TO THE HEALTH AND SAFETY OF PEOPLE					
Occupational health and safety	Workplace accident frequency rate *(number of accidents/millions of hours worked)*	25.3	27.9	-10%	
	Workplace accident severity rate *(number of days absent due to workplace accident/1,000 work hours)*	0.90	0.85	+5%	
Product quality, compliance and safety	**% of sites certified to IFS or BRC standards**[1]	89%	89%	+0 pt	
	% of sites audited by Carrefour[1], o/w:	11%	11%	+0 pt	
	% of audit ratings ranging between A and B	95%	93%	+2 pts	
	% of audit ratings ranging between C and D	4.3%	6.3%	-2 pts	
	Number of suppliers – sites[1]	3,040	2,670	+13.9%	
	Number of inspections performed – Analyses[1]	49,002	44,727	+9.6%	
	Number of inspections performed – External panels[1]	4,084	3,265	+25.1%	
	Number of products withdrawn[2]	533	546	-2.4%	
	% of Carrefour-brand products withdrawn	53%	58%	-5 pts	
	Number of products recalled[2]	452	334[1]	+35.3%	
	% of Carrefour-brand products recalled	18%	24%	-6 pts	
	Number of products equipped with blockchain and a visible QR code[3]	478			
	Number of quality lines equipped with blockchain	55	34	+62%	
RISK OF HUMAN RIGHTS VIOLATIONS					
Failure to respect the principles of diversity and to fight discrimination and harassment	% of women among Executive Directors (top 200)	24.7%	22.4%		35% by 2025
	% of women on the Board of Directors	46%	43%	+3 pts	-
	% of women on the Group Executive Committee	21%	15%	+6 pts	-
	% of management positions held by women	42.5%	41.5%	+1 pt	-
	% of women among employees	57.1%	57.1%	-	-
	% of employees recognised as having a disability	3.4%	3.6%		4% by 2025
Failure to respect freedom of association and the right to social dialogue	Number of agreements signed	453	87	+435%	
	% of employees covered by a collective bargaining agreement[4]	91%	-		100%
Sourcing sensitive raw materials	**Gross sales of fair trade products (own-brand and national brand)** *(in millions of euros)*	127.8	111.2	+15%	
	% of natural raw materials for textiles that comply with our TEX sustainability policy	41.6%	New	-	100% by 2025
	% of TEX products made with organic cotton	18%	New	-	50% by 2025
	% of Carrefour-brand chocolate bars that comply with our Sustainable Cocoa Charter	30.8%	New	-	100% by 2023
Lack of supply chain resilience	**% of sales of fresh food products sourced from organic or agroecological farmers**[1]	4.7%	New		15% by 2025
	Market penetration rate of Carrefour Quality Lines in fresh produce *(in %)*	7.2%	7.4%	-0.2 pt	10% by 2022
	Number of Carrefour Quality Lines (CQL) products	651	753		
	Total sales (incl. VAT) of Carrefour Quality Lines products *(in billions of euros)*	1.14	1.17	-2.6%	
	Gross sales of organic food products under banners *(in billions of euros)*	2.73	2.72	+0.03%	€4.8 billion by 2022

Risk factor	Indicator	2021	2020	Change	Target
	Number of own-brand organic products *(in units)*(2)	1,200	1,100	+8%	
	Total number of partners (suppliers and food producers)	38,580	36,277	-	45,000 by 2025
	Number of Carrefour organic partners	3,538	New		
	Number of Carrefour Quality Lines partners	25,173	25,843	-3%	
	Number of regional partners	7,029	New		
	Number of local partners	2,840	New		
Human rights and decent pay violations across the entire value chain	Number of social audits	1,418	918	-35.3%	
	% of audits with alerts	14%	17%	-3 pts	
RISKS OF ENVIRONMENTAL DAMAGE					
Sourcing sensitive raw materials	**Sustainable forests: % of priority raw materials covered by a risk reduction plan by 2025**	**50%**	**New**		**100% by end-2025**
	% of palm oil used in certified products that is certified sustainable and fully traced (RSPO segregated)	79.2%	54.6%	+24.6 pts	100% by end-2022
	% of palm oil used in certified products that is certified to RSPO or equivalent standards	99.4%	86.2%	+13.2 pts	100%
	% of Carrefour own-brand products in ten priority categories sourced from sustainable forests	79.5%	70.2%	+9.3 pts	100%
	% of paper and cardboard packaging for all certified products that comply with our zero-deforestation forest policy	*Reporting methodology currently under development*		-	100% by end-2025
	% of certified/recycled paper in catalogues	99.93%	99.85%	+0.08 pt	100%
	Sales of Carrefour PEFC and FSC products *(in millions of euros)*	545	534	+2%	-
	% of Brazilian beef suppliers that are geo-monitored and comply with our forest policy or are committed to an ambitious policy to combat deforestation	86.9%	72%	+14.9%	100% by 2025
	% of Carrefour Quality Lines and key Carrefour-brand products that use zero-deforestation soy as animal feed	2.9%	New	-	100% by 2025
	% of wood-derived fibres in our TEX products that are deforestation-free	40%	New		100% by 2023
	% of wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems	*Reporting methodology currently under development*			100% by 2025
	% of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification	100%	New		100% by 2021
	% of sales of fishery and aquaculture products, Carrefour-brand products, and national brands produced using sustainable practices	34.7%	33.3%	+1.4 pt	50% by 2025
	% of sales of own-brand products sourced from sustainable fishing practices	52.9%	47.9%	+5 pts	
	% of sales of national brand products sourced from sustainable fishing practices	20.1%	-	-	
	Sales of organic, MSC, ASC, CQL and other responsibly produced seafood and aquaculture products *(in millions of euros)*	773	658	+17%	

Risk factor	Indicator	2021	2020	Change	Target
Unsustainable product offering and retail model	**% of Carrefour-brand packaging that is reusable, recyclable or compostable**	46%	44%	-	100% in 2025
	% of Carrefour-brand packaging that uses recycled plastic	*Reporting methodology currently under development*		-	30% by 2025
	Total amount of packaging waste avoided *(cumulative since 2017)*	11,068	6,212	+78%	20,000 by 2025
	Reduction in food waste since 2016 *(in kg/sq.m.)*	-30.7%	-28.7%	-2 pts	-50% in 2025
	% of food waste recovered	53.2%	57.4%	-4.2 pts	
	Number of meal equivalents donated to food aid associations *(in millions)*	44,134	77,071	-42.7%	
	Foundation budget *(in millions of euros)*	6.75	6.75		
	Number of projects supported	60	47	277	
Contribution and vulnerability to climate change	**% change in Scope 1 and Scope 2 CO_2 emissions since 2019**(2)	-20.1%	-13.9%	-6.2 pts	-50% by 2030, and -70% by 2040 (*vs.* 2019)
	Total GHG emissions by source *(in thousands of tonnes of CO_2 equivalent)*(2)	1,794	1,937	-7.4%	
	• Scope 1 (refrigerants, gas and heating oil *(in thousands of tonnes of CO_2 equivalent)*(2)	614	697	-12%	
	• Scope 2 (electricity) *(in thousands of tonnes of CO_2 equivalent)*(2)	869	903	-3.8%	
	• Scope 3 (outbound transport) *(in thousands of tonnes of CO_2 equivalent)*(2)	311	337	-7.8%	-20% by 2030 (*vs.* 2019)
	GHG emissions linked to energy consumption *(in thousands of tonnes of CO_2 equivalent)*(2)	997	1,035	-4%	
	In-store energy consumption *(in kWh per sq.m. of sales area)*(2)	468	480	-2.5%	-27.5% by 2030 (*vs.* 2019)
	In-store renewable electricity consumption *(in kWh per sq.m. of sales area)*(2)	1.5	0.8	+91%	
	GHG emissions linked to refrigerants *(in thousands of tonnes of CO_2 equivalent)*(2)	486	564	-14%	
	Number of stores equipped with a hybrid or 100% natural refrigerant system	465	426	+9.2%	
	100% natural refrigerants (HFC- or HCFC-free)	242	180	+34%	
	Hybrid (a mix of HFC and natural refrigerants)	223	246	-9%	
	GHG emissions per pallet shipped *(in kg of CO_2/pallet)*(2)	5.9	6.3	-6%	
Pollution and the impact of our operations on biodiversity	**% of waste recovered (including food donations)**	68.2%	66.2%	+2 pts	100% by 2025
	Total waste *(in thousands of tonnes)*	672	729	-7.8%	-
	Amount of water consumed per sq.m. of sales area *(cu.m./sq.m.)*	1.39	1.38	+0.1%	
	Amount of water consumed *(in millions of cu.m.)*	13.9	12.9	+7.8%	
	% of projects certified to BREEAM New Construction standards(1)	100%	100%		100%
	% of sites certified to BREEAM In-Use standards(1)	90.6%	86%	+4.6 pts	75% by end-2021
	• of which Very Good *(in %)*	57%	75%	-18 pts	
	• of which Good *(in %)*	30%	25%	+5 pts	

(1) Scope: Suppliers of Carrefour-brand products purchased by the European purchasing centre.
(2) Scope: products sold in France. 145 product recalls were attributable to the sesame seed incident in 2020.
(3) Scope: Carrefour-brand products (Carrefour Quality Lines, Carrefour Bio) and national-brand products.
(4) New indicator. % of sales of fresh food products sourced from organic farmers only; reporting methodology currently under development for sales of agroecological products. Scope: France only.

2.3 Green taxonomy

REPORTING ON THE CARREFOUR GROUP'S 2021 ACTIVITIES WITH REGARD TO THE "EU GREEN TAXONOMY"

EU Regulation 2020/852 of June 18, 2020, commonly referred to as the "EU Taxonomy", provides a reference framework to encourage sustainable investment by requiring companies to disclose the portion of their turnover (i.e., sales), capital expenditure and operating expenditure that contributes substantially to one of six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- the transition to a circular economy, including waste prevention and recycling;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

The European Commission has therefore defined a number of technical criteria in order to establish a common language for the concept of sustainability and, consequently, to direct the allocation of capital towards activities contributing substantially to the achievement of one of these six objectives.

Within this framework, less stringent provisions have been planned for the first year of application in 2021. Companies must report the portion of their sales, capital expenditure and operating expenditure associated with economic activities which are considered "eligible", i.e., classified in the EU taxonomy. In addition, only activities contributing to the first two objectives related to climate have been defined.

From 2022 onwards, companies will have to report the portion of their sales, capital expenditure and operating expenditure that is "sustainable", i.e., that meets the technical criterion/criteria associated with each of the eligible activities: substantial contribution to one or more of the six environmental objectives, without significant harm to the other five environmental objectives, and compliance with minimum safeguards in terms of human and labour rights and standards.

Scope

- The sales, capital expenditure and operating expenditure data in question cover all of the Group's activities corresponding to the scope of the companies under its control.
- The financial data are taken from the financial statements for the year ended December 31, 2021, and the net sales and capital expenditure can therefore be reconciled with the consolidated financial statements.
- Companies in which the Group exercises joint control or significant influence are excluded from the calculation of the proportions defined by the delegated act corresponding to Article 8 of the Taxonomy Regulation[1].

BREAKDOWN OF ELIGIBLE ACTIVITIES

Net sales

The Carrefour group is actively engaged in a food and ecological transition. However, its retail operations are not provided for in the climate delegated act. The European Commission has prioritised the highest emitting Scope 1 and 2 activities with a potential for transformation, and has not covered all sectors of the economy in the first set of delegated regulations. The initiatives undertaken in the agricultural sector for the promotion of responsible consumption, the responsible sourcing of raw materials and the fight against food waste are not covered in this initial delegated regulation.

As a result, the portion of the Carrefour group's "eligible" sales for 2021 amounts to only 0.2% of the total net sales figure of 74 billion euros (see the consolidated income statement), and mainly covers property development and waste collection activities.

Eligible activities under the "adaptation" objective can only disclose net sales under the regulation when they are "enabling", i.e., they make it possible for other activities to adapt to climate change. In the absence of precision in the delegated regulations regarding the approach to be adopted for CapEx/OpEx eligibility, Carrefour has taken a conservative approach for this first reporting exercise by limiting eligibility for this objective to CapEx/OpEx that contribute substantially to adapting the business to climate change.

The main activities concerned are: 8.2 programming, consultancy and other IT activities; 10.1 insurance; and 11 teaching. The Carrefour group does indeed engage in such activities according to the descriptions set out in Annex 2 to the delegated climate regulation. However, its related CapEx/OpEx are not dedicated to climate change adaptation within the meaning of the Taxonomy. Thus, activities 8.2, 10.1 and 11 are not considered eligible in the case of the Carrefour group.

Capital expenditure (CapEx) and operating expenditure (OpEx)

The EU Taxonomy defines the methods for calculating Taxonomy-aligned proportions (KPIs). By analogy, the Group defers capital and operating expenditure that can be associated with eligible sales of the activity or represent individual capital expenditure that is not associated with an activity intended to be marketed under Annex 1 to the delegated regulation, Article 8, Sections 1.1.2.2 (a) and (c) and 1.1.3.2 (a) and (c) respectively. Most capital and operating expenditure are individual expenses, as described under Section (c).

(1) Delegated Regulation (EU) 2021/2178 of the Commission of July 6, 2021.

The Carrefour group's eligible capital and operating expenditure mainly concern the construction, renovation and purchase of buildings, as well as installation, maintenance and repair expenses related to buildings (solar panels, heat pumps, green roofs, re-lamping, etc.). Capital expenditure also includes right-of-use assets (IFRS 16).

The proportion of the Carrefour group's eligible capital expenditure for 2021 thus amounts to 44.5% out of a total of 2.9 billion euros (representing acquisitions of property and equipment and intangible assets, new right-of-use assets, and other non-current assets and right-of-use assets acquired in business combinations). These expenses mainly relate to construction and real estate activities (mainly activity 7.7, Acquisition and ownership of buildings).

The Carrefour group's eligible operating expenses for 2021 represent an insignificant portion of the Group's total operating expenditure. As this indicator is irrelevant to the Group's activities, it is not presented.

It should be noted that in accordance with the EU Taxonomy, the operating expenditure items taken into account are defined as direct non-capitalisable costs and include research and development costs, building renovation costs, maintenance and repair costs, rents presented in the income statement and any other expenses related to the day-to-day maintenance of assets. The definition of operating expenditure used for the denominator and numerator does not include employee benefit expenses related to the maintenance and repair of assets or to research and development for this first year of reporting. These specific types of employee benefit expenses are not tracked separately in the Group's reporting. This point will be further developed for the 2022 reporting exercise, in particular depending on the evolving texts and interpretations, and is likely to have a marginal impact on the KPI.

Methodology

The scope of eligible activities to date is relatively limited and not material. Since retail operations have not been provided for in the climate delegated act, they are not yet included in the Taxonomy because they are not yet eligible or they meet one of the objectives not yet included in Carrefour's reporting exercise. Thus, the regulatory texts do not currently allow for reporting on the initiatives implemented by Carrefour concerning the product offer (responsible purchasing criteria and requirements), the involvement of partners (suppliers, service providers), or the issues related to the food transition in general, i.e., the Group's *raison d'être*. Outsourced activities or those provided by third parties are not included in the Taxonomy (e.g., logistics, renewable energy, electric charging stations).

The activities eligible to date and for the 2021 financial year are as follows:

5. Waste management

5.5. Collection and transport of non-hazardous waste in source segregated fractions
Mainly recycling of cardboard and plastic

6. Transport

6.5. Transport by motorbikes, passenger cars and light commercial vehicles
Vehicle hires for customers and corporate fleet vehicle hires for employees

7. Construction and real estate activities

7.1 Construction of new buildings
Real estate development business (creation and development of assets for resale) and store building construction

7.2. Renovation of existing buildings
Mainly store renovations

7.3.IInstallation, maintenance and repair of energy efficiency equipment
Mainly lighting replacements

7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings
Mainly installation of charging stations

7.5.Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings

7.6. Installation, maintenance and repair of renewable energy technologies
Mainly solar panels

7.7. Acquisition and ownership of buildings
Store leasing

The above methodology and eligibility analysis have been established based on the regulatory texts published by the European Commission as of December 31, 2021; they are likely to be revised according to the texts and interpretations being drafted at EU level.

The Group participates indirectly in activities set out in the regulatory texts, but these have not been included due to the basic "accounting rule" and are therefore not eligible because they are outsourced. This is the case, for example, with the roll-out of charging stations for electric vehicles in hypermarkets in France via a partnership through which the Group provides the space for the installation of these terminals. 2,000 charging stations are expected to be installed by 2023.

The Group is also committed to other eligible activities that are not yet material but which will become material in the coming years. This is the case of projects to recover unsold food via methanisation and biofuel partnerships for vehicle fleets.

Lastly, Carrefour also engages in activities that are not eligible, but which contribute to one of the two climate objectives. In this regard, the Group is currently implementing a Power Purchase Agreement (PPA) for the purchase of green energy with the aim of reducing its carbon footprint associated with energy consumption and sourcing 100% renewable electricity for its stores by 2030. CapEx is also committed to implement our climate strategy roadmap: carbon neutrality of stores by 2040 and of e-commerce by 2030. This roadmap includes in particular the replacement of refrigeration units in stores with systems using natural refrigerants; this initiative is not eligible according to the Taxonomy.

2.4 Reporting methodology and verification of information

2.4.1 DETAILED REPORTING METHODOLOGY FOR CSR INDICATORS

For the preparation of the 2021 Universal Registration Document, the CSR department mobilises the relevant Group departments (Quality, Human Resources, Legal, Marketing, Assets, Sales and Merchandise, and Logistics) and country representatives.

Principles for drawing up the CSR report

The Carrefour group's Universal Registration Document adheres to the following principles:

- impact and materiality: through a risk mapping process, the Group identifies the most significant non-financial risks for its business and the Company. Only the main risks are presented in this report. The Non-Financial Statement therefore focuses on the most relevant social, economic and environmental issues and risks for the Group's business;
- CSR context: Carrefour places its own performance within the context of the social, economic and environmental constraints that weigh upon the Group, and puts the resulting data into perspective;
- stakeholders' involvement: by maintaining an ongoing dialogue with stakeholders (customers, employees, franchisees, suppliers, local communities and shareholders), the Carrefour group can anticipate and meet the expectations of its target audiences and prevent risks. Its transparent commitments, and the involvement of its stakeholders in carrying them out, mean it can envisage long-term solutions and ensure the engagement of all those concerned. This dialogue and these partnerships are maintained either at the Group level by the CSR department, or at the local level by the countries, banners and stores;
- frequency: since 2001, Carrefour has produced and published a non-financial report every year. Since 2012, it has been integrated into the Group's management report;
- clarity: Carrefour group endeavours to present information that can be easily understood by the greatest number of people with an appropriate level of detail.

Scope of reporting

Principles applied

Comprehensiveness. The Group strives to be as comprehensive as possible. Its CSR reporting covers implementation of its policy in the nine integrated countries.

Comparability. When the scope of reporting is not exhaustive, the scope is clearly explained next to each graph and BUs excluded from the scope are indicated. For figures and changes presented over several years, the report indicates whether calculations are based on comparable Business Units (BUs). If non-comparable BUs are included in the calculation, the items included or excluded compared to the previous year are specified.

Scope of environmental indicators

Store indicators (waste management, food waste, greenhouse gas emissions, water)

The scope covers all integrated stores open and operating under a Group banner for the entire reporting period. The scope excludes consumption related to non-Group activities, transport of people, warehouses, franchised stores, head offices and other administrative offices. For some indicators, warehouses are included, in which case this is specified with a note under the tables of indicators (example: food waste). Any BUs that were sold or closed during the reporting period are not included. In 2021, Carrefour sold its controlling interest in 16 Carrefour stores to Super Nosso in Brazil. These 16 stores are being rebranded under the Super Nosso banner and are no longer managed by Carrefour. They are therefore excluded from the 2021 reporting scope.

For indicators on non-commercial purchases (e.g., sales and marketing publications), the consumption level of stores opened during the year as well as that of franchised stores may be included.

The number of square metres of sales area includes all stores open on the first day of the reporting period and does not include storage areas, food preparation areas or the adjacent shopping mall, if applicable.

The same rules regarding scope and environmental indicators apply to Installations Classified for the Protection of the Environment (ICPE) coming under the regulations of stores and other sites.

Indicators	2021 scope (% of gross sales)	2021 exclusions	2020 scope (% of gross sales)	2020 exclusions
Energy	100.0%		100.0%	
Water	100.0%		97%	RO (SM)
Food waste	90.2%	ES (SM, PRX, C&C), IT (C&C), BE, TW	73.3%	ES, BE, IT (SM), TW
Waste	93.6%	IT	96.1%	RO
Refrigerants	84.5%	BRAT (HM)	83.9%	BRAT
Outbound transport	84.6%	BRAT	83.9%	BRAT

Merchandise indicators (organic products, Carrefour Quality Lines, sustainable fishing, sustainable forest management, textiles, packaging, animal welfare)

The scope covers products sold under the Group banner, without distinguishing between franchises, integrated stores or formats (stores, drives, online purchasing).

- Regarding the organic product sales indicators, total food sales only include sales by physical store or e-commerce specialists (e.g., Bio C Bon, So Bio, Greenweez). The market penetration indicator for organic products among fresh products does not take into account specialised networks.
- Regarding the textile indicators, they are reported by the purchasing centres (including, for example, the Global Sourcing purchasing centre).
- The tonnes of packaging avoided indicator is calculated based on the quantities of packaging purchased as reported by the purchasing centres (including, for example, the Global Sourcing purchasing centre), with the exception of Brazil which calculates the indicator based on the quantities of packaging sold.

Indicators	2021 scope (% of gross sales)	2021 exclusions	2020 scope (% of gross sales)	2020 exclusions
Organic products	100.0%		100.0%	
Responsible Products – fair trade	100.0%		100.0%	
Responsible Products – FSC	89.7%	IT, AR	96.7%	RO
Responsible Products – PEFC	100.0%		100.0%	
Responsible Products – ecolabels	100.0%		96.7%	RO
Quality lines	100.0%		100%	
Suppliers	100.0%		New	
Deforestation – palm oil	100.0%		96.7%	RO
Deforestation – beef	100.0% (BR & BRAT)	BRAT included in 2021	31% (BR)	BRAT
Deforestation – wood/paper/pulp	New, incoming			
Deforestation – soy	54.1%	ES, IT, BE, PL, RO, BR, AR, TW	New	
Deforestation – cocoa	82.5% (FR, BE, IT, ES)	PL, RO, BR, AR, TW not concerned by the commitment	New	
Sustainable fishing	100.0%		96.7%	RO
Animal welfare – shell eggs	100.0%		84.5%	BE, IT
Animal welfare – egg ingredients	88.5%	BR, AR, TW not concerned by the commitment	New	
Animal welfare – chickens	100.0%		New	
Animal welfare – slaughterhouses	91.8%	BE	New	
Packaging – Tonnes	100.0%		100%	
Packaging – Recyclable, reusable or compostable	54.1%	ES, IT, BE, PL, RO, BR, AR, TW	New	

Scope of HR indicators

The scope covers all of the Group's BUs and headquarters. Any BUs that were sold or closed during the reporting period are not included.

The Non-Financial Statement presented in this chapter encompasses Carrefour Banque and Carrefour Property Development, both of which are covered by Carrefour SA (the parent company).

Indicators	2021 scope (*% of gross sales*)	2021 exclusions	2020 scope (*% of gross sales*)	2020 exclusions
Headcount	100.0%		100.0%	
Part-time employees	100.0%		100.0%	
Hires (fixed-term/permanent)	100.0%		100.0%	
Permanent employee turnover	100.0%		100.0%	
Accidents	89.6%	BRAT	90.3%	BRAT
Women managers	100.0%		100.0%	
Disabled workers	100.0%		100.0%	
Training	100.0%		100.0%	

CSR Indicators

Principles applied

CSR reporting adheres to the following principles:

- **accuracy:** the Carrefour group strives to ensure the accuracy of published data by stepping up the number of manual and automatic internal controls;
- **comparability:** the Group strives to maintain consistency throughout its reports. Figures presented for several years apply the same definition.

Choice of indicators

Since 2003, Carrefour has used indicators associated with its strategic priorities for CSR. These indicators, which are revised over the years, are designed to monitor the commitments and progress made in terms of its environmental and social performance. Each indicator is chosen for its relevance to risks and societal challenges identified by the Group and with regard to its CSR policies. In 2021, the Group revised the CSR index and drafted purchasing rules on its priority environmental and social topics. Following this work, new indicators were defined.

References used

The information detailed in this section complies with the requirements of French government order no. 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017, providing for a Non-Financial Statement as stipulated notably under Articles L. 225-102-1 and R. 225-105 *et seq.* of the French Commercial Code *(Code de commerce)*. This information concerns the activities of Carrefour SA (the parent company) and all the Group's consolidated companies. Carrefour SA's Non-Financial Statement notably covers Carrefour Banque, with risks relating to the banking sector integrated into the risk analysis presented in Section 2.1.

The information contained in Section 2.2 meets the requirements provided for by French law no. 2017-399 of March 27, 2017 with regard to the duty of care of parent companies and contracting companies (also called the duty of care law), namely: risk mapping, procedures for regularly assessing the situation of subsidiaries, subcontractors and suppliers with which the Group has an established commercial relationship, appropriate actions to mitigate risks or prevent serious harm, a whistleblowing and alert system, as well as a system for tracking the measures implemented and evaluating their effectiveness.

Section 2.3 of this document is provided in response to (EU) Regulation 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to promote sustainable investments. The latter establishes criteria to distinguish "green" investments from other investments, in a totally transparent manner.

The 2021 Universal Registration Document adheres to the guidelines of the main international standards of reference, in particular the Sustainability Accounting Standards Board (SAS-B), the Task Force on Climate Disclosure (TCFD) and the Global Reporting Initiative (GRI), the guiding principles of the OECD and the Global Compact's recommendations for "Communication on Progress" (CoP). Carrefour's CoP is published yearly on the United Nations website *(https://www.unglobalcompact.org/)* and is certified as "Advanced" (since 2014) following a peer review under the aegis of Global Compact France.

A CSR reporting manual stipulating the Group's collection, calculation and consolidation rules is updated each reporting period and distributed to all CSR reporting managers.

Methodology: specificities and limitations

Some environmental and social indicators may have methodology constraints arising from a lack of uniformity between national and international laws and definitions (e.g., regarding work-related accidents) and/or from the qualitative, and therefore subjective, nature of certain data (e.g., indicators linked to purchasing quality, the logistics process, stakeholders and consumer awareness).

In some cases, KPIs may involve an estimation (as with the energy and water consumption indicators, which are calculated on the amount billed at an average price per kWh or cubic metre). If necessary, BUs are required to specify and justify the relevance of assumptions used in making estimates. Estimation methodologies are regulated by the Group's non-financial reporting manual.

CO_2 emission factors

Emission factors are used to calculate CO_2 emissions based on site energy consumption, refrigerant consumption, and fuel consumption for downstream transportation. The emission factors in question are suggested by international organisations such as the DEFRA GHG Conversion Factors, the IPCC (Intergovernmental Panel on Climate Change), and the UNEP (United Nations Environment Programme). The indicators concerned are energy, refrigerants and logistics. BUs may also use specific national indicators.

Electricity: to calculate the CO_2 emission equivalent caused by the consumption of electrical energy, the emission factor from the local energy supplier is ideally used. In the absence of such a value, a default value is used that is based on the most recent data provided by:

- the AIB's European residual mix for European countries;
- the Ministry of Science, Technology and Innovation of Brazil for Brazil;
- the report on climate transparency, based on CAMMESA data, for Argentina;
- the Bureau of Energy, Ministry of Economic Affairs, Taiwan, for Taiwan.

Natural gas: to calculate the CO_2 emission equivalent caused by the consumption of natural gas, the emission factor provided by DEFRA – UK Government GHG Conversion Factors for Company Reporting is used: 2021 = 0.18438 $kgCO_2e$/kWh (gross CV).

LPG: to calculate the CO_2 emission equivalent caused by the consumption of LPG, the emission factor provided by DEFRA – UK Government GHG Conversion Factors for Company Reporting is used: 2021 = 0.21449 $kgCO_2e$/kWh (gross CV).

Fuel: to calculate the CO_2 emission equivalent caused by the consumption of fuel, the emission factor provided by DEFRA – UK Government GHG Conversion Factors for Company Reporting is used: 2021 = 2.75844 $kgCO_2e$/litre (gross CV medium gas oil).

Refrigerants: to calculate the CO_2 emission equivalent caused by the consumption of refrigerants, the global warming potential of the refrigerants (GWP 100 years) is used, which is published in the fifth evaluative report of the GIEC, "Climate Change 2013: The Physical Science Basis" Appendix 8.a (notwithstanding certain "natural" refrigerants, for which the PRG 100 years is taken from UNEP Ozonaction, and a value of 4 PRG 100 years is used for Isopentane).

Fuel used for transport: to calculate the CO_2 emission equivalent caused by Carrefour's logistics, the national emission factors recorded locally are used. Failing that, a default value based on the most recent data provided by DEFRA – UK Government GHG Conversion Factors for Company Reporting is used instead as follows (2021 conversion factors):

a. for diesel consumption: 2.70553 $kgCO_2e$/litre (100% mineral diesel);

b. for biofuel consumption:

i. biodiesel: 0.16751 $kgCO_2e$/litre,

ii. bioethanol: 0.00901 $kgCO_2e$/litre,

iii. biomethane: 0.10625 $kgCO_2e$/GJ,

iv. BioGNC: 0.608 $kgCO_2e$/kg;

c. for rail transport: 0.02782 $kgCO_2e$/tonne.km;

d. for river transport: 0.03681 $kgCO_2e$/tonne.km (load capacity up to 999 TEU).

Environmental information

Concerning the logistics KPI, CO_2 emissions related to the Group's logistics and CO_2 emissions related to outbound road transport (shipping of goods between warehouses and stores) are taken into account. This indicator counts CO_2 emissions related to the transport of goods between warehouses and stores. The following CO_2 emissions are not taken into account:

- emissions generated during the inbound transport of goods to the warehouse;
- emissions generated by direct deliveries (direct "producer-to-store" transportation of goods without going through a warehouse);
- emissions generated by customer and employee journeys;
- emissions generated by outbound maritime transport.

Note that "store/warehouse" return trips are only taken into account for fleets hired for Carrefour's exclusive use.

In the vast majority of cases, CO_2 emissions related to the transport of goods are calculated on the basis of distance travelled since there is no actual data on service providers' fuel consumption and average consumption by type of vehicle.

Pallets (transport units) used for backhauling are not included in the total number of pallets used in outbound transport.

Energy KPI: the quantity of energy reported corresponds to the quantity purchased and not the quantity actually consumed for heating oil and gas (15% of the energy consumed by the stores).

Water KPI: the quantity of water reported corresponds mainly to the quantity of water purchased. Depending on the country, water collected by some stores through drilling may not be counted when there is no charge for its withdrawal. In addition, in some cases, there is an insignificant overvaluation of consumption (consumption of water for the shopping centre, costs related to and indissociable from the costs of water consumption).

Refrigerants KPI: any leaks that may have occurred prior to a change of equipment are not quantified in the reporting. They correspond to emissions generated between the last maintenance operation and replacement of the unit. The impact is insignificant at Group level thanks to both regular monitoring of the units and the staggered timetable for their replacement. Note that the mass balances are not systematically carried out each time the fluid is reloaded or at year-end. Some BUs purchase and store refrigerants in advance and may include refrigerants still stored in containers in consumption figures for the year of purchase.

Waste KPI: the chosen reporting scope includes BUs that use waste collection companies which provide information about the tonnage of waste removed. Generally speaking, when waste is collected directly by local authorities, information is not available (the case at present in Spain, Italy and France). The tonnages of waste evacuated by local authorities can therefore be estimated using an estimation methodology approved by the Group. In the absence of an approved methodology, the stores concerned are excluded (the case in Italy).

Food waste KPI: Carrefour has developed an in-store food waste monitoring tool which enables it to compare percentage reductions in food waste with 2016, the base year. The indicator is calculated on the basis of the Food Loss and Waste Accounting and Reporting Standard (FLW Standard). In-store food waste over the given reporting period is calculated based on quantities of unsold products (shrinkage), food donations, converted biowaste, and animal waste.

Food donations KPI: The ratio used to calculate the number of meal equivalents donated to food aid associations in all Group host countries is 1 meal = 500 g. As Carrefour Spain only has a database in euros, it used the ratio of 1 euro = 1 kg to calculate the quantity of food donated.

Considering the methodological limitations outlined above and the difficulties in gathering data, the reporting scope may vary depending on the indicator. For each indicator that pertains to a limited scope, the scope is specified.

Product information

Number of listed organic Carrefour food products: the number of listed organic products reported pertains to the number of organic products labelled by outside third parties found among retailer-branded products whose sales during the year were not zero. The number of Group listed products corresponds to the number of listed organic Carrefour products sold by the Group.

Number of Carrefour Quality Lines products: the calculation methodology was adjusted in 2019. The number of CQL products corresponds to the sum of all products in the assortment that customers can identify throughout the year as being offered under the CQL programme. The following rules apply: a given product packaged in different ways is only counted once; in the meat and fish sections, a given product presented in different cuts is only counted once; if the offering is segmented by breed or variety, that breed or variety corresponds to one product.

Brazilian beef: the percentage of geo-referenced tier 2 Brazilian beef is calculated using the number of tier 2 geo-referenced suppliers. The tier 2 suppliers correspond to farms that supply the slaughterhouses.

Suppliers - Food Transition Pact: There is an international Food Transition Pact and national pacts. In 2021, France, Spain, Belgium, Poland and Romania launched their Food Transition Pact.

Customer information

Customer research is carried out in all the Group's countries and formats by an internal Carrefour Group research unit, present in all countries. These studies are carried out monthly on representative customer sample groups.

Food transition in stores: The indicator tracks customer satisfaction in five areas: the reduction of packaging, the fight against food waste, local products, organic products and the quality of Carrefour-brand products. Performance in these five categories is monitored in stores using a customer survey. In this way, the indicator reports the progress points between years N and N-1 of the customer survey.

Act for Food: The indicator tracks the percentage of consumers answering yes to the following question: “Does Carrefour help you eat healthy and responsible food that remains affordable?”

Human resources information

Gender equality: Executive directors are a new job category created in 2021 from among the Senior Directors and make up the Group's Top 200. This indicator tracks the percentage of women in the Group's Top 200.

Training: This indicator takes into account the average number of employees who have completed at least four hours of training during the year as a proportion of the average group workforce.

Disability: Number of employees with a disability recognised in accordance with the legislation in force in each country, as a proportion of the total workforce

Headcount at the end of the period: all Company personnel with an employment contract (excluding interns, international trainees, temporary workers and people on suspended contracts) on December 31.

Work-related accidents: since 2020, the frequency and severity rates are calculated by the number of hours actually worked (and no longer by theoretical hours).

Hiring: Belgium student contract hires are not taken into account.

Limitations linked to current legislation: the definition of certain indicators (work-related accidents, absenteeism, and employees declared as disabled workers) is defined by the laws in effect in each country, which may cause discrepancies in the method used.

Methods of data collection, consolidation and control

Reporting period

Reporting is carried out once a year for the Universal Registration Document submitted to the Board of Directors for approval.

Starting in 2012, to meet the requirements of Article 225 of Grenelle II, the indicators corresponding to the stores, merchandise and logistics were calculated over a 12-month, year-on-year period running from October to September.

Since 2019, to ensure greater collaboration within the Group, all indicators corresponding to the stores, merchandise and logistics are now calculated over a 12-month period running from January 1 to December 31.

In order to make reporting more efficient and precise, the environmental Key Performance Indicators integrated in the CSR and Food Transition Index have been calculated on a three-month basis (per trimester) since 2020.

The period used for annual reporting is the calendar year (January 1 to December 31) for human resources indicators, without modifying the data for previous years.

Data collection methods

The system in place is based on dual information reporting that allows for collection of qualitative and quantitative data from the various countries and banners. From a qualitative point of view, the best practices implemented in Group countries are reported through personalised interviews (in person if possible, by videoconference if not), or by e-mail. In terms of quantitative information, the BFC application deployed in 2014 is used for the consolidation and reporting of key environmental performance indicators. The Group also uses this application for financial consolidation and reporting although the Carrefour strategy tool is used on an exceptional basis for organic product sales. Customer indicators are taken from the Group’s consumer opinion review platform.

Key social performance indicators are reported through the Group's Human Resources reporting tool. Reporting liaisons identified in each country are responsible for coordinating environmental and social reporting for their respective countries.

Environmental data control methods

The BFC reporting application features automatic consistency checks to prevent data entry errors. It also allows users to insert explanatory comments, which makes auditing and internal control easier. Each reporting manager verifies the data entered before it is consolidated at Group level, with the help of a check-list and control tips that are explained in the definition sheet for each indicator. The Group's CSR department carries out a second level of data control. Inconsistencies and errors that are found are reviewed together with the countries and corrected as needed.

Social data control methods

Social data are locally checked before being entered in the Group human resources tool. The Group's Human Resources department carries out a second level of data control. Inconsistencies and errors that are found are reviewed together with the countries and corrected as needed.

CSR and Food Transition Index

Composition of the CSR and Food Transition Index

The CSR and Food Transition index, introduced in 2018, assesses Carrefour's performance in implementing CSR commitments. It is monitored quarterly and published twice a year. This index covers four categories: (i) procurement and product design, (ii) site operations, (iii) customer involvement and satisfaction with the food transition and (iv) human resource management and employee engagement. Each of these categories is associated with several quantitative objectives and deadlines.

In 2019, the Group's performance in meeting these objectives was included in the criteria for executive compensation and serves as the basis for calculating 25% of executive compensation as part of the long-term incentive plan, and 20% of the Chief Executive Officer's compensation. Since 2021, the CSR index has been integrated into the variable compensation of executives in integrated countries.

The 2021 CSR and Food Transition Index is made up of 15 indicators.

Topic	Indicators	Unit	Scope of the objectives
PRODUCTS – Responsible sourcing			
Sustainable agriculture	Penetration of certified organic products in fresh produce Penetration of agro-ecological Carrefour Quality Lines products in fresh produce	Percentage of sales (including VAT)	Scope: certified products and national-brand products, nine integrated countries, excluding Atacadão. The reporting methodology for agroecology is under development so the indicator only took organic products into account in 2021
Raw materials at risk – sustainable fishing	Percentage of sales of fishery and aquaculture products, Carrefour-brand products, and national brands produced using sustainable practices	Percentage of sales (including VAT)	Scope: certified products and national brands, all products (fresh, frozen, canned, groceries, etc.) in the Group's nine integrated countries, excluding Atacadão
Raw materials at risk – deforestation	Proportion of palm oil used in Carrefour-brand products that is certified sustainable and fully traced (RSPO segregated)	Percentage of tonnes	Scope: Carrefour-brand products (excluding value products), nine integrated countries, excluding Atacadão
	Proportion of paper and cardboard packaging for all certified products that comply with our zero-deforestation forest policy	Percentage of tonnes	Scope: certified products, nine countries included, excluding Atacadão. Reporting methodology under development. First results in 2022
	Percentage of Brazilian beef suppliers that are geo-monitored and comply with our forest policy or are committed to an ambitious policy to combat deforestation	Percentage of suppliers	Scope: direct suppliers of fresh, frozen and processed meat, retail suppliers and meatpackers. The indicator for Brazilian beef suppliers is solely reported by Brazil (Carrefour and Atacadão)
	Percentage of Carrefour Quality Lines and other key Carrefour-brand products that use zero-deforestation soy as animal feed	Percentage of tonnes	Scope: Carrefour Quality Lines products and key Carrefour-brand products (excluding discount and no-name products): the following unprocessed fresh or frozen products (excluding deli meats) – chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk, minced meat. Reporting methodology being rolled out. Results for France in 2021. First Group results in 2022

Topic	Indicators	Unit	Scope of the objectives
Raw materials at risk – deforestation	Percentage of sustainable cocoa mass in Carrefour-brand chocolate bars by 2023	Percentage of tonnes	Scope: Carrefour-brand chocolate bars (excluding discount and no-name products). Countries involved: France, Belgium, Spain and Italy
	Percentage of key raw materials traders at risk assessed percentage of key raw material traders at risk making progress towards complying with our policy	Percentage of traders	The first assessment of traders was carried out in 2021. Progress over 2021 will therefore be assessed next year. The percentage of traders making progress will be reported for the first time in 2022
Raw materials at risk – textiles	Percentage of TEX products made with organic cotton	Percentage of sales (including VAT)	TEX is Carrefour's own textile brand. Cotton is the main raw material for our clothes. This indicator accounts for 80% of the final textiles score
	Percentage of wood-derived fibres in our TEX products that is deforestation-free	Percentage of sales (including VAT)	TEX is Carrefour's textile brand. Wood-based fibres account for 12% of the final textiles score
	Percentage of wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems	Percentage of sales (including VAT)	Reporting methodology currently under development. First results in 2022
	Percentage of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification	Percentage of sales (including VAT)	TEX is Carrefour's textile brand. Cashmere accounts for 8% of the indicator
Packaging	Cumulative reduction of packaging since 2017	Tonnes	Scope: nine integrated countries, excluding Atacadão. Monitoring indicator since 2017
	Percentage of Carrefour-brand packaging that is reusable, recyclable or compostable	Percentage of tonnes	New indicator calculated for the first time in 2021 by France only, the reporting methodology will be rolled out by the other countries in 2022
Animal welfare	Eggs – Percentage of sales of certified national-brand products from cage-free production facilities	Percentage of sales (including VAT)	Scope: certified national-brands products (including no-name products), nine integrated countries, excluding Atacadão
	Eggs as ingredients – Percentage of Carrefour-brand products containing cage-free eggs used as ingredients	Percentage of tonnes	Scope: certified products (excluding no-name products). Target concerning only France, Belgium, Italy, Spain, Poland and Romania
	Chickens – Percentage of gross sales of certified products that guarantee compliance with animal welfare criteria	Percentage of sales (including VAT)	Scope: raw products only, certified products (excluding no-name products), nine integrated countries, excluding Atacadão
	Slaughterhouses – Percentage of Carrefour supplier slaughterhouses audited for compliance with animal welfare standards	Percentage of slaughterhouses	Scope: certified products (no-name products excluded). Fresh, unprocessed products only. Seafood products excluded. Nine countries integrated, excluding Atacadão
	Pigs – Percentage of gross sales of Carrefour organic and Carrefour Quality Lines pork products that guarantee compliance with improved animal welfare criteria	Percentage of sales (including VAT)	Reporting methodology currently under development. First results in 2022
	Horse – Percentage of gross sales of horse meat in independently audited certified and national-brand products or from EU producers	Percentage of sales (including VAT)	Reporting methodology currently under development. First results in 2022
	Cage-free – Percentage of sales of animals (rabbits and quails) in certified products raised cage-free	Percentage of sales (including VAT)	Reporting methodology currently under development. First results in 2022
	Transparency – Proportion of species raised using transparent the breeding farming methods, is transparent, for branded Carrefour-brand products	Number	Reporting methodology currently under development. First results in 2022
Suppliers – Pact	Number of Food Transition pact partners	Number	Scope: nine integrated countries, excluding Atacadão

1 2 3 4 5 6 7 8 9

Topic	Indicators	Unit	Scope of the objectives
STORES – Site activity			
Food waste	Percentage reduction in food waste (vs. 2016)	Percentage of tonnes	Food waste is calculated as the ratio of bio-waste, food donations and animal waste to the amount of food waste. Scope: nine integrated countries
Store waste	Percentage of waste recovered (including food donations)	Percentage of tonnes	Scope: nine integrated countries
Climate	Percentage of change in Scope 1 and Scope 2 CO_2 emissions since 2019	Percentage of tonnes	CO_2 emissions from Scopes 1 and 2 are the emissions linked to the use of electricity, gas, fuel and refrigerants in stores. Scope: nine integrated countries
Partner producers	Number of partner producers	Number	Scope: nine integrated countries, excluding Atacadão
CUSTOMERS – Customer involvement and satisfaction with the food transition			
Food transition in stores	Number of improvement points in the in-store customer survey on organic and local products, nutrition, packaging and food waste reduction	Number	Scope: nine integrated countries, excluding Atacadão
Act for Food	Percentage of consumers who think that Carrefour helps them eat healthy and responsible food that remains affordable	Percentage of consumers	Scope: nine integrated countries, excluding Atacadão
EMPLOYEES – Human resource management and employee engagement			
Employer recommendation	Employer recommendation score awarded annually to Carrefour by its employees	Percentage (score/100)	Scope: nine integrated countries. Annual survey conducted on a randomly selected sample of 26,000 employees across the Group
Gender equality	Percentage of women among Executive Directors (top 200)	Percentage of women	Scope: Executive Directors from the entire Group
Training	Percentage of employees with access to training every year	Percentage of employees	Scope: nine integrated countries
Disability	Percentage of employees recognised as having a disability	Percentage of employees	Scope: nine integrated countries. Number of employees with a disability recognised in accordance with the legislation in force in each country, as a proportion of the total workforce

Methodology for calculating the CSR and Food Transition Index

The CSR and Food Transition Index calculates a final score that aggregates 15 objectives in four categories (products, stores, consumers, and human resources). The final score for each category is calculated as an unweighted average of the four categories. The score for each indicator is calculated as the ratio of the result to its target over the given reporting period, expressed as a percentage. The "employee commitment" indicator is an exception as its score uses the following rule: for each point of deviation from the target of 75/100 (up or down), the index score varies by plus or minus 4 points. The data and related calculation are reviewed by external auditors.

External audit

Quantified data are produced, consolidated, analysed and published. Selected data are subject to verification by an outside third party.

External audit

The reporting procedures have been verified by the external Statutory Auditor, Mazars, appointed as an independent third party. For the Key Performance Indicators and information considered most significant, substantive tests have been conducted on the data. Indicators identified with the symbol √ have been reviewed with reasonable assurance.

2.4.2 REPORT OF THE INDEPENDENT THIRD-PARTY ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

For the year ended December 31, 2021

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To shareholders,

In our capacity as an Independent Third Party, member of Mazars Group, statutory auditors of Carrefour Group and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, as well as at the request of the company and outside the scope of accreditation, a conclusion with a reasonable assurance on a selection of information, prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Reasonable assurance report on selected information

For the information selected by the company and identified by the sign √, we have carried out, at the company's request and on a voluntary basis, work of the same nature as that described in the paragraph "Nature and scope of the work" above for the key performance indicators and for the other quantitative results that we considered to be the most important. This work was carried out in greater depth, particularly in terms of the number of tests.

The selected sample thus represents between 70% and 82% of the environmental information identified by the sign √.

We believe that this work enables us to express reasonable assurance on the information selected by the company and identified by the sign √.

Conclusion

In our opinion, the information selected by the company and identified by the sign √ has been established, in all material respects, in accordance with the Standards.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of the Information permits the use of different, but acceptable, measurement techniques which may affect comparability between entities and within the time.

Consequently, the Information must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement "Detailed methodology for reporting CSR indicators".

Limits inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for their preparation and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the provision of the Information;
- preparing the Statement with reference to legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and also, the Information required by Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- and implementing internal control procedures deemed necessary to preparation of information, free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the entity's procedures as mentioned above.

Responsibility of the Independent Third Party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;

- the fairness of Information (observed or extrapolated) provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

It is also our responsibility to express, at the request of the entity and outside the scope of accreditation, a conclusion of reasonable assurance on the fact that the information selected by the entity and presented in the Appendix has been established, in all its significant aspects, in accordance with the Guidelines.

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

This is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the Information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the truthfulness of the Information provided for in Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed with reference to the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000[(1)].

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional.

Means and resources

Our work was carried out by a team of 8 people between October 2021 and February 2022 and took a total of 18 weeks.

We conducted 50 interviews with the people responsible for preparing the Statement, representing in particular CSR, controlling, risk management, compliance, human resources.

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

- we are convinced that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion;
- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the Information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the Information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (Work-related accidents, psychosocial risks or occupational illnesses, Significant lack of product control and traceability, Failure of the removal and recall device, Inability or difficulties in attracting and retaining key employees, Riots, popular demonstrations, strikes, social movements and agricultural crises, Carrefour and its suppliers accused of failing to comply with labor law, human rights and/or fair remuneration, Failure to comply with the principles of diversity and equality and failures to combat discrimination and harassment, Poor management or degradation of the social climate within Carrefour, Non-compliance with laws on the protection of personal data (RGPD, LGPD, etc.), Non-compliance with anti-corruption laws (Sapin 2), Commercial offer not aligned with the environmental and societal expectations of customers (local products, reduction of packaging, food waste, etc.), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities[(2)];

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information
(2) The Business Units where work has been carried out are presented in Appendix 1.

- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[1] and covers between 22% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the French Institute of Statutory Auditors ("CNCC"). Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

Paris La Défense, February 25, 2022

Independent third party

MAZARS SAS

Edwige REY

Partner CSR & Sustainable Development

(1) The Business Units where work has been carried out are presented in Appendix 1

Appendix 1: list of qualitative and quantitative information, including key performance indicators and contributing entities

Qualitative information (actions and results) relating to the main risks

- Use of raw materials whose value chain is questioned for its environmental, social and/or ethical
- Work-related accidents, psychosocial risks or occupational illnesses
- Failure to control energy and refrigerant consumption and contribution to climate change
- Natural disasters and climate change
- Significant lack of product control and traceability
- Failure of the removal and recall device
- Failure to assess, develop and valorize skills
- Inability or difficulties in attracting and retaining key employees
- Riots, popular demonstrations, strikes, social movements and agricultural crises
- Carrefour and its suppliers accused of failing to comply with labor law, human rights and/or fair remuneration
- Failure to comply with the principles of diversity and equality and failures to combat discrimination and harassment
- Poor management or degradation of the social climate within Carrefour
- Non-compliance with laws on the protection of personal data (RGPD, LGPD, etc.)
- Non-compliance with anti-corruption laws (Sapin 2)
- Business model not aligned with customers' environmental and societal expectations (local products, reduction of packaging, food waste, etc.)
- Deterioration of biodiversity linked to activities (oil pollution, waste, construction, etc.)

Quantitative indicators including key performance indicators

- Energy consumption in GWh and in kWh/m^2 (primary indicator for the calculation of GHGE) (vs 2019) √ 1) (3) (4) (5) (7) (8) (10)
- CO_2 emissions related to energy consumption √ (1) (3) (4) (5) (7) (8) (10)
- CO_2 emissions related to refrigerants √ (1) (3) (4) (5) (6) (7)
- CO_2 emissions per transport unit (vs 2019) √ (1) (3) (4) (5)
- Percentage of food waste avoided (vs 2016) (11)
- Tons of packaging placed on the market avoided cumulatively since 2017 (1) (2) (3) (5)
- Percentage of packaging in Carrefour-branded products that is reusable, recyclable or compostable (1) (3)
- Percentage of integration of recycled plastic in packaging (1) (3)
- Number of reusable packaging solutions available in stores (1) (3)
- Number of stores equipped with a deposit system (1) (3)
- Number of new in-store self-service bulk dispenser systems (1) (3)
- Share of waste from hypermarkets and supermarkets recovered (including food donations) (1) (2) (3) (5)
- Sales of organic products (1) (2)
- Penetration rate of Carrefour's quality channels in fresh products (in %) (1) (2)
- Penetration rate of Carrefour's quality channels with an agro-ecological claim or approach in progress in fresh (PFT) products (1) (2) (3) (5)
- Number of products with a nutritional benefit (1) (2)
- Number of local partner supplier (organic supplier, Carrefour's quality channels, regional and ultra-local suppliers) (1) (2) (3) (5)
- Sustainable forest: Percentage of priority raw materials are committed to a risk reduction plan by 2025
  - Percentage of palm oil used in controlled products that is fully traced (RSPO Segregated certified) (1) (3) (5)
  - Percentage of palm oil used in controlled products certified RSPO or equivalent (1) (3) (5)
  - Share of product sales to Carrefour brands in the 10 priority families, from sustainable forests (in %) (1) (3) (5)
  - Percentage of suppliers are geo-monitored and in compliance with our forest policy or committed to an ambitious policy to combat deforestation (3) (4)
  - Percentage of Carrefour's quality channels and key Carrefour branded products use non-deforested soy for animal feed (1) (2)
  - Percentage of natural textile raw materials comply with our responsible TEX policy (cotton, wood fibers, wool, cashmere) (11)
  - Percentage of Carrefour-branded chocolate bars comply with our Sustainable Cocoa Purchasing Guidelines (1) (2)
  - Percentage of key traders - upstream actors trading agricultural commodities - assessed and in progress to comply with our policy (11)
- Percentage of Carrefour seafood products sold come from responsible fishing (1) (3) (5) (9)
- Percentage of of Carrefour brand products using cage-free eggs ingredients (in%) (1) (3) (5)
- Share of product sales of nation brand free cage-free products (in %) (1) (3) (5)
- Number of suppliers committed to the food transition pact (11)
- Percentage of social audits with alerts (11)
- Percentage of IFS or BRC certified suppliers (11)
- Percentage of sites audited by Carrefour (11) of which:
  - Percentage of audit scores between A and B
  - Percentage of audit scores between C and D
- Headcount (1)
- Frequency rate (1)
- Severity rate (1)
- Percentage of women appointed to key positions (11)
- Percentage of persons with disabilities (11)

- Average number of training hours per employee (1) (2)
- Number of agreements signed (11)
- Key Talent Attraction Rate (11)
- Percentage of at-risk personnel trained on anti-corruption topics (11)
- Percentage of countries/entities with a DPO (11)
- Share of customers who identified in-store food transition (11)

We have selected a list of Business Units on which we performed our tests of details. These Business Units are:

(1) France HM et SM
(2) Belgium HM et SM
(3) Brazil HM et SM
(4) Brazil Atacadão
(5) Spain HM et SM
(6) Argentina HM et SM
(7) Italy HM et SM
(8) Poland HM et SM
(9) Romania HM et SM
(10) Taiwan HM et SM
(11) Group

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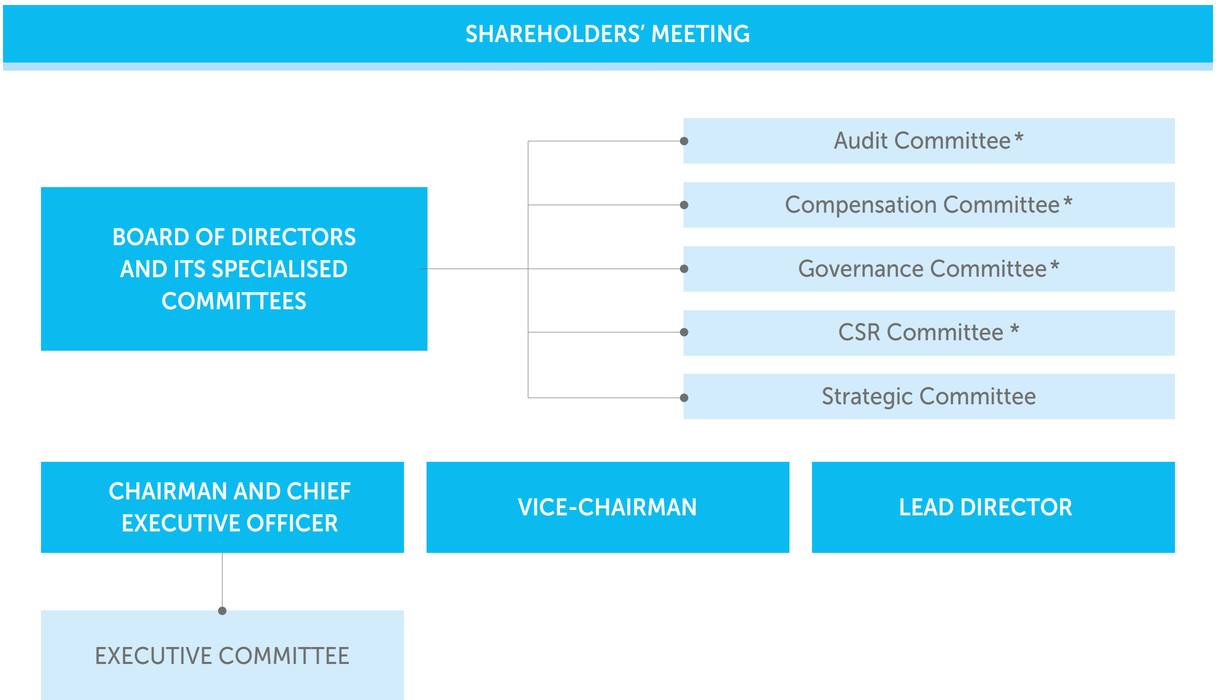
CORPORATE GOVERNANCE

The Board of Directors implements a balanced and appropriate governance structure, in line with best practices.

As part of this work, the Board of Directors relies on the recommendations of the Governance Committee. The Board refers to the AFEP-MEDEF corporate governance code for listed companies (AFEP-MEDEF Code), as amended in January 2020, which may be consulted at the Company's head office, on the AFEP website (*www.afep.com*) and on the MEDEF website (*www.medef.com*) and takes into account the recommendations set out in the implementing guidelines of the AFEP-MEDEF Code, the recommendations of the High Commission on Corporate Governance (*Haut Comité de Gouvernement d'entreprise*) and of the AMF, ongoing dialogue with shareholders and voting results of the Shareholders' Meetings, as well as the recommendations of proxy advisory firms and extra-financial rating agencies.

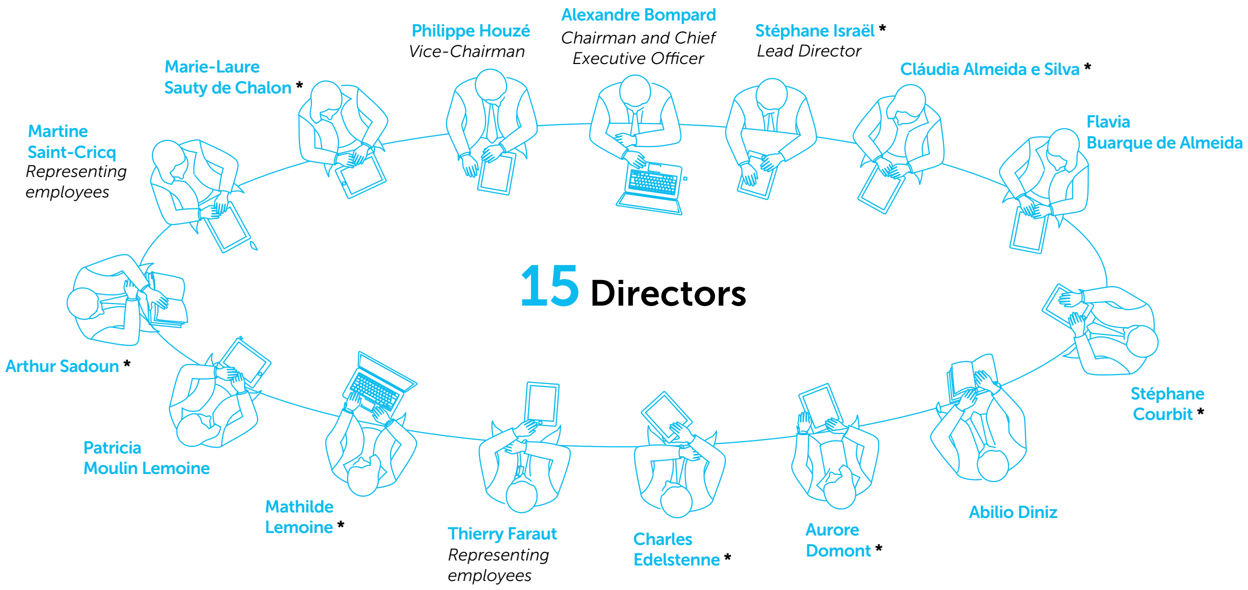
Governance summary

ACTORS OF GOVERNANCE



* Committee chaired by an Independent Director

COMPOSITION OF THE BOARD OF DIRECTORS



* Independent Director.

RECENT CHANGES IN CORPORATE GOVERNANCE

In light of dialogue with shareholders, Shareholders' Meeting voting results and best practices in the market, the Board of Directors has discussed possible changes to the Company's governance.

Following this work, on the recommendations of the Governance Committee, in 2021, the Board of Directors decided to:

- propose the renewal of nine Directors' terms expiring at the 2021 Shareholders' Meeting, namely the terms of Alexandre Bompard, Philippe Houzé, Stéphane Israël, Cláudia Almeida e Silva, Nicolas Bazire, Stéphane Courbit, Aurore Domont, Mathilde Lemoine and Patricia Moulin-Lemoine; and
- renew Alexandre Bompard's term of office as Chairman and Chief Executive Officer following his reappointment as Director by the 2021 Shareholders' Meeting, and to maintain the joint nature of the offices of Chairman and Chief Executive Officer.

In addition, following the Agache group's sale of its stake in the Carrefour group, Alexandre Arnault and Nicolas Bazire resigned as Directors on September 6, 2021. At its meeting on September 7, 2021, Carrefour's Board of Directors, on the recommendation of its Governance Committee, decided to appoint Arthur Sadoun as an independent member for the remainder of Nicolas Bazire's term of office, i.e., until the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023. This appointment will be submitted for ratification at Carrefour's next Shareholders' Meeting. In this way, in line with shareholder requests, the Board has continued to reduce its size, increase the percentage of Independent Directors to 61% and increase the representation of women to 46%.

In addition, in accordance with AFEP-MEDEF Code recommendations, Thierry Faraut, a Director representing employees, joined the Compensation Committee on April 20, 2022.

Lastly, on the recommendation of the Governance Committee, the Board of Directors decided to extend the powers of the Lead Independent Director so that he/she may be consulted on the agenda and schedule of Board meetings, propose specific items for inclusion in the agenda of Board meetings and organise meetings without the Executive Officers in attendance (executive sessions).

CARREFOUR GOVERNANCE – KEY FIGURES

15
Directors including
2 representing employees

61%
Independence rate*

46%
women*

5
specialised Committees
4 of which are chaired
by Independent Directors
and **2** chaired by women

8
Board meetings in 2021

98%
Attendance rate at
Board meetings

21
Committee
meetings in 2021

100%
Attendance rate at
Committee meetings

* In accordance with the AFEP-MEDEF Code and the law, Directors representing employees are not included in the calculation of the above percentages.

3.1 A balanced governance structure

3.1.1 BALANCE OF POWERS

The Board of Directors regularly reviews whether the Company has a suitably balanced governance structure.

3.1.1.1 Executive Management structure

There is no preferred Executive Management structure under the French legislation in force.

It is the Board of Directors' responsibility to choose between the two possible Executive Management methods (separate or combined), as provided by Article 3.2 of the AFEP-MEDEF Code, according to the Company's specific requirements.

Among the CAC 40 companies, the combined Executive Management structure is preferred as the majority of companies with a Board of Directors opted for this Executive Management structure.

Upon the appointment of Alexandre Bompard as Chairman and Chief Executive Officer on July 18, 2017, the Board of Directors decided to maintain the joint nature of the offices of Chairman and Chief Executive Officer to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance. The ratification and renewal of his directorship were approved by the Shareholders' Meeting of June 15, 2018.

The Shareholders' Meeting of May 21, 2021 renewed the term of office of Alexandre Bompard as Director. Following this renewal, the Board of Directors reiterated its confidence in Alexandre Bompard by renewing his appointment as Chairman and Chief Executive Officer.

The Board of Directors regularly examines its composition and operation and seeks to implement a balanced governance structure that is appropriate and capable of dealing with the circumstances and challenges of the Carrefour group. The Board of Directors considers that the governance measures implemented in the Company provide a suitable balance of powers in line with best practices and offer the guarantees required to operate a combined management structure, particularly in light of:

- the presence of a majority of Independent Directors as members of the Board of Directors and two Directors representing employees;
- the existence of the Board of Directors' five specialised Committees with different duties and responsibilities in the areas of audit, compensation, governance, CSR and strategy (see Section 3.2.3 of this Universal Registration Document on the role and composition of these Committees);
- the Chairmanship by an Independent Director of the Audit Committee, Governance Committee, Compensation Committee and CSR Committee;
- the presence of an independent Lead Director with specific responsibilities and duties that have been extended in 2020 and 2021 (see Section 3.1.1.3 of this Universal Registration Document);
- the appointment, in 2020, of a Vice-Chairman of the Board of Directors, a position held by a Director representing an early shareholder of the Company (see Section 3.1.1.4 of this Universal Registration Document); and
- limitations to the powers of the Chairman and Chief Executive Officer under the Board of Directors' Internal Rules, providing for the Board of Directors' prior approval on certain major strategic decisions or likely to have a material adverse effect on the Company (see below).

The Board of Directors noted the efficiency of the combination of the duties of Chairman and Chief Executive Officer and was satisfied with the balance of powers existing between the Chairman and Chief Executive Officer and the Directors. According to the external assessment of the Board of Directors' work, carried out at the end of 2019, and the annual self-assessment process conducted at the end of 2020, all the Board members appreciate the quality of governance implemented and confirm the relevance of the Executive Management structure which promotes a close relationship based on trust between the Chairman and Chief Executive Officer and the Directors. The Board of Directors considered that the consolidation of the duties of Chairman and Chief Executive Officer, at a time of profound transformation for the Group, allowed greater efficiency and responsiveness in the Group's management enabling the Directors to perform their duties. The Board of Directors noted that this organisation promoted a transparent and dynamic dialogue between the Executive Management and the Board of Directors, in particular with a view to implementing a leaner, prompt and effective "Carrefour 2022" strategic plan. This Executive Management structure also recently demonstrated its relevance in the midst of an unprecedented health crisis demanding a high level of involvement and responsiveness from the Directors and Executive Management.

Consequently, the Shareholders' Meeting of May 21, 2021 having renewed his term of office as Director, the Board of Directors unanimously decided to renew Alexandre Bompard's term of office as Chairman and Chief Executive Officer for a period of three years. This proposal reflects the Board's renewed confidence in its Chairman and Chief Executive Officer, its choice to continue implementing the Company's strategic plan and its desire to maintain a unified governance structure.

3.1.1.2 Limitations of powers of the Chairman and Chief Executive Officer

Given the decision to combine the duties of Chairman and Chief Executive Officer, the Board of Directors' Internal Rules have included restrictions on the powers of the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer therefore cannot carry out the following transactions or actions in the name and on behalf of the Company without the Board of Directors' prior consent:

- investment and divestment transactions under consideration by the Group, in particular acquisitions and disposals of assets or holdings, subscriptions to any issues of shares, partnership interests or bonds and the conclusion of partnerships and joint-venture agreements, as well as any transaction likely to affect the Group's strategy, in an amount exceeding 250 million euros per investment/divestment on behalf of the Group;
- financial transactions, regardless of their conditions, in an amount exceeding 2 billion euros; the Chairman and Chief Executive Officer must report to the Board of Directors for transactions below this amount;
- decision to directly establish overseas sites through the creation of a branch, a direct or indirect affiliate, or the acquisition of an interest or the withdrawal from these sites;
- any merger, spin-off or asset transfer for net asset transfer values in excess of 250 million euros, excluding any internal restructuring;
- the total or partial sale of non-financial assets not valued in the statement of financial position, including brands, particularly the Carrefour brand and customer data;
- in the event of a dispute, any transaction or settlement in an amount greater than 100 million euros per case.

3.1.1.3 Vice-Chairman of the Board of Directors

On April 20, 2020, the Board of Directors decided, following the appointment of Stéphane Israël as Lead Director, to appoint Philippe Houzé, a recognised player in the retail industry, involved in the development of the omni-channel, responsible and innovative business, and representing one of the Group's main shareholders, as Vice-Chairman of the Board of Directors.

According to the Board of Directors' Internal Rules, the role of the Vice-Chairman of the Board of Directors is to chair the Board of Directors' meetings in the absence of the Chairman and to assist the Chairman of the Board of Directors in his duties to ensure that the Company's governance bodies are operating correctly.

3.1.1.4 Independent Lead Director

Following its decision to combine the duties of Chairman and Chief Executive Officer, the Board of Directors decided at its meeting on June 21, 2011 to create the position of Lead Director.

The external evaluation, carried out at the end of 2019, highlighted the investment and the skills of the Lead Director. Nevertheless, as part of the Company's ongoing dialogue with shareholders, and in order to take certain recent governance-related changes into account, the Board of Directors requested that the Governance Committee explore possible improvements to the Company's governance system ahead of the next Shareholders' Meeting. Following this work, on the recommendation of the Governance Committee, the Board of Directors at its meeting on April 20, 2020 decided to appoint Stéphane Israël, an Independent Director, as Lead Director, replacing Philippe Houzé, who was appointed Vice-Chairman of the Board of Directors.

Duties

According to the Board of Directors' Internal Rules, the role of the Lead Director is to assist the Chairman of the Board of Directors in his duties to ensure that the Company's governance bodies are operating correctly. He has particular responsibility for examining situations where there is a real or potential conflict of interest, which could affect Directors or the Chairman of the Board of Directors in respect of the interests of the business, whether this relates to operational projects, strategic management or specific agreements. He reports to the Board of Directors on his work.

In line with the work and discussions on the improvements that could be made to the Company's governance, on February 17, 2021, the Board of Directors decided, on the recommendation of the Governance Committee, to adapt its Internal Rules to extend the Lead Director's duties and specify the resources available for the performance of his duties.

A key intermediary for the Directors, the Lead Director can also be consulted on the agenda and schedule of Board meetings, propose specific items to be included in the agenda of Board meetings and organise meetings without the Executive Officers being present (executive sessions).

Within the scope of his responsibilities, the Lead Director has access to all the documents and information that he deems necessary to the performance of his tasks. He can request external studies at the Company's expense or require the assistance of the Group Secretary General in the performance of his duties.

2021 principal activities

In 2021, the Lead Director:

- had regular discussions with the members of the Board and its various committees about the practices and procedures of the Company's governance bodies, making him a key intermediary for the Independent Directors and the Chairman and Chief Executive Officer;
- led the Board of Directors' self-assessment;
- met most of the Group's senior executives in order to obtain an understanding of the Group's transformation and to discuss the Group's activities, challenges and operation in concrete terms;
- ensured that the governance rules were applied within the Board and its committees;
- was involved in the work of the Strategic Committee; and
- did not deal with conflicts of interest within the Board of Directors.

3.1.2 BALANCED COMPOSITION OF THE BOARD OF DIRECTORS

3.1.2.1 Diversity policy

As part of promoting the Directors' diverse backgrounds and in accordance with paragraph 2 of Article L. 22-10-10 of the French Commercial Code (*Code de commerce*) and recommendation 6.2 set out in the AFEP-MEDEF Code, the Board of Directors regularly examines whether the Board and its specialised Committees have a suitably balanced membership structure.

Targets

The Board of Directors, assisted by the Governance Committee, ensures that all the necessary skills are used to implement the Company's strategic plan. It seeks to ensure that the Directors' skills are balanced, relevant and complementary in light of the Carrefour group strategy so that their areas of expertise evenly cover knowledge of the retail sector, Executive Management experience, governance, finance, international experience, digital transformation and innovation, as well as corporate social responsibility.

The Board of Directors also aims to maintain an appropriate global degree of independence in light of the Company's governance structure, shareholder base and gender balance, and strives to promote a diverse and adequate representation of Directors, in terms of experience, age, nationality and culture.

Implementation and monitoring

The Governance Committee regularly examines the adequacy of the composition of the Board of Directors and its specialised Committees and reports to the Board of Directors on its work.

It identifies, in accordance with the main objectives set out above and, more generally, with corporate governance best practices, the guidelines to be followed to ensure the best possible balance on the basis of its diversity policy. As part of this work, it also endeavours to take into account the recommendations that result from dialogue with shareholders.

The review of the implementation and the monitoring of the Board of Directors' diversity policy are conducted annually, as part of the Board of Directors' assessment process led by the Lead Director. The Board of Directors must devote one agenda item each year to discussing the conclusions of this self-assessment.

Since the 2019 financial year, the Board of Directors has established a Directors' skill matrix to facilitate the follow up of its diversity policy. This matrix, presented below, is updated annually, and allows the precise mapping of each Director's areas of expertise.

In 2021, the Board of Directors considered that its composition was appropriate based on the diversity criteria examined. However, it pays close attention to any potential changes that could be consistent with the Group's development and dynamism.

Results

Since 2017, the Board of Directors' implementation of the policy has resulted in the continuous renewal of its composition in order to achieve equal representation, particularly in terms of independence, gender, expertise, age and seniority of its members.

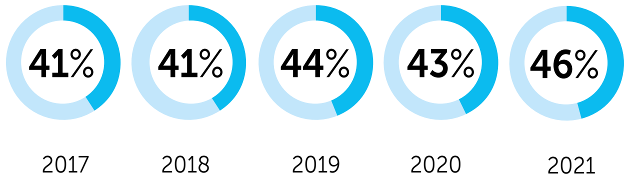
The addition in 2017 of two new, younger Directors of different nationalities and with different skills and experience has made the Board more international and expanded its entrepreneurial and digital expertise. Since 2020, on the recommendation of the Governance Committee, and in accordance with the requests of the Company's shareholders, the Board of Directors has also decided to reduce its size.

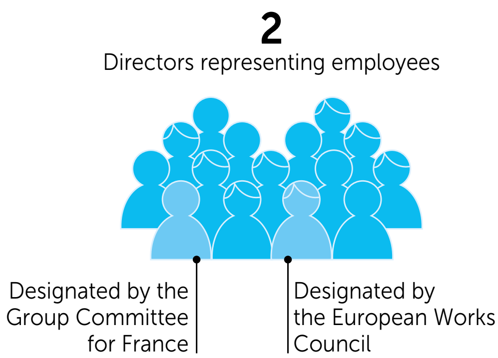
The appointment of Arthur Sadoun as an Independent Director also strengthened the independence of the Board, and added an international profile, experience in business transformation and digital expertise.

The result is a leaner Board of Directors, comprising 13 members (other than Directors representing employees), with gender balance and a degree of independence in line with best governance practices.

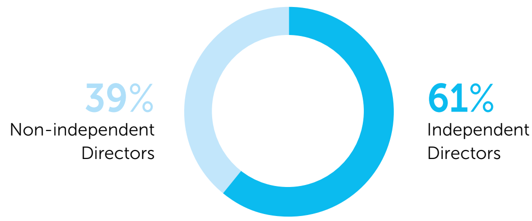
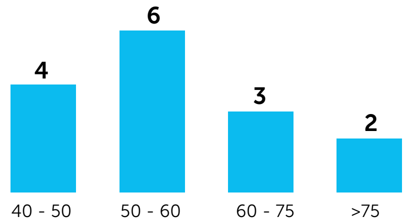
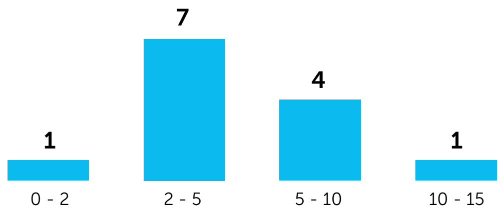
At December 31, 2021, the Board of Directors had 13 members in total, six or 46% of whom were women and 61% of whom were independent (these percentages do not include the two Directors representing employees). Three of the Directors were non-French. In addition, four committees are chaired by Independent Directors, of which half are chaired by women.

The Board of Directors benefits from the diversity of its Directors' backgrounds, their complementary experience (including retail, financial, industrial, economic, sales, digital and innovation expertise) and, in some cases, their in-depth experience and knowledge of the Group's business, industry and environment both in France and abroad.

<table>
<tr><th>Criteria</th><th>Targets</th><th>Implementation and results obtained in 2021</th></tr>
<tr><td>Composition of the Board of Directors</td><td>Gender equality on the Board of Directors</td><td>

In accordance with AFEP-MEDEF Code recommendations, the above percentages do not include Directors representing employees.</td></tr>
<tr><td></td><td>Build up the necessary skills to implement the Company's strategic plan</td><td>
</td></tr>
<tr><td></td><td>Appointment of two Directors representing employees</td><td>

The terms of the two Directors representing employees which expired in 2020 were renewed for a three-year period in October and December 2020, respectively.</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>Targets</th><th>Implementation and results obtained in 2021</th></tr>
<tr><td>Directors' independence</td><td>50% of Independent Directors, in compliance with the AFEP-MEDEF Code for widely-held corporations without controlling shareholders</td><td>
In accordance with AFEP-MEDEF Code recommendations, the above percentages do not include Directors representing employees.</td></tr>
<tr><td>Age of Directors</td><td>No more than one-third of Directors over the age of 75</td><td>
Average age:
60 years
2017 62 years
2018 59 years
2019 58 years
2020 58 years
2021 60 years</td></tr>
<tr><td>Average tenure of Board members</td><td></td><td>
Average tenure
5 years</td></tr>
</table>

Directors are active and committed, which contributes to the quality of the Board of Directors' deliberations with respect to the decisions it takes. Directors' profiles and their levels of experience and expertise are described in their biographies in Section 3.2.1.3 of this Universal Registration Document.

3.1.2.2 Directors representing employees

Article 11 of the Company's Articles of Association specifies that "When the Company falls within the scope of Article L. 225-27-1 of the French Commercial Code, the Board of Directors shall also include one or more Directors representing employees of which the number and conditions of appointment are set by the applicable legal provisions of these Articles of Association. When only one Director representing employees is to be appointed, he/she is appointed by the Group Committee (*Comité de Groupe français Carrefour*). When two Directors representing employees are to be appointed, the second is appointed by the European Works Council (*Comité d'information et de concertation européen Carrefour*)."

Following the meeting of the European Works Council on October 4, 2017 designating Martine Saint-Cricq as a Director representing employees, she joined the Board of Directors on October 18, 2017. She was reappointed by the European Works Council at its meeting of October 7, 2020.

Following the meeting of the Group Committee on November 23, 2017 designating Thierry Faraut as a Director representing employees, he joined the Board of Directors on January 17, 2018. He was reappointed by the Group Committee at its meeting of December 8, 2020.

Their biographies are presented in Section 3.2.1.3 of this Universal Registration Document. As required by law, they have both resigned from their positions as trade union employee representatives.

The Directors representing employees have the same status, rights and responsibilities as the other Directors.

They received compensation in 2021 on the same basis as other Directors.

The Board of Directors granted Directors representing employees 20 hours of training per year and 15 hours of preparation time per meeting. They received internal training to familiarise them with the role of and rules pertaining to Directors, as well as their rights, obligations and responsibilities in that capacity. Martine Saint-Cricq also received training provided by the French Institute of Directors (*Institut Français des Administrateurs* – IFA) paid for by the Group.

Furthermore, the Board of Directors offered them the opportunity to participate in an integration programme designed to enhance their knowledge of the Group's business and organisation. To this end, they have had interviews with Group Senior managers.

3.1.2.3 Directors' independence

In accordance with the AFEP-MEDEF Code, applied by the Company, "the Independent Directors should account for half the members of the Board in widely held corporations without controlling shareholders".

Independence criteria

According to the AFEP-MEDEF Code, Directors are independent if they have no relationship of any kind with the Company, its Group or its Management that could compromise their freedom of judgement. Thus, an Independent Director must not only be a Non-Executive Director, i.e., one not performing any management duties within the Company or its Group, but must also be free of any particular vested interest (as a significant shareholder, employee, or otherwise) in the Company or its Group.

The Board of Directors referred to the following AFEP-MEDEF Code criteria in determining a Director's independence:

- not to be or have been over the past five years:
  - an employee or Executive Officer of the Company,
  - an employee, Executive Officer or Director of a company that the Company consolidates,
  - an employee, Executive Officer or Director of the Company's parent company or a company that the latter consolidates;
- not to be an Executive Officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or an Executive Officer of the Company (currently in office or having held such office over the past five years) is a Director;
- not to be a customer, supplier, investment banker or commercial banker:
  - that is material for the Company or its Group, or
  - for which the Company or its Group represents a significant proportion of business;
- not to be related by close family ties to a Company Officer;
- not to have been a Statutory Auditor of the Company over the past five years;
- not to have been a Director of the Company for more than 12 years.

A non-executive Company Officer receiving variable compensation in cash or securities or any compensation linked to the performance of the Company or the Group cannot be considered independent.

Directors representing main shareholders of the Company may be regarded as independent if the relevant shareholder does not exercise any control over the Company. However, beyond a threshold of 10% of the share capital or voting rights, the Board of Directors will, on the recommendation of the Governance Committee, review the Director's independence taking into account the Company's ownership structure and the existence of any potential conflicts of interest.

Review of Directors' independence

The Board of Directors' Internal Rules require that it conduct an annual review, on the recommendation of the Governance Committee, of each Director's independence.

In accordance with the AFEP-MEDEF Code, and on the recommendation of the Governance Committee, the Board of Directors conducted the annual assessment of the Directors' independence on April 20, 2022. From among its members, eight directors are deemed to be Independent, i.e., 61%, in accordance with the recommendation set out in the AFEP-MEDEF Code (this proportion does not include Directors representing employees).

Cláudia Almeida e Silva, Aurore Domont, Mathilde Lemoine and Marie-Laure Sauty de Chalon, as well as Stéphane Courbit, Charles Edelstenne, Stéphane Israël and Arthur Sadoun, qualify as Independent Directors.

On the recommendation of the Governance Committee, the Board of Directors determined that none of the Independent Directors have any material business relationships with the Group, directly or indirectly, that could create a conflict of interests from the point of view of either the Group or the Director concerned. Several criteria were used to determine the materiality of business relationships: the precedence and history of the contractual relationship between the Group and the group within which a Company Director holds a Company office or has executive duties; the existence of arm's length conditions in the contractual relationship; the absence of economic dependence or exclusivity; and the non-material nature of the proportion of sales resulting from business relationships between the group concerned and the Carrefour group.

On the recommendation of the Governance Committee, the Board of Directors re-examined the status of Charles Edelstenne.

Charles Edelstenne, whose term is due to expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, had, as of July 2020, been a Director for longer than the maximum period of 12 years recommended by the AFEP-MEDEF Code.

Accordingly, the Board of Directors took into account Charles Edelstenne's reputation, professional experience, the objectivity he has consistently demonstrated during Board meetings, his critical judgement and his ability to make sound decisions in all situations, in particular as regards Executive Management.

The Board of Directors also took into account the change to the management team that took place in 2017, which meant that close ties could not be formed with the current team given the duration of his term.

Charles Edelstenne's qualities and in-depth knowledge of the Group were considered essential given the radical change in the composition of the Board since 2018 and its reduced size, making him a highly valuable contributor to the Board's strategic decisions.

Given this assessment, the Board of Directors considered that the length of directorship criterion defined in the AFEP-MEDEF Code among eight other criteria was not itself sufficient for Charles Edelstenne to automatically lose his independent status, and that there was no other reason to prevent him from continuing in office as an Independent Director until the end of his term at the 2022 Shareholders' Meeting.

In accordance with the Board of Directors' Internal Rules, Directors express their opinions freely and commit to preserving in all circumstances their independence of analysis, judgement, decision-making and actions. They also undertake to reject any pressure, whether direct or indirect, that could be exerted upon them from other Directors, specific groups of shareholders, creditors, suppliers or any other third party. Each Director shall refrain from seeking or accepting from the Company or its affiliates, directly or indirectly, any advantages that could be considered likely to compromise his or her independence.

The table below shows the position of each Director (except for the Directors representing employees), based on the independence criteria set out in the AFEP-MEDEF Code:

Director(1)	Criterion 1 *Employee or Company officer in the past 5 years*	Criterion 2 *Cross-directorships*	Criterion 3 *Significant business relationships*	Criterion 4 *Family ties*	Criterion 5 *Statutory Auditors*	Criterion 6 *In office for more than 12 years*	Criterion 7 *Non-executive Company officer*	Criterion 8 *Main shareholder*
Alexandre Bompard *Chairman and Chief Executive Officer*	X	✓	✓	✓	✓	✓	✓	✓
Philippe Houzé *Vice-Chairman*	✓	✓	✓	X	✓	✓	✓	X
Stéphane Israël(*) *Lead Director*	✓	✓	✓	✓	✓	✓	✓	✓
Cláudia Almeida e Silva(*)	✓	✓	✓	✓	✓	✓	✓	✓
Flavia Buarque de Almeida	✓	✓	✓	✓	✓	✓	✓	X
Stéphane Courbit(*)	✓	✓	✓	✓	✓	✓	✓	✓
Abilio Diniz	✓	✓	✓	✓	✓	✓	✓	X
Aurore Domont(*)	✓	✓	✓	✓	✓	✓	✓	✓
Charles Edelstenne(*) (2)	✓	✓	✓	✓	✓	✓	✓	✓
Mathilde Lemoine(*)	✓	✓	✓	✓	✓	✓	✓	✓
Patricia Moulin Lemoine	✓	✓	✓	X	✓	✓	✓	X
Arthur Sadoun	✓	✓	✓	✓	✓	✓	✓	✓
Marie-Laure Sauty de Chalon(*)	✓	✓	✓	✓	✓	✓	✓	✓

(1) In the table:
✓ signifies an independence criterion that has been met.
X signifies an independence criterion that has not been met.
(*) Independent Directors.
(2) At its meeting on April 20, 2022, the Board of Directors considered that the duration of Charles Edelstenne's term, which exceeded 12 years from the date of the 2020 Shareholders' Meeting, does not prevent him from continuing in office as an Independent Director until the end of his term at the 2022 Shareholders' Meeting.

3.2 The Board of Directors

3.2.1 COMPOSITION OF THE BOARD OF DIRECTORS

3.2.1.1 Composition of the Board of Directors at December 31, 2021

On December 31, 2021, at the date of this Universal Registration Document, the Board of Directors has 15 members including two Directors representing employees. The composition of the Board of Directors and its specialised Committees is presented in the following table:

					Duration of appointment		
Director	Nationality	Age	Gender	Independent	Date of appointment	Date of last renewal	End of term(1)
Alexandre Bompard *Chairman and Chief Executive Officer*	French	49	M		07/18/2017	05/21/2021	2024 AGM
Philippe Houzé *Vice-Chairman*	French	74	M		06/11/2015	05/21/2021	2024 AGM
Stéphane Israël *Lead Director*	French	51	M	x	06/15/2018	05/21/2021	2024 AGM
Cláudia Almeida e Silva	Portuguese	48	F	x	01/22/2019(3)	05/21/2021	2024 AGM
Flavia Buarque de Almeida	Brazilian	54	F		04/12/2017	06/14/2019	2022 AGM
Stéphane Courbit	French	56	M	x	06/15/2018	05/21/2021	2024 AGM
Abilio Diniz	Brazilian	85	M		05/17/2016	06/14/2019	2022 AGM
Aurore Domont	French	53	F	x	06/15/2018	05/21/2021	2024 AGM
Charles Edelstenne	French	83	M	x	07/28/2008	06/14/2019	2022 AGM
Thierry Faraut(4)	French	51	M		11/23/2017	12/08/2020	12/08/2023
Mathilde Lemoine	French	52	F	x	05/20/2011	05/21/2021	2024 AGM
Patricia Moulin-Lemoine	French	72	F		06/11/2015	05/21/2021	2024 AGM
Arthur Sadoun	French	50	H	x	09/07/2021(5)	-	2024 AGM
Martine Saint-Cricq(4)	French	63	F		10/04/2017	10/07/2020	10/07/2023
Marie-Laure Sauty de Chalon	French	59	F	x	06/15/2017	05/29/2020	2023 AGM

(1) Date of the Annual Shareholders' Meeting convened to approve the financial statements for the previous year.
(2) Other corporate offices held within listed companies (outside the Carrefour group). When several corporate offices are held within listed companies of the same group, they are identified as one sole corporate office.
(3) Date of appointment; ratified by the 2019 Shareholders' Meeting.
(4) Director representing employees.
(5) Date of appointment: subject to ratification at Carrefour's next Shareholders' Meeting.
(6) Since April 20, 2022.

	Board of Directors' specialised Committees				
Other corporate offices[2]	Audit Committee	Compensation Committee	Governance Committee	CSR Committee	Strategic Committee
1					◆
1	○		○		○
-	◆				
-	○			○	
2			○		
-		○			○
1					◘
-			○	◆	
3		○	◆		
-		○[6]	○		
-	○	◆			
-				○	
1					
-				○	
2				○	

◆ Chair.
◘ Vice-Chair.
○ Member.

Directors, except Directors representing employees, are appointed by the Ordinary Shareholders' Meeting upon proposal of the Board of Directors on the recommendation of the Governance Committee. They are appointed for a term of three years.

3.2.1.2 Changes in the composition of the Board of Directors

Changes in the composition of the Board of Directors in 2021 are summarised in the following table:

	Departures	Appointments	Renewals
Board of Directors	Alexandre Arnault Nicolas Bazire	Arthur Sadoun(1)(2)	Alexandre Bompard Philippe Houzé Stéphane Israël(1) Cláudia Almeida e Silva Nicolas Bazire Stéphane Courbit(1) Aurore Domont Patricia Moulin-Lemoine Mathilde Lemoine(1)

(1) Independent Director.
(2) Arthur Sadoun was appointed by the Board of Directors on September 7, 2021 and the ratification of this appointment will be proposed to the 2022 Shareholders' Meeting.

The Shareholders' Meeting of May 21, 2021 approved the renewal of the terms of office of Alexandre Bompard, Philippe Houzé, Stéphane Israël, Cláudia Almeida e Silva, Nicolas Bazire, Stéphane Courbit, Aurore Domont, Patricia Moulin-Lemoine and Mathilde Lemoine.

Following the Agache group's sale of its stake in the Carrefour group, Alexandre Arnault and Nicolas Bazire resigned as Directors on September 6, 2021. At its meeting on September 7, 2021, Carrefour's Board of Directors, on the recommendation of its Governance Committee, decided to appoint Arthur Sadoun as an independent member for the remainder of Nicolas Bazire's term of office, i.e., until the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023. This appointment will be submitted for ratification at Carrefour's next Shareholders' Meeting.

3.2.1.3 Directors' biographies

Alexandre Bompard

CHAIRMAN AND CHIEF EXECUTIVE OFFICER/*Chairman of the Strategic Committee*

BORN ON: October 4, 1972
NATIONALITY: French
NUMBER OF COMPANY SHARES OWNED: 408,891
DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: July 18, 2017
RATIFICATION OF THE APPOINTMENT BY THE SHAREHOLDERS' MEETING: June 15, 2018
DATE OF LAST RENEWAL: May 21, 2021
TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023

YEARS IN OFFICE: 4 YEARS | **ATTENDANCE RATE: 100%**

Alexandre Bompard is a graduate of Institut d'études politiques de Paris, with a degree in Public law and a postgraduate degree in Economics. He is also a graduate of École Nationale de l'Administration (ENA) (Cyrano de Bergerac class). After graduating from ENA, Alexandre Bompard joined the French General Inspectorate of Finance (1999-2002). He went on to become the technical advisor to François Fillon, then Minister for Social Affairs, Labour and Solidarity (April-December 2003). From 2004 to 2008, he held several positions within the Canal+ group, notably as Chief of Staff for Chairman Bertrand Méheut (2004-2005) and Director of Sport and Public Affairs (June 2005-June 2008). In June 2008, he was appointed Chairman and Chief Executive Officer of Europe 1 and Europe 1 Sport. In January 2011, Alexandre Bompard joined the Fnac group where he was appointed Chairman and Chief Executive Officer. On June 20, 2013, he launched Fnac's IPO. In the fall of 2015, Fnac offered to take over the Darty group and on July 20, 2016 Alexandre Bompard became Chairman and Chief Executive Officer of the new entity Fnac Darty. He is a *Chevalier de l'Ordre des Arts et des Lettres* (France). Since July 18, 2017, Alexandre Bompard has been Chairman and Chief Executive Officer of Carrefour. In addition, he has chaired the Carrefour Foundation since September 8, 2017.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Chairman of the Board of Directors of the Carrefour Foundation (Carrefour group)
- Director of Orange(*)
- Member of the Board of Directors of Le Siècle (an independent organisation under French law 1901)

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Chairman and Chief Executive Officer (Expiry of term: 2017), Director and member of the Corporate, Environmental and Social Responsibility Committee of Fnac Darty(*)
- Chairman and Chief Executive Officer of Fnac Darty Participations et Services (Expiry of term: 2017)
- Member of the Supervisory Committee of Banijay Group Holding (Expiry of term: 2018)
- Member of the Strategic Committee of Lov Banijay (Expiry of term: 2018)
- Member of the Board of Directors of Le Siècle (an independent organisation under French law 1901) (Expiry of term: 2019)

Abroad:

- Director of Darty Ltd (United Kingdom) (Expiry of term: 2017)

(*) Listed company.

Philippe Houzé

VICE-CHAIRMAN/*Member of the Audit Committee, Governance Committee and Strategic Committee*

BORN ON: **November 27, 1947**

NATIONALITY: **French**

NUMBER OF COMPANY SHARES OWNED: **3,167**

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: **June 11, 2015**

DATE OF LAST RENEWAL: **May 21, 2021**

TERM OF OFFICE EXPIRES: **Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023**

YEARS IN OFFICE: 6 YEARS **ATTENDANCE RATE: 100%**

Philippe Houzé is Chairman of the Executive Board at Galeries Lafayette, a family-owned group with 125 years of history in fashion, business and retail with brands such as Galeries Lafayette, BHV/MARAIS, La Redoute, Louis Pion, Galeries Lafayette-Royal Quartz Paris, Mauboussin and BazarChic.

After graduating from INSEAD Business School, Philippe Houzé began his career with Monoprix in 1969. He was appointed Chief Executive Officer of Monoprix in 1982 and Chairman and Chief Executive Officer in 1994, holding the position until November 2012. He was Co-Chairman of the Galeries Lafayette group from 1998 to 2004 and became Chairman of the Executive Board in 2005.

Philippe Houzé is currently Chairman and Chief Executive Officer of the Galeries Lafayette group, France's largest chain of department stores. With his sales, marketing and fashion industry expertise, he used innovative concepts to transform Monoprix, making it a leading local retailer in town and city centres. As Chairman of the Executive Board of the Galeries Lafayette group, he played a role in making Galeries Lafayette the leading department store in Europe, with the ambition of becoming a benchmark for omni-channel, responsible and innovative business, and promoting the French "Art of Living".

In 2014, Philippe Houzé orchestrated the acquisition of a significant stake in the Carrefour group on behalf of Motier SAS, the Galeries Lafayette family holding company. In 2017, he led the acquisition of 51% of the share capital of La Redoute, with the goal of holding 100% of the shares by 2021. In 2015, Philippe Houzé received the "International Retailer of the Year" award on behalf of Galeries Lafayette from the National Retail Federation (NRF), a prestigious American retail trade association bringing together key global industry players.

As a committed stakeholder in the French economy, Philippe Houzé has made a personal commitment to sustainable development: he has been heavily involved in the regeneration of town and city centres while taking into consideration the Galeries Lafayette group's environmental and social responsibilities. As outlined in his book, *La vie s'invente en ville*, he intends to continue working on behalf of inner city areas and help build a brighter future for the next generations. Following in the footsteps of the Group's founders, Philippe Houzé continues to support Galeries Lafayette's commitment to contemporary art and creation.

He supported the launch of the Fondation d'entreprise Galeries Lafayette, of which he is a Director. The Fondation held its grand opening in March 2018 in the heart of the Marais district in Paris, in a building renovated by Pritzker Prize-winning architect Rem Koolhaas.

He is a member of the Supervisory Committee of BHV, a Director of HSBC France, and was Lead Director at Carrefour until April 20, 2020, when he became Vice-Chairman of the Board of Directors. He is also a member of the Carrefour group Audit Committee, Appointments Committee and Strategic Committee.

As part of his strong commitment to the student community, he is Chairman of the Board of ESCP Business School, President of the INSEAD France Council, as well as a member of the INSEAD Board of Directors. He is also a member and former Chairman of the Association Internationale des Grands Magasins (AIGM), a former Director of the National Retail Federation (NRF) in the United States, a member and former Chairman of the Union du Grand Commerce de Centre Ville (UCV), an elected member of the Chamber of Commerce and Industry of Paris Île-de-France (CCIP), a member of the Association Française des Entreprises Privées (AFEP), and a former Director of the Institut Français de la Mode.

He is a member of the association Alliance 46.2 Entreprendre en France pour le Tourisme.

Philippe Houzé is *Commandeur de la Légion d'Honneur, Chevalier de l'ordre des Arts et Lettres et des Palmes Académiques et du Mérite Agricole*.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Chairman of the Executive Board of Galeries Lafayette
- Chairman of the Supervisory Committee of La Redoute SAS
- President of the INSEAD France Council
- Vice-Chairman and Chief Executive Officer of Motier SAS
- Member of the association Alliance 46.2 Entreprendre en France pour le Tourisme
- Director, Chairman of the Appointments Committee and Chairman of Compensation Committee of HSBC France(*)
- Director of Lafayette Anticipation-Fondation d'entreprise Galeries Lafayette (Founder)
- Member of the Supervisory Committee of BHV
- Member of the Board of Directors of INSEAD
- Member of the Union du Grand Commerce de Centre Ville (UCV)
- Elected member at the Chamber of Commerce and Industry of Paris Île-de-France (CCIP)
- Chairman of the Board of ESCP Business School

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Chairman of the Board of Novancia Business School (Expiry of term: 2016)
- Director of Institut Français de la Mode (IFM) (Expiry of term: 2019)
- Chairman of Guérin Joaillerie SAS (Expiry of term: 2019)
- Vice-Chairman of the association Alliance 46.2 Entreprendre en France pour le Tourisme (Expiry of term: 2020)
- Chairman of Motier Domaines SAS (Expiry of term: 2020)

Abroad:

- None.

(*) Listed company.

Stéphane Israël

INDEPENDENT DIRECTOR AND LEAD DIRECTOR/*Chairman of the Audit Committee*

BORN ON: **January 3, 1971**

NATIONALITY: **French**

NUMBER OF COMPANY SHARES OWNED: **1,500**

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: **June 15, 2018**

DATE OF LAST RENEWAL: **May 21, 2021**

TERM OF OFFICE EXPIRES: **Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023**

YEARS IN OFFICE: 3 YEARS **ATTENDANCE RATE: 100%**

Following two years of preparatory literature courses at the prestigious Henri IV secondary school in Paris, Stéphane Israël began his tertiary studies in 1991 at École Normale Supérieure where he obtained postgraduate and teaching degrees in history (1993-1995) before going on to attend École Nationale d'Administration (ENA) in 1999.

He taught at Harvard University (1994-1995) and Université de Valenciennes in northern France (1997-1998) and worked for the Chairman of the French National Assembly from 1997 to 1998.

In 2001, he joined the *Cour des Comptes* (second chamber), France's Court of Accounts, as an auditor and was appointed as a senior auditor. In 2004, he contributed to the report on corporate tax competition published by France's Taxation Board. From 2005 to 2007, he also worked as an associate professor at École Normale Supérieure (ENS) in Paris and founded and directed a joint programme with the school to prepare students for the ENA entrance exam.

In 2007, Stéphane Israël joined the Airbus group, where he served as advisor to Louis Gallois, Executive Chairman of EADS (as the group was known at the time), before holding various operational management positions in the group's space division, including in budget and programme control for the ballistic missile project management unit and in the services segment of the European Global Monitoring for Environment and Safety (Copernicus) programme.

From 2012 to 2013, he was Chief of Staff to the French Minister for Productive Recovery (Ministry in charge of industry).

In April 2013, he joined Arianespace SA as Chairman and Chief Executive Officer. In 2017, he became Executive Chairman of Arianespace SAS and joined the Executive Committee of ArianeGroup, a subsidiary of Airbus and Safran. He is also the Chairman of MEDEF International's France-South Korea Business Club and was named a *Chevalier de l'Ordre National de la Légion d'Honneur*.

Stéphane Israël brings the Board of Directors the skills and expertise he has acquired through his extensive experience in the management of a multinational company, in business strategy and innovation, and in the areas of accounting and finance. His skills and experience make him a valuable member of the Board of Directors and its Audit Committee.

Stéphane Israël was also appointed Lead Director of the Carrefour group on April 20, 2020.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Executive Chairman of Arianespace SAS
- Chief Executive Officer of Arianespace Participation SA
- Member of the Executive Committee of ArianeGroup
- Chairman and Chief Executive Officer of Starsem SA
- President of S3R

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Director and member of the Audit Committee of Havas SA (Expiry of term: 2018)
- Director of CDC International Capital
- Chairman and Chief Executive Officer of Arianespace Participation SA (Expiry of term: 2017)
- Chairman and Chief Executive Officer of Arianespace SA (Expiry of term: 2017)

Cláudia Almeida e Silva

INDEPENDENT DIRECTOR/*Member of the Audit Committee and the CSR Committee*

BORN ON: September 24, 1973

NATIONALITY: Portuguese

NUMBER OF COMPANY SHARES OWNED: 1,100

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: January 22, 2019

RATIFICATION OF THE APPOINTMENT BY THE SHAREHOLDERS' MEETING: June 14, 2019

DATE OF LAST RENEWAL: May 21, 2021

TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023

YEARS IN OFFICE: 3 YEARS **ATTENDANCE RATE: 100%**

Cláudia Almeida e Silva is Managing Partner of Singularity Capital, an investment fund dedicated to start-ups, and an adviser within the Startup Lisboa incubator.

She began her career in 1997 as a consultant at Coopers & Lybrand in Portugal, then at PricewaterhouseCoopers where she was appointed manager of the Customer Relationship Management (CRM) practice in 1999.

In 2002, Cláudia Almeida e Silva joined the Conforama retail group in Portugal, where she served as Commercial Director in charge of Marketing, Supply Chain and Product Management.

In 2005, she joined Fnac, where she became general manager of the Portuguese subsidiary in 2008 and, from 2013, member of the Group Executive Committee in charge of supervising Spain and Brazil.

She is a graduate of the Lisbon School of Business and Economics, of which she is now an Executive in Residence.

Her in-depth knowledge of the start-up sector and retail experience in Southern Europe and Brazil are valuable assets to support the Group's transformation plan, "Carrefour 2022".

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

Abroad:

- Managing Director of Singularity Capital SA (Portugal)
- Managing Director of Praça Hub Lda (Portugal)

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

Abroad:

- Legal manager of Fnac Portugal (Portugal)

Flavia Buarque de Almeida

DIRECTOR/*Member of the Governance Committee*

BORN ON: August 4, 1967

NATIONALITY: Brazilian

NUMBER OF COMPANY SHARES OWNED: 1,069

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: April 12, 2017

DATE OF LAST RENEWAL: June 14, 2019

TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021

YEARS IN OFFICE: 4 YEARS **ATTENDANCE RATE: 100%**

Flavia Buarque de Almeida received her undergraduate degree from Fundaçao Getulio Vargas (1989) and her MBA from Harvard University (1994).

From 1989 to 2003, she was a Consultant and Partner at McKinsey & Company. She also served as an Independent Director of Lojas Renner and as a Director of the Grupo Camargo, which includes Camargo Corrêa, Camargo Corrêa Cimentos (now Intercement), Construções e Comércio Camargo Corrêa, Alpargatas, and Santista Têxtil. In addition, she was Director of Harvard University's Board of Overseers.

From November 2009 to April 2013, she was a Partner with the Monitor group, in charge of its operations in South America. From May 2003 to September 2009, she served as the Managing Director of Participações Morro Vermelho.

In July 2013, Flavia Buarque de Almeida joined the Península Group as head of the Private Equity business.

She became Managing Director in January 2016 and then Partner at Península Capital later that same year.

She has also been a Director of W2W e-Commerce de Vinhos SA since August 2016, of BRF SA since April 2017 and of Ultrapar Participações SA since May 2019.

Flavia Buarque de Almeida brings to the Board of Directors the benefit of her experience and knowledge of the financial and banking markets, as well as her financial vision of shareholding structures, her knowledge of the mass retail industry, strategy and corporate governance, and her international experience. She also lends to the Board of Directors her experience in listed companies and her experience as a Director of national and international listed companies.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In Brazil:

- Managing Director and Partner of Peninsula Capital Participações SA
- Chief Executive Officer of the Península Group
- Director of W2W E-Commerce de Vinhos SA
- Director of BRF SA(*)
- Director of Vitamina Chile SPA
- Director of Ultrapar Participações SA(*)
- Member of the Deliberating Council of Instituto Península

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In Brazil:

- Independent Director of Lojas Renner SA(*) (Expiry of term: 2016)
- Director of Harvard University's Board of Overseers (Expiry of term: 2017)
- Director of GAEC Educação (Expiry of term: 2017)
- Managing Director of O3 Gestão de Recursos Ltda (Expiry of term: 2021)

(*) Listed company.

Stéphane Courbit

INDEPENDENT DIRECTOR/*Member of the Strategic Committee and the Compensation Committee*

BORN ON: April 28, 1965

NATIONALITY: French

NUMBER OF COMPANY SHARES OWNED: 1,000

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: June 15, 2018

DATE OF LAST RENEWAL: May 21, 2021

TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023

YEARS IN OFFICE: 3 YEARS | **ATTENDANCE RATE: 86%**

Stéphane Courbit is a graduate of ISG Paris and IUT Valence. He began his career working for French TV and radio personality Christophe Dechavanne. In 1994, he teamed up with TV producer and anchorman Arthur and created ASP (Arthur Stéphane Production), which produced the long-running TV show *Les Enfants de la Télé*. In 1998, Endemol acquired a stake in ASP, which subsequently changed its name to Endemol France, becoming France's leading audiovisual production company in just a few years. Stéphane Courbit sold his stake in 2006 and left the Company in 2007.

The same year, he founded Lov Group, a holding company that invests in audiovisual production, luxury hotels, the Internet and energy. The merger between Banijay Group and Zodiak in February 2016 put Stéphane Courbit at the helm of one of the largest audiovisual production companies in the world. In October 2019, the Banijay Group agreed to acquire the Endemol Shine Group subject to approval from the competition authorities, which would make it the world's leading audiovisual production group.

Stéphane Courbit is the Chief Executive Officer of Lov Group, a company primarily oriented towards audiovisual production, online betting and luxury hotels.

Stéphane Courbit brings to the Board of Directors the benefit of his extensive experience gained as an entrepreneur in the media and Internet sectors and as the leader of a global company, as well as his skills and expertise in content production and digital media.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Chairman of Lov Group Invest (and member of the Supervisory Board)

As a representative of Lov Group Invest:

- Chairman of Financière Lov (and member of the Supervisory Board)
- Chairman of Banijay Group
- Chairman of Banijay Group Holding (and member of the Supervisory Board)
- Chairman of Betclic Everest Group (and member of the Board of Directors)
- Chairman of Airelles
- Chairman of Melezin
- Chairman of Bastide de Gordes & Spa
- Chairman of Hôtel Château de la Messardière
- Manager of Solières
- Chairman of Lov Sapineaux
- Chairman of Lov Immo
- Chairman of Estoublon Holding
- Chairman of LDH (and member of the Supervisory Board)
- Chairman of Lov Banijay
- Chairman and Chief Executive Officer of Lovestate
- Chairman of Mangas Lov
- Chairman of Ormello
- Chairman of Choucalov
- Chairman of Fold Holding
- Chairman of Lov Hotel Collection Holding (and member of the Supervisory Board)
- Chairman of Lov Hotel Collection
- Chairman of Clos Bellevarde
- Chairman of la Genevoise
- Chairman of LHC Immo
- Chairman of LHCH Venice
- Chairman of Lov & SPB
- Chairman of FL Cosmetics
- Chairman of Lov & Co
- Chairman of Lov & Food
- Chairman of Fouquet
- Chairman of Résidence du Roy

As a representative of Financière Lov:

- Chairman of Banijay Entertainment
- Legal manager of SCI Parking La Garonne
- Legal manager of SCI James & Co
- Legal manager of SCI Gordita
- Legal manager of SCI Blancs Mills
- Legal manager of SCI Néva Thézillat
- Legal manager of SARL 5 Thézillat
- Legal manager of SCI Zust
- Legal manager of SCI Les Zudistes
- Legal manager of SCI 607
- Legal manager of SCI 611
- Legal manager of SCI Jaysal II
- Legal manager of SCI Minos
- Legal manager of SCI Roux Milly
- Manager of SCI Courvalios

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Chairman of Banijay Holding SAS (Expiry of term: 2019)
- Chairman of Betclic Everest Group (Expiry of term: 2020) (and member of the Board of Directors)
- Legal manager of EURL Zust (Expiry of term: 2021)
- Legal manager of EURL Les Zudistes (Expiry of term: 2021)
- Legal manager of SCI ST Le Phare (Expiry of term: 2021)

As a representative of Lov Group Invest:

- Chairman of LG Industrie SAS (Expiry of term: 2021)
- Chairman of ILR (Expiry of term: 2021)
- Chairman of Chalet de Pierres SAS (Expiry of term: 2021)
- Chairman of Betclic Group (Expiry of term: 2021)

Abilio Diniz

DIRECTOR/*Vice-Chairman of the Strategic Committee*

BORN ON: December 28, 1936

NATIONALITY: Brazilian

NUMBER OF COMPANY SHARES OWNED: 62,563,160

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: May 17, 2016

DATE OF LAST RENEWAL: June 14, 2019

TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021

YEARS IN OFFICE: 5 YEARS **ATTENDANCE RATE: 95%**

A seasoned retail professional, Abilio Diniz co-founded Grupo Pão de Açúcar with his father and served as Chairman of the Board of Directors from 1993 to 2013.

He was a member of the Brazilian National Monetary Council between 1979 and 1989.

Abilio Diniz has a degree in Business Administration from Fundação Getúlio Vargas (FGV) and, since 2010, has been teaching a course at FGV called "Leadership 360º", which aims to train and coach young leaders.

He was Chairman of the Board of Directors of BRF, the world's largest animal protein exporter, from 2013 to 2018 and is currently Chairman of the Board of Directors of the Península group, his family's group of investment companies.

Abilio Diniz brings to the Board of Directors the benefit of his experience and expertise in retail and consumer goods, knowledge of retail business, global strategy, private equity and governance, as well as his financial view of shareholding structures, international knowledge and experience in listed companies and as a Director of national and international listed companies.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In Brazil:

- Director of Atacadão SA(*) (Carrefour group)
- Chairman and Director of Península Participações SA, Zabaleta Participações Ltda and Paic Participações Ltda
- Director of: Ciclade Participações Ltda., Papanicols Empreendimentos e Participações Ltda., Santa Juliana Empreendimentos e Participações Ltda., Ganesh Empreendimentos e Participações Ltda., Naidiá Empreendimentos e Participações Ltda., Ayann Empreendimentos e Participações Ltda., Chapelco Empreendimentos e Participações Ltda., Edgewood Real Estate LLC, Edgewood Realty Holding Corporation, Orca SARL, Península Europe SARL and Plenae Comércio e Serviços Para o Bem-Estar EIRELI

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Observer of the Board of Directors of Carrefour(*) (Expiry of term: 2016)

In Brazil:

- Chairman of the Board of Directors of BRF (Expiry of term: 2018)
- Director of: Adams Avenue Real Estate LLC, Adams Avenue Realty Holding Corporation (Expiry of term: 2020)
- Chairman and Director of Reco Master Empreendimentos e Participações SA (Expiry of term: 2021)
- Director of Onyx 2006 Participações Ltda (Expiry of term: 2021)

(*) Listed company.

Aurore Domont

INDEPENDENT DIRECTOR/*Chair of the CSR Committee and Member of the Governance Committee*

BORN ON: December 20, 1968

NATIONALITY: French

NUMBER OF COMPANY SHARES OWNED: 1,000

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: June 15, 2018

DATE OF LAST RENEWAL: May 21, 2021

TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023

YEARS IN OFFICE: 3 YEARS **ATTENDANCE RATE: 100%**

Aurore Domont holds a Master's degree in Business law from Paris I – Panthéon Sorbonne University. She began her career at CEP Communication before joining the Lagardère Publicité group in 1996, where she notably held the position of Deputy Chief Executive Officer in charge of Radio and Press.

In January 2011, Aurore Domont was appointed Executive Director of Prisma Pub, the advertising arm of the Prisma Media group. In August 2013, she became the President of FigaroMedias and a member of the Executive Committee of the Figaro group.

Aurore Domont brings to the Board of Directors the benefit of her experience in global and omni-channel communication strategies and in the digital transformation of businesses. Her work has also given her a solid understanding of various areas of digital technology, including data management, social media, programming, mobile and video. Her skills and experience make her a valuable member of the Board of Directors.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- President of FigaroMedias
- President of Social & Stories
- Director of Figaro Classified
- Member of the Board of Directors of SRI
- Member of the Supervisory Board of Mediasquare
- Member of the Supervisory Board of Société du Figaro
- Member of the Supervisory Board of Zebestof
- Member of the Board of Directors of ACPM
- Member of the Board of the Syndicat des Régies Publishers

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Member of the Board of Directors of Social & Stories (Expiry of term: 2020)
- Member of the Board of Directors of Touchvibes (Expiry of term: 2020)

Charles Edelstenne

INDEPENDENT DIRECTOR/*Chairman of the Governance Committee and member of the Compensation Committee*

BORN ON: **January 9, 1938**

NATIONALITY: **French**

NUMBER OF COMPANY SHARES OWNED: **1,000**

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: **July 28, 2008**

DATE OF LAST RENEWAL: **June 14, 2019**

TERM OF OFFICE EXPIRES: **Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021**

YEARS IN OFFICE: 13 YEARS **ATTENDANCE RATE: 100%**

A qualified chartered accountant (IFEC graduate), Charles Edelstenne joined Dassault Aviation in 1960 as Head of the Financial Analysis Unit.

He went on to hold posts such as Deputy Secretary General, Secretary General and Executive Deputy Chairman, Economic and Financial Affairs, before being appointed to the Board in 1989. He was elected as Chairman and Chief Executive Officer in 2000, a combined role he held until January 8, 2013.

Founder, Chief Executive Officer and current Chairman of the Board of Directors of Dassault Systèmes SE, Charles Edelstenne brings to the Board of Directors the benefit of his experience as an executive and Director of multinationals and listed companies, as well as his expertise in finance and his knowledge of digital transformation and innovation.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Director and Honorary President of Dassault Aviation SA(*)
- Chairman of the Board of Directors of Dassault Systèmes SE(*)
- Honorary President of GIFAS (Groupement des Industries Françaises Aéronautiques et Spatiales)
- Chairman of Groupe Industriel Marcel Dassault SAS
- Director of Thales SA(*)
- Chairman of Dassault Médias SAS
- Chairman of Groupe Figaro SASU
- Chief Executive Officer of Dassault Wine Estates SASU
- Chairman of Rond-Point Immobilier SAS
- Legal manager of Rond-Point Investissement EURL
- Chairman of Société du Figaro SAS
- Manager of ARIE civil partnership
- Manager of ARIE 2 civil partnership
- Manager of NILI civil partnership
- Manager of NILI 2 civil partnership
- Manager of SCI Maison Rouge
- Director of the mutual fund Monceau Dumas

Abroad:

- Director of Dassault Falcon Jet Corporation (United States)
- Chairman of the Board of Directors of Sitam Belgique SA

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Chairman and Chief Executive Officer of Dassault Médias SAS (Expiry of term: 2019)
- Chairman of Rond-Point Holding SAS (Expiry of term: 2019)
- Director of Sogitec Industries SA (Expiry of term: 2019)
- Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS (Expiry of term: 2018)
- Chief Executive Officer of Groupe Industriel Marcel Dassault (Expiry of term: 2018)

Abroad:

- Director of Banque Lepercq de Neuflize & Co. Inc. (United States) (Expiry of term: 2019)
- Chairman of Dassault International Corp. (United States) (Expiry of term: 2018)
- Director of SABCA(*) (Société Anonyme Belge de Constructions Aéronautiques) (Belgium) (Expiry of term: 2020)

(*) Listed company.

Thierry Faraut

DIRECTOR REPRESENTING EMPLOYEES/*Member of the Governance Committee and of the Compensation Committee*

BORN ON: May 15, 1970

NATIONALITY: French

DATE OF DESIGNATION BY THE GROUP COMMITTEE: November 23, 2017

DATE OF INTEGRATION TO THE BOARD OF DIRECTORS: January 17, 2018

DATE OF LAST RENEWAL: December 8, 2020

TERM OF OFFICE EXPIRES: December 8, 2023

YEARS IN OFFICE: 4 YEARS **ATTENDANCE RATE: 100%**

Thierry Faraut joined the Carrefour group in 1996. After two years as an intern, he became a Butchery department manager, first in Lyon, then in Marseille. In 2003, he was named central trade union delegate for Continent France and later for Carrefour hypermarkets in 2006.

In 2010, he oversaw the French national trade union of Carrefour managers (*Syndicat National de l'Encadrement Carrefour* – SNEC) and became trade union delegate for the Carrefour group. With SNEC, he participated in partnerships with Carrefour and humanitarian organisations working on behalf of underprivileged children in Senegal and Benin. In addition, he was a member of the Group Committee.

He was elected Vice-Chairman of the food industry section of the French federation of management trade unions (Fédération CFE-CGC) in November 2019.

Thierry Faraut brings to the Board of Directors the benefit of his experience working directly with customers, his precise knowledge of the Group's store formats and markets and his overall understanding of the mass retail industry. His vision, which takes into account both economic and labour issues, has been shaped by his experience working with trade unions.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

None.

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Group delegate for SNEC CFE-CGC (Expiry of term: 2017)
- Trade union representative for SNEC CFE-CGC on the Group Committee (Expiry of term: 2017)

Mathilde Lemoine

INDEPENDENT DIRECTOR/*Chair of the Compensation Committee and member of the Audit Committee*

BORN ON: September 27, 1969

NATIONALITY: French

NUMBER OF COMPANY SHARES OWNED: 2,982

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: May 20, 2011

DATE OF LAST RENEWAL: May 21, 2021

TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023

YEARS IN OFFICE: 10 YEARS **ATTENDANCE RATE: 100%**

With a PhD in economics, Mathilde Lemoine is an economist specialising in macroeconomic issues and international trade.

She started her career as a teacher and researcher and subsequently held the position of Economist and General Secretary of the Observatoire Français des Conjonctures Économiques (OFCE). She then became a member of several ministerial offices where she contributed her knowledge of international macro-economic affairs, helped to prepare Ministerial Conferences at the WTO and was responsible for advising the Prime Minister on tax matters. She was an external examiner (rapporteur) for the Expert Conference on the Climate and Energy Contribution (2009) and a member of the Commission for the Liberation of Growth, known as the Attali Commission (2010). She participated in a government task force reporting on the competitiveness drivers of French industry, and contributed her expertise on the French economy. She was a member of the Conseil d'Analyse Économique and the Commission Économique de la Nation. In 2013, she was appointed to the Haut Conseil des Finances Publiques (HCFP) for a five-year renewable term, in which role she analyses public finance in France and its consistency with European commitments. From 2006 to 2015 she was Director of Economic Research and Market Strategy at HSBC France and member of the Executive Committee and Senior Economist at HSBC Global Research.

She is currently Group Chief Economist of Edmond de Rothschild. She joined the group to set up an Economic Research department and lead a team of economists to perform structural analyses, risk mapping and international macroeconomic forecasts and scenarios. At the same time, she is continuing her work on human capital and its valuation. She has also been a Professor at Sciences Po Paris since 1996.

Mathilde Lemoine has published numerous books and analyses on international macroeconomic issues, monetary policy and financial issues. She recently published work on the investment in human capital, employee mobility and the link between skills and competitiveness. She is an editorialist for *Les Échos* (France), *Expansión* (Spain), *L'Agefi* (Switzerland) and *L'Agefi Hebdo* (France). Her latest book is *Les grandes questions d'économie et de finance internationales* (published by Boeck, 3rd edition, 2016).

Mathilde Lemoine brings to the Board of Directors the benefit of her experience as a director of international organisations, her knowledge of financial markets and her expertise in macroeconomics and corporate social responsibility (human capital, the energy transition, etc.).

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Director of CMA-CGM, member of the Audit Committee and the Appointments and Compensation Committee

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Member of the Board of Directors of Dassault Aviation SA(*) (Expiry of term: 2021)
- Member of the Board of Directors of École Normale Supérieure (Expiry of term: 2019)
- Member of the Haut Conseil des Finances Publiques (Expiry of term: 2018)

(*) Listed company.

Patricia Moulin Lemoine

DIRECTOR/*Member of the CSR Committee*

BORN ON: **February 20, 1949**

NATIONALITY: **French**

NUMBER OF COMPANY SHARES OWNED: **1,167**

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: **June 11, 2015**

DATE OF LAST RENEWAL: **May 21, 2021**

TERM OF OFFICE EXPIRES: **Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023**

YEARS IN OFFICE: 6 YEARS | **ATTENDANCE RATE: 100%**

After graduating from Institut d'études politiques de Paris in 1970 with a public service degree, she was admitted as an attorney in 1971 and practised between 1972 and 2014 with expertise in employment, commercial, intellectual property and family law.

In addition, she taught civil and insurance law to employees of Assurances Générales de France (1977-1994) and labour law at the University of Paris VIII's Sociology department (1985-1992).

Patricia Moulin Lemoine brings to the Board of Directors the benefit of her knowledge of the retail sector, as well as experience in corporate governance and corporate social responsibility.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Chief Executive Officer of Motier SAS
- Member of the Supervisory Board of Motier SAS
- Chair of the Supervisory Board of Galeries Lafayette SA
- Vice-Chair of the Supervisory Committee of BHV Exploitation (SAS)
- Chair of Grands Magasins Galeries Lafayette SAS
- Chair of Immobilière du Marais (SAS)
- Member of the Supervisory Board of S2F Flexico
- Vice-Chair of the French-American Foundation France
- Member of the Supervisory Board of Banque Transantlantique

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Director of Théatre Labruyère (Expiry of term: 2018)

Arthur Sadoun

INDEPENDENT MEMBER

BORN ON: May 23, 1971

NATIONALITY: French

NUMBER OF COMPANY SHARES OWNED: 1,000

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: September 7, 2021

RATIFICATION OF THE APPOINTMENT BY THE SHAREHOLDERS' MEETING: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021

TERM OF OFFICE EXPIRES: Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023

YEARS IN OFFICE: 3 MONTHS | **ATTENDANCE RATE: 100%**

Arthur Sadoun, 50, is Chairman of the Management Board of Publicis Groupe, the world's third-largest communications group.

He began his career in Chile, where he set up his own advertising agency, which he later sold to BBDO/Chile.

Upon his return to France in 1997, he joined the TBWA network (Omnicom) as International Director of Strategic Planning and became CEO of TBWA/Paris in 2003. Under his leadership and for four consecutive years, TBWA/Paris was awarded Agency of the Year at the Cannes Lions International Festival of Creativity.

At the end of 2006, Arthur Sadoun was appointed CEO of Publicis Conseil, the flagship of the Group founded by Marcel Bleustein-Blanchet and previously headed by Maurice Lévy.

In April 2011, Arthur Sadoun was appointed Managing Director of Publicis Worldwide, the Group's global network of creative agencies, before being appointed CEO in October 2013.

In December 2015, he was appointed CEO of Publicis Communications, the creative solutions arm of Publicis Groupe comprising the networks of Leo Burnett, Saatchi & Saatchi, Publicis Worldwide, BBH, MSLGROUP and Prodigious.

Arthur Sadoun took up his post as Chairman of the Group's Management Board on June 1, 2017 and becomes the third head of Publicis Groupe in its 91-year history, following in the footsteps of Maurice Lévy and founder Marcel Bleustein-Blanchet.

Since then, Arthur Sadoun has accelerated the digital transformation initiated by Maurice Lévy, particularly by making the largest acquisition in the sector with Epsilon, a data and technology leader. The group has won a series of major new contracts, putting Publicis at the top of the industry rankings for the past three years. Arthur Sadoun is a graduate of the European Business School and holds an MBA from INSEAD.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Chairman of the Management Board of Publicis Groupe SA(*) (France)
- Chairman and CEO of Publicis Conseil SA (France)

Abroad:

- Director of BBH Holdings Limited (UK)
- Director of MMS USA Investments, Inc (USA)
- Director of MMS USA Holdings, Inc (USA)

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Independent Director and member of the Corporate, Environmental and Social Responsibility Committee of Fnac Darty SA(*) (Ended in May 2018)

(*) Listed company.

Martine Saint-Cricq

DIRECTOR REPRESENTING EMPLOYEES/*Member of the CSR Committee*

BORN ON: April 20, 1958

NATIONALITY: French

DATE OF DESIGNATION BY THE EUROPEAN WORKS COUNCIL (*COMITÉ D'INFORMATION ET DE CONCERTATION EUROPÉEN CARREFOUR*), AND INFORMATION COMMITTEE:

DATE OF DESIGNATION BY THE EUROPEAN WORKS COUNCIL (*COMITÉ D'INFORMATION ET DE CONCERTATION EUROPÉEN CARREFOUR*), AND INFORMATION COMMITTEE: October 4, 2017

DATE OF INTEGRATION TO THE BOARD OF DIRECTORS: October 18, 2017

DATE OF LAST RENEWAL: October 7, 2020

TERM OF OFFICE EXPIRES: October 7, 2023

YEARS IN OFFICE: 4 YEARS | **ATTENDANCE RATE: 100%**

Martine Saint-Cricq joined the Carrefour group in 1983 as an employee at the Carrefour Labège store. In 1987, she was elected employee representative for the Force Ouvrière (FO) trade union.

After being elected to a variety of positions as representative within the Group, she held the position of secretary to the Group Committee. She simultaneously held positions with UNI Europa Commerce, UNI Europa (Women's Conference) and UNI Global Union (World Congress).

Martine Saint-Cricq has also served on the Board of Directors of the Carrefour Foundation since January 19, 2009. Since October 2007, she has been a member of the UNI Europa and UNI Global Union Women's Committees. She was also a member of the UNI Europa Commerce Steering Committee from June 2011 to November 2019. In addition, until June 2018 she acted as secretary in charge of equality for FGTA FO, a federation of workers in the agriculture, food and tobacco industries in France.

Martine Saint-Cricq brings to the Board of Directors the benefit of her perspective as an employee and her knowledge of the Group, its store formats and markets. Her experience working with trade unions on a national and international level and especially her expertise in equal rights allow her to make a valuable contribution to evaluating these subjects in a multinational environment.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Director representing employees at the Carrefour Foundation (Carrefour group)

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Member of the Labège Store Committee (Expiry of term: 2017)
- Member of the Group Committee for France (Expiry of term: 2017)
- Member of the Carrefour European Consultation and Information Committee (ECIC) (Expiry of term: 2017)

Marie-Laure Sauty de Chalon

INDEPENDENT DIRECTOR/*Member of the CSR Committee*

BORN ON: **September 17, 1962**

NATIONALITY: **French**

NUMBER OF COMPANY SHARES OWNED: **2,000**

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: **June 15, 2017**

DATE OF LAST RENEWAL: **May 29, 2020**

TERM OF OFFICE EXPIRES: **Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022**

YEARS IN OFFICE: 4 YEARS **ATTENDANCE RATE: 100%**

Marie-Laure Sauty de Chalon is a graduate of Institut d'études politiques de Paris and has a degree in law. After working in print media and television, she founded Carat Interactive in 1997.

In 2001, she was Chair and Chief Executive Officer of Consodata North America. Following this experience, in 2004, she became Head of Aegis Media France and Southern Europe.

Between 2010 and 2018, she held the position of Chair and Chief Executive Officer of Auféminin. In July 2018, she founded Factor K, in which the NRJ group subsequently acquired a minority holding. Marie-Laure Sauty de Chalon has also been a member of the French competition authority (*Autorité de la concurrence*) since 2014 and teaches at Institut d'études politiques de Paris.

Marie-Laure Sauty de Chalon brings to the Board of Directors the benefit of her digital expertise and experience working internationally at companies blending online retail and content in order to help the Group achieve its digital transformation.

OTHER POSITIONS HELD AS OF DECEMBER 31, 2021

In France:

- Member of the Supervisory Board of JCDecaux SA(*)
- Director and member of the Ethics and Sustainable Development Committee of LVMH Moët Hennessy-Louis Vuitton (SE)(*)
- Member of the Board of the French competition authority (*Autorité de la concurrence*)
- Director of Coorpacademy

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- Chair and Chief Executive Officer of Auféminin SA(*) (Expiry of term: 2018)
- Managing Director of Auféminin.com Productions SARL (Expiry of term: 2018)
- Chair of Etoilecasting.com SAS (Expiry of term: 2018)
- Chair of Les rencontres auféminin.com SAS (Expiry of term: 2018)
- Chair of Marmiton SAS (Expiry of term: 2018)
- Member of the Supervisory Board of My Little Paris SAS (Expiry of term: 2018)

Abroad:

- Co-Managing Director of GoFeminin.de GmbH (Germany) (Expiry of term: 2018)
- Director of SoFeminin.co.uk Ltd (United Kingdom) (Expiry of term: 2018)

(*) Listed company.

3.2.2 OPERATION OF THE BOARD OF DIRECTORS

3.2.2.1 Conditions of preparation and organisation of the Board of Directors' work

The Board of Directors' Internal Rules stipulate that the Board of Directors meet at least four times a year.

They set out the conditions under which the work of the Board of Directors is prepared and organised. They supplement the legal and statutory provisions and the recommendations of the AFEP-MEDEF Code to which the Company refers.

The Board of Directors' Internal Rules are divided into three chapters, relating to:

- the role, procedures and assessment of the Board of Directors, as well as Directors' compensation;
- the specialised Committees of the Board of Directors and their respective standard rules and guidelines, composition and duties;
- the Directors' rights and responsibilities.

The Board of Directors' Internal Rules aim to organise the work of the Board of Directors and its specialised Committees, define the powers of the Board of Directors and describe the Directors' rights and responsibilities with respect to the corporate governance best practices to which the Board of Directors refers. The Internal Rules are updated by the Board of Directors in order to take into account legal and regulatory changes and corporate governance practices.

In 2021, the Board of Directors held discussions, without the Chairman and Chief Executive Officer in attendance, on topics related to his compensation, in accordance with recommendation 18.3 of the AFEP-MEDEF Code. The Directors did not express the need to organise additional meetings without the Chairman and Chief Executive Officer, who is the only Executive Director among the Board of Directors' 15 members.

Each Director must adhere to the Directors' Guide, which includes the rules of conduct and responsibilities to which each Director is bound, in accordance with the applicable legal and regulatory provisions, the Board of Directors' Internal Rules and the recommendations in the AFEP-MEDEF Code to which the Company refers.

All Directors are required to independently perform their duties with integrity, loyalty and professionalism. They must act in all circumstances in the Company's interest. When participating in the Board of Directors' deliberations and voting, they do so in their capacity as representatives of the Company's shareholders.

Stock market ethics

The Group has taken into consideration EU Regulation No. 596/2014 on market abuse effective since July 3, 2016. This regulation replaces the January 28, 2003 European directive and establishes new rules and measures applicable to listed companies and their Senior managers/Company Officers regarding inside information.

Directors are affected in particular by the regulation regarding the prevention of insider dealing and misconduct, both on a personal level and as regards the duties they perform at companies which are shareholders of the Company, and they must also adhere to the Stock Market Ethics Charter put in place by the Company. Information considered to be sensitive and confidential, as well as information considered to be inside information under the applicable regulation, must therefore be kept confidential. Such information is no longer considered confidential once it is published by the Company through a press release, it being specified that only the information communicated in this way is no longer considered to be confidential. Directors are also required to refrain from carrying out or attempting to carry out any transactions in Company shares during closed periods, particularly those relating to the publication of annual, half-yearly and quarterly financial information.

Managing conflicts of interest

In accordance with the Board of Directors' Internal Rules, the Directors are also made aware of the rules relating to conflicts of interest. A conflict of interest exists in situations in which a Director or a member of his/her family could personally benefit from how the Company's business is run, or in which the Director or his/her family member could have any type of relationship or connection with the Company, its affiliates or its management that could compromise his/her free exercise of judgement.

Each Director shall endeavour to avoid any conflicts of interest that may exist between his/her moral and material interests and those of the Company.

As soon as they become aware of any situation involving a real or potential conflict of interest with the Company and its affiliates, Directors must inform the Board of Directors, and more specifically the Lead Director, and must refrain from participating in such deliberations and from voting on the related resolution.

Directors must therefore promptly inform the Chairman of the Board of Directors and the Lead Director of any agreement which they or a company of which they are a Director, in which they hold a significant stake, either directly or indirectly, or in which they have a direct interest, entered into with the Company or one of its affiliates, or which has been entered into through an intermediary.

The Chairman of the Board of Directors may, at any time, ask the Directors to sign a statement certifying that they do not have any conflicts of interest.

The Board of Directors has not been asked to issue an opinion regarding any new positions accepted by the Executive Officers in listed companies outside the Group.

Company Officers' statement

There are no family relationships between the Company Officers (Directors, the Chairman and Chief Executive Officer), with the exception of Patricia Moulin Lemoine and Philippe Houzé, who are related by marriage (sister and brother-in-law).

To the Company's knowledge and as of the date this Universal Registration Document was prepared, in the past five years no Company Officers have been:

- convicted of fraud;
- involved in a case of bankruptcy, receivership or liquidation in their capacity as a Company Officer;
- subject to an official public sanction by statutory or regulatory authorities (including designated professional bodies);

- prevented by a court from acting as a member of a Board of Directors or of a Management or Supervisory Board, or from being involved in an issuer's management or business operations.

To the Company's knowledge and as of the date this Universal Registration Document was prepared, no real or potential conflict of interest has been identified between the duties of any Company Officers (Directors, the Chairman and Chief Executive Officer) with respect to the Company and their private interests and/or other duties than those described in the section, "Managing conflicts of interest", above.

To the Company's knowledge and as of the date this Universal Registration Document was prepared, there are no arrangements or agreements in place with the main shareholders, customers, suppliers or other parties whereby one of the Company Officers has been selected as a member of one of their Boards of Directors, Management or Supervisory Boards, or as a member of their Executive Management.

To the Company's knowledge and as of the date this Universal Registration Document was prepared, none of the Company Officers are bound to the Company or to one of its affiliates by a service contract.

3.2.2.2 Duties of the Board of Directors

The Board of Directors approves the Company's business strategy and oversees its implementation. It examines and decides on major transactions. The Directors are kept informed of changes in the markets and the competitive environment, as well as the key issues that the Company faces, including those related to social and environmental responsibility.

According to its Internal Rules, the Board of Directors' duties include, *inter alia*:

- approving the Company's strategy and overseeing its implementation;
- setting any necessary limits on the powers of the Chairman and Chief Executive Officer;
- in particular, it:
  - conducts any controls and audits it deems appropriate,
  - controls the Company's management methods and verifies the fairness of its financial statements,
  - examines and approves the financial statements, establishes the agenda for Shareholders' Meetings to which it reports on its activities in the annual report and approves the various statutory and regulatory reports,
  - examines related-party agreements and gives prior approval;
- ensuring that high-quality financial information and relevant, balanced and instructive information on the Company's strategy, development model and plans for addressing major non-financial issues are provided to shareholders and investors;
- each year, on the recommendation of the Governance Committee, drawing up the list of Directors qualified as independent, with respect to AFEP-MEDEF Code criteria;
- examining the budget once a year and overseeing its implementation.

3.2.2.3 Work of the Board of Directors in 2021

Having considered the summaries prepared by the Audit, Governance, Compensation, CSR and Strategic Committees with respect to their work, the Board of Directors mainly focused its work on the following areas:

- **management of the Covid-19 crisis:**

  2021 was marked by the continuation of the Covid-19 crisis, which impacted all the geographies where the Group operates. On this issue, the Board of Directors was actively involved and regularly informed of crisis management monitoring procedures throughout the year.

- **financial management:**

  The Board of Directors considered the Audit Committee's work throughout the year. After hearing the summary of the Chairman of the Audit Committee and the Statutory Auditors, the Board of Directors approved the annual and half-yearly Company and consolidated financial statements and the related reports and draft press releases. It reviewed quarterly sales and related draft press releases; on April 20, 2021 and July 28, 2021, implemented the Company's share buyback programme and decided to cancel the shares bought back under the programme, via two capital reductions; approved forecast management documents; renewed the annual authorisations granted to the Chairman and Chief Executive Officer with regard to bond issues and guarantees; reviewed the Group's financing policy and commitments; and approved the 2022 budget;

- **follow-up on the Group's strategy, its activities and its operations:**

  Following the adoption in January 2018 of the "Carrefour 2022" transformation plan, the Board of Directors was kept abreast of progress in the various plan projects relating to the Group's transformation; it discussed the expression of interest by Alimentation Couche-Tard, with a view to a possible offer for Carrefour; it approved the proposed acquisition of Grupo BIG by Carrefour Brazil; it was informed of the discussions held with the Auchan Group with a view to a possible merger; and it carried out a strategic review of the Group's assets with a view, in particular, to drawing up the next Carrefour 2026 strategic plan.

  The Board of Directors was informed about the economic and competitive climate, the market performance of the Carrefour share and financial rating issues;

- **governance:**
  - approval of the corporate governance report,
  - in light of the annual assessment of its procedures, the Company's ongoing dialogue with shareholders and, notably, in order to take into account the voting results of the Shareholders' Meeting held on May 29, 2020, the Board of Directors continued to explore possible changes to the Company's governance system. Following this work, on the recommendation of the Governance Committee, the Board of Directors decided to propose the renewal of the terms of office of nine Directors, i.e., Alexandre Bompard, Philippe Houzé, Stéphane Israël, Cláudia Almeida e Silva, Nicolas Bazire, Stéphane Courbit, Aurore Domont, Mathilde Lemoine and Patricia Moulin Lemoine, at the Shareholders' Meeting of May 21, 2021, and

- following the resignations of Alexandre Arnault and Nicolas Bazire, to appoint Arthur Sadoun as Director, replacing Nicolas Bazire, for the remainder of his term of office, i.e., until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023,
- Directors' independence: in accordance with the AFEP-MEDEF Code, and on the recommendation of the Appointments Committee, the Board of Directors conducted the annual assessment of the Directors' independence,
- assessment of the Board of Directors: the Board of Directors carried out a self-assessment, led by the Lead Director and performed under the responsibility of the Appointments Committee, which was presented at the Board of Directors meeting on April 20, 2022;

- **compensation of Company Officers:**
  - compensation of Alexandre Bompard, Chairman and Chief Executive Officer: on the recommendation of the Compensation Committee, the Board of Directors decided on his compensation package and compensation policy for 2021; it approved the implementation of a new long-term incentive plan for Alexandre Bompard, comprising performance share awards; and it decided to set the amount of the supplementary defined benefit pension plan corresponding to 2020,
  - Directors' compensation: on the recommendation of the Compensation Committee, the Board of Directors decided on the compensation policy for 2021 (policy whose annual amount and rules for allocating compensation have remained unchanged since 2018);

- **CSR:**

The Board of Directors considered the work of the CSR Committee throughout the year:

- it was informed of the 2021 CSR results, particularly as regards the "food transition" programmes in each country and priority issues for Carrefour, grouped according to the following topics: healthy eating, local, organic, children and babies, increasing fruit and vegetable consumption, transparency and responsible pricing,
- it reviewed the Group's gender equality policy,
- it raised the Group's CSR objectives and adopted the new CSR & Food Transition Index;

- **Shareholders' Meeting of May 21, 2021:**
  - The Board of Directors approved the notice, the agenda, the text of the resolutions, the report of the Chairman of the Board of Directors to the Shareholders' Meeting; it set the dividend distribution policy; it carried out the annual review of the related-party agreements entered into during the financial year; and in accordance with the "Sapin II" law and AFEP-MEDEF Code recommendations, it submitted for the approval of the Shareholders' Meeting the information relating to the compensation of the Company officers referred to in Article L. 22-10-9 I (formerly Article L. 225-37-3 I) of the French Commercial Code, the components of compensation due or awarded for the 2020 financial year to Alexandre Bompard, Chairman and Chief Executive Officer, the 2021 compensation policy for the Chairman and Chief Executive Officer and the 2021 compensation policy for Directors.

3.2.2.4 Assessment of the Board of Directors

In accordance with its Internal Rules, the Board of Directors frequently assesses its procedures and the fulfilment of its duties. Accordingly, it reviews its operating procedures and the quality of the information published and of its decision-making and discussions, as well as each Director's actual contribution to the work of the Board of Directors and its specialised Committees.

To this end, the Board of Directors has to dedicate an agenda item to these procedures once a year.

For the 2021 financial year, the Board of Directors conducted a self-assessment. For this purpose, a questionnaire was prepared and sent to each Director. A summary of the self-assessment results was prepared by the Chairman of the Governance Committee and the Lead Director, who presented it to the Board of Directors on April 20, 2022.

The self-assessment revealed that the Directors are generally very satisfied with the overall procedures of the Board and of its committees. The Board members' main observations related to the organisation of strategic work and the continuation of ad hoc sessions with operational executives. These observations were already taken into account in 2021 and will be taken into account again in 2022, particularly as part of the process of preparing the new strategic plan.

3.2.2.5 Frequency of and attendance at Board of Directors and specialised Committee meetings in 2021

The Board of Directors and its specialised committees met 29 times during the financial year 2021 with an average attendance rate of 99%.

29 meetings	**99%** attendance rate

The Board of Directors met eight times in 2021, with an average attendance rate of 98%.

17 members(1)	**8** meetings	**98%** attendance rate

(1) This number includes Alexandre Arnault and Nicolas Bazire, who resigned from their terms of office on September 6, 2021, and Arthur Sadoun, who was appointed Director on September 7, 2021.

Director	Board of Directors	Audit Committee	Compensation Committee	Governance Committee	CSR Committee	Strategic Committee
Alexandre Bompard *Chairman and Chief Executive Officer*	100%	-	-	-	-	100%
Stéphane Israël *Lead Director*	100%	100%	-	-	-	-
Philippe Houzé *Vice-Chairman*	100%	100%	-	100%	-	100%
Cláudia Almeida e Silva	100%	100%	-	-	100%	-
Flavia Buarque de Almeida	100%	-	-	100%	-	-
Stéphane Courbit	88%	-	100%	-	-	100%
Abilio Diniz	100%	-	-	-	-	100%
Aurore Domont	100%	-	-	100%	100%	-
Charles Edelstenne	100%	-	100%	100%	-	-
Thierry Faraut	100%	-	-	100%	-	-
Mathilde Lemoine	100%	100%	100%	-	-	-
Patricia Moulin Lemoine	100%	-	-	-	100%	-
Arthur Sadoun(1)	100%	-	-	-	-	-
Martine Saint-Cricq	100%	-	-	-	100%	-
Marie-Laure Sauty de Chalon	100%	-	-	-	100%	-
Alexandre Arnault(2)	83%		-	-	-	-
Nicolas Bazire(2)	100%	100%	100%	-	-	100%

(1) Director as of September 7, 2021.
(2) Director until September 6, 2021.

3.2.3 BOARD OF DIRECTORS' SPECIALISED COMMITTEES

The Board of Directors has set up specialised Committees that review any questions submitted to them for their opinion by the Board of Directors or the Chairman of the Board of Directors.

To take into account the nature and specific characteristics of the Company's operations, the Board of Directors created the following specialised Committees:

- the Audit Committee;
- the Compensation Committee;
- the Governance Committee (formerly Appointments Committee);
- the CSR Committee;
- the Strategic Committee.

The specialised Committees are made up of Directors appointed by the Board of Directors for the period during which they are in office. During the 2021 financial year, the composition of the specialised Committees was not amended following the departure of certain Directors (as described in Section 3.2.3 of this Universal Registration Document).

At its meeting on April 20, 2022, the Board of Directors, on the recommendation of the Governance Committee, decided to appoint Thierry Faraut as a member of the Compensation Committee. These specialised committees regularly report to the Board of Directors on their work and also submit their observations, opinions, proposals or recommendations to the Board. To this end, the Chair of each specialised Committee (or, if they are unavailable, another member of the same specialised Committee) gives an oral summary of their work to the Board of Directors at its upcoming meeting.

Duties of these specialised Committees have not been set up to be delegated powers that have been conferred to the Board of Directors in accordance with legal provisions or the Articles of Association. The specialised Committees have consultative power and conduct their work under the responsibility of the Board of Directors, which alone has statutory decision making power and which remains collectively responsible for the fulfilment of its duties.

The Chairman of the Board of Directors ensures that the number, duties, composition and operation of the specialised Committees are adapted to the needs of the Board of Directors and best corporate governance practices at all times.

Each specialised Committee, except for the Strategic Committee, is chaired by an Independent Director appointed from among its members.

The secretary of each specialised Committee is an individual selected by its Chair.

These specialised Committees meet as often as necessary on the invitation of their Chair, or at the request of one-half of their members. They may call upon external experts where needed.

The Chair of a specialised Committee may ask the Chairman of the Board of Directors to interview any of the Group's senior executives regarding issues falling within the specialised Committees' scope, as defined by the Board of Directors' Internal Rules.

Changes in the composition of the Board of Directors' specialised Committees in 2021 are summarised in the following table:

	Departures	Appointments	Renewals
Audit Committee	Nicolas Bazire	-	-
Compensation Committee	Nicolas Bazire	Thierry Faraut[1]	-
Governance Committee	-	-	-
CSR Committee	-	-	-
Strategic Committee	Nicolas Bazire	-	-

(1) At its meeting on April 20, 2022, the Board of Directors, on the recommendation of the Governance Committee, decided to appoint Thierry Faraut as a member of the Compensation Committee.

3.2.3.1 The Audit Committee

The Audit Committee meets at least four times a year.

Composition

On December 31, 2021, 75% of the Audit Committee members qualified as Independent Directors within the meaning of the AFEP-MEDEF Code (which recommends that at least two-thirds of members be independent). In addition, the Committee is chaired by an Independent Director.

4 members	4 meetings	100% attendance rate

As of December 31, 2021, the composition of the Audit Committee was as follows:

Chairman: Stéphane Israël[1];
Members: Cláudia Almeida e Silva[1], Philippe Houzé and Mathilde Lemoine[1].

(1) Independent Director.

In accordance with Article L. 823-19 of the French Commercial Code and the AFEP-MEDEF Code, the members of the Audit Committee must have expertise in finance and accounting. In addition to his experience with the French Court of Accounts, the Chairman of the Audit Committee, Stéphane Israël, an Independent Director, has sufficient professional experience in management and direction of international groups to be considered an expert in finance, as described in his biography in Section 3.2.1.3 of this Universal Registration Document. The other members of the Committee, in particular Mathilde Lemoine, Independent Director, also have finance skills derived from their experience, professional background and training as described in Section 3.2.1.3 of this Universal Registration Document.

Duties

The Audit Committee monitors issues relating to the preparation and verification of accounting and financial information. Its main duties are as follows:

- **in respect of the review of the financial statements:**
  - it ensures that the accounting methods adopted to prepare the Company and consolidated financial statements are relevant and consistent before they are submitted to the Board of Directors; it monitors the procedures used to prepare the financial statements and assesses the validity of the methods used to present material transactions; it ensures that the time frame for providing the financial statements and reviewing them is adequate,
  - it monitors the process for preparing financial information and, where applicable, makes recommendations to ensure the integrity of such information; it is provided with the main financial communication documents,
  - it monitors the effectiveness of the internal control, risk management and, where applicable, Group internal audit systems relating to the preparation and processing of accounting and financial information, without compromising its independence; it ensures that such systems are in place and implemented, and that corrective measures are undertaken in the event that any significant failings or anomalies are identified. To this end, the Statutory Auditors and the Group internal audit and risk control managers submit their main findings to the Committee,
  - it consults the Group internal audit and risk control managers and issues its opinion on the organisation of their services. It must be kept informed about the Group internal audit programme and must be provided with the Group internal audit reports or a regular summary of these reports,

- it examines the risks and material off-balance sheet commitments, assesses the significance of any malfunctions or failings of which it is informed and notifies the Board of Directors thereof; to this end, the review of the financial statements must be accompanied by a presentation prepared by Executive Management describing the Company's risk exposure and its material off-balance sheet commitments, as well as a presentation prepared by the Statutory Auditors highlighting both the key findings of their statutory audit, including any audit adjustments and significant internal control failings identified during their engagement, and accounting options applied; it examines the section of the management report presented to Shareholders' Meeting covering internal control and risk management procedures,
- it regularly reviews the mapping of the Group's main risks that may be reflected in the accounts or which have been identified by Executive Management and may have an impact on the financial statements; it takes note of the main characteristics of the risk management systems and the results of their operations, drawing in particular on the work of the internal audit and risk control managers and the Statutory Auditors,
- it examines the scope of consolidation and, where applicable, the reasons why certain companies are not included in said scope;

- **in respect of relations with the Statutory Auditors:**

The Statutory Auditors must submit to the Audit Committee:

- their general work programme and the sampling procedures used,
- their proposed amendments to the financial statements or accounting documents and their comments on the assessment methods used,
- any irregularities or inaccuracies they have identified,
- the conclusions of the comments and amendments with regard to the results of the period compared with those of the previous period,
- an additional audit report prepared in accordance with the regulations in force setting out the findings of the statutory audit, by no later than the date of submission of the audit report.
- The Committee consults with the Statutory Auditors, in particular during the meetings covering the review of the process for preparing the financial information and reviewing the financial statements, to enable them to report on the performance and findings of their engagement. The Statutory Auditors accordingly inform the Committee of the main areas of risk or uncertainty regarding the financial statements they have identified, their audit approach and any difficulties they encountered during their engagement.
- They also inform the Committee of any significant internal control failings they have identified during their engagement concerning the procedures relating to the preparation and processing of accounting and financial information;

- **in respect of the rules governing the independence and objectivity of the Statutory Auditors:**
  - it recommends the Statutory Auditor selection process to the Board of Directors and oversees said process. If a tendering procedure is used, the Committee supervises the procedure and validates the specifications and choice of firms consulted; it submits a recommendation to the Board of Directors on the Statutory Auditor(s) proposed by the Shareholders' Meeting and also submits a recommendation to the Board of Directors at the time when the terms of office of the Statutory Auditor(s) are to be renewed, in accordance with the regulations in force,
  - it monitors the performance of the Statutory Auditors' engagement; it considers the findings and conclusions of the French High Council of Statutory Auditors (Haut Conseil du Commissariat aux Comptes) following the audits carried out in accordance with the regulations applicable to Statutory Auditors,
  - it ensures that the Statutory Auditors comply with the independence conditions set out in the applicable regulations; it analyses, alongside the Statutory Auditors, the risks to their independence, including those relating to the amount and breakdown of their fees and the measures taken in order to protect against and mitigate these risks; it also ensures that the Statutory Auditors comply with the conditions relating to the acceptance or the performance of their engagement and obtains from the Statutory Auditors an annual statement attesting to their independence and detailing the amount and breakdown, by category of engagement, of the fees paid to them during the financial year,
  - it approves the provision of any non-prohibited non-audit services by the Statutory Auditors, such as those provided for in the applicable regulations.
  - The Committee regularly reports to the Board of Directors on the performance of its duties. It also reports to the Board of Directors on the findings of the Statutory Audit engagement, how this engagement has contributed to the integrity of the financial information and the role it has played in this process, and immediately informs it of any difficulties encountered;
- **interviews:**
  - For all issues related to the performance of its duties, the Audit Committee may interview the Group's finance and accounting managers, as well as the Group treasury, internal audit and risk control managers without any other members of the Company's Executive Management in attendance, if it deems it appropriate. The Chairman of the Board of Directors must be informed of this in advance.
  - The Audit Committee may call on external experts as necessary.

2021 principal activities

During the course of the meetings of the Audit Committee, the following main topics were reviewed:

- **in respect of the review of the financial statements:**
  - review of the draft Company and consolidated financial statements for the financial year ended December 31, 2020 and related reports,
  - review of the half-yearly consolidated financial statements and the related report,
  - review of disputes and risks as part of the analysis of provisions,
  - results of goodwill impairment tests,
  - Group operations and results in 2020; impacts of reorganisation and productivity measures under the Carrefour 2022 transformation plan on the consolidated financial statements for the year ended December 31, 2020,
  - dividend recommendation for 2020,
  - hard-close procedures,
  - review of the sections of the management report on internal control and risk management procedures and the processing of accounting and financial information for the year ended December 31, 2020;
- **in respect of internal control:**
  - follow-up on the Group Internal Audit department's tasks,
  - the Group's 2021-2022 financing policy and credit rating,
  - review of risk mapping;
- **in respect of compliance with regulations:**
  - review of the work done to ensure compliance of internal procedures with the law on transparency, the fight against corruption and the modernisation of economic life, known as "Sapin II";
- **in respect of relations with the Statutory Auditors:**
  - follow-up on the Statutory Auditors' audit process,
  - review of non-audit services provided by the Statutory Auditors, as governed by the applicable regulations,
  - oversight of the tendering process for the renewal of the appointment of the Statutory Auditors.

3.2.3.2 The Compensation Committee

The Compensation Committee meets as often as necessary.

Composition

A majority of the members of the Compensation Committee qualify as Independent Directors, in accordance with the provisions of the AFEP-MEDEF Code.

3 members	3 meetings	100% attendance rate

As of December 31, 2021, the composition of the Compensation Committee was as follows:

Chairman: Mathilde Lemoine[(1)];
Members: Charles Edelstenne[(1)] and Stéphane Courbit[(1)].

(1) Independent Director.

At its meeting on April 20, 2022, the Board of Directors, on the recommendation of the Governance Committee, decided to appoint Thierry Faraut as a member of the Compensation Committee.

Duties

The Compensation Committee is responsible for formulating proposals on the various components of compensation paid to Directors (in particular with regard to the total amount of Directors' compensation and the allocation procedures) and to Executive Officers.

It is responsible for reviewing all issues relating to the personal status of the Executive Officers, including compensation, pension and death & disability benefits, benefits in kind and the provisions governing the termination of their term of office.

It is mainly in charge of formulating proposals on decisions to grant stock options (to subscribe and/or purchase Company shares) to Executive Officers and all or some of the salaried employees of the Company and its affiliates in accordance with the Shareholders' Meeting authorisations.

It examines the conditions under which options are granted and provides a list of beneficiaries of options and the number of options allocated to each of them. It formulates proposals determining the characteristics of options, such as the subscription and/or purchase price of shares, their duration, any applicable conditions on the exercise of the options and the relevant procedures.

It is also responsible for formulating proposals on the free allocation of existing or new shares in accordance with the Shareholders' Meeting authorisations. It proposes the names of beneficiaries of the share allocations and any conditions specifically related to the length of vesting and lock-up periods and criteria for share allocations.

It is informed of the compensation policy for top executives who are not Company Officers.

2021 principal activities

Over the course of the Compensation Committee's meetings, the following main topics were reviewed:

- **compensation of Executive Officers:**
  - definition of the 2021 compensation policy for Alexandre Bompard,
  - setting of Alexandre Bompard's 2020 variable compensation; setting of Alexandre Bompard's long-term compensation,
  - setting the amount of the supplementary defined benefit pension plan for the year 2020,
  - definition of the 2021 compensation policy for Directors,
  - grant of performance shares to key managers;
- **Shareholders' Meeting of May 21, 2021:**
  - review of the compensation policy for Alexandre Bompard,
  - review of the presentation of compensation components for Alexandre Bompard in the 2020 Universal Registration Document and components that must be submitted to an advisory vote and for the approval of the Shareholders' Meeting, in accordance with AFEP-MEDEF Code recommendations and the French Commercial Code ("Say on Pay").

3.2.3.3 The Governance Committee

The Governance Committee meets as often as necessary.

Composition

At December 31, 2021, a majority of the members of the Governance Committee qualified as Independent Directors and there were no Executive Officers, in accordance with the provisions of the AFEP-MEDEF Code.

5 members	**3** meetings	**100%** attendance rate

As at December 31, 2021, the composition of the Governance Committee was as follows:

Chairman: **Charles Edelstenne[(1)];**
Members: **Flavia Buarque de Almeida, Philippe Houzé, Aurore Domont[(1)], Thierry Faraut (Director representing employees).**

(1) Independent Director.

Duties

The Governance Committee reviews and formulates an opinion on any candidate being considered for Director or Executive Officer positions. It submits proposals to the Board of Directors after an in-depth examination of all the factors to be taken into account in its decision-making process, particularly in light of the composition of and changes to the Company's shareholder base to ensure a well-balanced Board of Directors. It also assesses the appropriateness of the renewal of terms of office.

It organises the procedure for selecting future Directors.

Independent Director qualification criteria are discussed by the Governance Committee and reviewed each year by the Board of Directors prior to the publication of the annual report.

It is also responsible for assessing Directors' independence and reporting its findings to the Board of Directors. If necessary, the Governance Committee reviews situations caused by a Director's repeated absence.

The Committee makes recommendations to the Board of Directors on the appointment of specialised Committee members when their terms are up for renewal.

It also assists the Board of Directors in adapting the Company's corporate governance practices and assessing their composition and efficiency.

It reviews solutions to ensure that good corporate governance practices remain in place.

It reviews the diversity policy in the Company's governance bodies, particularly in terms of gender balance.

It reviews all matters related to the conduct of Directors and, at the request of the Lead Director, any potential conflict of interest involving the Directors.

It reviews the Chairman's draft report on corporate governance and any other document required by law or regulations.

2021 principal activities

Over the course of the Governance Committee's meetings, the following main topics were reviewed:

- **governance:**
  - changes in the composition of the Board of Directors and its specialised Committees with a view to appointing or renewing the terms of Directors,
  - review of the proposed amendments to the Board of Directors' Internal Rules and Articles of Association,
  - oversight, with the Lead Director, of the Board of Directors' annual assessment;
- **Shareholders' Meeting of May 21, 2021:**
  - annual review of certain Directors' independence,
  - review of the report on corporate governance,
  - changes in the composition of the Board of Directors: renewal of terms of office for the Shareholders' Meeting;
- **Board of Directors' specialised Committees:**
  - review of the composition of the Board of Directors' specialised Committees (including their Chairmanship).

3.2.3.4 The CSR Committee

The CSR Committee meets as often as necessary.

Composition

As at December 31, 2021, a majority of the members of the CSR Committee qualify as Independent Directors within the meaning of the AFEP-MEDEF code.

5 members	**3** meetings	**100%** attendance rate

As of December 31, 2021, the composition of the CSR Committee was as follows:

Chair: **Aurore Domont(1);**
Members: **Cláudia Almeida e Silva(1), Patricia Moulin Lemoine, Marie-Laure Sauty de Chalon(1) and Martine Saint-Cricq (Director representing employees).**

(1) Independent Director.

Duties

The CSR Committee:

- reviews the Group's CSR strategy and the roll-out of the related CSR initiatives;
- verifies that the Group's CSR commitments are integrated in light of the challenges specific to the Group's business and objectives;
- assesses risks, identifies new opportunities and takes account of the impact of the CSR policy in terms of business performance;
- reviews the annual report on non-financial performance;
- reviews the summary of ratings awarded to the Group by ratings agencies and in non-financial analysis.

2021 principal activities

During the course of the meetings of the CSR Committee, the following main topics were reviewed:

- review of the Non-Financial Statement and the CSR report included in the 2020 Universal Registration Document;
- discussions about the Group's action plans and priority initiatives as regards the food transition and CSR;
- raising the Group's CSR objectives and adopting the new Carrefour CSR & Food Transition Index;
- report on social innovation programmes;
- commitments, analysis and action plans as regards packaging.

3.2.3.5 The Strategic Committee

The Strategic Committee meets as often as necessary.

Composition

4 members	8 meetings	100% attendance rate

As of December 31, 2021, the composition of the Strategic Committee was as follows:

Chairman: **Alexandre Bompard;**
Vice-Chairman: **Abilio Diniz;**
Members: Philippe Houzé and Stéphane Courbit[(1)].

(1) Independent Director.

In 2021, the Lead Director was involved in the work of the Strategic Committee.

Duties

The Strategic Committee prepares the Board of Directors' work on the Group's strategic objectives and the key topics of interest, including:

- development priorities and opportunities for diversifying the Group's operations;
- strategic investments and significant partnership projects.

2021 principal activities

The Directors were asked to discuss the interest expressed by Alimentation Couche-Tard, with a view to a possible offer for Carrefour; study the proposed acquisition of Grupo BIG by Carrefour Brazil; be informed of the discussions undertaken with the Auchan Group with a view to a possible merger; and carry out a strategic review of the Group's assets with a view, in particular, to drawing up the next Carrefour 2026 strategic plan.

3.3 Group Executive Committee

3.3.1 COMPOSITION OF THE GROUP EXECUTIVE COMMITTEE

The Group Executive Committee comprises Group managers and individuals from other horizons who contribute complementary expertise.

Chaired by the Chairman and Chief Executive Officer, the Group Executive Committee is comprised of 16 members:

	Main position held within the Group
Alexandre Bompard	Chairman and Chief Executive Officer
EXECUTIVE DIRECTORS – REGIONS	
Rami Baitiéh	Executive Director, France
Stéphane Maquaire	Executive Director, Latin America (Brazil and Argentina)
Alexandre de Palmas	Executive Director, Spain
François-Melchior de Polignac	Executive Director, Northern and Eastern Europe (Belgium, Poland and Romania) and Chief Executive Officer of Carrefour Belgium
Christophe Rabatel	Executive Director, Italy
HEADS OF FUNCTIONAL DIVISIONS AND CORPORATE FUNCTIONS	
Guillaume de Colonges	Executive Director, Merchandise, Supply and Formats
Caroline Dassié	Executive Director, Marketing and Customers for the Group and France
Charles Hufnagel	Executive Director, Communication for the Group and France
Carine Kraus	Executive Director, Engagement
Matthieu Malige	Chief Financial Officer
Jérôme Nanty	Executive Director, Human Resources and Assets for the Group and France
Elodie Perthuisot	Executive Director, E-Commerce, Data and Digital Transformation
Alice Rault	Director, Strategy & Transformation
Laurent Vallée	General Secretary
Morgane Weill	Executive Director, Strategy for the Group and France & Market France

3.3.2 BALANCED COMPOSITION OF THE GROUP EXECUTIVE COMMITTEE

In accordance with paragraph 4 of Article L. 22-10-10 of the French Commercial Code, the Board of Directors ensures the monitoring of the Group policy, which has been focused on gender equality within the Group Executive Committee for a number of years, as well as in the 10% of positions at the highest levels of responsibility.

The Group Executive Committee, created and chaired by Alexandre Bompard, Carrefour's Chairman and Chief Executive Officer, to strengthen oversight of the Group and closely monitor its transformation plan, comprises Group managers and individuals from other horizons who contribute complementary expertise.

At the time of its creation, the Committee comprised 14 members, including one woman, i.e., 7%. As of the date of this Universal Registration Document, five of the 16 members are women (31%), as part of the broader policy to promote women to positions of responsibility. In 2021, the proportion of women in the Group's management increased by 1 point. In addition, from within the broader category of Senior Directors, a new job category has been created for Executive Directors (who make up the Group's top 200). Among these positions, the percentage occupied by women increased from 22.3% to 24.7% during 2021. This indicator is now a part of Carrefour's CSR and Food Transition Index, with the objective of achieving a 35% rate of women in the top 200 by 2025. These achievements can be explained primarily by Group policy, which has been focused on gender equality for a number of years (detailed in Section 2.1.3 of this Universal Registration Document), particularly with regards to diversity in leadership positions. Carrefour introduced the international Women Leaders programme in 2011 and signed the UN's Women's Empowerment Principles in 2013 to increase the number of women in leadership positions.

3.3.3 BIOGRAPHIES OF THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

ALEXANDRE BOMPARD

Information on Alexandre Bompard's educational background and work experience is described in Section 3.2.1.3 of this Universal Registration Document.

RAMI BAITIÉH

Rami Baitiéh is a graduate of École supérieure de commerce de Compiègne. He holds two MBAs from the University of Quebec and the Warsaw Central Business School. He began his career with Carrefour in 1995, holding various positions, first in the stores and then in the Merchandise, IT and Supply Chain departments in France, Romania and Poland. He was appointed Chief Executive Officer of Carrefour Taiwan in February 2015 and Chief Executive Officer of Carrefour Argentina in January 2018. In May 2019, he was appointed Executive Director of Carrefour Spain, then of Carrefour France in July 2020.

STÉPHANE MAQUAIRE

Stéphane Maquaire is a graduate of Ponts et Chaussées. He started his career in 1997 at Arthur Andersen. In 2004, he joined Unibail-Rodamco as Chief Financial Officer of Exposium and then Director of Operations for shopping centres in France. In 2008, he joined the Monoprix Group as Finance and Development Director, and in 2010 was appointed Chairman and Chief Executive Officer. Subsequently, Stéphane served as CEO of Vivarte in France and of Manor in Switzerland. He joined the Carrefour Group in 2019 as Executive Director of Carrefour Argentina. Since September 2021, he has been Executive Director of Carrefour Brazil.

ALEXANDRE DE PALMAS

Alexandre de Palmas is a graduate of Institut d'études politiques de Paris and École Nationale de l'Administration (ENA). He began his career in retail property with the Casino Group and subsequently held senior management positions at Clear Channel, Gallimard-Flammarion and then Elior. He joined the Carrefour Group in August 2018 as Executive Director, Convenience and Cash & Carry France. He was appointed Chairman and Chief Executive Officer of Carmila in July 2019. In July 2020, he was appointed Executive Director of Carrefour Spain.

FRANÇOIS-MELCHIOR DE POLIGNAC

François-Melchior de Polignac is a graduate of HEC Business School and holds a Master's degree in international relations from the University of Cambridge. After two years with L'Oréal in Italy and three years with the Boston Consulting Group, he joined Carrefour in 2000, where he alternated between M&A, Strategy & Projects and operational functions in the Hypermarkets and Supermarkets segments. He then acquired significant experience abroad, first in Poland, followed by two years as head of Carrefour Romania and four years as head of Carrefour Belgium.

He returned to France in 2017 to implement the transformation plan and was appointed Executive Director, Merchandise, Supply and Formats in October 2018. In 2019, he was appointed Executive Director, Northern and Eastern Europe (Belgium, Poland and Romania) and Chief Executive Officer of Carrefour Belgium.

CHRISTOPHE RABATEL

Christophe Rabatel is a graduate of the ICN Business School in Nancy and holds an MBA from Indiana University of Pennsylvania.

Christophe Rabatel joined the Carrefour group in 2004. He held various financial positions across Europe, was appointed CFO and Director of Carrefour Turkey, then Director of Finance, Expansion & Organisation for Carrefour Market in France.

He then took on a number of operational responsibilities with Carrefour Proximité in France, first as Regional Director, before being appointed Executive Director for Carrefour Proximité in March 2015.

Executive Director for Carrefour Poland since July 2018, he has been Executive Director for Carrefour Italy since September 1, 2021.

GUILLAUME DE COLONGES

Guillaume de Colonges holds a university degree in Economics and completed an advanced management course at Harvard Business School in the United States. He began his career as a floor manager at Carrefour Anglet in 1992, before taking on various operational posts in hypermarkets in France and Poland. Subsequently, he acquired operational experience as Commercial and Supply Chain Director, and from 2000 to 2008 as Director of supermarket and hypermarket operations in Turkey and Taiwan. He then became Chief Executive Officer of Carrefour in Asia and Malaysia before taking on the same post in Singapore in 2009 and at Carrefour Turkey in 2011. In 2014, Guillaume de Colonges became Executive Director Poland.

Since October 2, 2017, he has been Executive Director, Northern and Eastern Europe (Belgium, Poland and Romania). He directly oversees the operations of Carrefour Belgium. In 2019, he was appointed Executive Director, Merchandise, Supply and Formats. He is also responsible for supervising Carrefour Taiwan.

CAROLINE DASSIÉ

Caroline Dassié began her career in 1994 with the Danone group, first with Lu, then with Blédina, where she held various sales and marketing positions.

In 2004, she joined Danone Eaux France and became Sales and E-commerce Director in 2014.

In 2015, she was appointed International Food Executive Officer at Intermarché.

Caroline Dassié joined Carrefour France in 2018 as Executive Director of Supermarkets, then as Executive Director of Marketing and Clients for the Carrefour group from September 1, 2021.

CHARLES HUFNAGEL

Charles Hufnagel is a graduate of the Paris Institute of Political Studies.

He began his career in the EDF press office in 1998. He joined the Areva group when it was created in 2001. He held the position of head of the press office and then of deputy Director of communication. From 2007 to 2010, he served as Director of Areva Abu Dhabi and then of Areva South-Korea.

From 2010 to 2012, he was communications advisor to Alain Juppé, Minister of Defence and then Minister of Foreign Affairs.

From 2012 to 2015, he served as Director of Communications for Areva. In 2016, he was appointed Director of Communications for Compagnie de Saint-Gobain.

From 2017 to 2020, he served as Communications Advisor to the Prime Minister, Édouard Philippe.

Charles Hufnagel joined the Carrefour group on September 1, 2020 as Executive Director, Communications for the Group and France.

CARINE KRAUS

A graduate of Essec and Sciences-Po Paris, and a former student of ENA, Carine Kraus began her career at the French Ministry of Economy and Finance before joining Veolia in 2012, where she was notably Chief Executive Officer of Veolia Energie France. From 2020 onwards, she was in charge of Sustainable Development for the Group.

MATTHIEU MALIGE

Matthieu Malige is a graduate of HEC Business School and École des Travaux Publics and holds a Master of Science degree from UCLA.

He started his career at Lazard Frères.

From 2003 to 2011, he held various positions within the Carrefour group: Director of Strategy and Development, Chief Financial Officer of Carrefour Belgium and Chief Financial Officer of Carrefour France. In 2011, he joined the Fnac group as Chief Financial Officer and on July 20, 2016 following the Company's acquisition of Darty, he became Chief Financial Officer of the Fnac Darty group.

On October 16, 2017, Matthieu Malige was appointed Chief Financial Officer of the Carrefour group.

JÉRÔME NANTY

Jérôme Nanty is a graduate of Institut d'études politiques de Paris and has a Master's degree in public law.

He began his career in 1986 at Société Générale before joining the capital markets division of Crédit Lyonnais bank in 1989, first as a bond market operator and subsequently as a manager of a portfolio of bond issuers. In 1998, he joined the bank's Human Resources department as manager of employment policy and later labour relations. From 2001 to 2004, he served as Director of Labour and Social Relations for the Crédit Lyonnais group. From 2003 onwards, he held the same position at the Crédit Agricole group. As such, he was in charge of the labour aspect of the merger of Crédit Lyonnais and Crédit Agricole. He was appointed as Director of Human Resources at LCL in 2005 and at the Caisse des Dépôts group in 2008. From 2013 to 2016, he was General Secretary of the Transdev group. Since July 2016, he has served as General Secretary and Director of Human Resources of the Air France-KLM group.

On October 2, 2017, Jérôme Nanty joined the Carrefour group as Executive Director, Human Resources for the Group and France. In June 2019 he was appointed Executive Director, Human Resources and Assets for the Group and France.

ELODIE PERTHUISOT

Elodie Perthuisot joined Carrefour as Chief Marketing Officer in 2018.

She then held the position of Executive Director E-commerce and Marketing before being appointed Director of E-commerce and E-commerce supply chain France in 2020.

In March 2021, she was named Chief E-commerce, Digital Transformation and Data Officer for the Carrefour group.

Prior to joining Carrefour, Elodie Perthuisot was Commercial Director at Fnac then Fnac Darty for some six years.

ALICE RAULT

Alice Rault was appointed Director of Strategy and Transformation, member of the Group Executive Committee, on March 1, 2022. Alice Rault is a graduate of HEC business school and began her career working in consultancy and investment. She joined the Imerys group in 2014 as Director of Strategy and Development, before taking on a number of operational responsibilities. In 2019, Alice Rault was appointed Chief Transformation Officer for the Suez group.

LAURENT VALLÉE

Laurent Vallée is a graduate of ESSEC Business School, Institut d'études politiques de Paris and École Nationale de l'Administration (ENA).

He began his career at the *Conseil d'État*, France's administrative Supreme Court, where he served in particular as Government Commissioner and Constitutional Advisor to the Government's Secretary General. From 2008 to 2010, Laurent Vallée was a lawyer with the Clifford Chance law firm, before being appointed Director of Civil Affairs at the Ministry of Justice in April 2010. He was then General Corporate Secretary of the Canal+ group from 2013 to 2015. Since March 2015, he has served as Secretary General of the Conseil Constitutionnel, France's constitutional council.

On August 30, 2017, Laurent Vallée joined the Executive Management team as General Secretary of the Carrefour group.

MORGANE WEILL

Morgane Weill is a graduate of Institut d'études politiques de Paris and École Nationale de l'Administration (ENA). She spent five years working for the General Inspectorate of Finance at France's ministry for the economy and finance where she undertook audits and consultancy assignments on various public policies covering local authorities, defence, justice, culture and customs. She joined the Carrefour Group on January 1, 2018 as Alexandre Bompard's Chief of Staff. Her responsibilities included coordinating issues associated with the food transition (one of the Company's strategic priorities) to improve the safety, traceability, quality and responsibility of products sold worldwide. On July 1, 2019, she was appointed Executive Director for Strategy and Transformation. On September 1, 2021, she was appointed France Market Executive Director. She also retains responsibility for the development of the Group's strategic plan alongside Alexandre Bompard. In this capacity, she remains a member of the Executive Committees for the Group and for France.

3.4 Compensation and benefits granted to Company Officers

3.4.1 PROCESS FOR DETERMINING AND IMPLEMENTING COMPENSATION POLICIES FOR COMPANY OFFICERS

Compensation policies for Company Officers have been amended in order to comply with the provisions of French government order no. 2019-1234 of November 27, 2019 and its implementing decree.

Compensation policy for Directors

The compensation policy is decided by the Board of Directors after consulting with the Compensation Committee.

A majority of the members of the Compensation Committee qualify as Independent Directors, in accordance with the provisions of the AFEP-MEDEF Code. The Committee meets as often as necessary.

Compensation policy for the Chairman and Chief Executive Officer

The Board of Directors, after consulting the Compensation Committee, approves the principles and rules for determining the compensation of the Chairman and Chief Executive Officer, as well as the criteria for determining, allocating and awarding components of compensation of any kind.

The Board of Directors periodically reviews the performance criteria and conditions applicable to the variable components of compensation to ensure that they reflect the Group's ambitions. Achievement of the performance conditions is assessed annually by the Board after consulting with the Compensation Committee.

3.4.2 DIRECTORS' COMPENSATION

3.4.2.1 Compensation policy for Directors pursuant to Article L. 22-10-8 of the French Commercial Code

At its meeting on April 11, 2018, the Board of Directors decided to amend the allocation procedures for compensation paid to Directors for attendance at Board meetings. This allocation, which has remained unchanged, is as follows:

- Chairman of the Board of Directors: 10,000 euros;
- Vice-Chairman of the Board of Directors: 40,000 euros;
- Lead Director: 40,000 euros;
- Director: 45,000 euros comprising:
  - a variable portion of 25,000 euros,
  - a fixed portion of 20,000 euros;
- Chair of the Audit Committee: 30,000 euros;
- Chair of the Compensation Committee, the Governance Committee, the CRS Committee and the Strategic Committee: 10,000 euros;
- members of specialised Committees: compensation of 10,000 euros for belonging to one or more specialised Committees, based on the Committee member's frequency of attendance.

The variable portion of the compensation is paid in proportion to the number of Board of Directors' and/or specialised Committee meetings attended by the members (100% of the variable portion will be allocated for attendance at all meetings).

The maximum annual amount of compensation allocated to Directors in respect of their directorship for the current period and future periods is 1,280,000 euros.

The Board of Directors may allocate exceptional compensation to its members in respect of the engagements or duties entrusted to them. This type of compensation is subject to the provisions of Articles L. 225-38 to L. 225-42 of the French Commercial Code.

Since 2020, Directors' compensation has been aligned with the calendar year, i.e., for the period from January 1 to December 31. The compensation due in respect of 2020 was paid in 2021 and the compensation due in respect of 2021 will be paid in 2022.

The two Directors representing employees have an employment contract within the Group and are therefore compensated for work unrelated to their directorship. Consequently, this compensation is disclosed.

3.4.2.2 Compensation allocated or paid to Directors

In 2020 and 2021, the Directors received the following amounts:

	Amount of compensation received[1]			
	2021		2020	
(in euros)	Amount allocated[2]	Amount paid[3]	Amount allocated[4]	Amount paid[5]
Alexandre Bompard	75,000	56,250	56,250	27,083
Philippe Houzé	115,000	86,250	86,250	39,583
Stéphane Israël	135,000	74,659	74,659	35,417
Cláudia Almeida e Silva	65,000	48,750	48,750	22,917
Alexandre Arnault[6]	35,833	32,045	32,045	18,750
Nicolas Bazire[6]	70,000	56,250	56,250	22,917
Jean-Laurent Bonnafé[7]	N/A	22,689	22,689	18,750
Thierry Breton[8]	N/A	N/A	N/A	12,500
Flavia Buarque de Almeida	55,000	41,250	41,250	18,750
Stéphane Courbit	61,875	43,636	43,636	18,750
Abilio Diniz	55,000	39,545	39,545	18,750
Aurore Domont	75,000	56,250	56,250	27,083
Charles Edelstenne	75,000	56,250	56,250	22,917
Thierry Faraut	55,000	41,250	41,250	18,750
Mathilde Lemoine	75,000	56,250	56,250	22,917
Patricia Moulin-Lemoine	55,000	41,250	41,250	22,917
Arthur Sadoun[9]	27,500	N/A	N/A	N/A
Martine Saint-Cricq	55,000	41,250	41,250	22,917
Marie-Laure Sauty de Chalon	55,000	41,250	41,250	22,917
Lan Yan[7]	N/A	38,523	38,523	8,333
TOTAL	**1,140,208**	**873,598**	**873,598**	**422,918**

(1) Gross amounts before withholding tax for non-French residents and payroll tax for French residents.
(2) Amounts due based on actual attendance in 2021, i.e., from January 1 to December 31, 2021.
(3) Amounts paid during the financial year 2021 for the period from January 1 to December 31, 2020, taking into account the Board of Directors' decision on April 20, 2020.
(4) Amounts due based on actual attendance in 2020, i.e., from January 1 to December 31, 2020, taking into account the Board of Directors' decision on April 20, 2020.
(5) Amounts paid in 2020 for the period from August 1, 2019 to December 31, 2019 following the Board of Directors' decision to align the Directors' compensation with the calendar year.
(6) Directors until September 6, 2021.
(7) Directors until May 21, 2020.
(8) Director until October 19, 2019.
(9) Director since September 7, 2021.

3.4.3 COMPENSATION OF EXECUTIVE OFFICERS

3.4.3.1 Compensation policy for Executive Officers pursuant to Article L. 22-10-8 of the French Commercial Code

I/ Principles for determining the compensation of the Chairman and Chief Executive Officer

The rules and principles used in determining the compensation and other benefits of the Chairman and Chief Executive Officer are approved by the Board of Directors on the recommendation of the Compensation Committee, with the Board of Directors referring in particular to the AFEP-MEDEF Code.

The principles used in determining the compensation of the Chairman and Chief Executive Officer, ensuring that this compensation is in line with the Company's best interests, business strategy development and continuity, are as follows:

Balance and measurement

The Board of Directors ensures that no component of compensation is disproportionate, taking various internal and external factors into consideration such as market practices, the Group's development, and the Chairman and Chief Executive Officer's performance. It also ensures that each component of compensation is relevant to the Company's interests.

Consistency and completeness

The compensation policy for the Chairman and Chief Executive Officer is established following extensive deliberation and taking into consideration the compensation of the Group's other executives and employees.

Performance

The Chairman and Chief Executive Officer's compensation is closely linked to the Group's operating performance, the purpose being to reward him for his performance and progress made, in particular through annual variable compensation and a long-term incentive plan.

The Chairman and Chief Executive Officer's variable compensation is subject to the fulfilment of certain performance conditions set by the Board of Directors, on the recommendation of the Compensation Committee, which include quantitative financial and non-financial objectives, as well as qualitative objectives that are precise, simple, measurable and rigorous.

The Board of Directors may periodically review these objectives and amend them accordingly to better reflect the Group's strategic ambitions. The Board also ensures their relevance.

Moreover, to get the Chairman and Chief Executive Officer actively involved in the Group's growth over the long term and to be more closely aligned with shareholders' interests, compensation may also include Company performance shares.

The fulfilment of performance conditions is assessed on a yearly basis by the Board of Directors after consulting with the Compensation Committee, taking into consideration the Group's financial and non-financial performance for the year and the Chairman and Chief Executive Officer's individual performance based on the targets set by the Board of Directors.

Comparability

The Chairman and Chief Executive Officer's compensation must be competitive in order to attract, motivate and retain talent at the highest levels of the Group.

II/ Criteria for determining, allocating and awarding the components of compensation of the Chairman and Chief Executive Officer

Alexandre Bompard was appointed Chairman and Chief Executive Officer on July 18, 2017. On June 15, 2018 and again on May 21, 2021, his term of office was renewed for three years (with the term ending at the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2023).

The Board of Directors can revoke this term of office at any time in accordance with the applicable legal provisions.

At its meeting on April 20, 2022, and on the recommendation of the Compensation Committee, the Board of Directors set the components of the Chairman and Chief Executive Officer's compensation policy for 2022 (detailed in Section 3.4.3.2 of this Universal Registration Document). The compensation policy is submitted for approval to the Shareholders' Meeting of June 3, 2022.

Annual fixed and variable compensation

Annual compensation comprises a fixed portion and a variable portion. This compensation reflects the responsibilities, experience and skills of the Chairman and Chief Executive Officer, as well as market practices.

ANNUAL FIXED COMPENSATION

Annual fixed compensation is reviewed at relatively long intervals, although it may be re-examined by the Board of Directors in certain cases, particularly when the Chairman and Chief Executive Officer's term is up for renewal. It has not changed since the Chairman and Chief Executive Officer was first appointed in 2017.

ANNUAL VARIABLE COMPENSATION

Annual variable compensation may not exceed a maximum amount expressed as a percentage of reference annual fixed compensation (referred to above).

Annual variable compensation may not exceed 200% of the Chairman and Chief Executive Officer's annual fixed compensation.

For 2022, the Board of Directors set the maximum annual variable compensation at 190% of the Chairman and Chief Executive Officer's annual fixed compensation.

Annual variable compensation is subject to the fulfilment of performance conditions based on achieving quantitative financial and non-financial objectives, as well as individual qualitative objectives. The performance conditions are based, for 80% of annual variable compensation, on achieving quantitative financial and non-financial objectives and, for the remaining 20%, on achieving individual qualitative objectives as defined by the Board of Directors, on the recommendation of the Compensation Committee. The expected level of achievement of the objectives used to determine annual variable compensation is established precisely by the Board of Directors, in line with the Group's strategic plan and objectives, but is not made public ex ante for confidentiality reasons.

These criteria can be used to assess both the individual performance of the Chairman and Chief Executive Officer and the Company's performance. The Chairman and Chief Executive Officer's variable compensation is linked to the Company's overall earnings.

The annual variable compensation for 2022 may not, in accordance with Article L. 22-10-34 II of the French Commercial Code, be paid unless approved by the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2022.

Long-term incentive plan

The long-term incentive plan may include stock options, performance shares or a cash payout.

The long-term incentive plan may not exceed 60% of the gross maximum compensation.

Benefits accrue under the plan subject to the fulfilment of predominantly quantitative performance conditions, as set by the Board of Directors on the recommendation of the Compensation Committee, over a multi-year period, and subject to continuing service at the end of the financial years considered (except measures to the contrary in the plan rules applicable to all beneficiaries).

If stock options or performance shares are granted, the Board of Directors will set the number of shares that the Chairman and Chief Executive Officer is required to hold until the termination of his term of office, in accordance with the provisions of the French Commercial Code.

The Chairman and Chief Executive Officer is not permitted to hedge any stock options or performance shares held or any shares obtained upon the exercise of stock options held, and this rule applies throughout the entire term of the holding period set by the Board of Directors.

Awarding variable compensation in the form of shares gives the Chairman and Chief Executive Officer a stake in the Company's earnings and share price performance, creating a stronger relationship with shareholders.

Benefits in kind

At the Board of Directors' discretion and on the recommendation of the Compensation Committee, the Chairman and Chief Executive Officer may receive benefits in kind. The award of benefits in kind is determined in view of the nature of the position held.

Accordingly, the Chairman and Chief Executive Officer has a company car.

Other benefits in kind may be provided for in specific situations.

Compensation paid in respect of his directorship

The Chairman and Chief Executive Officer receives compensation in his capacity as Director, Chairman of the Board of Directors and specialised Committee member.

The compensation allocated in respect of his directorship is paid in accordance with the compensation policy for Directors as described in Section 3.4.2.1 of this Universal Registration Document. It is comprised of a fixed portion and a variable portion based on his attendance at meetings of the Board of Directors and of its specialised Committees.

Exceptional compensation

In certain special circumstances, the Board of Directors may decide to award exceptional compensation to the Chairman and Chief Executive Officer. The special circumstances in which this exceptional compensation may be granted by the Board of Directors include the completion of an operation offering significant transformative potential for the organisation.

Payment of such compensation must be properly justified and based on a specific triggering event.

Under no circumstances can the exceptional compensation exceed 100% of the Chairman and Chief Executive Officer's annual fixed compensation.

It may take the form of stock options, performance shares or a cash payout.

In the event of a cash payout, the 2021 exceptional compensation may not, in accordance with Article L. 22-10-34 II of the French Commercial Code, be paid unless approved by the Ordinary Shareholders' Meeting held to approve the financial statements for the year during which the decision was made to grant exceptional compensation.

Compensation or benefits due or likely to be due upon taking office

In accordance with the comparability principle described above, the Board of Directors may, on the recommendation of the Compensation Committee, award compensation related to the act of taking of office.

It may take the form of stock options, performance shares or a cash payout. It must be explained, and its amount published, when the compensation is fixed.

Supplementary defined benefit pension plan

In accordance with French government order no. 2019-697 of July 3, 2019 amending the legal regime applicable to supplementary defined benefit pension plans such as the plan in force within the Carrefour group, the Board of Directors, on the recommendation of the Chairman and Chief Executive Officer, and after consultation with the Compensation Committee, decided to cancel the plan applicable to the Chairman and Chief Executive Officer from January 1, 2020. Accordingly, all the rights that had previously accrued before January 1, 2020 were lost.

With effect from January 1, 2020, the Board of Directors decided to set up a new "top-up" defined benefit plan that meets the new requirements of Article L. 137-11-2 of the French Social Security Code (*Code de la sécurité sociale*). The main characteristics of the new plan are as follows:

- beneficiaries will retain the annual rights accrued in the event that they leave the Company;
- the rights accrued in a given year will be calculated based on the compensation for that year (reference compensation), without exceeding 60 times the annual social security ceiling. To determine the reference compensation, only the annual fixed compensation of the beneficiary and the annual variable compensation paid are considered, to the exclusion of any other direct or indirect form of compensation;
- rights will accrue subject to more stringent annual performance conditions and based on some of the same criteria as those used to determine the Chairman and Chief Executive Officer's variable compensation: three quantitative financial criteria (sales, recurring operating income and free cash flow) and one non-financial CSR criterion (Carrefour CSR and Food Transition Index). The average of the achievement rates for the four equally-weighted criteria will be used to determine the amount of rights that accrue for a given year.

The criteria are designed to reflect the performances of the Group and the Chairman and Chief Executive Officer insofar as they are proportionate to the responsibilities of the latter and relevant to the interests and long-term strategy of the Company.

The annual accrual rate under the plan will vary depending on the achievement rates for the performance criteria, as follows:

- 1.75% of reference compensation for an average achievement rate of 75% or more;
- 2.25% for an average achievement rate of 100% or more (central target rate);
- 2.75% for an average achievement rate of 125% or more.

The supplementary pension rights obtained under the plan as described above accrue to the beneficiary.

The aggregate percentages applied for a given beneficiary, all employers combined, will be capped at 30%.

Termination payment

As announced at the Shareholders' Meeting of June 15, 2018, the Chairman and Chief Executive Officer informed the Board of Directors of his decision to waive the benefit of the termination payment agreed by the Board on July 18, 2017. He is therefore no longer eligible for any termination payment.

Non-compete commitment

The Board of Directors may also decide to enter into a non-compete commitment with the Chairman and Chief Executive Officer.

The non-compete commitment entered into upon Alexandre Bompard's appointment as Chairman and Chief Executive Officer was amended by the Board of Directors on July 26, 2018 to bring it into line with the new AFEP-MEDEF recommendations. The amended commitment was approved by the Shareholders' Meeting of June 14, 2019 (13th resolution).

The purpose of the commitment is to prohibit the Chairman and Chief Executive Officer from working for a competitor, within a number of specified businesses operating in the retail food industry, for a period of 24 months from the end of his term.

The corresponding non-compete payment must be integrated into the compensation policy pursuant to French government order no. 2019-1234 of November 27, 2019. Pursuant to these provisions, and in line with the agreement approved on July 26, 2018, the Board of Directors confirmed that this payment would be set at 12 months' maximum annual fixed and variable compensation. The payment will be applicable during said 24-month period and will be made in instalments.

The Board of Directors may waive the implementation of the non-compete commitment upon the Chief Executive Officer's termination.

The commitment also provides that the non-compete payment will not be made if the Chief Executive Officer has claimed his pension benefits. No payment will be made after the age of 65.

Policy for holding shares applicable to the Executive Officers

In addition to the requirement for Directors (other than Directors representing employees) to hold at least 1,000 shares during their term of office, the Board has established a strict policy requiring the Chairman and Chief Executive Officer to hold at least 200,000 shares in registered form throughout his term of office, corresponding to about two years' of fixed compensation at the last date on which his term was renewed.

The Chairman and Chief Executive Officer has five years from the date of his first appointment to comply with this minimum holding requirement.

At the date of this document, Alexandre Bompard holds 408,891 Carrefour shares.

Exceptional deviations from the compensation policy

In accordance with paragraph 2 of Article L. 22-10-8, III of the French Commercial Code, under certain circumstances, the Board of Directors may deviate from the compensation policy, provided such deviation is temporary, if it is in the Company's best interest and is necessary to ensure the continued existence or viability of the Company. Exceptional circumstances that could give rise to the use of this possibility include, for example, a transforming acquisition or suspension of significant operations, a change in accounting policy, or a major event affecting markets generally and/or more specifically Carrefour group's business. Compensation components affected by this policy include annual and long-term variable compensation. Deviations could also be used to change performance conditions for all or some of the compensation components including increases or decreases to one or more criteria parameters (weight, thresholds and values). A deviation of this kind could only be implemented on the proposal of the Compensation Committee or, if necessary, other specialised committees, it being specified that any change to the compensation policy would be made public, and motivated and aligned in particular with the corporate purpose of the Company and the interests of shareholders. Variable compensation components remain subject to a binding vote by the Shareholders' Meeting and may not be paid except in the event of a positive vote in accordance with Articles L. 22-10-8 and L. 22-10-34 II of the French Commercial Code.

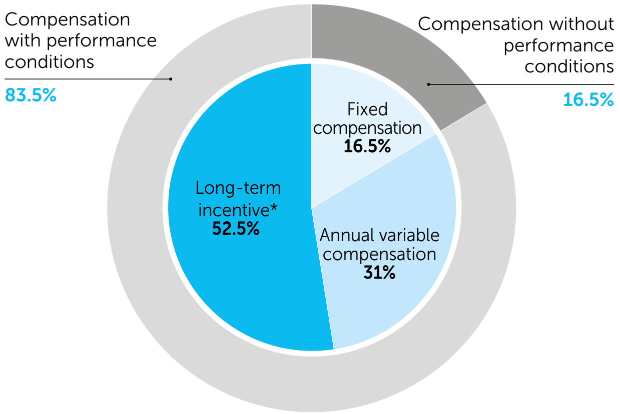
3.4.3.2 Components of compensation allocated to the Chairman and Chief Executive Officer, Alexandre Bompard, in respect of 2022

The Board of Directors set the structure of Chairman and Chief Executive Officer, Alexandre Bompard's, 2022 compensation as follows:

		Presentation
Fixed compensation	€1,500,000	At its meeting on April 20, 2022, the Board of Directors maintained the annual fixed compensation, unchanged since the Chairman and Chief Executive Officer took office in 2017.
Annual variable compensation	Up to 190% of fixed compensation	Annual variable compensation could represent up to 190% of the reference annual fixed compensation[1] if overall performance is greater than or equal to 140%.
Type of criteria	**Weighting**	**Comments**
Quantitative criteria (financial and non-financial) Sales Recurring operating income Net free cash flow NPS® CSR *Qualitative criteria* Quality of corporate governance **TOTAL**	 15% 20% 15% 10% 20% 20% **100%**	Annual variable compensation is subject to the fulfilment of quantitative financial and non-financial objectives, for 80%, and a qualitative objective, for 20%. These objectives were defined by the Board of Directors on April 20, 2022. Quantitative criteria set by the Board of Directors include sales, recurring operating income, net free cash flow, Group NPS® and CSR. The CSR criterion is based on the in-house Carrefour CSR & Food Transition Index which is audited externally. This index is comprehensive, and aligned with the Group's strategic priorities. See Section 1.5.5 of this Universal Registration Document for details on the composition of and change in this index. The qualitative criterion relates to the overall quality of governance, operational management and the management of the transformation. It mainly covers: • the creation and management of governance bodies, as well as the relationship with shareholders and stakeholders; • the quality and leadership of management teams and the attention paid to Talent management; • strategic thinking, particularly as regards its digital aspects, its implementation and the conditions for its rollout. The expected level of achievement of the objectives used to determine annual variable compensation is established precisely by the Board of Directors, in line with the Group's strategic plan and objectives. However, it cannot be made public ex ante for confidentiality reasons.
Long-term incentive plan (performance shares)	Value representing 52.5% of the gross maximum compensation (fixed annual, maximum annual variable and long-term variable)	On February 16, 2022, the Board of Directors decided to award this compensation in the form of performance shares, for a value representing 52.5% of the gross maximum compensation. This award is made under the 29th resolution adopted by the Shareholders' Meeting of May 21, 2021. The shares are entirely subject to performance conditions. The shares will vest on February 16, 2025 subject to the achievement of the performance conditions to be assessed over a period of three years and to continuing service with the Company. The Chairman and Chief Executive Officer shall be required to retain 30% of his vested shares in an amount not exceeding a share portfolio representing 150% of his annual fixed compensation. The Board of Directors set out the following performance criteria: recurring operating income, net free cash flow, Total Shareholder Return (based on a panel comprised of the following companies: Casino, Ahold Delhaize, Colruyt, Metro, Jeronimo Martins, Marks & Spencer, Tesco and Sainsbury's) and corporate social responsibility (based on the Carrefour RSE and Food Transition Index). Each criterion has a weighting of 25%. The related objectives are set for each criterion by the Board of Directors, in line with the Group's strategic plan and public objectives. The performance measured for each criterion determines the vesting rate of the shares corresponding to that criterion. The acquisition rates per criterion are now between 50% and 130% in order to limit the possibility of redistribution between the different criteria. The vesting rate will increase on a straight-line basis between the minimum and maximum. Below 50%, no shares will vest with respect to the relevant criterion. With regard to the TSR criterion, the minimum threshold corresponds to the median of the panel, with no shares vesting below this level (the vesting rate will be 130% for first place in the panel, 110% for second place, 90% for third place, 70% for fourth place and 50% for the median). The final vesting rate will be the average of the vesting rates of the four criteria, within the limit of the number of shares granted by the Board of Directors, i.e., with an overall vesting rate capped at 100%.
Benefits in kind		The Chairman and Chief Executive Officer has a company car. Voluntary job loss insurance is provided.
Compensation paid in respect of his directorship		The compensation allocated in respect of his directorship is paid in accordance with the compensation policy for Directors as described in Section 3.4.2.1 of this Universal Registration Document.

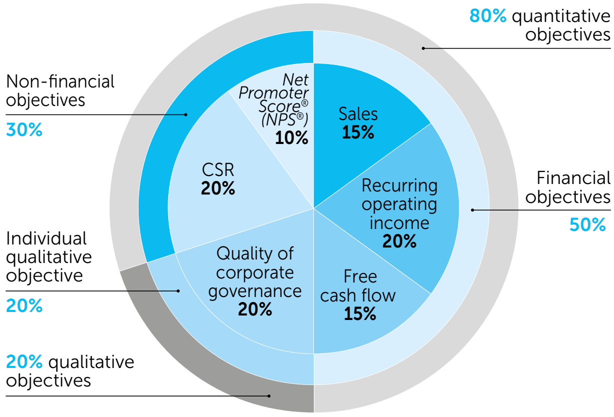
(1) As set by the Board of Directors on April 20, 2022.

2022 COMPENSATION STRUCTURE



* Based on the long-term incentive plan granted on February 16, 2022.

2022 ANNUAL VARIABLE COMPENSATION



3.4.3.3 Compensation allocated or paid to the Chairman and Chief Executive Officer, Alexandre Bompard, in respect of 2021

The Shareholders' Meeting of May 21, 2021 approved the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits in kind that may be awarded to the Chairman and Chief Executive Officer, Alexandre Bompard, in accordance with Article L. 22-10-8 of the French Commercial Code.

The table below summarises the components of compensation allocated or paid to Alexandre Bompard in respect of 2021 in his capacity as Chairman and Chief Executive Officer.

The payment of the variable and exceptional components of compensation due in respect of the 2021 financial year is subject to the approval of the Shareholders' Meeting of June 3, 2022, in accordance with Article L. 22-10-34 II of the French Commercial Code.

	2020		2021	
(in euros)	Amount allocated	Amount paid	Amount allocated	Amount paid
Alexandre Bompard Chairman and Chief Executive Officer				
Fixed compensation	1,437,500	1,437,500	1,500,000	1,500,000
Variable compensation	2,475,000	2,475,000	2,850,000	2,475,000
Long-term incentive plan(1)	N/A	3,252,000	N/A	N/A
Termination payment	N/A	N/A	N/A	N/A
Compensation paid in respect of his directorship(2)	56,250	27,083	75,000	56,250
Benefits in kind(3)	3,822	3,822	3,822	3,822
TOTAL	**3,972,572**	**7,195,405**	**4,428,822**	**4,035,072**

(1) This amount corresponds to the two-year long-term cash incentive plan for 2018-2019.
(2) See section 3.4.2.2 of this Universal Registration Document.
(3) Company car.

The components of compensation allocated or paid to the Chairman and Chief Executive Officer, Alexandre Bompard, in 2021 are as follows:

Annual compensation

Alexandre Bompard received annual compensation comprising a fixed portion and a variable portion.

Annual fixed compensation

In 2021, Alexandre Bompard was paid an annual fixed compensation of 1,500,000 euros.

Annual variable compensation

The achievement of Alexandre Bompard's objectives at 100% would entitle him to annual variable compensation amounting to 100% of his annual fixed compensation. The achievement of his objectives at 140% would entitle him to annual variable compensation amounting to 190% of his annual fixed compensation. Between the lower and upper targets, variable compensation increases on a straight-line basis.

The performance objectives for his annual variable compensation were based, for 80%, on achieving quantitative objectives (sales, recurring operating income, net free cash flow, NPS®, and the Carrefour CSR and Food Transition Index), and, for the remaining 20%, on achieving qualitative objectives (quality of governance). These criteria are weighted at 20% for recurring operating income, 15% for sales, 15% for net free cash flow, 10% for NPS®, 20% for the Carrefour CSR & Food Transition Index and 20% for corporate governance quality.

At its meeting on April 20, 2022, the Board of Directors reviewed the performance level achieved for each target:

- **Quantitative financial criteria (sales, recurring operating income and net free cash flow)**

The Board of Directors noted an increase in same-store sales scope, up 2.3%, from a very high basis of comparison (up 7.8% in 2020). The performance level for the criterion stood at 153%, with 2.3% growth versus a target of 1.5%.

Net free cash flow grew sharply, leading the Board to set the performance level for the criterion at 170%, with cash generation of 1,221 million euros versus a target of 1,010 million euros.

The performance level for recurring operating income, at constant exchange rates in 2021, was set by the Board of Directors at 93%, with recurring operating income of 2,251 million euros versus a target of 2,280 million euros.

- **Non-financial quantitative criterion (NPS® and Carrefour CSR and Food Transition Index)**

The CSR criterion is based on the in-house Carrefour CSR and Food Transition Index which is audited externally. The index is comprehensive and reflects the Group's strategic priorities. The achievement rate stood at 111% in 2021. See Section 1.5.5 of this Universal Registration Document for details on the composition of and change in this index.

Carrefour is also ranked the leading French retailer in terms of its CSR commitment by the Dow Jones Sustainability Index (DJSI) World and was awarded the best possible score in the Carbon Disclosure Project (CDP) for Climate.

The performance level decided by the Board of Directors for the CSR criterion was set at 155% versus a target of 100%.

The score for the NPS criterion came to 44. The performance level set for this criterion by the Board of Directors was 29% given a target of 49.

- **Qualitative criterion (Quality of governance)**

Given the quality of the relationships between the governance bodies, management leadership, as well as the year's results, the Board of Directors decided, on the recommendation of the Compensation Committee, to set the achievement rate for corporate governance quality at 200%. In its assessment, the Board of Directors noted the Company's exceptional performance in light of the extraordinary health, logistical, retail and management challenges.

The overall performance on all criteria therefore comes to 141%, capped at 140%. The annual variable compensation of the Chairman and Chief Executive Officer, Alexandre Bompard, was set at 190% of his annual fixed compensation, i.e., 2,850,000 euros. This sum may not be paid until approved by the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2021.

Long-term incentive plan (performance shares)

On February 17, 2021, the Board of Directors decided to award the long-term incentive plan to the Chairman and Chief Executive Officer in the form of performance shares, for a value representing 50% of his gross maximum compensation (i.e., 3,975,000 euros)(1). These shares will vest on February 17, 2024 if the performance conditions are met and if Alexandre Bompard is with the Company at that date.

The shares are entirely subject to performance conditions to be assessed on February 17, 2024.

The Board of Directors set out the following performance criteria: recurring operating income, net free cash flow, Total Shareholder Return (based on a panel of distribution companies(2)) and corporate social responsibility (based on the Carrefour CSR and Food Transition Index).

Each criterion has a weighting of 25%. The related objectives are set by the Board of Directors, but they are not disclosed ex ante for confidentiality reasons. The performance measured for each criterion determines the vesting rate of the shares corresponding to that criterion. The vesting rate will range from 50% to 150%. The vesting rate will increase on a straight-line basis between the minimum and maximum. Below 50%, no shares will vest with respect to the relevant criterion. With regard to the external performance criterion (TSR), the minimum threshold corresponds to the median of the panel, with no shares vesting below this TSR level. The final vesting rate will be the average of the vesting rates of the four criteria, within the limit of the number of shares granted by the Board of Directors, or an overall vesting rate capped at 100%.

Furthermore, Alexandre Bompard has taken the decision not to use hedging instruments.

Benefits in kind

Alexandre Bompard has a company car. The financial benefit is set at 3,822 euros.

Compensation or benefits due or likely to be due upon taking office

None.

Compensation paid in respect of his directorship

The amount of compensation paid in 2021 to Alexandre Bompard in his capacity as Chairman of the Board of Directors, Director and Chairman of the Strategic Committee is determined according to the policy described in Section 3.4.2.2 of this Universal Registration Document. It amounted to 56,250 euros for the period January 1 to December 31, 2020.

(1) Information presented in Section 8.2 of this Universal Registration Document.
(2) Same panel as described in Section 3.4.3.2, concerning the 2022 long-term incentive plan (performance shares).

Compensation paid by a company within the scope of consolidation

Alexandre Bompard has not received any compensation due or paid by any company within Carrefour's scope of consolidation.

Supplementary defined benefit pension plan

As the French government order no. 2019-697 of July 3, 2019 amended the legal regime applicable to supplementary defined benefit pension plans with conditional rights such as the plan in force within the Carrefour group, the Board of Directors, acting on the recommendation of the Compensation Committee, decided to modify the plan applicable to the Chairman and Chief Executive Officer.

Acting on the Chairman and Chief Executive Officer's proposal and on the recommendation of the Compensation Committee, the Board of Directors decided on April 3, 2020 to therefore cancel the plan applicable to the Chairman and Chief Executive Officer until December 31, 2019. Accordingly, all the conditional supplementary pension rights that had accrued to the Chairman and Chief Executive Officer since his arrival in the Carrefour group (corresponding to an estimated gross annual annuity of 200,594 euros) were lost.

At its meeting of April 3, 2020, the Board of Directors decided to set up a new "top-up" defined benefit plan, applicable from January 1, 2020, that meets the new requirements of Article L. 137-11-2 of the French Social Security Code. The main characteristics of the new plan are described in Section 3.4.3.1 of this Universal Registration Document.

The implementation of the Chairman and Chief Executive Officer's plan follows from a decision by the Board of Directors, taken after consultation with the Compensation Committee. This new plan allows for the grant, subject to performance conditions, of supplementary pension rights, expressed and guaranteed in the form of an annual annuity. Rights can only be settled from the age of 64, provided that the pension has been settled in a compulsory old-age insurance plan.

The rights accrued will be calculated based on the 2021 compensation (reference compensation), capped at 60 times the annual social security ceiling. To determine the reference compensation, only the annual fixed compensation of the beneficiary and the variable compensation paid are considered, to the exclusion of any other direct or indirect form of compensation.

Rights will accrue subject to the same four annual performance criteria used to determine the Chairman and Chief Executive Officer's variable compensation: three quantitative financial criteria (sales, recurring operating income and net free cash flow) and one non-financial CSR criterion (Carrefour CSR and Food Transition Index).

In accordance with the annual vesting rates under the plan and on the basis the performance level achieved for each criterion[(1)], the Board of Directors meeting of April 20, 2022 noted an average performance level of 143%, i.e., more than 125%, thus entitling the Chairman and Chief Executive Officer to a vesting rate of 2.75% for 2021.

The gross annual annuity accrued by the Chairman and Chief Executive Officer for 2021 therefore came to 67,874 euros, or a cumulative annuity of 135,748 euros since the start of the plan.

The contributions paid to the insurer are excluded from social security contributions, in return for the payment of an employer's contribution of 29.7%.

Termination payment

Alexandre Bompard, Chairman and Chief Executive Officer, is not entitled to any termination payment.

Non-compete commitment

The non-compete commitment entered into upon Alexandre Bompard's appointment as Chief Executive Officer was amended by the Board of Directors on July 26, 2018 to bring it into line with the new AFEP-MEDEF recommendations, and was approved by the Shareholders' Meeting of June 14, 2019.

The terms and conditions of this commitment are described in Section 3.4.3.1 of this Universal Registration Document.

No amount is due or was paid in this respect in 2021.

(1) The respective performances of these criteria for the 2021 annual variable compensation are presented in Section 3.4.3.3.

Total compensation compliance with the compensation policy

The fixed, variable and exceptional components of compensation and benefits in kind paid or awarded to Alexandre Bompard in his capacity as Chairman and Chief Executive Officer in respect of 2021 comply with the compensation policy decided by the Board of Directors acting on the Compensation Committee's proposal.

Alexandre Bompard's total compensation is part of the Company's long-term strategy and allows the Chairman and Chief Executive Officer's interests to be aligned with those of the Company and the shareholders.

The Company has not diverged from the compensation policy in any respect.

Application of the last vote by the Shareholders' Meeting

The Shareholders' Meeting of May 21, 2021 approved the fixed, variable and exceptional components of total compensation and benefits in kind due or paid during the year ended December 31, 2020 to Alexandre Bompard, Chairman and Chief Executive Officer.

Pay ratios and changes in compensation

In accordance with paragraphs 6 and 7 of Article L. 22-10-9-I of the French Commercial Code, the table below presents information for the last five years on the changes in the compensation of the Chairman and Chief Executive Officer and employees and for the pay ratios based on the average and median compensation of employees.

The calculation methods were defined taking into consideration the AFEP-MEDEF guidelines on compensation multiples.

The scope used for this analysis was widened to include Carrefour Management's employees working at the Group's head office in France.

	2017	2018	2019	2020	2021
Average compensation ratio	47	45	42	42	47
Median compensation ratio	79	74	72	76	80
Change in the compensation of the Chairman and Chief Executive Officer	+8%	+4%	+5%	+4%	+6%
Change in the average compensation of employees	+5%	+9%	+12%	+4%	-6%
Net free cash flow *(in millions of euros)*	142	363	324	1,056	1,228
Carrefour CSR and Food Transition Index		104%	114%	115%	111%

3.4.4 BREAKDOWN OF COMPENSATION AND BENEFITS GRANTED TO EXECUTIVE OFFICERS

The tables summarising the compensation paid to Executive Officers during the year may be found in Section 3.4.3 of this Universal Registration Document.

Compensation allocated in respect of their directorship

Table presented in Section 3.4.2 of this Universal Registration Document.

Stock options granted during the financial year to each Executive Officer by the issuer or a Group company

None.

Stock options exercised during the financial year by each Executive Officer

None.

Performance shares granted to each Executive Officer by the issuer or a Group company

Information presented in Section 8.2 of this Universal Registration Document.

Performance shares which became available during the financial year for each Executive Officer

None.

Historical information on stock option plans

None.

Multi-annual variable compensation of each Executive Officer

Name and position of the Executive Officer	Plan	2020	2021
Alexandre Bompard Chairman and Chief Executive Officer	Cash compensation plan	N/A	N/A

	Employment contract		Supplementary pension plan(1)		Compensation or benefits due or likely to be due upon termination or a change in position(1)		Compensation related to a non-compete clause(1)(2)	
	Yes	No	Yes	No	Yes	No	Yes	No
Alexandre Bompard Chairman and Chief Executive Officer		X	X			X	X	

(1) These components of compensation are detailed in Sections 3.4.3.1 and 3.4.3.3 of this Universal Registration Document.
(2) The Chairman and Chief Executive Officer may, in consideration for his non-compete commitment, receive a non-compete payment capped at the equivalent of 12 months' maximum fixed and variable annual compensation. The non-compete commitment is described in Section 3.4.3.1 of this Universal Registration Document.

3.5 "Comply or Explain" rule of the AFEP-MEDEF Code

In accordance with the "Comply or Explain" rule of the AFEP-MEDEF Code, the Company indicates in this section the provisions of the Code that it did not apply in 2021.

Recommendations of the AFEP-MEDEF Code	Group practice and explanation
Length of directorship is a criterion to be analysed by the Committee and the Board to assess the independence of a Director (Article 9.5.6 of the Code)	On the recommendation of the Governance Committee, the Board of Directors closely examined the status of Charles Edelstenne. Charles Edelstenne, whose term is due to expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021, had, as of July 2020, been a Director for longer than the maximum period of 12 years recommended by the AFEP-MEDEF Code. Accordingly, the Board of Directors took into account Charles Edelstenne's personality, professional experience, the objectivity he has consistently demonstrated during Board meetings, his critical judgement and his ability to make sound decisions in all situations, in particular as regards Executive Management. The Board of Directors also took into account the change to the management team that took place in 2017, which meant that close ties could not be formed with the current team given the duration of his term. Charles Edelstenne's qualities and in-depth knowledge of the Group were considered essential given the radical change in the composition of the Board since 2018 and its reduced size, making him a highly valuable contributor to the Board's strategic decisions. Given this assessment, the Board of Directors considered that the length of directorship criterion defined in the AFEP-MEDEF Code among five other criteria was not itself sufficient for Charles Edelstenne to automatically lose his independent status, and that there was no other reason to prevent him from continuing in office as an Independent Director until the end of his term at the 2022 Shareholders' Meeting.

3.6 Transactions in the Company's shares carried out by Company Officers

In accordance with Article 223-26 of the AMF's General Regulations, we hereby inform you that the following transactions were carried out during the 2021 financial year by persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*):

Transaction date	First name/last name or corporate name	Office held at the Company on the transaction date	Transaction type	Financial instrument	Price per share *(in euros)*	Transaction amount *(in euros)*
06/14/2021	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
06/16/2021	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
08/19/2021	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
09/01/2021	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
09/01/2021	Agache SE	A legal entity linked to Alexandre Arnault, Director	Sale	Shares	16.0000	59,269,872
09/01/2021	Cervinia Europe SARL	A legal entity linked to Alexandre Arnault, Director	Sale	Shares	16.0000	664,805,920

1 2 3 4 5 6 7 8 9

3.7 Related-party agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code

AUTHORISATION PROCEDURE FOR ARM'S LENGTH AND RELATED-PARTY AGREEMENTS

The Board of Directors adopted an internal procedure for identifying and obtaining authorisation for related-party agreements, and for distinguishing them from routine agreements entered into on an arm's length basis.

In addition to the regulatory framework governing the various potential types of agreements, the procedure also requires the Company to regularly review the terms of all routine agreements entered into within the Group. The parties directly or indirectly involved in such an agreement may not take part in the review.

AGREEMENTS REFERRED TO IN ARTICLES L. 225-38 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE

No new agreements were authorised by the Board of Directors during the year ended December 31, 2021.

In addition, no agreements entered into and authorised in previous years were continued in the year 2021.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2021

This is a translation into English of the Statutory Auditors' report on regulated agreements with third parties issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Carrefour Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on the regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the principal terms and conditions and the purpose and benefits to the Company of the agreements brought to our attention or which we may have identified during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest of the conclusion of these agreements for the purpose of approving them.

In addition, it is our responsibility, where appropriate, to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code (*Code de commerce*) relating to the implementation during the year of the agreements previously approved at the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux comptes*) relating to this engagement.

Agreements submitted to the approval of the shareholders' meeting

Agreements authorized and concluded during the year

We hereby inform you that we have not been advised of any agreement authorized and concluded during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

Agreements already approved by the shareholders' meeting

Agreements approved in previous years and having continuing effect during the year

We hereby inform you that we have not been advised of any agreement already approved in previous years by the Shareholders' Meeting and having continuing effect during the year.

The Statutory Auditors

Courbevoie and Paris-La Défense, April 21, 2022

French original signed by

MAZARS

Jérôme de PASTORS
Emilie LOREAL

DELOITTE & ASSOCIÉS

Stéphane RIMBEUF
Bertrand BOISSELIER

4

RISK MANAGEMENT AND INTERNAL CONTROL

4.1 Risk management

In an uncertain, constantly changing environment, risk management is essential to ensuring the long-term viability of the Group's business operations.

The Group Risk department is responsible for overseeing the risk management system. This system relies on identifying, assessing, analysing and addressing risks likely to affect people, assets, the environment and the Group's objectives. It leads to preventive or corrective measures designed to protect the Group's value and reputation (4.1.1).

The Group's 13 key risks in 2021 are described in this Universal Registration Document in accordance with the requirements of EU Regulation No. 2017/1129 (4.1.2).

To ensure that these risks are fully addressed, the Group also implements solutions to transfer risks to the insurance market (4.1.3).

4.1.1 RISK PREVENTION AND MANAGEMENT SYSTEM

The main objective of the risk prevention and management system is to protect the reputation of Carrefour by providing Executive Management with a clear view of the main threats and opportunities to assist in making decisions and managing the business.

Its objective is also to foster a risk management culture and a shared vision of the major risks among all employees.

The Country Executive Management teams:

- perform regulatory monitoring and recognise potential impacts;
- take measures to prevent from risks occurring and mitigate their impacts;
- manage incidents and take corrective measures;
- inform the Group's Executive Management and Functional departments of any significant events.

The Group's Functional departments are responsible for defining and communicating the risk management rules applicable to their function. They support the countries in implementing these rules to ensure optimum management of the business.

Each year, the Group Risk Department maps the key risks based on discussions with the Country and Functional Departments to measure the net criticality level and consolidate the associated action plans. It also reviews certain risks and assists the functional departments in their risk mapping process.

4.1.2 MAIN RISKS

Methodology

In association with the Country Risk departments and all Functional departments, the Group Risk department has upgraded the risk database and evaluated 58 risks related to the Group's business operations, including the main CSR issues.

For this purpose, a self-assessment questionnaire was sent to all the Group's countries.

For each risk, they are asked to:

- describe the relevant past or feared events;
- rank on a scale defined at Group level:
  - probable financial impact (excluding insurance),
  - reputational impact (TV, press, social media coverage, etc.),
  - probability of occurrence,
  - ability to control the risk and measures taken to detect, prevent and mitigate its impact and probability of occurrence;
- identify the action plans that exist or need to be implemented.

Following a review of the questionnaires received by the Country Executive Committee, the Group's mapping of material risks was presented to the Group Executive Committee and the Audit Committee.

This led to the identification of 13 key risks that could, at the date of this Universal Registration Document, have a material impact on the Group's operations, financial position, reputation, results or outlook. In accordance with the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, these 13 key risks are divided into three categories:

- political, economic and social environment;
- governance, laws and regulations;
- operations.

As part of the risk mapping process described above, these risks are ranked and presented here in decreasing order of importance within each category (and in no particular order of importance between categories), based on:

- net financial impact;
- net reputational impact;
- net probability of occurrence.

The net score is obtained from the gross score, less the impact of any mitigation measures taken and action plans implemented by the Group. The net score is calculated on the same basis as in previous years to ensure comparability of results.

The impacts of the Covid-19 pandemic have been included in the risk assessment on two levels. First, the pandemic is one of the 58 risks assessed in the 2021 risk map and, second, its impact, if material, has been taken into consideration and described in this Universal Registration Document.

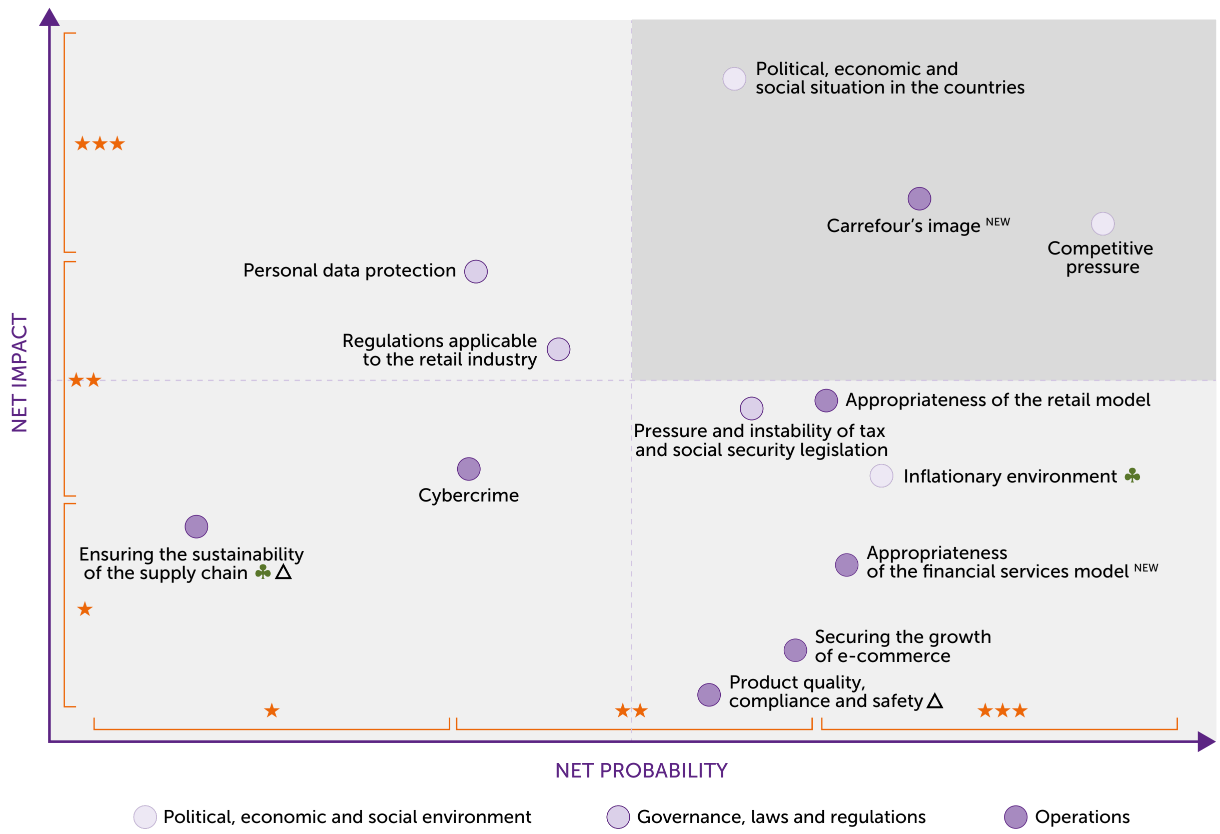
The impacts of climate change on the Group and its activities are included within different risks in the map, some of which are included in this chapter. They are indicated by the ♣ symbol in the table below. Others impacts such as extreme weather events and deterioration of movable and immovable assets are not included as they are not part of the Group's major risks.

A number of other risks, which were analysed as part of the Group's risk mapping process but which do not meet the materiality or specificity criteria adopted in compliance with Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, are nevertheless presented as required as part of the Non-Financial Statement or the management report, and can be found in Chapters 2 (2.1.3.1) and 6 (Note 14.7 to the 2021 consolidated financial statements), respectively, of this Universal Registration Document.

The table and risk map below summarise the 13 key risks identified and their historical trend since the 2020 risk map. Non-financial risks disclosed in the Non-Financial Statement (see Chapter 2 of this Universal Registration Document) are identified in the table below by the "Δ" symbol. Risks newly assessed in 2021 are identified by "NEW".

Category	Risk	Change vs. 2020	Financial impact	Reputational impact	Net probability
Political, economic and social environment	Competitive pressure	↗	★★★	★★	★★★
	Political, economic and social situation in the countries	~	★★★	★★	★★
	Inflationary environment ♣	↗	★★	★	★★★
Governance, laws and regulations	Pressure and instability of tax and social security legislation	~	★★	★★	★★
	Regulations applicable to the retail industry	↗	★	★★★	★★
	Personal data protection Δ	↘	★	★★★	★★
Opérations	Carrefour's image NEW	NA	★★	★★★	★★★
	Appropriateness of the retail model	↗	★★	★★	★★★
	Appropriateness of the financial services model NEW	NA	★★	★	★★★
	Securing the growth of e-commerce	↗	★★	★	★★
	Cybercrime	↘	★	★★	★★
	Product quality, compliance and safety Δ	↗	★	★	★★
	Ensuring the sustainability of the supply chain ♣ Δ	~	★	★★	★

Moderate ★ High ★★ Very High ★★★ ↗ Increase ~ Stable ↘ Decrease NA Not applicable


Political, economic and social situation in the countries
Carrefour's image NEW
Competitive pressure
Personal data protection
Regulations applicable to the retail industry
Appropriateness of the retail model
Pressure and instability of tax and social security legislation
Inflationary environment
Cybercrime
Ensuring the sustainability of the supply chain
Appropriateness of the financial services model NEW
Securing the growth of e-commerce
Product quality, compliance and safety
NET IMPACT
NET PROBABILITY
Political, economic and social environment
Governance, laws and regulations
Operations

1 2 3 4 5 6 7 8 9

4.1.2.1 Political, economic and social environment

Competitive pressure

Description of the risk

Retailers are subject to intense competitive pressure. In a climate of technological disruption, the industry is highly exposed to changing consumer behaviour and has reached saturation point in Europe, particularly in France, leading to severe pressure on margins.

Intense competitive pressure in the retail industry is reflected in:

- a historically very price-competitive market;
- traditional retailers like Carrefour from the physical retail world (including specialists in fresh or organic products) moving into e-commerce (via Drive, home delivery and click & collect solutions);
- digital-only banners competing with historical operators by offering an innovative and complete products and services range (e.g., quick commerce) and increasingly establishing a physical presence, particularly through partnerships or acquisitions.

Competitive pressure could be exacerbated in some geographies by the global inflationary environment.

Covid-19:
The current economic and health crisis is putting further pressure on consumer purchasing power.
The increase in food e-commerce observed at the beginning of the crisis is continuing and confirming the importance of this competition channel to retail industry players. Carrefour's omni-channel profile offers a response to these trends in consumption methods in the different countries.

Potential impacts of the risk

The risk could lead to:

- deterioration of the price image in the face of aggressive competition;
- fall in market shares;
- fall in revenue;
- decline in the proportion of customer spending captured by the Group's stores (the banner's market share of total customer spending);
- deterioration of Carrefour's image in terms of the adequacy of its product and service offer;
- decline in the attractiveness of the Carrefour banner for existing or potential franchisees.

Mitigation measures

The Group has taken the following actions to mitigate this risk:

- setting objectives focused on customer satisfaction, particularly through the Net Promoter Score, and working on operational excellence (e.g., the 5/5/5 method);
- continuously adjusting the price-promotion-loyalty equation, with price investments and more effective promotions, driven by better cost control;
- stepping up the roll-out of the Supeco and Atacadão formats;
- enhancing the value lines, mainly through the launch of SIMPL and roll-out of the "In & Out" bargain basement concept;
- freezing prices of basic products in some countries;
- continued commitment to the food transition through its global Act for Food programme;
- accelerating the development of e-commerce and omni-channel retailing, notably through the roll-out of new services (e.g., Ok Market!) and new partnerships (e.g., Cajoo, Uber Eats, Cash Converters).

Political, economic and social situation in the countries

Description of the risk

The economic situation in countries where the Group operates has a significant influence on demand, spending levels and the consumer habits of the Group's customers. A deterioration of the macroeconomic environment (inflation, slowdown in growth, monetary devaluation, increase in unemployment) in most of the countries where the Group operates could have a negative impact on operations and results.

Furthermore, political and social instability in a country or geography could lead to a deterioration of the business climate and have a direct influence on consumer spending. Lastly, an unfavourable change in the legislative and regulatory framework could have an adverse impact on the Group's operations and results.

Covid-19:
In the short term, Carrefour's business activity held steady or even accelerated thanks to its omni-channel profile and the capture of some purchases that would normally have gone to other business sectors, such as eating out. The health and economic crisis had a temporary impact on some of the Group's ancillary activities, such as retail services (e.g., travel, events and banking) and B2B services in Europe (e.g., Promocash).

In the longer term, depending on the intensity and the duration of pandemic waves, the health crisis could put pressure on the political, economic and social climate in the Group's countries. This could lead to a decrease in consumer purchasing power, forcing the retail industry to adapt gradually to the new landscape.

Potential impacts of the risk

This risk could lead to:

- a decline in the average consumer basket causing a fall in revenue;
- increased consumer price sensitivity in a climate of declining purchasing power;
- unfavourable developments in the legislative and regulatory framework, such as price freezes on basic necessities (e.g., Argentina);
- risk of translating financial statements into euros in some countries, mainly related to a depreciation of the functional currency in those countries, and in particular Brazil.

Mitigation measures

The Group has taken the following measures to mitigate the risk of an unfavourable change in the economic and social environment of countries where it operates:

- working on the price-promotion-loyalty equation, mainly through price reduction policies and the launch of SIMPL, a range of Carrefour-brand entry-level products;
- stepping up the roll-out of the Supeco format in Europe and continuing to expand the Atacadão cash & carry format in Brazil;
- monitoring the changing economic climate and future outlook in the countries where it operates, specifically through country performance reviews;
- tracking key economic indicators in host countries on a monthly basis with a view to defining and updating strategic plans and project assessments.

The Group has taken the following measures to deal with the political situation in countries where it operates:
- promotion and defence of the Group's interests with the competent local, regional and national authorities;
- a global monitoring system and country-specific risk mapping for the most vulnerable countries, which take into account a number of indicators. This will be updated regularly and monitored prospectively.

These tools are regularly updated and provide a forward-looking method of tracking in order to support decision making in the context of the Group's international growth.

Inflationary environment

Description of the risk

By the end of 2021, overall inflation in the eurozone had reached a 25-year high (5.0%[(1)]). In Brazil, it represented 10.06%[(2)] over one year, its highest level since 2015. This inflationary pressure could be prolonged or even amplified in the years to come, particularly in 2022.

This situation is mainly driven by the following factors:

- the surge in energy prices (up 26%[(3)] over one year in the eurozone) and commodity prices;
- rising food and agricultural prices, in particular due to climate events (FAO World Food Price Index at its highest level in 10 years[(4)]);
- post Covid-19 recovery.

Among the Group's geographies, Argentina has become familiar with this phenomenon since the 2018 recession, experiencing 50.9%[(5)] inflation in 2021.

Inflation could weigh on the Group's results through the pressure it exerts on consumer purchasing power, company purchasing costs and employee salaries. The challenge for the Group is to minimise the increase in costs and its impact on sales prices in order to safeguard consumers' purchasing power. The ability to pass on cost increases to sales prices will depend on the economic situation and the competitive environment.

Inflationary pressure can also represent an opportunity for the Group to adapt and provide innovative solutions to gain efficiency and encourage more virtuous behaviour (e.g., transferring paper catalogues to digital), with a positive long-term impact.

Furthermore, global warming could lead to persistent inflation (raw material costs), due to the increased intensity and frequency of climate events.

Covid-19:
The gradual exit from the Covid-19 crisis (via the easing of health restrictions) has led to a mismatch between the level of global production and the recovery of demand, thus contributing to global inflationary pressure. At this stage, pandemic-related uncertainty raises questions about the continuation of the prevailing inflationary pressure.

Potential impacts of the risk

The inflationary environment could have the following consequences:

- a drop in consumption as a result of the reduction in consumers' purchasing power;
- a deterioration in profitability due to higher purchasing costs and employee salaries, if there is a gap between costs and selling prices;
- a deterioration in the price image in the event of price actions lagging behind the competition;
- a deterioration in the social and business climate.

Mitigation measures

The main measures taken by the Group to mitigate this risk are:

- sharing best practices from Argentina and Brazil;
- monitoring the change in costs of direct and indirect purchases;
- (re)negotiation with suppliers;
- monitoring the reactions of the competition;
- anticipating inflation in the preparation of budgets;
- adapting the price-promotion-loyalty equation.

(1) Eurostat publication, January 7, 2022.
(2) Brazilian Institute of Geography and Statistics (IBGE), January 11, 2022.
(3) Eurostat estimate, January 7, 2022.
(4) United Nations Food and Agriculture Organisation (FAO), January 6, 2022.
(5) Argentinian Institute of Statistics and Censuses (INDEC), January 13, 2022.

4.1.2.2 Governance, laws and regulations

Pressure and instability of tax and social security legislation

Description of the risk

Due to the nature of its operations, the Group pays large amounts of tax and social security contributions in the countries where it operates.

It is subject to a large number of different taxes and other levies, in particular:

- in France, with almost 80 different levies, heavily weighted to production taxes and social security contributions;
- in Brazil, with complex tax rules including a state tax on goods and services (ICMS) and federal contributions to the social integration programme and to the financing of the social security system (Pis-Cofins).

The instability of the tax and social security legislation in some countries also leads to risks and uncertainties in the Group's operations in these geographies. The Group could experience difficulties in managing and anticipating changes in the applicable tax and social security legislation.

More specifically, the risk could occur in the following ways:

- increased tax pressure, such as the retail sales tax in Poland which will come into force in 2021;
- complexity of and developments in the Brazilian tax system;
- tax law instability in Poland and Romania;
- uncertainty over the future tax regulations applicable to e-commerce;
- increased social pressure: increase in the minimum wage (e.g., Poland, Romania) and social charges (e.g., Taiwan).

Covid-19:
The deterioration in the economic environment as well as the public spending resulting from the Covid-19 pandemic could prompt governments to raise new taxes to cover the public deficit.

Potential impacts of the risk

Poor anticipation or assessment of changes in the tax and social security environment could have an adverse impact on the Group's financial performance and operations. It could also jeopardise business continuity in some regions.

The main impacts of the occurrence of this risk would be:

- deterioration in attractiveness and competitiveness, mainly due to price image if the cost increase is passed on in selling prices;
- deterioration in profitability due to the increase in tax and social security costs, if not sufficiently passed on in selling prices;
- business continuity potentially in jeopardy in some countries;
- financial sanctions for poor application or interpretation of the applicable legislation.

Mitigation measures

To mitigate this risk, regulatory change is monitored and taken into account by the relevant Country and Group departments, including:

- Finance department, and in particular the Tax department, as regards changes in tax legislation;
- the Legal and Human Resources departments, as regards changes in social security legislation.

The following measures have also been taken:

- ongoing monitoring and mapping of tax and social security changes in each country;
- employee training in the various reforms, with the appointment of dedicated experts where necessary;
- promotion and defence of the Group's interests with the competent authorities (e.g., Chamber of Commerce, Government, etc.);
- tax and social risk analysis to make sure that adequate provisions are taken;
- operating discipline to control the cost structure and limit the amount of new tax and social security costs passed on in selling prices.

Regulations applicable to the retail industry

Description of the risk

The Group's business operations are guided by a legislative and regulatory framework that aims to reconcile freedom of trade with the objectives of protecting the free play of competition (competition law and restrictive practices law) and protecting consumers (consumer law).

This framework is extremely restrictive in European countries where the Group operates (France, Belgium, Spain, Italy, Poland and Romania). In France, commercial practices are increasingly regulated, in particular by the "EGalim" (2018) and "EGalim 2" (2021) laws, which add to the existing regulatory framework. Their objective is to promote balanced trade relations with the agricultural sector and healthy, sustainable food. Reinforcing the initial "EGalim" law, "EGalim 2" mainly focuses on taking better account of farmers' production costs.

The risk of non-compliance with the legislative and regulatory framework could occur as a result of:

- anti-competitive practices, such as cartels with competitors or with suppliers, which would distort the free play of competition;
- restrictive competitive practices, such as financial negotiations with suppliers with either no or disproportionate consideration (creating a significant imbalance in the rights or obligations of the parties) and the sudden termination of business relations;
- unfair or misleading commercial practices, such as false or misleading advertising.

Covid-19:
Carrefour has maintained the rigour of its controls to ensure compliance with the regulations in place.

Potential impacts of the risk

The impacts of non-compliance with the regulations would be as follows:

- financial sanctions for anti-competitive practices;
- financial sanctions for restrictive competitive practices;
- criminal and financial sanctions for unfair or misleading commercial practices;
- harm to the Group's image.

Mitigation measures

The main measures taken by the Group to mitigate this risk are:

- a framework of strict procedures and rules governing each practice (purchases, rebates, managing promotions, pricing, etc.);
- regular employee training and awareness-raising sessions on the regulations applicable to the retail industry;
- legal intelligence and monitoring of obligations;
- taking regulatory change into consideration in business operations, in particular in managing the price-promotion-loyalty equation (e.g., price reduction policy and promoting the loyalty programme).

Personal data protection (Δ)

Description of the risk

Personal data protection is governed by legislation such as the General Data Protection Regulation (GDPR), which came into effect in the European Union on May 25, 2018, and national legislation such as the General Data Protection Law, which came into effect in Brazil on September 18, 2020.

These regulations set out a legal framework for personal data protection, strengthening citizens' rights and imposing new obligations on companies.

The Group has adjusted its organisation and processes, including contractual terms with its business partners. Given the large amount of customer, employee and supplier data managed, the complexity of its information systems and its increasing commitment to digital technology, the Group may not always be in strict compliance with the applicable regulations.
Potential cases of non-compliance are as follows:

- failure to maintain or update a data register in light of new requirements;
- failure to provide data subjects with clear, concise information, particularly about data retention periods, profiling, their rights and available remedies;
- inability or difficulties for data subjects to exercise their rights (e.g., right to be forgotten, right to data portability);
- failure to notify any breach of personal data to the control authorities and the relevant data subjects;
- a defect in the design of projects involving the processing of personal data (privacy by design).

Covid-19:
The Group has adjusted to the constraints imposed by the health crisis and continues to protect the health and safety of its employees while complying with the applicable regulations. It has also adapted its system to the growth in e-commerce sales and the increased amount of customer data collected through this channel.

Potential impacts of the risk

The risk could occur in three ways:

- breach of data integrity with the loss, leakage or illegal use of customer, employee or supplier personal data;
- infringement of the rights and freedoms of data subjects (customers, employees and suppliers);
- financial sanctions (which can represent as much as 4% of the Group's sales in the event of non-compliance with the GDPR).

The impact is therefore both reputational and financial.

Mitigation measures

The Group has taken the following actions to mitigate this risk:

- follow-up and reinforcement of a compliance system with support from the relevant departments in each country;
- continuous improvement of the system by the Data Protection Officer (DPO) in each country;
- training and awareness-raising of employees in personal data protection (and development of e-learning to ensure training continuity);
- the application of second and third level controls.

4.1.2.3 Operations

Carrefour's image

Description of the risk

Just as with financial and human capital, Carrefour's image and reputation are a strategic asset for the Group.
Its image is formed by all of Carrefour's actions as a player in society, as a retailer and as an employer, at a time when companies are facing increased market pressure, particularly in terms of environmental, social and governance responsibility.

The challenge for the Group is to manage its image in a harmonised way across all its distribution channels (physical and digital) and modes of communication (social networks, customer services, traditional media, etc.).

In this context, the growth of social networks, in terms of resonance and influence, is an essential parameter to take into account. Beyond the risk, optimal management of social networks represents an opportunity for Carrefour to effectively manage its reputation.

Failure in the management of the Group's image could occur in the following ways:

- an inadequate communication strategy, in its definition or execution, which is not differentiated from the competition or which is not aligned with the different media or distribution channels (e.g., integrated and franchised stores, websites);
- a late or inappropriate response to a crisis relayed by social media and traditional media (e.g., disinformation campaign, food scandal, accident in a store, etc.);
- a lack of alignment among responses to consumers across different customer service channels (e.g., email, web, phone, etc.).

Covid-19:
Despite some of the disruptions caused by the health crisis, Carrefour has demonstrated its ability to ensure the continuity of its operations, while preserving customer and employee safety. This was highlighted by high levels of customer satisfaction across all Group countries.

Potential impacts of the risk

The main impacts of the occurrence of this risk would be:

- a deterioration in the business climate for the Group (e.g., difficulties in forging new strategic partnerships or negotiating with suppliers);
- a drop in the number of visits to Carrefour stores and websites;
- a deterioration in market share against certain competitors;
- difficulty in attracting and retaining key employees.

Mitigation measures

The Group has taken the following actions to mitigate this risk:

- feedback on management of the Covid-19 crisis to capitalise on best practices and improve the system;
- media monitoring (including social networks);
- creation of dedicated teams in certain countries (e.g., Press Relations);
- better management of communication, particularly via social networks;
- continuous improvement of customer service;
- continuous reinforcement of quality processes and safety of people and property;
- developing measures to promote diversity and inclusion in the Group;
- training and support for store employees (including franchisees) and third parties (e.g., suppliers, security providers, etc.).

Appropriateness of the retail model

Description of the risk

In a context of changing consumer habits and a highly competitive environment, the Group's products and services could prove inadequate in the following areas:

- the right balance between the different distribution channels, both digital and physical (hypermarkets, supermarkets, convenience stores and cash & carry), with regard to the consumption habits of the different countries;
- the physical and digital offer of products and services, in particular with Carrefour-brand products to leverage the quality and price image;
- price-promotion-loyalty equation: price levels, promotions and the generosity of loyalty programmes to meet consumer expectations in terms of purchasing power, particularly in an inflationary environment.

Covid-19:
The increase in food e-commerce observed at the beginning of the crisis is continuing, which confirms the importance of this competition channel to retail industry players. Carrefour's digital offer of products and services addresses these evolving consumption habits in its countries.

Potential impacts of the risk

The risk could lead to:

- difficulties in winning customers or retaining their loyalty;
- deterioration of price image;
- decline in footfall in the Group's stores;
- decline in the proportion of customer spending captured by the Group's stores (i.e., the banner's market share of total customer spending);
- loss of market shares;
- deterioration in profitability;
- decline in the attractiveness of the Carrefour banner for existing or potential franchisees.

Mitigation measures

The Group has taken the following actions to mitigate this risk:

- accelerating e-commerce and omni-channel growth with, in particular, an improved digital offer of products and services (food and non-food offer, delivery times, order compliance, quick commerce, etc.);
- adapting the offer to the catchment area in a more targeted way;
- stepping up the roll-out of the Supeco and Atacadão formats;
- accelerating the deployment of new services (e.g., Ok Market!) and new partnerships (e.g., Cajoo, Uber Eats);
- reviewing external growth opportunities to improve the format mix (e.g., acquisition of Supersol stores in Spain to bolster the supermarket format, Wellcome convenience stores in Taiwan, and Grupo BIG stores in Brazil);
- expanding the convenience format through franchising in countries where there is demand;
- improving store appeal with concepts such as the "In & Out" bargain basement concept (designed to stimulate footfall) and strengthening marketing campaigns (e.g., for "Big Macs", non-food flagship products created by Carrefour);
- continued cost cutting to provide the headroom to invest in the marketing drive;
- continued roll-out of the SIMPL value line;
- testing of subscription formats (e.g., in France and Spain) giving access to discounts;
- optimising the promotional strategy for Carrefour-brand products in conjunction with national brands;
- reducing pricing errors in the stores (e.g., TOP programme to improve in-store execution in France);
- tracking and analysing market shares by format, price indexes, competition and changes in consumer preferences.

Appropriateness of the financial services model

Description of the risk

The Group's financial services consist of two business lines:

- banking activities (France, Spain, Belgium, Brazil, Argentina) which are mainly based on the granting of consumer credit (e.g., credit card – *carte Pass* in France);
- insurance activities (insurance and brokerage in France, brokerage in other geographies).

The challenge for Carrefour's financial services businesses is to diversify their offer to effectively meet the full range of customer needs and avoid over-reliance on certain products. A poorly diversified offer could, moreover, be undermined by new regulations which could make it more difficult to market and negatively affect its profitability (e.g., reduction in the usury rate in Spain). This offer must, in any case, take into account the multiple, complex and sometimes divergent legal or regulatory requirements applicable in the various countries. These requirements exacerbate the risk of misinterpretation and non-compliance.

Digital players (e.g., online banks) with an attractive value proposition are exerting strong competitive pressure on the market. In particular, they rely on digital innovations (often based on applications) which widen the scope of possibilities in terms of commercial offers.

In this changing context, Carrefour has set an ambitious objective of increasing the profitability of its digital investments by 2026. To achieve this objective, Carrefour must identify new growth areas. This includes better digitalisation of its offer and operations, and adequate investment.

The challenge will also be to adapt its organisation in order to optimise coordination between the different distribution channels: physical and digital, Carrefour stores and bank branches.

Covid-19:
Financial Services activities were initially impacted by the Covid-19 pandemic, which resulted in a decline in credit production associated with a decline in consumption. The deterioration of the financial situation of policyholders then led to an increase in the cost of risk. A gradual return to normalcy has begun in 2021.

Potential impacts of the risk

The inadequacy of the financial services business models proposed and, where applicable, non-compliance with applicable regulations, may result in the following:

- sanctions by a supervisory authority;
- financial redress – individual or collective – for the benefit of customers (e.g., class action in Spain and Argentina);
- harm to the Group's image;
- difficulties in winning customers or retaining their loyalty;
- loss of competitiveness;
- loss of market shares;
- decrease in net banking income.

Mitigation measures

The main measures taken by the Group to mitigate these risks are:

- a significant increase in digital investments (organisation and commercial offer);
- the development of new growth opportunities (e.g., new products or services);
- the development of synergies between the financial services and retail activities (e.g., Atacadão);
- monitoring of investment diversification in Group countries;
- the application of continuous improvement models for better adaptation to market developments;
- legal and regulatory monitoring with a view to bringing the offer into compliance (if necessary);
- monitoring the market (competition and customer expectations) to identify growth areas;
- sharing of best practices between countries (in terms of products, services or organisation).

Securing the growth of e-commerce

Description of the risk

The strong growth in e-commerce (especially in the food sector) is driving traditional retailers like Carrefour from the physical retail world to expand their digital footprint by offering services such as Drive pick-up, home delivery and click & collect.

The Group has put the development of e-commerce and omni-channel retailing at the heart of its 2026 digital strategy.

Historical operators are competing with digital-only banners who offer an innovative product and service range (e.g., quick commerce) and who could establish a physical presence, particularly through partnerships or acquisitions.

The Group must therefore adjust its supply chain and its store and warehouse operations to guarantee a high quality of service and the best possible customer experience for all online shoppers, with an eye on continued improvement of its business model. In addition, customers are becoming increasingly omni-channel, shopping both in physical stores and online, which requires good coordination between all channels.

Customers could find that the range and choice of products available online is not as good as in the stores, and that prices are too high. They could also decide that the quality of digital services is not good enough, for example a poor order conformity rate, too limited a choice of delivery or pick-up times, or inadequate customer service.

Covid-19:
While the service rate may have been impacted by the sudden acceleration in e-commerce in the first few months of the pandemic, Carrefour quickly adapted to the dynamic growth in online sales, which is now well established. Preparation capabilities have been expanded and the range of products and services has been enhanced.

Potential impacts of the risk

The risk could lead to:

- saturation of online order picking and delivery capacities;
- decline in customer satisfaction;
- deterioration in profitability of online operations;
- loss of market share and capture of growth in e-commerce sales;
- a correlated decline in physical sales to omni-channel customers;
- harm to Carrefour's image.

Mitigation measures

The Group has taken the following actions to mitigate this risk:

- monitoring and analysis of customer satisfaction measurement tools;
- digital upskilling of employees;
- adapting the e-commerce product and service offer to market developments (e.g., competitors, customers);
- forging partnerships with food e-commerce operators (e.g., Uber Eats, Stuart, Glovo, Rappi, Food-X);
- partial or total acquisition of e-commerce operators (e.g., Cajoo, Potager City, Dejbox);
- monitoring the order conformity rate by country;
- implementing specialised logistics tools to improve the conformity rate;
- improving picking model processes (hybrid, in-store picking and in-warehouse picking) to improve the quality of service (conformity rate and compliance with delivery or pick-up times);
- improving the productivity of picking models to boost their profitability;
- rolling out the hybrid model to increase picking capacity with a high order conformity rate;
- sharing best practices between countries to improve the customer experience and pathway (e.g., the 5/5/5 order picking method).

Cybercrime

Description of the risk

The Group's broad range of business operations (physical and digital retailing, real estate and financial services, etc.) and processes rely largely on the reliability and effectiveness of many information systems, developed or administered by internal resources or external providers.

A partial or total shutdown of these tools could disrupt Group business operations, particularly in terms of supply, cash collection, e-commerce, financial oversight and financial statement preparation.

Such a shutdown could be caused by various acts of cybercrime (such as ransomware). The obsolescence of tools and/or the complexity of interconnected systems (including with suppliers or partners) could amplify the impact of these acts.

Furthermore, information systems could be diverted from their normal use by malicious actors (e.g., use of Carrefour infrastructures to host malicious sites).

Lastly, information systems process and store sensitive data (such as personal data). These data could be stolen during a cyber attack and then possibly disclosed by the attackers.

Covid-19:
Ongoing recourse to home working for all support and head office staff is liable to increase the Group's exposure to cybercrime.

Potential impacts of the risk

Cybercrime attacks are likely to cause:

- partial or total business disruption (stores, warehouses, websites and applications);
- malfunctions in specific areas of its operations (e.g., order tracking, invoicing, cash collection);
- loss or leaks of sensitive data (about the Company, its customers, employees or partners);
- loss or deterioration of employee access to the IT tools required for them to do their jobs;
- financial losses for the Group, its partners or customers;
- sanctions imposed by regulatory authorities;
- harm to its image.

Mitigation measures

The Group has taken the following measures to mitigate the impact and probability of occurrence of this risk:

- the Group's Data Security Committee, which includes the Group General Secretary and the Digital Transformation Officer, Chief Technology Officer and Information Security Officer, is responsible for overseeing the system, supported by a local country network;
- the appointment of a Chief Information Security Officer (CISO) at Group level, in charge of the cyber security strategy and coordination of cyber security arrangements in Group countries;
- more agile cyber security governance based on the National Institute of Standards and Technology (NIST) cyber security framework, including external audits;
- a software vulnerability identification and mitigation programme;
- a programme to strengthen critical IT infrastructure;
- establishing a global Security Operation Centre (SOC) to detect security incidents in all Group countries and a programme to standardise cyber security incident management;
- introducing an obsolescence and renewal management plan (IT roadmap);
- strengthening the regular data backup processes;
- migrating servers, archives and backups to the Cloud and a specific programme to secure this environment;
- establishing business continuity and resumption plans in the event of an incident;
- automatic encryption of sensitive data using the DataSecure programme;
- protecting access to information systems via a second authentication factor;
- employee awareness-raising and training.

Product quality, compliance and safety (Δ)

Description of the risk

Guaranteeing the quality and safety of Carrefour-brand products and complying with health standards across the entire supply chain and in stores are major issues. These issues are strengthened by the Act for Food programme launched in September 2018, and are in line with Carrefour's *raison d'être* and ambition to be the leader in the food transition for all (see Chapter 1 of this Universal Registration Document).

Non-compliance with specifications, purchasing rules, a labelling problem or failure in logistics tracking could lead to Carrefour selling non-compliant products.

This risk could occur due to:

- a problem in defining the specifications for Carrefour-brand products (in particular with regard to compliance with the Carrefour commitments to the food transition for all);
- a defect in the manufacture of Carrefour-brand products;
- a failure to comply with safety requirements for imported products (excluding Carrefour-brand products);
- a breach of quality and health standards in the stores or warehouses;
- significant shortcomings in product controls and traceability;
- failings in the withdrawal and recall procedure for non-compliant products.

Covid-19:
The Group has adjusted to the constraints imposed by the health crisis and continues to ensure the quality, compliance and safety of its products while complying with the applicable regulations.

Potential impacts of the risk

Selling non-compliant products could have impacts on reputation and financial performance as a result of:

- allergic reactions to ingredients, even if usually harmless, which should not have been used in manufacturing the product;
- food poisoning caused by non-compliant products, for example, in the event of failure of the cold chain;
- physical or material damage caused by a defective product;
- partial or total site closures due to non-compliance with health standards in stores or warehouses;
- non-compliance with withdrawal and recall procedures, made more difficult by shortcomings in traceability or identification of the products concerned;

Mitigation measures

The Group Quality department has developed a number of standards and tools, including Quality Charters, which are deployed in all countries where the Group operates. The Country-level Quality departments are also part of the Quality network, with regular meetings and discussions aimed at sharing best practices and ensuring a consistent approach at Group level.

More specifically, the mitigation measures taken focus on the following issues:

- implementing purchasing rules at Group level, with commitments supporting the food transition and product quality;
- developing the quality culture in the Group through employee training and awareness-raising, regular monitoring of performance indicators, on-site audits and laboratory analysis of products;
- redefining product withdrawal and recall procedures and tools using systems such as Alertnet, which warns store managers of non-compliant products and blocks them at checkout;
- improving communication flows about product withdrawal and recall procedures, particularly through messaging apps;
- rolling out blockchain technology, particularly for new food products in the Carrefour Quality Lines, to ensure full traceability and guarantee total transparency for consumers about where the products have come from.

Ensuring the sustainability of the supply chain (Δ)

Description of the risk

Ensuring the sustainability of the supply chain and controlling the social, societal and environmental impact of suppliers are major issues. The Group could experience difficulties in adapting its value chain to take account of different stakeholder requirements in this respect, particularly as regards the following issues:

- respect for human rights and working conditions and fair remuneration for all parties involved in the supply chain (e.g., textiles and fruit and vegetable picking);
- use of environmentally- and animal welfare-friendly agricultural products and production processes, particularly with regard to deforestation (e.g., palm oil, timber and paper, Brazilian beef) and pollution (e.g., use of chemicals in the textile industry, use of GMOs);
- use of healthy and environmentally safe materials and ingredients (e.g., food additives, plastics);
- developing sustainable relationships with suppliers and resilient supply chains (e.g., long-term partnerships, local sourcing, adapting to climate change).

Covid-19:
The Covid-19 health crisis has heightened awareness among consumers about safe and sustainable consumption. This has led to higher expectations among the various stakeholders and consequently intensified Carrefour's adaptative response.

Potential impacts of the risk

Poor control over the supply chain could have social, societal, environmental, reputational and financial impacts:

- social impacts: the Group could be held liable if it uses suppliers that do not respect human rights or comply with labour laws, especially in the countries most at risk;
- environmental or animal welfare impacts: the use of certain commodities or ingredients/raw materials could cause environmental damage (e.g., deforestation, industrial pollution, etc.) or animal suffering;
- reputational impacts: for example, due to negative comments on social media and a poor perception of the Group's ambitions and commitments in terms of the food transition, which could lead to a decline in footfall and, therefore, the Group's market shares;
- financial impacts: financial sanctions for non-compliance with the applicable regulations and legislation.

Mitigation measures

The Group has established CSR and food transition purchasing rules, as well as policies setting out:

- the commitments made by suppliers through their signing of a commitment charter including the Group's Principles of Ethics, which is annexed to purchasing contracts;
- compliance processes and rules for social audits of at-risk sectors;
- action plans to ensure compliance of sensitive production phases and raw materials with specific purchasing rules;
- Carrefour's key objectives in developing more sustainable production methods, mainly by developing organic farming and agroecology.

A CSR and Food Transition Index was set up in 2018 to measure the achievement of the Group's CSR objectives. This index measures the Group's performance in implementing the food transition objectives. It is a compensation criterion for the Chairman and Chief Executive Officer, executives, Country Executive Committee members and top-level Group function managers.

Internal and external audits are performed regularly to ensure that these rules and objectives are properly applied in all relevant countries and departments.

The Group focuses on the following issues:

- implementing a duty of care plan for risks related to the environment, human health and safety, and respect of human rights in supply chains;
- deploying the solutions available to guarantee traceability through tools such as blockchain and supplier certification or geomonitoring;
- ensuring the compliance of the raw materials used for Carrefour-brand products, mobilising the players upstream of our supplies to transform their entire offer;
- working collectively to develop new market standards and multi-stakeholder initiatives in producer and consumer countries.

The CSR Department, in association with the professions (merchandise, quality, etc.), has set up procedures for dialogue with stakeholders such as associations, NGOs, public authorities, suppliers and consumers, to guarantee continuous improvement in control over these issues throughout the Group.

4.1.3 INSURANCE

For the past several years, the Group's insurance strategy has focused on providing the best possible protection for people and assets.

4.1.3.1 Group insurance policy

The Group's insurance strategy is primarily based on identifying insurable risks through a regular review of existing and emerging risks, in close cooperation with operational managers, the various Carrefour group departments involved, and external specialists.

Worldwide programmes

To cover the main identified risks, the Carrefour group has set up comprehensive, worldwide programmes (especially for property damage and business interruption, and civil liability policies) with reputable international insurance companies, providing uniform coverage, to the extent possible, for all formats (consolidated stores only), wherever the stores are located (except in countries where regulations prohibit this type of arrangement).

Thus, the Group has a solid understanding of the limits of the coverage in place, and the certainty that its insurance programmes have been taken out with leading global insurers.

Acquisitions during the year

The Carrefour group ensures that acquisitions carried out over the course of the insurance year are quickly covered under its comprehensive programmes, or, where applicable, benefit from its DIC/DIL (difference in conditions/difference in limits) coverage policies, in order to ensure solid control over existing coverage and benefits.

Prevention policy

The Group's insurance policy requires that risk prevention measures be monitored by the Group Security department in coordination with local Group liaisons in each country, as well as with the Group's insurers.

Transfer of insurable risk and self-insurance of some risks

In order to optimise insurance costs and better manage risk, and in line with its insurance policy, the Group transfers identified insurable risks to the insurance market and has a policy of maintaining certain high-frequency risks within property damage and business interruption, civil liability and goods transportation through its captive re-insurance company. The results of this captive company are consolidated in the Group's financial statements.

A stop-loss provision per claim and per insurance year has been established in order to protect the captive company's interests and limit its commitments.

4.1.3.2 Information concerning the main insurance programmes

The following is provided for information purposes only in order to illustrate the scope of action in 2021. This information should not be regarded as unchanging, since the insurance market is constantly evolving. The Group's insurance strategy therefore depends on and adapts to insurance market conditions.

Property damage and business interruption coverage

This insurance protects the Group's assets through an "all risks, with exceptions" policy, on the basis of guarantees available on the insurance market to cover the traditional risks for this type of coverage, which include fire, lightning, theft, natural disaster and the resulting operating losses.

The limits and exclusions of this property damage and business interruption policy are consistent with market practices. Deductibles are established as appropriate for the various store formats.

Civil liability coverage

This programme is intended to cover the Group's activities against the financial consequences of its civil liability in the event that the Company may be held liable for resulting damage and/or bodily harm caused to third parties.

Limits and exclusions in force for this policy comply with market practices. Deductibles vary from country to country.

The Group is also covered against the risk of harming the environment as part of its comprehensive, worldwide civil liability insurance programme.

Mandatory insurance

The Group takes out different insurance programmes in accordance with local law, including:

- auto insurance;
- construction insurance (building defects, ten-year builder liability, etc.);
- professional liability insurance related to its activities:
  - banking,
  - insurance,
  - travel.

4.2 Internal control system

4.2.1 DEFINITION AND OBJECTIVES OF THE INTERNAL CONTROL SYSTEM

4.2.1.1 Introduction and applicable reference framework

The Carrefour group's internal control system is based on the reference framework published by the French financial markets authority (*Autorité des marchés financiers* – AMF) in 2007 and updated on July 22, 2010, and its implementation guidance. The AMF's reference framework addresses the management of risk and internal control systems as well as procedures relating to the oversight and preparation of accounting and financial information. It is consistent with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control framework.

The Group's banking and insurance businesses in France have their own system which complies with the decree of November 3, 2014 on internal control in companies in the banking, payment services and investment services sector, and with Directive 2009/138/EC (the "Solvency II Directive") on risk governance and management in insurance companies. These businesses are supervised by the French prudential supervision and resolution authority (*Autorité de contrôle prudentiel et de résolution* – ACPR).

4.2.1.2 Objectives of the internal control system

The internal control system comprises a set of permanent resources, standards of conduct, procedures and actions adapted to the individual characteristics of the Company and its subsidiaries, which:

- contribute to the control of its businesses, the efficiency of its operations and the efficient use of its resources; and
- enable it to deal appropriately with all major operational, financial or compliance-related risks.

More specifically, the internal control system is designed to ensure that:

- the Group's economic and financial targets are achieved in accordance with laws and regulations;
- instructions and directional guidelines established by the Group's Executive Management in respect of internal control are applied;
- internal processes are working correctly, particularly those contributing to the security of assets;
- financial information is reliable;
- the risk of error and fraud, particularly in the areas of accounting and finance, is prevented and controlled.

4.2.1.3 Scope and limitations of the internal control system

The internal control system presented in this report is implemented in the Company and all its fully-consolidated subsidiaries, and covers a larger scope than the procedures relating to the preparation and processing of accounting and financial information.

By helping to prevent and control the risks that may prevent the Group from achieving its objectives, the internal control system plays a key role in the management and oversight of its activities. However, as the AMF reference framework underscores, no matter how well designed and properly applied, an internal control system cannot fully guarantee that the Group's objectives will be achieved. There are inherent limitations in all internal control systems, which arise, in particular, from uncertainties in the outside world, the exercise of judgement or problems that may occur due to technical or human failure, or simple error.

4.2.2 INTERNAL CONTROL ORGANISATION AND PARTIES INVOLVED

4.2.2.1 Internal control environment

The Group's internal control system is part of a system of values driven by the governing bodies and Executive Management, and conveyed to all staff.

The Group has set up a formal control environment using various procedures and control measures, with for example a Group regulatory framework, Ethics Principles and a definition of the powers, responsibilities and objectives assigned at each level of the organisation, according to the principle of the separation of duties:

- at country level, the Group regulatory framework is reflected in precise operating procedures. It is the tool with which each country conducts its internal controls, which are, in turn, audited by the Group. Containing around 160 rules that are mandatory for all countries, the framework is deigned to cover:
  - general internal control risks such as delegations of power, separation of duties, risk mapping, business continuity plans and document archiving,
  - accounting and financial risks,
  - operational risks related to the main purchase, stock, sale or property management transactions,
  - risks associated with the safety and security of property and people,
  - risks to the continuity, integrity, confidentiality and security of information systems,
  - compliance, corruption, influence peddling and money laundering risks;
- the Ethics Principles have been distributed to all Group employees since October 2016. Their purpose is to establish the ethical framework within which all employees must conduct their work on a day-to-day basis. An ethics whistleblowing system can be used by Group employees to report any situations or behaviour that do not comply with the Ethics Principles;
- the policies reflecting the Group's values through principles for professional conduct that guarantee excellence and the sustainability of the Group's performance. Every employee participates in their implementation;
- the Group's Executive Management has established rules of governance limiting the powers of the Company officers of each Group company. Prior approval by the Board of Directors or the equivalent body of the Company concerned as well as the Internal Investment Committees is required for some transactions. Delegations of powers and responsibilities are established at country and Group level in accordance with hierarchical and functional organisational charts. This structure complies with the principle of the separation of duties;
- lastly, this structure is conveyed by a management framework that is underpinned by medium-term objectives organised according to country and by the steering of activities in line with annual budget targets and multi-year plans rolled down to individual level.

The Group ensures that relevant and reliable information is disseminated and conveyed to the parties concerned so that they can perform their duties in accordance with Group standards and procedures:

- the Group's functional departments participate in drawing up Group rules for their area of activity and may, where appropriate, apply these rules in procedures and best practices for Group entities;
- the Group's regulatory framework is circulated to all Country Executive Directors, Finance Directors and Internal Control Directors during the self-assessment campaign;
- the Group's accounting close instructions are sent to all Finance Directors at the end of each month and quarter;
- the Group Investment Committee's governance rules are sent to all Finance Directors.

Similarly, the countries make sure to relay relevant, reliable information to the parties concerned so that they can perform their duties in accordance with Group standards and procedures.

4.2.2.2 Internal control organisation

Internal control activities are designed to ensure that the necessary measures are taken in order to reduce exposure to the strategic, operational and asset risks likely to affect the achievement of the Group's objectives. Control activities take place throughout the organisation, at every level and in every function, including prevention and detection controls, manual and IT controls, and hierarchical controls.

The Group is organised geographically to ensure that specific local needs and interests are addressed effectively and that operations are as responsive as possible, with each country serving as a basic link in its organisation.

As part of a continuous improvement approach to internal control, Carrefour has created a Group Internal Control department, which reports to the Group Finance department and is responsible for leading and coordinating the system at Group level. The Group Internal Control department is thus supported by a network of local internal control officers in the Group's countries and entities.

The Country Executive Director is responsible for setting up, running and supervising the internal control system within his/her scope of responsibility. To do this, the Country Executive Management teams deploy procedures and operating methods, including control activities required to cover all the strategic, operational and asset risks relating to their businesses and organisation. These procedures and operating methods include and extend the key controls set out in the Group regulatory framework.

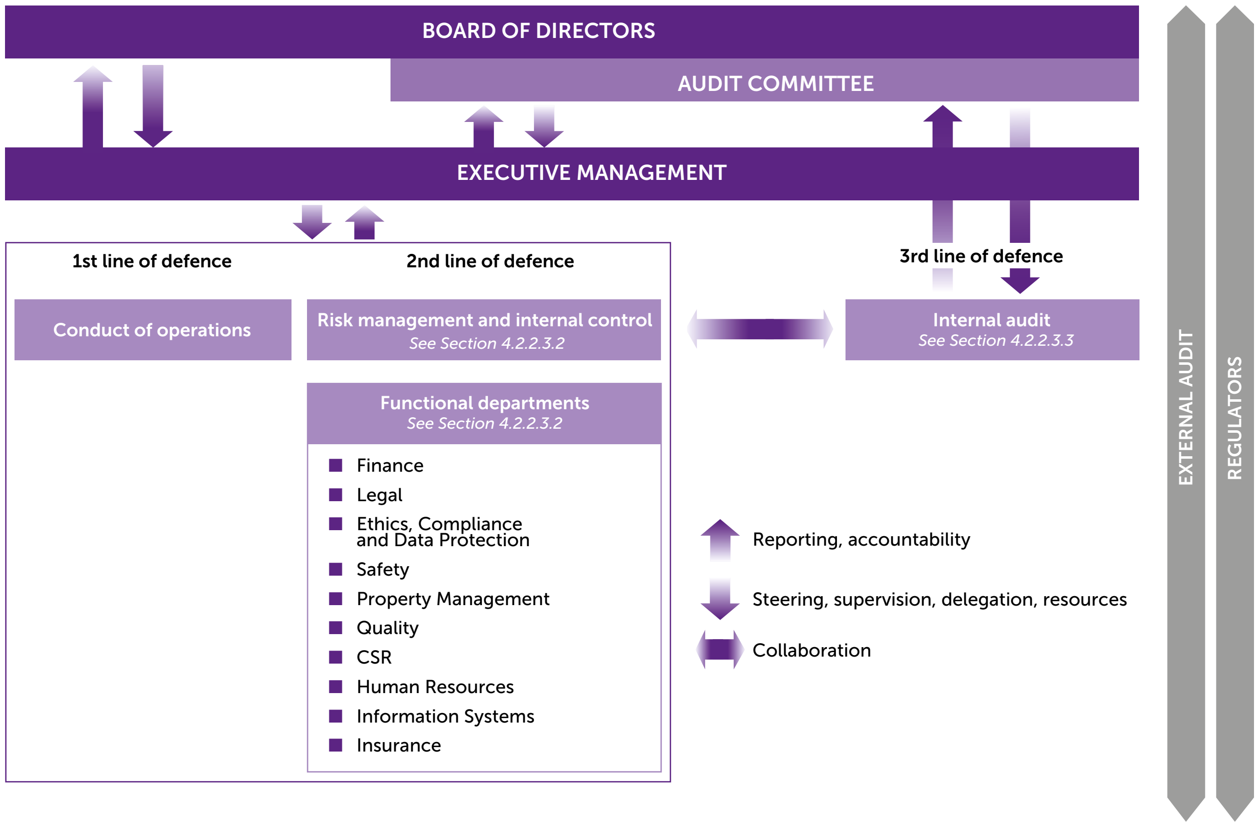
Local internal controllers support the Country Executive Director by:

- helping to define the country internal control system, particularly by ensuring that the Group internal control framework is properly rolled out;
- ensuring that procedures defined by the country and the Group are properly applied, and, in the event of weaknesses, assist operational and functional departments in implementing remediation programmes.

Specialists in the functional departments, e.g., management, information systems, human resources, digital technology, purchasing and supply chain, support the operatives at all levels of the organisation, which helps to spread best internal control practices.

4.2.2.3 Parties involved in the internal control system

The various parties involved in the Group's risk management and internal control are described below. They are organised in accordance with a "three lines of defence" model as shown in the following diagram:



First line of defence: the operational managers, responsible for evaluating, preventing and controlling risks, principally through an appropriate control system covering all processes for which they are responsible. They thus assure the day-to-day management of activities and operations using the most effective risk management practices at process level.

Second line of defence: risk management and internal control in coordination with the functional departments, which are responsible for their area of expertise. The objective is to structure and maintain the system of control over the organisation's business operations (see Section 4.2.2.3.2).

Third line of defence: Internal Audit, operating independently from management to provide assurance and insight on the adequacy and effectiveness of governance and the management of risks (see Section 4.2.2.3.3).

4.2.2.3.1 Internal control governing bodies

The Board of Directors reports on the Group's principal risks and uncertainties in the management report.

It takes note of the process for preparing financial information as well as the essential characteristics of the internal control and risk management systems communicated by the Audit Committee and the Group's Executive Management. It also takes note of the CSR risk prevention plan provided by the CSR Committee.

The duties of the **Audit Committee** established by the Board of Directors are to:

- review the financial statements and ensure that the accounting methods adopted to prepare the Company and consolidated financial statements are relevant and consistent before they are presented to the Board of Directors. It monitors the procedures used to prepare the financial statements and assesses the validity of the methods used to present material transactions;
- monitor the process for preparing financial information and, where applicable, make recommendations to ensure the integrity of such information;
- monitor the effectiveness of the internal control, risk management and, where applicable, internal audit systems relating to the preparation and processing of accounting and financial information, without compromising its independence. It ensures that such systems are in place and implemented, and that corrective measures are undertaken in the event that any failings or anomalies are identified. For this purpose, the Statutory Auditors and the internal control and internal audit managers submit their main findings to the Committee. It must be kept informed about the internal audit programme and must be provided with the internal audit reports or a regular summary of these reports. It must also be informed of the outcome of the self-assessment questionnaires and the internal control action plans;
- monitor the work carried out by the Group Internal Audit and Risk teams. It approves the internal audit plan and must be provided with the Group internal audit reports or a regular summary of these reports, It must also give its opinion on the relevance of the work and organisation of the Internal Audit, Risk and Internal Control departments;
- review risks and material off-balance sheet commitments, assess the significance of any malfunctions or weaknesses reported to it, and inform the Board of Directors where appropriate. As such, the review of the financial statements must be accompanied by a presentation prepared by Group Executive Management describing the Company's risk exposure and its material off-balance sheet commitments, as well as a presentation prepared by the Statutory Auditors highlighting both the key findings of their statutory audit, including any audit adjustments and significant internal control failings identified during their engagement, and accounting options applied. The Audit Committee is also responsible for examining and analysing the information on internal control and risk management included in the management report;
- regularly review the mapping of the Group's main risks that may be reflected in the financial statements or which have been identified by Group Executive Management and may have an impact on the financial statements. It takes note of the main characteristics of the risk management systems and the results of their operations, drawing in particular on the work of the internal audit and internal control managers and the Statutory Auditors.

The Group's Executive Management sets the reference framework for the Group's internal control system. The Executive Management's role is to design, coordinate, lead and continuously supervise internal control systems, and it has defined a Group regulatory framework that covers all the principles and standards applicable to all Group entities and employees. It is also responsible for the internal control system.

It is also tasked with designing, implementing and overseeing the internal control systems suited to the size of the Group, its activity and its organisation.

It initiates any corrective actions that are needed to rectify an identified malfunction and to maintain a situation within the limits of acceptable risk. It ensures that these actions are successfully implemented.

The Executive Management's duties in relation to the internal control system also include defining the corresponding roles and responsibilities in the Group.

Lastly, the **CSR Committee**, in verifying the application of the Group's CSR commitments, assessing CSR risks, and monitoring the annual non-financial performance report, also contributes to the internal control system.

4.2.2.3.2 Internal control, functional departments and risks

The Group's Executive Management has created the following organisation structure:

Second line of defence	Main role
Group Internal Control department	■ designing and maintaining the internal control framework in association with the Group's risk universe; ■ leading and consolidating the annual internal control self-assessment process; ■ analysing incidents, self-assessments and internal audit findings to propose changes to the internal control framework and organisation; ■ monitoring the implementation of the resulting action plans; ■ communicating about and training in internal control and risk management; ■ functional management of the Country internal control teams; ■ monitoring regulatory developments and fraud types, to share with all entities; ■ the strategy for the development of the internal control function.
Group Risk department	■ overseeing the Group risk assessment process with the countries and updating the risk map annually (including emerging risks); ■ making risk owners aware of the results; ■ monitoring the implementation of the action plans.

Functional departments	Main role
Group Finance department	■ ensuring that accounting and financial information is reliable; ■ managing risks that may be reflected in the financial statements and may have an impact on them; ■ measuring Group performance and budget control; ■ following Group investment procedures; ■ managing, updating and circulating all of the Group's financial and accounting standards; ■ establishing policies for the Group's financing, market risk control and banking relations; ■ monitoring compliance with all applicable tax regulations and legislation.
Group Legal department	■ monitoring the Group's main disputes; ■ monitoring compliance with governance rules within the Group's governance bodies and main subsidiaries; ■ monitoring the Group's main legal risks; ■ implementing a Group-wide market abuse prevention programme.
Group Ethics, Compliance and Data Protection department	■ the construction, oversight and updating of compliance programmes (Sapin II, anti-money laundering and combating the financing of terrorism, fraud, protection of personal data), within the Group; ■ ensuring compliance with and the effective implementation of compliance procedures at Group level as defined in the compliance programme; ■ coordinating the network of compliance officers in the subsidiaries; ■ drawing up and monitoring the Group's map of corruption risks; ■ receiving and dealing with whistleblowing alerts.
Group Security department	■ identifying and preventing threats; ■ managing malicious attacks on people, values, physical assets and intangible assets, to contribute to maintaining the Group's business continuity; ■ coordinating the Group's crisis management system; ■ risk management related to security and the operation of establishments open to the public; ■ managing risks related to international business travel; ■ the coordination of fraud investigations.
Group Property department	■ establishing the Group's property policy.
Group Quality department	■ establishing the product quality, health and safety policy within the Group; ■ managing security, quality, compliance and product safety risk; ■ coordinating crisis management relating to product safety risks; ■ ensuring that products conform to Carrefour's commitments.

Functional departments	Main role
Group CSR department	■ implementing policies and action plans and monitoring the Group's objectives with respect to the Non-Financial Statement (see Chapter 2 of this Universal Registration Document), as well as measuring and cross-functionally monitoring the CSR and Food Transition Index, a criteria for executive and Chairman and Chief Executive Officer compensation; ■ implementing a duty of care plan aimed at preventing serious violations of human rights and fundamental freedoms, the health and safety of individuals and the environment; ■ upholding purchasing rules for the social and environmental compliance of purchases of all controlled products. These rules stipulate: • the requirement for all suppliers to sign a Commitment Charter, and the procedures and standards for carrying out social audits, • that all the Group's purchasing entities must appoint a person in charge of social and environmental compliance, ■ helping suppliers to achieve compliance, while raising awareness and providing training among suppliers and sourcing teams. ■ complying with and updating purchasing rules for the food transition, including responsible sourcing criteria to be introduced across all countries and the associated objectives.
Group Human Resources department	■ establishing a human resources management policy within the Group that: • ensures the proper availability level of resources, suitable for current and future business requirements, • monitors employees' career development and commitment, while guaranteeing and complying with principles of diversity, • ensures high-quality social dialogue, • defines the framework for the compensation policy and employee benefits and guides the associated commitments, • helps to create a culture of collective development and performance, • ensures compliance with labour law and all legal or contractual provisions regarding the Company's employees; ■ coordinating social risk management.
Group Data Security department	■ defining the Group strategy on the security of information systems to manage the risks relating to the continuity, integrity, confidentiality and traceability of data, and the risk of cyber-attacks in particular; ■ coordinating the various Group entities and measuring the maturity of their information security system.
Group Insurance department	■ setting up insurance to cover the Group's insurable risks as effectively as possible, based on available capacity on the market and the optimal methods for spreading risk – from transfer to the market to self-insurance – pursuant to Group insurance policies. In this regard, it works with Group Audit and Risk department.

4.2.2.3.3 Group Internal Audit department

The Group Internal Audit department has a solid-line reporting relationship with the Group Secretary General and reports to the Audit Committee. It performs an independent assessment of the effectiveness of internal control and risk management systems. The Internal Audit team comprises some thirty auditors and has a department based in Brazil.

The Internal Audit department is tasked with:

- assessing the operation of asset risk management and related internal control systems by performing the tasks included in the Annual Audit Plan;
- regularly monitoring and making any necessary recommendations to improve these systems.

4.2.3 MONITORING SYSTEM

4.2.3.1 Continuous monitoring

Continuous monitoring is organised so that incidents can be pre-empted or detected as rapidly as possible. Management plays a long-term daily role in the effective implementation of the internal control system. Specifically, it establishes corrective action plans and reports to the Group's Executive Management and Internal Control department on significant malfunctions when necessary.

4.2.3.2 Periodic monitoring

Parties involved in periodic monitoring

Periodic monitoring is performed by managers, operatives, internal controllers, compliance officers, internal auditors and the Statutory Auditors:

- managers and operatives check that the internal control system is working effectively, identify the main risk incidents, draw up action plans and ensure that the internal control system is appropriate in view of the Group's objectives;
- the internal control function periodically checks that control activities are being properly implemented and that they are effective against risks. Control activities are defined and implemented by process managers, and coordinated by internal controllers who report to members of the Country Executive Committee and to the Country Executive Director. Coordination of the internal controllers by the Group Internal Control department ensures consistency in control activity methodology, guarantees comprehensive coverage of all risks across all processes; and ensures that the relevant internal control teams are competent and equipped with the resources needed to establish a control environment;
- the Ethics and Compliance function ensures compliance with and effective implementation of the anti-corruption compliance programme and reports information on alerts and fraud to the Operations, Legal, Internal Control and Internal Audit departments;
- the Internal Audit department provides the Country Executive Management teams, the Audit Committee and the Group's Executive Management with the findings of their engagement and their recommendations;
- during their audit work, the Statutory Auditors obtain an understanding of the Group's internal control systems as regards accounting and financial reporting procedures. They identify its strengths and weaknesses, evaluate the risk of material misstatement, and make recommendations where appropriate.

Main components of internal control system oversight

Annual internal control self-assessment campaign

The annual internal control self-assessment is a mature process in the Group, and is based on questionnaires completed by all entities within the scope.

The questionnaires are consistent with existing frameworks and based on an internal control risk analysis for each business and on the identification of key control points. This process is coordinated by Group Internal Control, which reviews, consolidates and analyses the results of the questionnaires. A summary is presented to the Audit Committee. Summaries are also presented to the Group's functional departments so that they are equipped to lead internal control within their departments and with the aim of further developing Group rules.

This system contributes to spreading the internal control culture throughout the Group and also provides support in evaluating the level of internal control and assessing how well operational and functional risks are managed. The subsidiaries are required to establish action plans to rectify any controls assessed as ineffective. The local internal control officers are involved in coordinating and reviewing the consistency of the self-assessment and are responsible for monitoring the action plans.

As part of its mission, and where applicable, the Internal Audit department performs a review of self-assessments carried out by the Group's subsidiaries during the annual internal control self-assessment campaign. Any discrepancies are reported in the findings of the audit engagements and the conclusions are shared with the Group Internal Control department. Monitoring these divergences makes it possible to gauge the quality of the audited subsidiaries' internal-control self-assessment.

After the self-assessment process, the Country Executive Directors report to Group Executive Management on their level of internal control through a letter of representation on the internal control system, confirming that the core controls set out in the Group's rules have been properly performed, that the action plans resulting from the self-assessment have been triggered and implemented within the agreed timeframe, and that significant internal control and fraud incidents have been reported to Executive Management. In addition, the main Country Finance Directors present the summary of the self-assessment to the Group Finance department.

At the annual close, the Country Executive Directors and Country Finance Directors also sign a letter of representation for Group Executive Management on the following:

- compliance with laws and internal procedures, in particular ethics principles;
- confidentiality and security of information systems;
- anti-bribery and corruption measures;
- personal data protection;
- governance and delegations of power;
- social responsibility;
- trueness and fairness of the financial statements in relation to the applicable accounting standards.

In addition to the annual self-assessment process, thematic self-assessments may be organised to ensure effective internal control on a key topic. These targeted campaigns are developed in conjunction with the relevant functional department(s). They are presented to the Group's Executive Management.

Monitoring of action plans

Guidance and supervision of the internal control system involve the monitoring, by the country internal controllers, of the action plans relating to the internal control self-assessment and risk mapping processes, and of internal audit, external auditor or any other control body recommendations.

Group internal control presents a summary of action plan monitoring work to the Audit Committee. In addition, each country is required to present progress on its action plans to the Group Finance department.

Monitoring of fraud and internal control incidents

Fraud and other internal control incidents relating to ethics are carefully monitored by the Company Ethics Committees, and depending on their materiality, by the Group Ethics Committee.

The following events must be reported to the Group:

- accounting misstatements and alterations harming the integrity of the financial information, whether favourable or unfavourable to the Company or the Group;
- misappropriation or endangerment of tangible or intangible assets;
- events liable to constitute passive or active corruption or influence peddling;
- breaches of laws and regulations;
- other significant breaches of the ethics principles and compliance programme.

All incidents may be reported using the Group or country ethics hotline. Alerts raised are investigated to establish whether the alleged events are true or not.

They are monitored by the Ethics, Compliance and Personal Data Protection department using a single, centralised procedure applicable to all Group subsidiaries. Employees who raise a potential fraud alert in good faith may not be disciplined, dismissed or subject to any direct or indirect discriminatory measures.

Supervision by the Audit Committee and Executive Management

The Group's Executive Management supervises the internal control system in particular by reviewing the work and the minutes of meetings of the following bodies and departments:

- Group and Country Ethics Committees;
- Group Investment Committee;
- Group Data Security Committee;
- Financial Risk Committees;
- Country performance reviews;
- Antigaspi Committee;
- GDPR Committee;
- Group Information Systems department;
- Group Internal Control department;
- Group Internal Audit and Risk departments;
- Group Ethics, Compliance and Personal Data Protection department; and
- any other ad hoc committee meeting convened according to the needs identified by the Group's Executive Management.

Lastly, the Audit Committee set up by the Board of Directors monitors the effectiveness of the internal control and risk management systems. Its role and purpose are described above.

4.2.4 INTERNAL ACCOUNTING AND FINANCIAL CONTROL

4.2.4.1 General organisational principles of accounting and financial control

Internal accounting and financial control aims to ensure:

- the compliance of reported accounting information with the applicable rules (IFRS international accounting standards);
- the application of instructions and strategic objectives established by the Group;
- the prevention and detection of fraud and accounting and financial irregularities;
- the presentation and reliability of published financial information.

Risks related to the production of accounting and financial information can be classified into two categories:

- those related to the accounting of recurring operations in the Group's host countries, whose control systems must be set as close as possible to decentralised operations;
- those related to the accounting of non-recurring operations that may have a material impact on the Group's financial statements.

The internal control system described in the following paragraphs incorporates this risk approach.

Management within each country is responsible for identifying risks that impact the preparation of financial and accounting information as well as taking the necessary steps to adapt the internal control system.

With regard to information that requires special attention given its impact on the consolidated financial statements, the Group Reporting and Consolidation department requests the necessary explanations and may perform such controls itself. It can also assign an external auditor to carry out such controls or submit a request to the Chairman and Chief Executive Officer for the Internal Audit department to intervene.

4.2.4.2 Management of the accounting and finance organisation

Organisation of the finance function

The finance function is mainly based on a two-level organisation:

- the Group Financial Control department defines the IFRS accounting principles applicable to Carrefour and provides leadership and oversight of the production of consolidated financial statements and management reports. This department includes a Reporting and Consolidation department and a Performance Analysis department:

- the Reporting and Consolidation department monitors standards, defines the Group accounting doctrine ("IFRS accounting principles applicable to Carrefour"), produces and analyses the consolidated financial statements, and prepares the consolidated accounting and financial information, and is the direct link to the Finance departments at country level,
- the Performance Analysis department analyses both prospective and retrospective management reports. It requests explanations from the country-level Finance departments and alerts the Group's Executive Management to key issues and any potential impacts;

- the country-level Finance departments are responsible for the production and control of the country-level company and consolidated financial statements. They are also responsible for deploying an internal control system within their scope that is adapted to their specific challenges and risks, taking into account the Group's recommendations and directives.

The Group Executive Director – Finance and Management appoints the country-level Finance Directors.

Accounting principles and procedures manuals

Group accounting principles are specified in a regularly updated document that is communicated to all those involved in the process.

The IFRS accounting principles applicable to Carrefour are reviewed twice a year, before the end of each financial year and six-month period. They are defined and monitored by the Accounting Standards department, which forms part of the Group Reporting and Consolidation department, and are presented to the Statutory Auditors. Material changes, additions or deletions are presented to the Audit Committee.

The Group Financial Control Manual must be used by the country-level Finance departments. If necessary, country-level Finance departments can consult the Group Reporting and Consolidation department, which alone can provide interpretations and clarifications.

The country-level Finance Directors meet regularly to discuss new changes to the IFRS accounting principles applicable to Carrefour and any application issues encountered.

Tools and operating methods

The Group continues to standardise the accounting systems used in the various countries, in particular through its finance tool transformation programme. In particular, this has enabled the standardisation and documentation of procedures in the various countries and an adequate separation of duties.

The Group uses a consolidation and reporting tool to detail, make reliable and facilitate the transmission of data, controls and consolidation operations.

Accounting and financial information systems are subject to the same security requirements as all other systems.

Consolidation/reporting process and principal controls

To assist the Group consolidation process, each country is responsible for reporting its own financial data by legal entity and for consolidating the financial statements at its own level.

The Group Reporting and Consolidation team leads this process and is responsible for producing the Group's consolidated financial statements. Consolidation takes place monthly. The Statutory Auditors audit the annual consolidated financial statements and perform a review of the half-yearly consolidated financial statements. The half-yearly and annual consolidated financial statements are also published. The Group uses identical tools, data and regional breakdowns for its management reports and consolidated financial statements.

Subsidiaries prepare their own statutory financial statements as well as the consolidated financial statements converted into euros for their region. The Finance department in each country makes use of controls in place in the consolidation tool. The Reporting and Consolidation department checks for consistency and performs a reconciliation and analysis at the end of each month.

The main options and accounting estimates are subject to review by the Group Reporting and Consolidation department and the country-level Finance Directors, including during meetings for financial statement reporting options, organised before the financial statements are reported at Group and country level in cooperation with external auditors.

A hard-close procedure was introduced by the Reporting and Consolidation department in late May and late November to anticipate, as far in advance as possible, any potentially sensitive subjects relating to the six-month and annual reporting period, which is subject to a review by the Statutory Auditors.

Also, a review is carried out in late September by the Statutory Auditors to assess the quality of the Group's internal control system and of the processes associated with measuring income and expenses that, due to their nature and amount, have a material impact on Group performance, so that any weaknesses can be rectified before the financial year-end. The countries are asked to carry out specific work, which is reviewed by the Statutory Auditors. This work focuses mainly on internal control of the supplier and inventory cycle, a review of the main disputes and risks, impairment testing of stores and the application of IFRS 16.

In order to provide an opinion to the Board of Directors on the draft financial statements, the Audit Committee reviews the annual and half-yearly financial statements and the findings of the Statutory Auditors' team concerning their work.

Accordingly, the Audit Committee meets regularly and as often as necessary in order to monitor the process of preparing the accounting and financial information and ensure that the principal accounting options applied are pertinent.

Oversight of the internal control system for accounting and financial reporting procedures

Oversight of the internal control system is mainly based on:

- a self-assessment campaign for the application and oversight of the main rules defined by the Group concerning internal accounting and financial control. Action plans are defined at country level where necessary and are subject to monitoring;
- in-country actions by the Group Internal Audit department. The internal audit plan incorporates tasks to review internal accounting and financial control.

Oversight also involves assessing the information provided by the Statutory Auditors as part of their in-country operations. The role of the Statutory Auditors includes, but is not limited to, expressing an opinion as to whether the Company and consolidated financial statements give a true and fair view of the Group, and performing a review of the half-yearly consolidated financial statements.

At each annual close, Group Internal Control receives letters of representation signed by the Country Executive Director and country-level Finance Director, certifying that the financial information reported to the Group is reliable, fair and prepared in accordance with the IFRS accounting principles applied by Carrefour.

4.2.4.3 Control over financial communications

Role and purpose of financial communications

The objective of financial communications is to provide the entire financial community with clear information about the Group's strategy, business model and performance, by publishing accurate, true and fair information while upholding the principle of shareholder equality with regard to information.

Organisation of financial communications

Financial communications address a diverse audience, primarily comprising financial analysts, institutional investors, individual shareholders and employees. They are disseminated as required by law (Shareholders' Meeting) or the AMF's regulations (periodic publications, press releases). The Group also uses other channels for its financial communications, including conference calls, investor presentations on results or events (investors day), meetings, conferences and roadshows for financial analysts and investors, the Universal Registration Document and annual report, and the corporate website.

In organisational terms:

- the Chairman and Chief Executive Officer and the Group Executive Director – Finance and Management, as well as the Financial Communications and Investor Relations departments, are, except in certain cases, the sole contacts for analysts, institutional investors and shareholders;
- the Group Human Resources department, with support from the Group Communications department, manages information intended for employees;
- the Group Communications department manages press relations.

Procedures for controlling financial communications

The Group Financial Control department is the exclusive source of financial information.

Internal controls regarding the financial communications process focus on compliance with the principle of shareholder equality, among other issues. All press releases and significant announcements are prepared by mutual agreement between the Financial Communications department, which is part of the Group Finance department, and the Group Communications department.

Where appropriate, these departments are assisted (in particular, as part of the market abuse prevention programme) by the Group Legal department and the Legal department of Atacadão, the listed Brazilian subsidiary controlled by the Group.

Financial communications policy

The Group Finance department defines and implements the policy on disclosing financial results to the markets. The Carrefour group discloses its sales on a quarterly basis and its results on a half-yearly basis. The Board of Director is informed of all periodic publications and press releases on financial and strategic operations, and makes comments as appropriate.

The Group Financial Communications department is also involved in coordinating the financial communications of the Group and Atacadão.

4.3 Legal and arbitration proceedings

4.3.1 PROCEEDINGS IN CONNECTION WITH THE GROUP'S RECURRING OPERATIONS

In the normal course of its operations, the Carrefour group is involved in various arbitration, legal and administrative proceedings.

A provision is recorded when, at the period-end, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. A description of provisions for claims and litigation can be found in Chapter 6 (Note 11.2 to the 2021 consolidated financial statements) of this Universal Registration Document.

At the date of this Universal Registration Document, the Company is not aware of any administrative, legal or arbitration proceedings (including any pending or threatened proceedings of which the Carrefour group is aware) that may have or have had, during the last 12 months, significant effects on the financial position or profitability of the Company and/or the Group.

4.3.2 OTHER PROCEEDINGS

4.3.2.1 In France

The French competition authority (*Autorité de la concurrence*) launched multiple investigations regarding the impact of purchasing alliances in the predominantly food-based segment of the retail industry and their implementation. In particular, this concerned the agreement entered into by Carrefour with Système U and another agreement entered into with Provera.

Several French subsidiaries of Carrefour SA, along with some 100 companies and roughly 15 professional associations (including the French Trade and Retail Federation – *Fédération du Commerce et de la Distribution*) received a statement of objections from the French competition authority on October 5, 2021 as part of a simplified procedure accusing them of having coordinated between February 2012 and September 2015 to implement a collective strategy aimed at:

(i) refraining from any reporting on the absence of Bisphenol A (BPA) in metal containers in order to prevent any single company from gaining a competitive advantage, and

(ii) agreeing to set the same dates for the marketing of BPA-free containers and the discontinuation of marketing of containers with BPA.

4.3.2.2 In Belgium

On May 6, 2019, the Belgian competition authority opened an investigation into the signing and implementation of the purchase alliance agreement entered into in November 2018 by Carrefour Belgium S.A. with Provera.

The Authority closed its investigation in a decision dated April 28, 2021, considering that the commitments undertaken by the parties were sufficient to meet its concerns.

4.3.2.3 In Argentina

On October 1, 2019, INC S.A. (the Group's subsidiary in Argentina) and its former Chairman were referred back to a trial court specialised in economic offences for complicity in unauthorised financial intermediation, with regard to transactions carried out with financial cooperatives between July 2012 and December 2014, in a context of hyperinflation and in light of the banking system's inability to collect the liquid assets generated by INC S.A.'s business activities.

On October 28, 2020, the Argentine government authority in charge of supervising and sanctioning money laundering (*Unidad de Información Financiera*) was included in the proceedings.

On April 26, 2021, the Appellate Court with jurisdiction over economic offences annulled the indictments made against INC S.A. and its former Chairman on October 1, 2019 and referred the case to the court of first instance.

4.3.2.4 In Brazil

On June 27, 2020 and May 25, 2021, the municipality of São Paolo initiated two civil liability proceedings against Atacadão S.A. in connection with the renewal of the operating licences for its head office and two stores.

The civil proceedings were initiated following the initiation of the criminal proceedings to which Atacadão S.A. is not party.

4.3.2.5 Financial services

The adoption by several countries of multiple and sometimes divergent or contradictory legal or regulatory requirements governing the provision of financial products, with a view to protecting consumers in particular, may expose the Group's relevant entities to a risk of non-compliance (see section 4.1.2.3 "Appropriateness of the retail model" in this Universal Registration Document) and, where applicable, to individual or collective actions.

This is notably the case in Spain and Argentina, where consumer associations – or a significant number of customers, as the case may be – have questioned the interest rates and/or contracts for revolving credit, consumer credit and deferred payment.

5

BUSINESS REVIEW AS OF DECEMBER 31, 2021

5.1 Business review and consolidated income analysis

5.1.1 MAIN INCOME STATEMENT INDICATORS

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2021. Comparative data for 2020 have also been adjusted for inflation.

Comparative data for 2020 have been restated (indicated as "restated" below) in the consolidated financial statements as of December 31, 2021 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in May 2021 on attributing benefit to periods of service in the calculation of the provision for employee benefits falling within the scope of IAS 19 (see Note 4.3).

(in millions of euros)	2021	2020	% change	% change at constant exchange rates
Net sales	72,958	70,719	3.2%	5.0%
Gross margin from recurring operations	15,520	15,445	0.5%	2.4%
in % of net sales	*21.3%*	*21.8%*		
Sales, general and administrative expenses, depreciation and amortisation	(13,247)	(13,272)	(0.2)%	1.5%
Recurring operating income	2,272	2,173	4.6%	7.7%
Recurring operating income before depreciation and amortisation	*4,550*	*4,465*	*1.9%*	*3.9%*
Recurring operating income after net income from equity-accounted companies	2,284	2,160	5.8%	8.9%
Non-recurring income and expenses, net	(374)	(474)	(21.2)%	(22.8)%
Operating income	1,911	1,686	13.3%	17.9%
Finance costs and other financial income and expenses, net	(279)	(334)	(16.4)%	(13.9)%
Income tax expense	(372)	(498)	(25.3)%	(22.3)%
Net income/(loss) from continuing operations - Group share	1,030	663	55.3%	61.1%
Net income/(loss) from discontinued operations - Group share	42	(22)	289.3%	289.3%
NET INCOME/(LOSS) - GROUP SHARE	**1,072**	**641**	**67.3%**	**73.3%**
FREE CASH-FLOW(1)	**2,435**	**2,223**		
NET FREE CASH-FLOW(2)	**1,228**	**1,056**		
NET DEBT(3)	**2,633**	**2,616**		

(1) Free cash flow corresponds to cash flow from operating activities before net finance costs and net interest related to lease commitments, after the change in working capital, less net cash from/(used in) investing activities.
(2) Net free cash flow corresponds to free cash flow after net finance costs and net lease payments.
(3) Net debt does not include lease commitments or right-of-use assets (see Note 2.2).

Net sales totalled 73.0 billion euros in 2021, an increase of 5.0% at constant exchange rates.

Recurring operating income before depreciation and amortisation came in at 4,550 million euros, an improvement of 3.9% at constant exchange rates.

Recurring operating income increased by 7.7% at constant exchange rates, to 2,272 million euros.

Non-recurring operating income and expenses represented a net expense of 374 million euros, a 101-million-euro improvement compared with 2020, due mainly to the gain arising on the loss of control of Market Pay in France and the exchange of assets in Brazil as part of the Pinheiros real estate transaction. These gains were partly offset by higher restructuring costs, particularly in France and Italy.

Finance costs and other financial income and expenses represented a net expense of 279 million euros, a decrease of 55 million euros from the 2020 figure that reflected the reduction in net other financial expense.

The income tax expense for 2021 amounted to 372 million euros (compared with 498 million euros for 2020).

Net income from continuing operations – Group share, totalled 1,030 million euros, a 367 million euro improvement on 2020.

Discontinued operations generated a net income – Group share of 42 million euros, versus a net loss of 22 million euros in 2020, primarily reflecting the reversal of the impairment loss recorded on the financial receivable related to the 20% stake in Carrefour China.

The Group ended 2021 with a net income – Group share of 1,072 million euros, versus a net income of 641 million euros in 2020.

Free cash flow came to 2,435 million euros, versus 2,223 million euros in 2020. Net free cash flow came to 1,228 million euros, versus 1,056 million euros in 2020.

5.1.2 ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

The Group's operating segments consist of the countries in which it does business, combined by region, and "Global functions", corresponding to the holding companies and other administrative, finance and marketing support entities.

Net sales by region

(in millions of euros)	2021	2020	% change	% change at constant exchange rates
France	35,283	34,135	3.4%	3.4%
Europe (excluding France)	21,283	21,239	0.2%	0.6%
Latin America	13,895	13,245	4.9%	14.5%
Asia (Taiwan)	2,497	2,100	18.9%	16.9%
TOTAL	**72,958**	**70,719**	**3.2%**	**5.0%**

The Carrefour group reported net sales of 73.0 billion euros in 2021, up 5.0% at constant exchange rates and up 5.1% restated for the application of IAS 29.

- Sales in France were up 3.4% in 2021, representing a 1.8% like-for-like[1] increase on 2020. In 2021, all segments contributed to the growth in sales, on the back of a record year in 2020, notably with like-for-like increases of 0.6% for hypermarkets and 3.6% for supermarkets. The Group outperformed in all reference channels. The e-commerce business grew 19% compared with 2020 and 80% compared with 2019, led by food sales.
- In Europe (excluding France), sales rose by a slight 0.6% at constant exchange rates in 2021; the like-for-like change was a modest decline of 1.1% versus 2020 but an increase of 2.3% over two years. In Spain, sales were broadly stable (down 0.4% LFL) after growing strongly in 2020. Carrefour continued to expand its market share in 2021. In Belgium, sales (down 4.2% LFL) were penalized by a deflationary competitive environment, exceptionally high sales during the summer of 2020, and supply shortages in the fourth quarter due to significant disruptions experienced by a major logistics partner. On a two-year comparison basis, both countries experienced a solid growth (up 6.7% LFL in Spain and up 4.1% LFL in Belgium). In Italy, the performance improved over the year (down 3.0% LFL) and became positive in the second half (up 0,8% LFL in the third quarter and up 2.5% LFL in the fourth), notably driven by an offensive commercial strategy. In Poland, Carrefour benefited from the momentum mainly driven by the recovery in consumer spending and the reopening of shopping malls, reporting sales up 3.0% LFL on 2020 and 2.3% LFL over two years. In Romania, Carrefour continued to enjoy dynamic growth, with sales up 2.0% LFL on 2020 and 4.1% LFL over two years.
- In Latin America, growth remained high, at 14.5% at constant exchange rates and 9.3% LFL, after a record year in 2020 (up 23% LFL), reflecting a solid performance in a turbulent economic environment. In Brazil, sales grew 1.0% LFL, a robust performance in a macroeconomic environment that deteriorated during the year as rising inflation eroded consumer purchasing power. Food sales continued to grow and although non-food sales declined after an exceptionally strong 2020, they were nonetheless up 10% LFL over two years. In addition, Carrefour completed the programme of Makro store conversions. The converted stores are ramping up faster than expected, delivering sales in excess of original forecasts. In Argentina, sales rose by 50.0% LFL (pre-IAS 29), on the back of 49.3% LFL growth (pre-IAS 29) in 2020. Apart from the impact of very high inflation on food prices, this excellent performance also reflected sharply higher volumes resulting in continued market share gains.
- In Taiwan (Asia), sales were up 16.9% at constant exchange rates (down 3.0% LFL), thanks to the integration of Wellcome convenience stores.

(1) Like-for-like sales generated by stores open for at least 12 months, excluding temporary store closures, at constant exchange rates, excluding petrol and calendar effects and excluding the IAS 29 impact.

Net sales by region – contribution to the consolidated total

(in %)	2021[(1)]	2020
France	47.5%	48.3%
Europe (excluding France)	28.8%	30.0%
Latin America	20.4%	18.7%
Asia (Taiwan)	3.3%	3.0%
TOTAL	**100%**	**100%**

(1) At constant exchange rates.

At constant exchange rates, the portion of consolidated net sales generated outside France continued to rise, representing 52.5% in 2021, compared with 51.7% in 2020.

Recurring operating income by region

(in millions of euros)	2021	2020	% change	% change at constant exchange rates
France	757	629	20.4%	20.4%
Europe (excluding France)	718	698	2.8%	3.3%
Latin America	768	786	(2.2)%	6.3%
Asia (Taiwan)	78	94	(16.7)%	(18.1)%
Global functions	(49)	(33)	49.5%	48.2%
TOTAL	**2,272**	**2,173**	**4.6%**	**7.7%**

Recurring operating income represented 2,272 million euros in 2021, an increase of 99 million euros (up 7.7% at constant exchange rates).

In France, recurring operating income for 2021 was 757 million euros, up 20.4% on 2020. Operating margin increased by 30 bps to 2.1%, on the back of a 24-bps improvement in 2020. This change reflects excellent momentum in retail, combined with a deep focus on cutting costs.

In Europe (excluding France), recurring operating income stood at 718 million euros, versus 698 million euros in 2020, an increase of 3.3% at constant exchange rates. Operating margin improved by 9 bps to 3.4%. All countries except Belgium reported increases in recurring operating income and operating margin.

In Latin America, recurring operating income stood at 768 million euros, an increase of 6.3% at constant exchange rates that came on the back of a strong 26.4% rise in 2020, also at constant exchange rates. In Brazil, recurring operating income rose by 9 million euros at constant exchange rates to 714 million euros, after growing by a strong 184 million euros in 2020. The improved profitability of the financial services business and Atacadão in 2021 was partly offset by the impact on Carrefour Retail of lower non-food sales versus high prior-year comparatives. The Group continued to invest in improving competitiveness in a deteriorating economic and health environment. In Argentina, recurring operating income continued to improve significantly, rising to 55 million euros thanks to excellent sales momentum and continued cost discipline. Operating margin improved by 112 bps to 2.4%, including a 17 million euro negative impact of adjustments relating to the application of IAS 29.

In Taiwan (Asia), recurring operating income contracted by 16 million euros to 78 million euros in 2021, due in particular to the integration of the Wellcome stores undergoing conversion and the adverse effect of health measures on footfall in hypermarkets and shopping centres.

Depreciation and amortisation

Depreciation and amortisation of property and equipment, intangible assets and investment property amounted to 1,270 million euros in 2021 compared with 1,319 million euros in 2020.

Depreciation of right-of-use assets (IFRS 16) relating to property and equipment and investment property totalled 748 million euros in 2021 compared with 721 million euros in 2020.

Including depreciation and amortisation of logistics equipment and of the related right-of-use assets (IFRS 16) included in the cost of sales, a total depreciation and amortisation expense of 2,277 million euros was recognised in the consolidated income statement for 2021, compared with an expense of 2,292 million euros for 2020.

Net income/(loss) from equity-accounted companies

The net income/(loss) from equity-accounted companies represented a net income of 12 million euros in 2021, versus a net loss of 13 million euros in 2020, chiefly reflecting the improved contribution of Carmila.

Non-recurring income and expenses

This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges on non-current assets, gains and losses on sales of non-current assets, restructuring costs and provision charges and income recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

Non-recurring items represented a net expense of 374 million euros in 2021, and the detailed breakdown is as follows:

(in millions of euros)	2021	2020
Net gains on sales of assets	271	19
Restructuring costs	(385)	(93)
Other non-recurring income and expenses	(42)	(105)
Non-recurring income and expenses, net before asset impairments and write-offs	(156)	(179)
Asset impairments and write-offs	(218)	(295)
of which Impairments and write-offs of goodwill	*(84)*	*(104)*
of which Impairments and write-offs of property and equipment, intangible assets and others	*(134)*	*(192)*
NON-RECURRING INCOME AND EXPENSES, NET	**(374)**	**(474)**
of which:		
Non-recurring income	*514*	*279*
Non-recurring expense	*(888)*	*(753)*

Gains and losses on sales of assets

Gains and losses on sales of assets mainly include the gain arising on the loss of control of Market Pay in France for around 230 million euros, net of costs (see Note 2.3 to the consolidated financial statements). To a lesser extent, this item also includes the disposal of ten hypermarket properties in Spain, through sale and leaseback transactions with Realty Income (see Note 8 to the consolidated financial statements).

Restructuring costs

Restructuring costs recognised in 2021 result from continued work towards objectives to improve operating performance and organisational efficiency. The expense included in non-recurring items relates primarily to severance paid or payable within the scope of the transformation plan concerning the headquarters in France and, secondarily, to the measures implemented in Italy and Spain.

Other non-recurring items

Other non-recurring income and expenses recorded in 2021 resulted primarily from the following items in Brazil:

- the impact of the Pinheiros real estate transaction, which generated 81 million euros following an exchange of assets in the city of São Paulo (see Note 2.3 to the consolidated financial statements);
- provision reversals (net of costs) on ICMS credits notably related to transfers between states on "basic products" were recognised for around 35 million euros following expiry of the limitation period for tax claims or further relief under tax amnesty programmes introduced by certain Brazilian states (see Note 6.3 to the 2020 consolidated financial statements);
- following the death of Mr Silveira Freitas, commitments have been made by Carrefour Brazil to public authorities and non-profit organisations as part of a settlement agreement ("*Termo de ajustamento de Conduta*") signed on June 11, 2021. It led to the recognition of a provision for 17 million euros (see Note 11.3 to the consolidated financial statements and the 2020 consolidated financial statements).

Other non-recurring income and expenses in 2021 also included revised estimates of historical risks in Spain and the impacts related to the decision taken in May 2021 to discontinue Carrefour Banque's operations in Italy (see Note 2.3 to the consolidated financial statements).

Asset impairments and write-offs

At December 31, 2021, an impairment loss of 80 million euros was recognised on goodwill in Italy (see Note 7.3 to the consolidated financial statements).

Impairment of assets other than goodwill and write-offs recorded in 2021 include the retirement of a variety of non-current assets, in particular relating to IT in France for 28 million euros, as well as impairment losses of 26 million euros against non-current assets, to take account of the difficulties experienced by certain stores, particularly in Italy and France. They also include the write-off of configuration and customisation costs for Software as a Service (SaaS) solutions that can no longer be capitalised as a result of the application of the final IFRS IC decision published in April 2021 (see Note 1.2 to the consolidated financial statements), for approximately 30 million euros. In addition, the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at December 31, 2021 represented a non-recurring expense of 10 million euros (see Note 9.2 to the consolidated financial statements).

Main non-recurring items in 2020

In 2020, gains and losses on disposals of assets included the loss incurred on the sale of Rue du Commerce, which was completed on April 30, 2020. The loss was more than offset by the gains recorded on the sale of store assets or businesses in France, Italy and Belgium.

Restructuring costs in 2020 primarily corresponded to severance paid or payable under the measures implemented in Spain and Italy.

The costs incurred in connection with the Covid-19 health crisis were recognised in recurring operating expenses for 2020, including necessary costs relating to logistics or product distribution in stores or to customers' homes, as well as costs relating to protecting the health of employees, customers and service providers.

In accordance with the Group's accounting principles, which have been applied consistently, exceptional bonuses and similar benefits were recognised in non-recurring expenses for a total amount of 128 million euros during the first half of 2020. These bonuses did not compensate employees for their work as such. Rather, they represented an act of corporate social responsibility, offering tax and employee benefits. The exceptional bonuses supplemented the usual components of fixed and variable compensation awarded to the employees concerned (in respect of overtime pay, various types of bonuses, profit-sharing, etc.), i.e., without replacing said components.

In Brazil, provision reversals on "basic products" (see Note 7.3 to the consolidated financial statements at December 31, 2019) were recognised for around 65 million euros in 2020 (net of costs) following expiry of the statute of limitations for tax claims or receipt of further relief under tax amnesty programmes introduced by certain Brazilian states at the end of the year.

Other non-recurring operating income and expenses recognised in 2020 related primarily to revised estimates of historical risks in France and Brazil.

At December 31, 2020, an impairment loss of 104 million euros was recognised on goodwill in Italy (see Note 7.3 to the 2020 consolidated financial statements). In 2020, impairment losses of 150 million euros were recognised against non-current assets other than goodwill to take account of the difficulties experienced by certain stores, particularly in Italy and France (mainly hypermarkets and Promocash stores).

In addition, 65 million euros' worth of assets were retired during the year, mainly in France (store assets), Brazil (former IT E-Commerce platform) and Spain (certain software applications in particular). Assets were also retired at Carrefour Banque following the discontinuation of the C-zam business (see Note 3.2.2 to the consolidated financial statements).

Lastly, the net impact of the dilution of Showroomprivé shares and the alignment of their net carrying amount with the stock market share price at December 31, 2020 represented non-recurring income of 23 million euros (see Note 9.2 to the 2020 consolidated financial statements).

Operating income

Operating income amounted to 1,911 million euros in 2021, versus 1,686 million euros in 2020.

Finance costs and other financial income and expenses

Finance costs and other financial income and expenses represented a net expense of 279 million euros in 2021, corresponding to a negative 0.4% of sales versus a negative 0.5% in 2020.

(in millions of euros)	2021	2020
Finance costs, net	(172)	(171)
Net interests related to lease commitments	(106)	(113)
Other financial income and expenses, net	(1)	(50)
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	**(279)**	**(334)**

Finance costs, net amounted to 172 million euros, in line with 2020.

In accordance with IFRS 16, from 2019 finance costs and other financial income and expenses also include interest expense on leases as well as interest income on finance sub-leasing arrangements.

Other financial income and expenses consist for the most part of taxes on financial transactions, late interest payable on certain liabilities and the effects of hyperinflation in Argentina, which increased in 2021 due to rising inflation. Currency effects recognised in other financial income and expenses in 2021 were also greater than in 2020.

Income tax expense

Income tax expense for 2021 amounted to 372 million euros (compared with 498 million euros for 2020), corresponding to an effective tax rate of 22.8% (versus 36.9% in 2020). The decrease in the effective rate reflects the 50% reduction in the CVAE rate (local business tax) in France from 2021 onwards and the low tax rate applied to capital gains arising on disposal of 60% of Market Pay in France and on the Pinheiros exchange of assets in Brazil (see above). These two effects were partly offset by the increase in Argentina's applicable tax rate to 35% as from 2021.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests came to 229 million euros 2021, versus 190 million euros in 2020.

Net income from continuing operations – Group share

As a result of the items described above, the Group share of net income from continuing operations amounted to 1,030 million euros in 2021, compared with 663 million euros in 2020.

Net income/(loss) from discontinued operations – Group share

The Group reported a 42-million-euro net income from discontinued operations in 2021 (compared with a net loss of 22 million euros in 2020), corresponding mainly to reversal of the impairment loss recognised on the financial receivable related to the 20% stake in Carrefour China.

5.2 Group financial position and cash flows

5.2.1 EQUITY

At December 31, 2021, equity stood at 11,830 million euros, compared with 11,609 million euros at December 31, 2020 as restated, an increase of 220 million euros.

The increase mainly reflects:

- net income for the year of 1,301 million euros;
- other comprehensive income of 179 million euros, which reflects both the effect of the increase in value of the New Taiwan dollar and to a lesser extent the Brazilian real during the period and, under other consolidated reserves and net income, the remeasurement of net defined benefit liabilities following the increase in discount rates applied for to eurozone as of December 31, 2021;
- 2020 dividends distributed totalling 581 million euros, of which 383 million euros paid to Carrefour shareholders (entirely in cash) and 198 million euros to the non-controlling interests mainly related to the Brazilian, Taiwanese and Spanish subsidiaries;
- the reduction of Carrefour SA's share capital by cancelling 29,475,225 shares and then 12,252,723 shares, following the two share buybacks carried out in 2021 for amounts of 500 million euros and 200 million euros respectively.

5.2.2 NET DEBT

Consolidated net debt increased from 2,616 million euros at December 31, 2020 to 2,633 million euros at December 31, 2021. The Group's net debt break downs as follows:

(in millions of euros)		December 31, 2021	December 31, 2020
Bonds and notes		6,052	6,822
Other borrowings		741	503
Total borrowings excluding derivative instruments recorded in liabilities		6,793	7,324
Derivative instruments recorded in liabilities		40	64
TOTAL BORROWINGS	**[1]**	**6,834**	**7,389**
of which borrowings due in more than one year		*5,491*	*6,305*
of which borrowings due in less than one year		*1,342*	*1,084*
Other current financial assets(1)		498	334
Cash and cash equivalents		3,703	4,439
TOTAL CURRENT FINANCIAL ASSETS	**[2]**	**4,201**	**4,773**
NET DEBT	**[1] - [2]**	**2,633**	**2,616**

(1) This item does not include the current portion of amounts receivable from finance sub-leasing arrangements (see Note 14.2.5 to the consolidated financial statements).

Long and short-term borrowings (excluding derivatives) mature at different dates, through 2027 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years, as shown below:

(in millions of euros)	December 31, 2021	December 31, 2020
Due within 1 year	1,302	1,019
Due in 1 to 2 years	1,259	1,216
Due in 2 to 5 years	2,731	3,047
Due beyond 5 years	1,502	2,042
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**6,793**	**7,324**

Cash and cash equivalents totalled 3,703 million euros at December 31, 2021 compared with 4,439 million euros at December 31, 2020, representing a decrease of 735 million euros.

5.2.3 STATEMENT OF CASH FLOWS

Net debt increased by 16 million euros in 2021, after increasing by 1 million euros in 2020. The change is analysed in the simplified statement of cash flows presented below:

(in millions of euros)	2021	2020	Variation
Opening net debt	(2,616)	(2,615)	(1)
Cash flow from operations	3,796	3,408	388
Change in working capital requirement	(32)	15	(47)
Change in consumer credit granted by the financial services companies	(104)	(29)	(75)
Net cash (used in)/from operating activities - total	3,661	3,395	266
Acquisitions of property and equipment and intangible assets[(1)]	(1,626)	(1,241)	(385)
Proceeds from the disposal of property and equipment and intangible assets - Business-related	277	155	122
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	124	(85)	209
Free cash flow	2,435	2,223	211
Payments related to leases (principal and interests) net of subleases payments received	(1,035)	(996)	(39)
Finance costs, net	(172)	(171)	(1)
Net Free cash flow	1,228	1,056	172
Acquisitions of investments	(331)	(591)	260
Disposal of investments	192	20	172
Decrease in capital of Carrefour SA	(702)	–	(702)
Proceeds from share issues to non-controlling interests	1	1	–
Dividends paid	(576)	(170)	(406)
Effect of changes in exchange rates	24	(277)	301
Other	147	(40)	187
Decrease/(Increase) in net debt	(16)	(1)	(16)
CLOSING NET DEBT	**(2,633)**	**(2,616)**	**(16)**

(1) Restated for the acquisition of Makro Atacadista stores in Brazil (acquisition of three stores on a full-ownership basis in 2021 versus 16 in 2020).

Free cash flow came to 2,435 million euros in 2021 (compared with 2,223 million euros in 2020) and mainly comprised:

- cash flow from operations of 3,796 million euros versus 3,408 million euros in 2020;
- the 32 million euro negative change in working capital requirement compared with a 15 million euro positive change in 2020;
- operational investments in an amount of 1,626 million euros, compared with 1,241 million euros in 2020.

5.2.4 FINANCING AND LIQUIDITY RESOURCES

The Group's main measures for strengthening its overall liquidity consist of:

- promoting prudent financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programmes, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) programme totals 12 billion euros;
- using the 5 billion-euro commercial paper programme on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2021, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. In June 2019, Carrefour amended these two credit facilities, incorporating an innovative Corporate Social Responsibility (CSR) component in the first CSR-linked credit transaction in the European Retail sector. In May 2021, Carrefour exercised the option to extend its two credit facilities from June 2025 to June 2026. The option has been applied to more than 99% of the Group's banking facilities. Group policy consists of keeping these facilities on stand-by to support the commercial paper programme. The loan agreements for the syndicated lines of credit include the usual commitment clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. The pricing grid may be adjusted up or down to reflect changes in the long-term credit rating.

The main transactions in 2021 concerned the redemption of 871 million euros worth of 3.875% 11-year bonds (see Note 14.2.2 to the consolidated financial statements).

The Group considers that its liquidity position is robust. It has sufficient cash reserves to meet its debt repayment obligations in the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 3.1 years.

5.2.5 RESTRICTIONS ON THE USE OF CAPITAL RESOURCES

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its host countries. The local supervisory authorities may require banking subsidiaries to comply with certain capital, liquidity and other ratios and to limit their exposure to other Group parties.

At December 31, 2021, as at December 31, 2020, there was no restricted cash.

5.2.6 EXPECTED SOURCES OF FUNDING

To meet its commitments, Carrefour can use its free cash flow and raise debt capital using its EMTN and commercial paper programmes, as well as its credit lines.

5.3 Outlook

The Group's objectives are detailed below. Among them, two 2022 objectives had already been reached by the end of 2021 and the cost savings objective has been raised.

Operational objectives:

- a 30-point improvement in Group NPS® by 2022 versus the start of the plan;
- Carrefour-brand products accounting for one-third of net sales in 2022;
- 2,700 convenience store openings by 2022: target reached by end-2021.

Financial objectives:

- 10 billion euros in e-commerce GMV in 2026;
- 4.8 billion euros in net sales from organic products in 2022;
- the cost savings objective for 2023 has been raised from 2.4 billion euros (versus 2020) to 2.7 billion euros on a full-year basis. This objective was set in February 2021, in addition to the 3.0 billion euros in savings already achieved by end-2020;
- net free cash flow in excess of 1 billion euros per year;
- annual level of capex of around 1.7 billion euros, excluding exceptional capex relating to the Grupo BIG integration and estimated to represent around 150 million euros in 2022. Capex is thus expected to come in at around 1.85 billion euros in 2022;
- 300 million euros in additional disposals of non-strategic real estate assets by 2022: target reached by end-2021.

5.4 Other information

5.4.1 ACCOUNTING PRINCIPLES

The accounting policies used to prepare the 2021 consolidated financial statements are the same as those used for the 2020 consolidated financial statements, except for the following amendments whose application is mandatory as of January 1, 2021:

- amendment to IFRS 4 – *Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9*;
- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – *Interest Rate Benchmark Reform (Phase 2)*;
- amendment to IFRS 16 – *Leases: Covid-19-Related Rent Concessions*, which is effective from April 1, 2021.

These three amendments had no material impact on the Group's consolidated financial statements.

The application of the IFRS 4 amendment extends a temporary exemption already applied by the Group's insurance companies.

The objective of Phase 2 of the interest rate benchmark reform is to clarify the accounting impacts of the effective replacement of benchmarks. In 2021, the Group completed the identification process aimed at ensuring a smooth transition to the new benchmarks. Interest rate derivatives designated as hedges of debt indexed to benchmarks are presented in Note 14 to the consolidated financial statements.

As a reminder, Phase 1 of the project, adopted by the Group in 2020, allowed it to set aside uncertainty over future interest rate benchmarks when assessing hedge effectiveness and/or determining whether the hedged risk meets the highly probable requirement, thereby providing assurance regarding existing and future hedging relationships until such point as the uncertainty is lifted.

Note that, in the consolidated financial statements for the year ended December 31, 2021, the Group applied the IFRS IC decision published in April 2021 on the recognition of configuration and customisation costs in Software as a Service (SaaS) arrangements, as well as the decision published in May 2021 on attributing benefit to periods of service in the calculation of the provision for employee benefits falling within the scope of IAS 19.

As a result of the decision on SaaS arrangements, the Group changed the accounting policy for customisation and configuration costs when they do not meet the recognition criteria under IAS 38 (when the Group does not control the SaaS solution) or when they do not relate to the development of an interface (middleware) with this SaaS solution. These costs are now recognised as an expense either (a) as and when they are incurred if the development work is carried out internally or by a third party integrator (not related to the SaaS solution publisher), or (b) over the term of the SaaS arrangement if the development work is carried out by the SaaS solution publisher or its subcontractor. This decision was applied in the consolidated financial statements as of December 31, 2021. For SaaS solutions implemented before January 1, 2021, the estimated impact was not deemed material for the Group; therefore, the 2020 consolidated financial statements have not been restated in light of this decision. The integration costs of SaaS solutions capitalised at December 31, 2020 that no longer meet the recognition criteria were written off at January 1, 2021, against non-recurring income, in accordance with the Group's accounting principles (see Note 6.3 to the consolidated financial statements).

The impacts of the decision regarding IAS 19 were applied to the 2021 consolidated financial statements, with comparative data for 2020 adjusted retrospectively (see Note 4.3).

Adopted by the European Union but not yet applicable

Standards, amendments and interpretations	Effective date
Amendments to IFRS 3 – *Business Combinations*, IAS 16 – *Property, Plant and Equipment*, IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and *Annual Improvements to IFRSs – 2018-2020 cycle*	January 1, 2022
IFRS 17 – *Insurance Contracts*	January 1, 2023

Not yet adopted by the European Union

Standards, amendments and interpretations	Effective date(1)
Amendments to IAS 1 – *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	January 1, 2023
Amendments to IAS 1 – *Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies*	January 1, 2023
Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*	January 1, 2023
Amendments to IAS 12 – *Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	January 1, 2023
Amendments to IFRS 17 – *Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative Information*	January 1, 2023

(1) Subject to adoption by the European Union.

Carrefour does not expect the application of this standard and these amendments to have a material impact on its consolidated financial statements.

5.4.2 SIGNIFICANT EVENTS OF THE YEAR

5.4.2.1 Covid-19 health crisis

The effects of the health crisis were still present across our different geographies in 2021. Thanks to its omni-channel model and the commitment of all its teams, the Group successfully adapted to the different phases of the crisis to ensure the continuity of food distribution and meet new consumer expectations in a complex and rapidly changing environment. Regarding 2020, the health crisis and its impacts are described in Note 2.1 to the consolidated financial statements as of December 31, 2020.

Solid balance sheet, liquidity and financial discipline

Since 2018, Carrefour has shown great financial discipline and has strengthened its balance sheet and liquidity. Carrefour's solid balance sheet is an important asset in the context of the fast-changing food retail sector as well as in the face of the current health crisis.

At December 31, 2021, the Group was rated Baa1 with a stable outlook by Moody's and BBB with a stable outlook by Standard & Poor's.

The main financing operations carried out in 2021 are described in detail in Note 4.2.3.

Impact of the health crisis on the consolidated financial statements as of December 31, 2021

The impacts on the 2021 financial statements are set out in Note 2.1 to the consolidated financial statements.

5.4.2.2 Main acquisitions and disposals in 2021

Acquisition of 172 stores under the Supersol banner (Spain) – Business combination

In August 2020, the Group entered into an agreement to acquire 172 convenience stores and supermarkets under the **Supersol** banner in Spain, located primarily in Andalucía and the Madrid area.

At December 31, 2020, closing of the transaction was subject to the customary conditions. After receiving clearance from the local competition authority on January 12, 2021, the acquisition was completed on March 11, 2021 for a final price of 81 million euros.

The purchase price allocation process stipulated in IFRS 3 – *Business Combinations* was implemented and led to the recognition of provisional goodwill in the amount of 79 million euros in the consolidated financial statements as of December 31, 2021 (see Note 7.1 to the consolidated financial statements).

Of the 172 Supersol stores, 127 (representing net sales of around 380 million euros in 2020) were converted to Carrefour formats in 2021; 38 stores were sold and six were closed in the second half of the year; the remaining store was ultimately not acquired.

Ongoing acquisition of Grupo BIG (Brazil) – Business combination

On March 24, 2021, Carrefour Brazil entered into an agreement with Advent International and Walmart for the acquisition of **Grupo BIG**, Brazil's third biggest food retailer. The acquiree reported net sales of around 22 billion Brazilian reals (approximately 3.7 billion euros) in 2020 and operates a multi-format network of 387 stores.

The enterprise value is around 7 billion Brazilian reals (around 1.1 billion euros at the December 31, 2021 exchange rate), of which 70% will be paid in cash and 30% in new Carrefour Brazil shares. The agreement provides for an earn-out to be paid six months after completion of the transaction if the Carrefour Brazil share price exceeds the reference value of 19.26 Brazilian reals.

The transaction remains subject to approval by the Brazilian competition authority (CADE) and is expected to be completed in 2022.

Creation of a real estate company (SCI) together with Argan for the development of warehouses (France) – Equity method investment

In May 2021, Carrefour and Argan created the real estate company **Cargan-LOG**, intended for developing future logistics warehouses, some of which are to be leased to Carrefour. This entity, which is 60%-owned by Argan and 40% by Carrefour (through the contribution of three warehouses), has been accounted for by the equity method in the consolidated financial statements as from May 2021, for a total amount of 30 million euros (see Note 9 to the consolidated financial statements).

Acquisition of a non-controlling interest in Cajoo (France) – Equity method investment

On July 29, 2021, the Group acquired a non-controlling interest in **Cajoo**, a French trailblazer in quick commerce. At December 31, 2021, the Group owned 40% of the company, which is accounted for by the equity method (see Note 9 to the consolidated financial statements).

Pinheiros project (Brazil) – Exchange of assets

As part of the **Pinheiros** project, Carrefour Brazil proceeded with an exchange of assets with Wtorre in a transaction that took effect in February 2021, following the issuance of a building permit by the São Paulo city hall. With this transaction, Carrefour exchanged land on which its store is currently located (on Avenue of the United Nations in the south of the city), for a new store, a shopping mall, a parking lot and offices in a new corporate tower which its partner has committed to build.

The impacts of the transaction were defined in accordance with IAS 16 – *Property, Plant and Equipment* and led to the recognition of a capital gain in non-recurring operating income for an amount of 81 million euros (see Note 6.3 to the consolidated financial statements). In line with the Group's intention regarding the use of these assets, the offices of the corporate tower have been recognised in work-in-progress inventories (for an amount of 300 million Brazilian reals, or 47 million euros at December 31, 2021), the store in assets under construction (65 million Brazilian reals or 10 million euros at December 31, 2021) and the shopping mall and parking lot in investment property (173 million Brazilian reals, or 27 million euros at December 31, 2021).

Disposal of a controlling interest in Market Pay (Global functions)

On October 30, 2020, the Group announced the sale of 60% of its **Market Pay** payment platform to AnaCap Financial Partners, a private equity firm focused on European financial services, with the aim of accelerating the platform's development and diversification.

At December 31, 2020, in accordance with IFRS 5, Market Pay's assets and liabilities were classified within assets held for sale and related liabilities and measured at their net carrying amount.

The transaction was completed on April 29, 2021 and a resulting disposal gain of around 230 million euros (including a cash payment of 189 million euros) was recorded in non-recurring income (before tax) after taking into account the related costs (see Note 6.3 to the consolidated financial statements).

The Group's residual interest in Market Pay (around 40%) has been accounted for by the equity method in the consolidated financial statements as from April 29, 2021, for an amount of 73 million euros (see Note 9 to the consolidated financial statements).

Discontinuation of the business of Carrefour Banca (Italian branch of Carrefour Banque)

In May 2021, the Board of Directors of Carrefour Banque decided to discontinue the business of its Italian branch.

In light of this, the branch disposed of all of its consumer credit portfolios in July and December 2021. As a result of this disposal, and more generally the definitive discontinuation of its operations, a non-recurring expense was recorded in 2021 (see Note 6.3 to the consolidated financial statements).

5.4.2.3 Securing the Group's long-term financing

On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds.

The Group's financial position and liquidity were solid at December 31, 2021. The average maturity of Carrefour SA's bond debt was 3.1 years at end-December 2021, compared with 3.6 years at end-December 2020.

Furthermore, in May 2021, Carrefour exercised its option to extend its two credit facilities totalling 3.9 billion euros, from June 2025 to June 2026. This option has been applied to more than 99% of the Group's banking facilities.

Lastly, the Group updated its Euro-Medium Term Notes (EMTN) programme in June 2021 to include a Corporate Social Responsibility (CSR) component. The Group prepared and published a Sustainability-Linked Bond-type framework aimed at increasing the consideration given to CSR issues in Carrefour SA's bond financing.

Following approval by the French securities regulator, *Autorité des marchés financiers* (AMF), Carrefour SA became the first CAC 40 issuer to include this type of option in its EMTN programme, further aligning its financing strategy with the Group's CSR objectives and ambitions.

On September 16, 2021, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars and euros that were immediately swapped for Brazilian reals, for a total amount of 1,937 million Brazilian reals (representing approximately 306 million euros at the closing rate on December 31, 2021), with two and three year maturities. The above operations have ensured that the subsidiary's medium-term financing needs are met in relation to the acquisition of Grupo BIG.

On December 8, 2021 (with a deferred start date in early January 2022), Atacadão also obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals, for an amount of 2,900 million Brazilian reals (representing approximately 459 million euros at the closing rate on December 31, 2021), with 16 to 17 month maturities.

5.4.2.4 Payment of the 2020 dividend in cash

In February 2021, the Group announced that its dividend policy would be returning to normal following nearly ten years of dividends with a dividend reinvestment option.

At the Shareholders' Meeting held on May 21, 2021, the shareholders decided to set the 2020 dividend at 0.48 euro per share to be paid entirely in cash.

On May 28, 2021, the dividend was paid out in an amount of 383 million euros.

5.4.2.5 Share buyback programme with a view to cancelling the shares

As part of its share capital allocation policy, the Group carried out two share buybacks in 2021, one for an amount of 500 million euros and the other for 200 million euros, as authorised by the Shareholders' Meetings of May 29, 2020 and May 21, 2021. The objective of the share buybacks was to allow the Group to hold the shares with a view to cancelling them subsequently.

The first share buyback began on May 7, 2021 and ended on July 9, 2021. 29,475,225 shares were thus acquired at an average unit price of 16.96 euros per share; these shares were cancelled following a decision by the Board of Directors on July 28, 2021 to reduce the share capital of Carrefour SA, based on the authorisation granted by the Shareholders' Meeting on May 21, 2021.

The second share buyback began on August 2, 2021 and ended on September 13, 2021. 12,252,723 shares were thus acquired at an average unit price of 16.32 euros per share; these shares were cancelled following a decision by the Board of Directors on October 20, 2021 to reduce the share capital of Carrefour SA, based on the authorisation granted by the Shareholders' Meeting on May 21, 2021.

Following cancellation of these shares, Carrefour SA has 775,895,892 shares outstanding and, consequently, 9,457,539 treasury shares, representing approximately 1.2% of the share capital.

5.4.3 RESTATEMENT OF THE 2020 CONSOLIDATED FINANCIAL STATEMENTS

IAS 19 – *Employee Benefits – Application of the IFRS IC decision of May 2021*

In May 2021, the IFRS IC published a final decision clarifying the attribution of benefit to periods of service. The decision came in response to a request regarding a defined benefit plan with the following characteristics: provided they are still with the company when they reach retirement age, employees are entitled to a lump-sum benefit depending on their length of service, which is capped at a specified number of consecutive years of service.

The IFRS IC concluded that, in application of IAS 19, under such a plan, the benefit obligation should be accrued only for those years of service prior to retirement in respect of which the employee generates a right to the benefit.

For the Group, only the termination benefit plans in France are affected by this decision. The other plans across our various geographies do not meet the characteristics outlined by the IFRS IC.

This decision challenged the principle applied until then, which was to use the entire length of the employee's career as the rights vesting period and to recognise the benefit obligation on a straight-line basis. It led to the reversal of the provision for employees who have not yet reached the age when the cap for the benefit is reached. For employees over this age, the provision is recognised over a shorter period.

This decision has been applied retrospectively, and its impacts have been recognised in retained earnings in the comparative year presented. The net impact of this IFRS IC decision is a 312-million-euro reduction in the provision for defined benefit plans as at January 1, 2020.

The opening statement of financial position at January 1, 2020 as restated and the consolidated statement of financial position at December 31, 2020 as restated to reflect this IFRS IC decision, are presented in Note 4 to the consolidated financial statements. The consolidated income statement and the consolidated statement of comprehensive income for the year 2020 have not been restated as the application of the IFRS IC decision did not have a material impact on these financial statements.

5.4.4 MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are disclosed in Note 9.3 to the consolidated financial statements.

5.4.5 SUBSEQUENT EVENTS

In early January 2022, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals. The post-swap debt totalled 2,900 million Brazilian reals (representing approximately 459 million euros at the closing rate on December 31, 2021), with maturities of 16 to 17 months.

On January 24, 2022, the General Superintendence of CADE (the Brazilian competition authority) issued decision no. 85/2022 recommending that the acquisition of Grupo BIG by Carrefour Brazil should be approved. This transaction is now being analysed by the CADE tribunal, which has until June 2022 to make a final decision on the recommendations of the General Superintendence.

On March 14, 2022, the Yang Mei (Taiwan) logistic warehouse was damaged by fire. Insurance claims have been reported to Group's insurance companies and, at this stage, the amount of goods and equipment lost and the compensation to be received from insurance companies are under assessment.

On March 23, 2022, Carrefour SA issued a bond for a total amount of EUR 1.5 billion. It is made up of two tranches of a so-called Sustainability-Linked Bond, indexed to the Group's sustainable development objectives:

- A first tranche worth EUR 750 million at a fixed rate with a maturity of 4.6 years, with an annual coupon of 1.875%,
- A second tranche worth EUR 750 million at a fixed rate with a maturity of 7.6 years, with an annual coupon of 2.375%.

As part of its share capital allocation policy, the Group commissioned an investment services provider to buy back shares corresponding to a maximum amount of 750 million euros, as authorised by the Shareholders' Meetings of May 21, 2021. The first tranche of the share buyback programme began on March 7, 2022 and ended on April 13, 2022: 21,232,106 shares were purchased at an average price of 18.84 euros per share for a total amount of 400 million euros. These shares were cancelled following a decision by the Board of Directors on April 20, 2022 to reduce the share capital of Carrefour SA, on the basis of the authorisation granted by the Shareholders' Meeting of May 21, 2021. Following cancellation of these shares, Carrefour SA has 754,663,786 shares outstanding and 6,859,495 treasury shares, representing approximately 0.91% of the share capital.

5.4.6 RISK FACTORS

The risk factors are the same as those set out in Chapter 4 *Risk Management* of the 2021 Universal Registration Document.

5.5 First-quarter 2022 sales and outlook (Company press release dated April 20, 2022)

On April 20, 2022, the Carrefour group published a press release regarding its first-quarter 2022 sales. This press release is reproduced in this section.

Continued good momentum in Q1

Sales up +9.0% (+3.4% like-for-like)

- **Continued strong commercial momentum in the first quarter.**
  - Reported sales growth of +9.0%, including an increase in petrol sales and a favorable exchange rate effect.
  - Like-for-like (LFL) sales growth of +3.4% on a high comparable base (+4.2% LFL in Q1 2021)
  - Continued market share gains in main countries, notably in France, Spain and Brazil.
- **Carrefour outperformed the market[1] in France with stable LFL sales**, after strong +3.5% LFL growth in Q1 last year.
- **Carrefour's growth accelerated in Spain (+3.4% LFL) with continued market share gains.**
- **Strong sequential improvement in Brazil (+7.5% LFL in Q1)**, both at Atacadão (+9.2%) and at Carrefour Retail (+3.1%), supported by a return to volume growth during the quarter.
- **Continued good momentum in e-commerce, GMV up +10% in Q1.**
- **Target of net free cash flow above €1bn in 2022 confirmed.**
- **€400m already achieved on the €750m share buyback program.**

Alexandre Bompard, Chairman and Chief Executive Officer, declared: *"Carrefour continued its good commercial performance in the first quarter, posting particularly marked growth in Latin America. The Group continues to gain market share in all its main countries.*

In an inflationary environment accentuated by the conflict in Ukraine, Carrefour relies on the professionalism and experience of its teams to secure availability of products and protect the purchasing power of its customers.

Driven by its solid growth momentum and strengthened by its cost savings plan, the Group is continuing to consolidate its economic model and reaffirms its confidence in achieving its strategic objectives."

First-quarter 2022 key figures

			Total variation	
	Sales inc. VAT (in millions of euros)	LFL[2]	At current exchange rates	At constant exchange rates
France	9,612	0.0%	+4.9%	+4.9%
Europe	5,602	+0.7%	+2.5%	+2.8%
Latin America (*pre-IAS 29*)	4,325	+16.6%	+31.8%	+22.3%
Asia	700	-0.6%	+6.8%	-1.4%
GROUP (*PRE-IAS 29*)	**20,239**	**+3.4%**	**+9.0%**	**+7.1%**
IAS 29[3]	23			
GROUP (*POST-IAS 29*)	**20,261**			

(1) Based on NielsenIQ RMS data.
(2) Excluding petrol and calendar effects and at constant exchange rates.
(3) Hyperinflation and foreign exchange in Argentina.

First-quarter activity confirmed the Group's good commercial momentum, in an environment marked by a material acceleration of inflation and by the conflict in Ukraine. Carrefour posted solid revenue growth (+3.4% LFL) on an already high comparable base, as the first quarter of 2021 had benefited from sanitary constraints (widespread working from home and restaurant closures). Carrefour continued to gain market share in its key countries, thanks to the improvement of customer satisfaction, a Group priority.

In a context of general consumer price increases, Carrefour is committed to preserving the purchasing power of its customers thanks to its differentiating advantages in terms of offer and formats. In the face of potential tensions on supply chain, Carrefour teams are fully mobilized to ensure availability of products at affordable prices.

To remain at the side of its customers, while continuing to consolidate its economic model, Carrefour is strengthening its cost savings plan, which will exceed €900m in 2022, within the framework of the €2.7bn to be achieved over three years by 2023.

The target of generating net free cash flow in excess of €1bn in 2022 is confirmed.

5.5.1 FIRST-QUARTER 2022 SALES INC. VAT

First-quarter sales inc. VAT increased by +3.4% on a like-for-like basis (LFL). They reached €20,239m pre-IAS 29, an increase of +7.1% at constant exchange rates. This increase includes a favorable petrol effect of +3.3% (rise in oil price and recovery in volumes). After taking into account a positive exchange rate effect of +1.9%, mainly linked to the appreciation of the Brazilian Real, the total sales variation at current exchange rates amounted to +9.0%. The impact of the application of IAS 29 was +€23m.

Growth in Q1 2022 came on top of strong increases in the first quarters of 2020 and 2021, up +7.8% and +4.2% respectively on a LFL basis.

			Q1
LFL	2020	2021	2022
France	+4.3%	+3.5%	0.0%
Europe	+6.1%	-1.6%	+0.7%
Latin America	+17.1%	+15.7%	+16.6%
Taiwan	+6.0%	-6.4%	-0.6%
GROUP	+7.8%	+4.2%	+3.4%

This performance, driven by food, also reflects a sequential acceleration over the last two quarters of 2021.

LFL	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
GROUP	+4.2%	+3.6%	+0.8%	+0.7%	+3.4%

In **France**, Q1 2022 LFL sales were stable (+0.8% LFL in food and -5.9% LFL in non-food) in a market that was slightly down, given a high comparable base and significantly lower inflation than in the rest of Europe. Market share continued to grow over the quarter[(1)]. The transformation continues, with the transition to lease-management of 8 hypermarkets and 6 supermarkets since the start of the year; the balance of the 43 stores announced for 2022 (16 hypermarkets and 27 supermarkets) will be transferred in the coming months.

			Q1
LFL	2020	2021	2022
Hypermarkets	+0.9%	+3.3%	-1.1%
Supermarkets	+8.1%	+7.0%	-2.9%
Convenience/other formats	+6.8%	-2.7%	+9.4%
o/w Convenience	*+11.0%*	*-2.8%*	*+3.8%*
FRANCE	+4.3%	+3.5%	0.0%

In **Europe**, LFL sales were up +0.7% over the quarter. This performance reflected growth in almost all countries:

- In **Spain** (+3.4% LFL), trends remained very solid, notably thanks to continued market share gains. Supersol stores posted good growth
- In **Italy** (+0.5% LFL), Carrefour continued its transformation with a third consecutive quarter of LFL sales growth. This performance reflected the continuous improvement in customer satisfaction and price image, resulting in strong growth in NPS®, in a context of pressure on purchasing power
- In **Belgium** (-7.0% LFL), sales were down in Q1, after two years of marked growth (+6.2% in Q1 2020 and +2.9% in Q1 2021), in an environment that remains very competitive
- In **Poland** (+5.5% LFL), Carrefour confirmed its commercial momentum in a dynamic market
- In **Romania** (+1.6% LFL), the Group posted a clear recovery, benefiting during the quarter from the end of sanitary restrictions that limited access to shopping malls.

			Q1
LFL	2020	2021	2022
Spain	+6.6%	+1.7%	+3.4%
Italy	+2.5%	-11.3%	+0.5%
Belgium	+6.2%	+2.9%	-7.0%
Poland	+8.8%	-2.3%	+5.5%
Romania	+9.7%	-1.8%	+1.6%
EUROPE (EXCL. FRANCE)	+6.1%	-1.6%	+0.7%

(1) Market share based on NielsenIQ RMS data for total food and non-food sales for the 13-week period ending April 3, 2022 for Carrefour Group vs the total French retail market (Copyright © 2022, NielsenIQ).

In **Latin America**, LFL sales grew by +16.6%.

- In **Brazil** (+7.5% LFL), sales were up sharply over the quarter on a high comparable base. Growth was supported by a return to volume expansion during the quarter. Market share was up. Q1 sales increased by +14.5% at constant exchange rates thanks to a contribution from openings and acquisitions of +7.0% and a positive petrol effect of +0.8%. The foreign exchange effect was a favorable +14.6%
  - Atacadão's sales were up +18.6% at constant exchange rates in Q1 2022, with LFL sales up by a sharp +9.2% on a high comparable base (+12.9% LFL in Q1 2021). The strong acceleration during the quarter, driven by the gradual stabilization of volumes, confirms the strength of the Atacadão model and the effectiveness of its commercial policy
  - Carrefour Retail also accelerated in Q1 (+3.1% LFL), thanks to a return to volume growth during the quarter. The strong growth in food sales (+8.6% LFL) more than offset a decline in non-food (-5.5% LFL)
  - E-commerce GMV grew by +51% thanks to the ramp-up in Atacadão's online activity
  - Financial services activity kept growing with a +11% increase in billings in Q1
  - After a positive recommendation by the General Superintendent at the end of January, the Brazilian competition authority's final decision regarding the acquisition of Grupo BIG is under review. Completion of the transaction is still expected by June 2022. As a reminder, the synergies target was recently raised to more than BRL 2.0bn
- In **Argentina** (+62.2% LFL), sales rose sharply in both food and non-food, in a strongly inflationary context. Carrefour continues to increase volumes and gain market share

In **Taiwan (Asia)**, Q1 LFL sales were down -0.6%, penalized by sanitary measures linked to the pandemic. The Wellcome stores, now all converted to the Carrefour banner, posted a good performance.

5.5.2 A RECORD QUARTER FOR E-COMMERCE

Online sales reached a record level in the first quarter, with +10% growth in GMV compared to Q1 2021. The performance was driven by a strong increase in home delivery in Europe, a segment in which Carrefour has built a solid leadership position, notably in France, as well as by the fast rise of e-commerce at Atacadão in Brazil. The Group is implementing its digital strategy at a sustained pace, with 273 pick-up points added to its network over the quarter and the opening of two large fulfillment centers in Marseille (France) and Madrid (Spain). Carrefour Links is meeting with growing commercial success among industrials partners, with 235 active clients at March end.

5.5.3 INFLATIONARY CONTEXT IMPACT

Consumer price inflation accelerated in Q1 in all countries.

As expected, the inflationary dynamics that began in the second half of 2021 intensified in the first quarter of 2022. In this context, Carrefour is committed to preserving the purchasing power of its customers while continuing to reinforce its economic model. To do this, Carrefour relies on its differentiating assets: Carrefour-branded products, which offer excellent value for money, an enhanced range of very accessible "Simpl'" products, promotional action, as well as a loyalty program that contributes to enhance the competitiveness of the Group's banners. Carrefour is also strengthening its cost reduction dynamic: The Group is targeting more than €900m savings in 2022, as part of its objective of €2.7bn in savings by 2023.

The Group remains vigilant regarding the risk of shortages. Carrefour did not face any significant supply problems during the quarter despite a few localized and temporary stockouts. However, in a context of pressure on supplies, the Group is fully mobilized to ensure regular supply of goods, for example by building up security inventories in certain sensitive categories, in order to improve product availability and benefit from favorable purchase conditions.

5.5.4 IMPLEMENTATION OF THE €750 MILLION SHARE BUYBACK

On February 16, the Group announced the launch of a €750m buyback of Carrefour shares.

A first tranche of buybacks for an amount of €400m has already been completed: 21,232,106 shares were repurchased between March 7 and April 13, 2022, at an average price of 18.84 euros. The Group plans to launch the second tranche in the coming days.

On April 20, 2022, the Board of Directors decided to reduce the share capital of Carrefour S.A. by cancelling the 21,232,106 repurchased shares, representing approximately 3.6% of the share capital.

Following this cancellation of shares, the number of shares making up the capital of Carrefour S.A. will amount to 754,663,786 shares and the number of treasury shares, consequently, will be 6,859,495 shares, representing approximately 0.9% of the share capital. The number of voting shares will be 747,804,291 shares.

5.5.5 CARREFOUR, A COMMITTED COMPANY

Carrefour continued its ambitious CSR policy in Q1 2022.

An **Engagement Department**, positioned at the level of the Group's Executive Committee, was created in February 2022 with the aim of accelerating Carrefour's commitments in terms of CSR. This approach, a sign of strong maturity on these subjects, reflects the desire to go further in integrating CSR issues into the heart of operations.

Carrefour also stepped up concrete CSR initiatives during the first quarter:

- **Environment and carbon neutrality**: The Group launched the **20 Megaton Platform**, which involves Carrefour's main industrial partners in reducing their CO_2 emissions included in Scope 3 by up to 20 megatons. Carrefour also announced the **gradual deployment of electric charging stations** in its stores' parking lots, in order to support its customers in their transition to electric mobility
- **Food transition**: Carrefour has invested €5m in the MiiMosa collaborative platform, which finances innovative projects related to sustainable agriculture
- **Inclusion and diversity**: The Group has generalized its **policy of silent hours** in stores, in order to offer more suitable conditions for people with autism disorders. A silent hour will now take place twice a day in all hypermarkets and supermarkets in France. The Group has also continued its policy of **increasing female representation in the Group's decision-making bodies**, with the Group's Executive Committee now counting 30% of women
- **Solidarity**: In addition to its commitment to its **traditional partners**, such as the Restos du Cœur or the Pièces Jaunes campaign, Carrefour has mobilized **in favor of Ukrainian refugees**, with an emergency action by the Carrefour Foundation – donations of food and hygiene products in Poland and Romania – and the setting up of collections points at checkout counters in all the Group's European countries

5.5.6 ISSUANCE OF A €1.5 BILLION SUSTAINABILITY-LINKED BOND

On March 23, 2022, the Group successfully placed a **Sustainability-Linked Bond issue for a total amount of €1.5bn**. It is made up of two tranches, rated BBB by S&P, and is indexed to the Group's sustainable development objectives:

- A first tranche at a fixed rate with a maturity of 4.6 years in an amount of €750m, with a coupon of 1.875% per year
- A second tranche at a fixed rate with a maturity of 7.6 years in an amount of €750m, with a coupon of 2.375% per year

This issue was exceptionally well received by the market, with total demand of nearly €8bn.

Carrefour will report each year in its Universal Registration Document on the level of progress of its key non-financial performance indicators, which will be assessed by an independent third party. The amounts raised will finance the general needs of the Group and allow for bond refinancing.

5.5.7 APPENDIXES TO THE PRESS RELEASE OF APRIL 20, 2022

First-quarter 2022 sales inc. VAT

The Group's sales amounted to €20,239m pre-IAS 29. The foreign exchange effect in the first quarter was a favorable +1.9%, mainly due to the appreciation of the Brazilian Real. The petrol effect was a favorable +3.3%. The calendar effect was an unfavorable -0.5%. Openings contributed +1.1%. The effect of acquisitions was +0.8%. The impact of the application of IAS 29 was +€23m.

		Variation ex petrol ex calendar		Total variation inc. petrol	
	Sales inc. VAT *(in millions of euros)*	LFL	Organic	at current exchange rates	at constant exchange rates
France	9,612	0.0%	-0.8%	+4.9%	+4.9%
Hypermarkets	4,767	-1.1%	-1.6%	+3.8%	+3.8%
Supermarkets	3,200	-2.9%	-4.9%	+2.0%	+2.0%
Convenience /other formats	1,645	+9.4%	+10.1%	+15.0%	+15.0%
Other European countries	5,602	+0.7%	+0.2%	+2.5%	+2.8%
Spain	2,516	+3.4%	+3.8%	+9.9%	+9.9%
Italy	1,030	+0.5%	-5.0%	-3.5%	-3.5%
Belgium	996	-7.0%	-6.8%	-7.2%	-7.2%
Poland	505	+5.5%	+6.1%	+2.3%	+4.1%
Romania	555	+1.6%	+4.4%	+2.7%	+4.2%
Latin America (*pre-IAS 29*)	4,325	+16.6%	+20.2%	+31.8%	+22.3%
Brazil	3,551	+7.5%	+11.6%	+29.1%	+14.5%
Argentina (*pre-IAS 29*)	774	+62.2%	+63.3%	+45.7%	+63.3%
Asia	700	-0.6%	-0.6%	+6.8%	-1.4%
Taiwan	700	-0.6%	-0.6%	+6.8%	-1.4%
GROUP TOTAL (*PRE-IAS 29*)	**20,239**	**+3.4%**	**+3.4%**	**+9.0%**	**+7.1%**
IAS 29[1]	23				
GROUP TOTAL (*POST-IAS 29*)	**20,261**				

(1) Hyperinflation and currencies.

Comparable base – First quarter

LFL change excl. petrol and calendar	Q1 2020	Q1 2021	Q1 2022
France	+4.3%	+3.5%	0.0%
Hypermarkets	+0.9%	+3.3%	-1.1%
Supermarkets	+8.1%	+7.0%	-2.9%
Convenience /other formats	+6.8%	-2.8%	+9.4%
Other European countries	+6.1%	-1.6%	+0.7%
Spain	+6.6%	+1.7%	+3.4%
Italy	+2.5%	-11.3%	+0.5%
Belgium	+6.2%	+2.9%	-7.0%
Poland	+8.8%	-2.3%	+5.5%
Romania	+9.7%	-1.8%	+1.6%
Latin America	+17.1%	+15.7%	+16.6%
Brazil	+7.6%	+11.6%	+7.5%
Argentina	+70.0%	+32.9%	+62.2%
Asia	+6.0%	-6.4%	-0.6%
Taiwan	+6.0%	-6.4%	-0.6%
GROUP TOTAL	**+7.8%**	**+4.2%**	**+3.4%**

Technical effects – First-quarter 2022

	Calendar	Petrol	Foreign exchange
France	-0.2%	+6.0%	-
Hypermarkets	-0.7%	+6.1%	-
Supermarkets	+0.3%	+6.5%	-
Convenience /other formats	+0.2%	+4.9%	-
Other European countries	-0.5%	+1.8%	-0.3%
Spain	-0.2%	+3.0%	-
Italy	-0.7%	+2.1%	-
Belgium	-0.4%	-	-
Poland	-1.9%	-0.1%	-1.8%
Romania	-0.3%	+0.0%	-1.4%
Latin America	-1.0%	+0.4%	+9.5%
Brazil	-1.2%	+0.8%	+14.6%
Argentina	-0.1%	-	-17.5%
Asia	-0.8%	-	+8.2%
Taiwan	-0.8%	-	+8.2%
GROUP TOTAL	**-0.5%**	**+3.3%**	**+1.9%**

Application of IAS 29

The impact on Group sales is presented in the table below:

Sales incl. VAT (€m)	2021 pre-IAS 29	LFL[(1)]	Calendar	Openings	Scope and others[(2)]	Petrol	2022 at constant rates pre-IAS 29	Forex	2022 at current rates pre-IAS 29	IAS 29[(3)]	2022 at current rates post-IAS 29
Q1	18,564	+3.4%	-0.5%	+1.1%	-0.0%	+3.3%	+7.1%	+1.9%	20,239	+23	20,261

(1) Excluding petrol and calendar effects and at constant exchange rates.
(2) Including transfers.
(3) Hyperinflation and foreign exchange.

Expansion under banners – First-quarter 2022

(thousands of sq.m.)	Dec. 31, 2021	Openings/ Store enlargements	Acquisitions	Closures/ Store reductions	Total Q1 2022 change	March 31, 2022
France	5,586	+17	+3	-11	+9	5,595
Europe (ex France)	5,908	+55	-	-53	+2	5,910
Latin America[(1)]	2,790	+11	-	-2	+9	2,799
Asia	572	-	-	-	-	572
Others[(2)]	1,543	+46	-	-13	+33	1,576
GROUP[(1)]	**16,399**	**+129**	**+3**	**-78**	**+53**	**16,452**

(1) Restated to align Atacadão and Carrefour Retail's definition of selling space in Brazil.
(2) Africa, Middle East and Dominican Republic.

Store network under banners – First-quarter 2022

(No. of stores)	Dec. 31, 2021	Openings	Acquisitions	Closures/ Disposals	Transfers	Total Q1 2022 change	March 31, 2022
Hypermarkets	1,130	+13	-	-2	-	+11	1,141
France	253	-	-	-	-	-	253
Europe (ex France)	457	+1	-	-1	-	-	457
Latin America	184	-	-	-	-	-	184
Asia	70	-	-	-	-	-	70
Others(1)	166	+12	-	-1	-	+11	177
Supermarkets	3,574	+67	-	-46	-	+21	3,595
France	1,043	-	-	-2	-1	-3	1,040
Europe (ex France)	1,926	+48	-	-36	+1	+13	1,939
Latin America	151	-	-	-	-	-	151
Asia	4	-	-	-	-	-	4
Others(1)	450	+19	-	-8	-	+11	461
Convenience stores	8,642	+116	+14	-152	-2	-24	8,618
France	4,330	+42	+14	-48	-1	+7	4,337
Europe (ex France)	3,430	+67	-	-91	-1	-25	3,405
Latin America	558	+7	-	-11	-	-4	554
Asia	274	-	-	-	-	-	274
Others(1)	50	-	-	-2	-	-2	48
Cash & carry	440	+3	-	-	+1	+4	444
France	147	-	-	-	-	-	147
Europe (ex France)	12	-	-	-	-	-	12
Latin America	259	+2	-	-	+1	+3	262
Asia	-	-	-	-	-	-	-
Others(1)	22	+1	-	-	-	+1	23
Soft discount (Supeco)	108	+7	-	-	+1	+8	116
France	26	+4	-	-	+2	+6	32
Europe (ex France)	81	+3	-	-	-	+3	84
Latin America	1	-	-	-	-1	-1	-
Asia	-	-	-	-	-	-	-
Others(1)	-	-	-	-	-	-	-
GROUP	**13,894**	**+206**	**+14**	**-200**	**-**	**+20**	**13,914**
France	5,799	+46	+14	-50	-	+10	5,809
Europe (ex France)	5,906	+119	-	-128	-	-9	5,897
Latin America	1,153	+9	-	-11	-	-2	1,151
Asia	348	-	-	-	-	-	348
Others(1)	688	+32	-	-11	-	+21	709

(1) Africa, Middle East and Dominican Republic.

5.6 Glossary of financial indicators

Free cash flow

Free cash flow corresponds to cash flow from operating activities before net finance costs and net interests related to lease commitments, after the change in working capital, less net cash from/(used in) investing activities.

Net free cash flow

Net Free Cash Flow corresponds to free cash flow after net finance costs and net lease payments.

Like for like sales growth

Sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates, excluding petrol and calendar effects and excluding IAS 29 impact.

Organic sales growth

Like for like sales growth plus net openings over the past twelve months, including temporary store closures, at constant exchange rates.

Gross margin

Gross margin is the difference between the sum of net sales, other income, reduced by loyalty programme costs and the cost of goods sold. Cost of sales comprises purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange rate gains and losses on goods purchased.

Recurring Operating Income (ROI)

Recurring Operating Income is defined as the difference between gross margin and sales, general and administrative expenses, depreciation and amortisation and provisions.

Recurring Operating Income Before Depreciation and Amortisation (EBITDA)

Recurring Operating Income Before Depreciation and Amortisation (EBITDA) excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items as defined below.

Operating income (EBIT)

Operating income (EBIT) is defined as the difference between gross margin and sales, general and administrative expenses, depreciation, amortisation and non-recurring items. This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

5.7 Parent company financial review

5.7.1 BUSINESS AND FINANCIAL REVIEW

As the Group's holding company, Carrefour (the Company) manages a portfolio of shares in French and foreign subsidiaries and affiliates.

In 2021, operating income amounted to 155 million euros (compared with 159 million euros in 2020) and essentially comprised costs rebilled to other Group entities. The operating loss recorded in 2021 came to 31 million euros, versus 46 million euros in 2020.

Net financial income for 2021 amounted to 284 million euros, down from 429 million euros in 2020. The 145 million euro decrease in net financial income is mainly explained by the decrease in dividends - dividends totalled 517 million euros in 2021 compared with 853 million euros in 2020 (of which 183 million euros received from Spanish subsidiary Norfin Holder in 2021 compared with 413 million euros in 2020) – partly offset by the change in charges to impairment and provisions net of reversals (net charge of 169 million euros in 2021 compared with a net charge of 249 million euros in 2020) and the decrease in interest expense relating to the decline in bond debt.

Net non-recurring income for 2021 represented 264 million euros, mainly comprising the gain (net of disposal costs) on the sale of Market Pay for 242 million euros and net provision reversals for 11 million euros.

Net income for the year amounted to 837 million euros, including a tax benefit of 319 million euros.

Other transactions

On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds. The Group's financial position and liquidity were solid at December 31, 2021. The average maturity of Carrefour SA's bond debt was 3.1 years at end-December 2021, compared with 3.6 years at end-December 2020.

Payment cycles of suppliers and customers

In accordance with the disclosure requirements of Article L. 441-6-1 of the French Commercial Code (*Code de commerce*), the table below shows the Company's trade payables and trade receivables by due date.

PAYMENT CYCLES OF SUPPLIERS AND CUSTOMERS

Year ended December 31, 2021 *(in thousands of euros)*	Article D. 441 I-1: Unpaid and overdue incoming invoices at the reporting date						Article D. 441 I-2: Unpaid and overdue outgoing invoices at the reporting date					
	0 days	1-30 days	31-60 days	61-90 days	91+ days	Total (1 day or more)	0 days	1- 30 days	31-60 days	61-90 days	91+ days	Total (1 day or more)
(A) BY AGEING CATEGORY												
Number of invoices	11	2	0	1	62	65(*)	2	19	2	0	10	31(*)
Total amount (including VAT) of the invoices	410,441	8,345	0	12,000	313,443	333,789(*)	1,709,493	27,644,163	125,738	0	1,001,450	28,771,351(*)
Percentage of total amount of purchases (including VAT) over the period	0%	0%	0%	0%	0%	0%						
Percentage of sales (including VAT) over the period							1%	23%	0%	0%	1%	24%

Year ended December 31, 2021 *(in thousands of euros)*	Article D. 441 I-1: Unpaid and overdue incoming invoices at the reporting date						Article D. 441 I-2: Unpaid and overdue outgoing invoices at the reporting date					
	0 days	1-30 days	31-60 days	61-90 days	91+ days	**Total (1 day or more)**	0 days	1- 30 days	31-60 days	61-90 days	91+ days	**Total (1 day or more)**
(B) INVOICES EXCLUDED FROM (A) RELATING TO DOUBTFUL OR UNRECOGNISED PAYABLES AND RECEIVABLES												
Number of invoices excluded						none						none
Total amount of invoices excluded						0						0
(C) STANDARD PAYMENT DEADLINES USED (CONTRACTUAL OR LEGAL DEADLINES – ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)												
Payment deadlines used to calculate late payments	X Contractual deadlines (specify)						X Contractual deadlines (specify)					
	Legal deadlines (specify)						Legal deadlines (specify)					
	The contractual deadlines applied fall within a 20- to 60- day period.						The contractual deadlines applied fall within a 20- to 60- day period.					

(*) Mainly correspond to intragroup invoices.

5.7.2 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As part of its effort to manage its equity portfolio, during the year the Company carried out the following transactions:

- sale of Market Pay resulting in a disposal gain (net of disposal costs) of 242 million euros;
- sale of Soca BV, a transaction that had no impact on net income because the disposal loss on the sale was offset by the reversal of an impairment loss for the same amount.

5.7.3 INCOME APPROPRIATION

It is recommended that the Shareholders' Meeting allocate distributable income as follows:

(amounts in euros)	
Net income for the year	**€836,941,007.43**
Allocation to the legal reserve	
Retained earnings at December 31, 2021	€2,267,811,129.60
Income available for distribution	€3,104,752,137.04
2021 dividends paid out of distributable profit(1)	**€398,547,943.56**
Balance of retained earnings after allocation	€2,706,204,193.48

(1) Calculated based on shares eligible for dividends after deduction of treasury shares at December 31, 2021.

The amount of retained earnings includes the dividends not paid out on treasury shares.

In the event of a change in the number of shares eligible for dividends with respect to the 775,895,892 shares comprising the share capital at December 31, 2021, the total dividend amount would be adjusted and the amount allocated to retained earnings would be determined on the basis of the dividends actually paid.

It is specified, in accordance with current tax regulations, that the total dividend amount of 398,547,943.56 euros, which represents a dividend of 0.52 euros per share eligible for dividends (after deduction of 9,457,539 treasury shares at December 31, 2021) before payroll taxes and the mandatory flat-rate withholding tax (*prélèvement forfaitaire obligatoire non libératoire*) provided for in Article 117 *quater* of the French General Tax Code, qualifies, for individuals who are resident in France for tax purposes, for the 40% tax relief described in Section 2 of paragraph 3 of Article 158 of the French General Tax Code, if the taxpayer elects to be taxed at the progressive income tax rate.

The dividend to be distributed will be allocated on June 7, 2022 and will become payable on June 9, 2022.

As required by law, the dividends paid per share for the three preceding financial years and the amounts eligible for tax relief under Article 158-3-2 of the French General Tax Code are set out below:

Financial year	Gross dividend paid	Dividends eligible for 40% tax relief	Dividends not eligible for 40% tax relief
2018	€0.46	€0.46	-
2019	€0.23	€0.23	-
2020	€0.48	€0.48	-

5.7.4 RESEARCH AND DEVELOPMENT

The Company does not implement any research and development policy.

5.7.5 RECENT DEVELOPMENTS

See the Group's management report at December 31, 2021 for information on the 2022 outlook for the entire Company, its subsidiaries and the Group's equity-accounted associates and joint ventures.

5.7.6 COMPANY EARNINGS PERFORMANCE IN THE LAST FIVE FINANCIAL YEARS

(in millions of euros)	2021	2020	2019	2018	2017
I – Capital at year-end					
Share capital	1,940	2,044	2,018	1,973	1,937
Issue and merger premiums	16,587	17,183	17,082	16,856	16,693
Number of existing ordinary shares	775,895,892	817,623,840	807,265,504	789,252,839	774,677,811
II – Results of operations for the financial year					
Net income before tax, employee profit-sharing and depreciation, amortisation and provisions	474	565	116	1,726	893
Income tax	319	102	181	186	230
Employee profit-sharing payable for the financial year					
Net income after tax and employee profit-sharing and depreciation, amortisation and provisions	837	550	266	1,485	(4,160)
Distributed income[1]	403	392	184	253	356
III – Net income per share					
Net income after tax and employee profit-sharing but before depreciation, amortisation and provisions	1.02	0.82	0.37	2.42	1.45
Net income after tax, employee profit-sharing and depreciation, amortisation and provisions	1.08	0.67	0.33	1.88	(5.37)
Net dividend allocated to each share[1]	0.52	0.48		0.46	0.46
IV – Employees					
Average number of employees during the financial year	4	5	5	6	7
Amount of payroll for the financial year	9	13	16	12	17
Amount paid as employee benefits for the financial year (social security, social services)	2	3	6	5	6

(1) Set by the Board of Directors and to be submitted for approval to the Ordinary Shareholders' Meeting.

6

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2021. Comparative data for 2020 have also been adjusted for inflation.

Comparative data for 2020 have been restated (indicated as "restated" below) in the consolidated financial statements as of December 31, 2021 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in May 2021 on attributing benefit to periods of service in the calculation of the provision for employee benefits falling within the scope of IAS 19 (see Note 4).

The consolidated financial statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding differences between the amounts reported in the various statements.

6.1 Consolidated income statement

(in millions of euros)	*Notes*	2021	2020	% change
Net sales	*6.1*	72,958	70,719	3.2%
Loyalty program costs		(853)	(752)	13.5%
Net sales net of loyalty program costs		**72,105**	**69,967**	**3.1%**
Other revenue	*6.1*	2,181	2,183	-0.1%
Total revenue		74,286	72,150	3.0%
Cost of sales	*6.2*	(58,766)	(56,705)	3.6%
Gross margin from recurring operations		**15,520**	**15,445**	**0.5%**
Sales, general and administrative expenses, depreciation and amortisation	*6.2*	(13,247)	(13,272)	-0.2%
Recurring operating income		2,272	2,173	4.6%
Net income/(loss) from equity-accounted companies	*9*	12	(13)	188.9%
Recurring operating income after net income from equity-accounted companies		**2,284**	**2,160**	**5.8%**
Non-recurring income and expenses, net	*6.3*	(374)	(474)	-21.2%
Operating income		1,911	1,686	13.3%
Finance costs and other financial income and expenses, net	*14.6*	(279)	(334)	-16.4%
Finance costs, net		*(172)*	*(171)*	*0.7%*
Net interests related to lease commitments		*(106)*	*(113)*	*-6.0%*
Other financial income and expenses, net		*(1)*	*(50)*	*-97.8%*
Income before taxes		**1,632**	**1,351**	**20.7%**
Income tax expense	*10.1*	(372)	(498)	-25.3%
Net income/(loss) from continuing operations		**1,259**	**853**	**47.6%**
Net income/(loss) from discontinued operations		42	(22)	289.3%
NET INCOME/(LOSS) FOR THE YEAR		**1,301**	**831**	**56.6%**
Group share		**1,072**	**641**	**67.3%**
of which net income/(loss) from continuing operations		1,030	663	55.3%
of which net income/(loss) from discontinued operations		42	(22)	289.3%
Attributable to non-controlling interests		**229**	**190**	**20.6%**
of which net income/(loss) from continuing operations – attributable to non-controlling interests		229	190	20.6%
of which net income/(loss) from discontinued operations – attributable to non-controlling interests		–	–	–

Basic earnings per share *(in euros)*	*Notes*	2021	2020	% change
Net income/(loss) from continuing operations – Group share – per share	*13.6*	1.31	0.82	59.0%
Net income/(loss) from discontinued operations – Group share – per share	*13.6*	0.05	(0.03)	293.8%
Net income/(loss) – Group share – per share	*13.6*	1.36	0.80	71.3%

Diluted earnings per share *(in euros)*	*Notes*	2021	2020	% change
Net income/(loss) from continuing operations – Group share – per share	*13.6*	1.30	0.82	58.5%
Net income/(loss) from discontinued operations – Group share – per share	*13.6*	0.05	(0.03)	293.2%
Net income/(loss) – Group share – per share	*13.6*	1.35	0.79	70.7%

6.2 Consolidated statement of comprehensive income

(in millions of euros)	*Notes*	2021	2020
Net income/(loss) – Group share		1,072	641
Net income – Attributable to non-controlling interests		229	190
Net income/(loss) for the year		1,301	831
Effective portion of changes in the fair value of cash flow hedges	*13.4*	43	(6)
Changes in the fair value of debt instruments through other comprehensive income	*13.4*	(8)	(4)
Exchange differences on translating foreign operations[1]	*13.4*	116	(1,030)
Items that may be reclassified subsequently to profit or loss		**151**	**(1,040)**
Remeasurements of defined benefit plans obligation[2]	*12.1/13.4*	28	(21)
Changes in the fair value of equity instruments through other comprehensive income	*13.4*	(0)	(1)
Items that will not be reclassified to profit or loss		**28**	**(22)**
Other comprehensive income/(loss) after tax		179	(1,061)
TOTAL COMPREHENSIVE INCOME/(LOSS)		**1,481**	**(231)**
Group share		1,224	(85)
Attributable to non-controlling interests		256	(145)

These items are presented net of the tax effect (for more details, see Note 13.4).

(1) Exchange differences recognised on translating foreign operations in 2021 mainly reflect the increase in the value of the New Taiwan dollar and the very slight increase in the value of the Brazilian real. Differences in 2020 mainly reflected the significant decline in the Brazilian real during the year.

(2) Remeasurement of the net defined benefit liability recognised in 2021 reflects the increase in discount rates applied for the eurozone, from 0.40% at end-December 2020 to 0.80% at end-December 2021. In 2020, these discount rates had decreased, from 0.75% at end-December 2019 to 0.40% at end-December 2020.

6.3 Consolidated statement of financial position

ASSETS

(in millions of euros)	*Notes*	December 31, 2021	December 31, 2020 restated
Goodwill	*7.1*	7,995	8,034
Other intangible assets	*7.1*	1,333	1,325
Property and equipment	*7.2*	10,721	10,505
Investment property	*7.4*	291	259
Right-of-use assets	*8.2*	4,361	4,506
Investments in companies accounted for by the equity method	*9*	1,256	1,172
Other non-current financial assets	*14.5*	1,152	1,212
Consumer credit granted by the financial services companies – portion more than one year	*6.5*	1,821	1,933
Deferred tax assets	*10.2*	631	679
Other non-current assets	*6.4*	321	490
Non-current assets		29,883	30,115
Inventories	*6.4*	5,858	5,326
Trade receivables	*6.4*	2,581	2,526
Consumer credit granted by the financial services companies – portion less than one year	*6.5*	3,473	3,295
Other current financial assets	*14.2*	532	368
Tax receivables	*6.4*	675	608
Other current assets	*6.4*	943	788
Cash and cash equivalents	*14.2*	3,703	4,439
Assets held for sale		20	124
Current assets		17,785	17,473
TOTAL ASSETS		**47,668**	**47,588**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	*Notes*	December 31, 2021	December 31, 2020 restated
Share capital	*13.2*	1,940	2,044
Consolidated reserves (including net income)		8,311	8,059
Shareholders' equity, Group share		10,251	10,103
Shareholders' equity attributable to non-controlling interests	*13.5*	1,579	1,507
Total shareholders' equity		11,830	11,609
Borrowings – portion more than one year	*14.2*	5,491	6,305
Lease commitments – portion more than one year	*8.3*	3,602	3,787
Provisions	*11*	2,455	2,357
Consumer credit financing – portion more than one year	*6.5*	1,573	1,506
Deferred tax liabilities	*10.2*	374	467
Tax payables – portion more than one year	*6.4*	193	214
Non-current liabilities		13,688	14,637
Borrowings – portion less than one year	*14.2*	1,342	1,084
Lease commitments – portion less than one year	*8.3*	995	936
Suppliers and other creditors	*6.4*	13,072	12,560
Consumer credit financing – portion less than one year	*6.5*	2,868	3,067
Tax payables – portion less than one year	*6.4*	1,108	1,039
Other current payables	*6.4*	2,765	2,617
Liabilities related to assets held for sale		–	39
Current liabilities		22,150	21,342
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**47,668**	**47,588**

6.4 Consolidated statement of cash flows

(in millions of euros)	2021	2020
Income before taxes	1,632	1,351
CASH FLOWS FROM OPERATING ACTIVITIES		
Income tax	(439)	(477)
Depreciation and amortisation expense	2,277	2,292
Gains and losses on sales of assets	(235)	47
Change in provisions and impairment	256	(94)
Finance costs, net	172	171
Net interests related to lease commitment	106	113
Net income and dividends received from equity-accounted companies	43	60
Impact of discontinued operations[1]	(15)	(54)
Cash flow from operations	**3,796**	**3,408**
Change in working capital requirement[2]	(32)	15
Net cash (used in)/from operating activities (excluding financial services companies)	**3,764**	**3,424**
Change in consumer credit granted by the financial services companies	(104)	(29)
Net cash (used in)/from operating activities – total	3,661	3,395
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets[3]	(1,653)	(1,491)
Acquisitions of non-current financial assets[4]	(174)	(16)
Acquisitions of subsidiaries and investments in associates[5]	(135)	(291)
Proceeds from the disposal of subsidiaries and investments in associates[6]	185	7
Proceeds from the disposal of property and equipment and intangible assets[7]	282	159
Proceeds from the disposal of non-current financial assets	7	13
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets[3]	124	(123)
Investments net of disposals – subtotal	**(1,364)**	**(1,742)**
Other cash flows from investing activities	30	(98)
Net cash (used in)/from investing activities – total	(1,334)	(1,841)

(in millions of euros)	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Carrefour SA capital increase / (decrease)[8]	(702)	–
Proceeds from share issues to non-controlling interests	1	1
Dividends paid by Carrefour SA[9]	(383)	(57)
Dividends paid by consolidated companies to non-controlling interests	(193)	(113)
Change in current financial assets[10]	14	(3)
Issuance of bonds[10]	–	1,000
Repayments of bonds[10]	(871)	(972)
Net financial interests paid	(158)	(183)
Other changes in borrowings[10]	302	233
Payments related to leases (principal)[11]	(967)	(926)
Net interests related to leases[11]	(103)	(106)
Net cash (used in)/from financing activities – total	(3,060)	(1,126)
Net change in cash and cash equivalents before the effect of changes in exchange rates	(733)	428
Effect of changes in exchange rates	(2)	(455)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(735)**	**(27)**
Cash and cash equivalents at beginning of year	4,439	4,466
Cash and cash equivalents at end of year	3,703	4,439

(1) In accordance with IFRS 5, in 2021 and 2020 this item concerned the remaining cash flows related to the discontinued operations reported in 2018 (integrated convenience stores in France).
(2) The change in working capital requirement is set out in Note 6.4.
(3) Acquisitions include operational investments in growth formats, in particular the payment for three additional Makro Atacadista stores in Brazil (bringing the total to 28 acquired stores as of December 31, 2021), the Group's digitalisation and the roll-out of a leading omni-channel offering. Acquisitions in 2020 notably included the purchase of 25 stores and 10 service stations under the Makro Atacadista banner in Brazil (see Note 3.2.2).
(4) This item mainly corresponds to the downpayment of 900 million Brazilian reals in March 2021 (approximately 139 million euros) relating to the ongoing acquisition of Grupo BIG in Brazil (see Note 2.3).
(5) This item mainly corresponds to the acquisition of Supersol stores in Spain for 81 million euros (see Note 2.3) and the acquisition of non-controlling interests in French companies. In 2020, this item mainly corresponded to the acquisitions of Dejbox and Potager City in France in January 2020, and Sant'Ambroeus in Italy in February 2020, the takeover of Bio c' Bon in November 2020 and the acquisition of Wellcome in Taiwan in December 2020 (see Note 3.2.2).
(6) This line corresponds to the 189 million-euro cash payment (before transaction costs) received on the sale of 60% of Market Pay (see Note 2.3).
(7) In 2021, this item corresponds mainly to the sale and leaseback of ten hypermarkets in Spain, the sale of the San Giuliano and Thiene hypermarkets in Italy, and the sale of businesses to franchisees in France.
(8) In 2021, this item corresponds to two share buybacks which were subsequently cancelled (see Note 2.6), including the related costs.
(9) The dividend approved by the Shareholders' Meeting of May 21, 2021 was paid entirely in cash on May 28, 2021 for an amount of 383 million euros (see Note 2.5). In 2020, the dividend was paid on June 29, 2020 (leading to a cash outflow of 57 million euros).
(10) Note 14.2 provides a breakdown of net debt. Changes in liabilities arising from financing activities are detailed in Note 14.4.
(11) In accordance with IFRS 16, effective from January 1, 2019, payments under leases along with any related interest are shown in financing cash flows.

6.5 Consolidated statement of changes in shareholders' equity

(in millions of euros)	Share capital[1]	Effect of changes in foreign exchange rates	Fair value reserve[2]	Other consolidated reserves and net income	Total Share holders' equity, Group share	Non-controlling interests	Total Share holders' equity
	Shareholders' equity, Group share						
Shareholders' equity at December 31, 2019	2,018	(1,381)	(33)	9,332	9,937	1,736	11,673
Impact of the application of the IFRS IC decision on the calculation of the employee benefit provision[3]	–	–	–	308	308	4	312
Shareholders' equity at January 1, 2020 restated	2,018	(1,381)	(33)	9,640	10,245	1,740	11,985
Net income/(loss) for the year 2020	–	–	–	641	641	190	831
Other comprehensive income/(loss) after tax[4]	–	(697)	(10)	(20)	(726)	(335)	(1,061)
Total comprehensive income/(loss) 2020	**–**	**(697)**	**(10)**	**621**	**(85)**	**(145)**	**(231)**
Share-based payments	–	–	–	23	23	1	23
2019 dividend payment[5]	26	–	–	(83)	(57)	(108)	(166)
Change in capital and additional paid-in capital	–	–	–	–	–	1	1
Effect of changes in scope of consolidation and other movements	–	–	–	(23)	(23)	18	(4)
Shareholders' equity at December 31, 2020 restated	2,044	(2,078)	(42)	10,178	10,103	1,507	11,609
Net income/(loss) for the year 2021	–	–	–	1,072	1,072	229	1,301
Other comprehensive income/(loss) after tax[4]	–	88	37	27	153	27	179
Total comprehensive income/(loss) 2021	**–**	**88**	**37**	**1,099**	**1,224**	**256**	**1,481**
Share-based payments	–	–	–	25	25	1	26
2020 dividend payment[5]	–	–	–	(383)	(383)	(198)	(581)
Change in capital and additional paid-in capital[6]	(104)	–	–	(596)	(700)	1	(699)
Effect of changes in scope of consolidation and other movements[7]	–	–	–	(18)	(18)	13	(5)
Shareholders' equity at December 31, 2021	1,940	(1,990)	(4)	10,305	10,251	1,579	11,830

(1) At December 31, 2021, the share capital was made up of 775,895,892 ordinary shares (see Note 13.2.1).

(2) This item comprises:
- the hedge reserve (effective portion of changes in the fair value of cash flow hedges);
- the financial asset fair value reserve (changes in the fair value of financial assets carried at fair value through other comprehensive income).

(3) In May 2021, the IFRS IC published a final decision clarifying the attribution of benefit to periods of service. The impact of bringing the consolidated financial statements into compliance with the decision, detailed in Note 4, was recognised retrospectively in equity at January 1, 2020.

(4) In 2021, other comprehensive income after tax reflects both the increase in the value of the New Taiwan dollar and the more moderate increase in the value of the Brazilian real compared to December 31, 2020 and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability following the increase in discount rates applied for the eurozone as of December 31, 2021.
In 2020, other comprehensive loss after tax, chiefly reflected the significant decrease in the value of the Brazilian real over the year.

(5) The 2019 dividend distributed by Carrefour SA, totalling 183 million euros, was paid:
- in cash for 57 million euros; and
- in new shares for 126 million euros (corresponding to the aggregate par value of the new shares for 26 million euros and premiums for 100 million euros).

The 2020 dividend distributed by Carrefour SA, totalling 383 million euros, was paid entirely in cash.
Dividends paid to non-controlling interests in 2020 and 2021 came to 108 million euros and 198 million euros respectively, related mainly to the Brazilian, Taiwanese and Spanish subsidiaries.

(6) Two share buybacks were carried out in 2021 for amounts of 500 million euros and 200 million euros respectively. Following these buybacks, Carrefour SA's share capital was reduced by cancelling 29,475,225 shares and then 12,252,723 shares (see Note 2.6).

(7) In 2021, this item mainly corresponds to the impact of acquiring the remaining non-controlling interest in the Belgian financial services company Fimaser (see Note 3.2).

6.6 Notes to the consolidated financial statements

NOTE 1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2021 were approved for publication by the Board of Directors on February 16, 2022. They will be submitted for final approval at the Annual Shareholders' Meeting.

Carrefour SA (the "Company") is domiciled in France at 93, avenue de Paris, 91300 Massy. The consolidated financial statements for the year ended December 31, 2021 reflect the financial position and results of operations of the Company and its subsidiaries (together "Carrefour" or the "Group"), along with the Group's share of the profits and losses and net assets of equity-accounted associates and joint ventures. The presentation currency of the consolidated financial statements is the euro, which is the Company's functional currency.

1.1 Statement of compliance

In accordance with European Regulation (EC) 1606/2002 dated July 19, 2002, the 2021 consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union as of December 31, 2021 and applicable at that date, with 2020 comparative information prepared using the same standards.

All of the standards and interpretations endorsed by the European Union are published in the Official Journal of the European Union, which can be accessed in the EUR-Lex.

At December 31, 2021, the standards and interpretations adopted for use in the European Union were the same as those published by the IASB and applicable at that date.

1.2 Changes in accounting policies

The accounting policies used to prepare the 2021 consolidated financial statements are the same as those used for the 2020 consolidated financial statements, except for the following amendments whose application is mandatory as of January 1, 2021:

- amendment to IFRS 4 – *Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9*;
- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – *Interest Rate Benchmark Reform (Phase 2)*.

A further exception is the amendment to IFRS 16 – *Leases: Covid-19-Related Rent Concessions*, which is effective from April 1, 2021.

These three amendments had no material impact on the Group's consolidated financial statements.

The application of the IFRS 4 amendment extends a temporary exemption already applied by the Group's insurance companies.

The objective of Phase 2 of the interest rate benchmark reform is to clarify the accounting impacts of the effective replacement of benchmarks. In 2021, the Group completed the identification process aimed at ensuring a smooth transition to the new benchmarks. Interest rate derivatives designated as hedges of debt indexed to benchmarks are presented in Note 14.

As a reminder, Phase 1 of the project, adopted by the Group in 2020, allowed it to set aside uncertainty over future interest rate benchmarks when assessing hedge effectiveness and/or determining whether the hedged risk meets the highly probable requirement, thereby providing assurance regarding existing and future hedging relationships until such point as the uncertainty is lifted.

Note that, in the consolidated financial statements for the year ended December 31, 2021, the Group applied the IFRS IC decision published in April 2021 on the recognition of configuration and customisation costs in Software as a Service (SaaS) arrangements, as well as the decision published in May 2021 on attributing benefit to periods of service in the calculation of the provision for employee benefits falling within the scope of IAS 19.

As a result of the decision on SaaS arrangements, the Group changed the accounting policy for customisation and configuration costs when they do not meet the recognition criteria under IAS 38 (when the Group does not control the SaaS solution) or when they do not relate to the development of an interface (middleware) with this SaaS solution. These costs are now recognised as an expense either (a) as and when they are incurred if the development work is carried out internally or by a third party integrator (not related to the SaaS solution publisher), or (b) over the term of the SaaS arrangement if the development work is carried out by the SaaS solution publisher or its subcontractor. This decision was applied in the consolidated financial statements as of December 31, 2021. For SaaS solutions implemented before January 1, 2021, the estimated impact was not deemed material for the Group; therefore, the 2020 consolidated financial statements have not been restated in light of this decision. The integration costs of SaaS solutions capitalised at December 31, 2020 that no longer meet the recognition criteria were written off at January 1, 2021, against non-recurring income, in accordance with the Group's accounting principles (see Note 6.3).

The impacts of the decision regarding IAS 19 were applied to the 2021 consolidated financial statements, with comparative data for 2020 adjusted retrospectively (see Note 4).

ADOPTED BY THE EUROPEAN UNION BUT NOT YET APPLICABLE

Standards, amendments and interpretations	Effective date
Amendments to IFRS 3 – *Business Combinations*, IAS 16 – *Property, Plant and Equipment*, IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and *Annual Improvements to IFRSs – 2018-2020 cycle*	January 1, 2022
IFRS 17 – *Insurance Contracts*	January 1, 2023

1 2 3 4 5 6 7 8 9

NOT YET ADOPTED BY THE EUROPEAN UNION

Standards, amendments and interpretations	Effective date[(1)]
Amendments to IAS 1 – *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	January 1, 2023
Amendments to IAS 1 – *Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies*	January 1, 2023
Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*	January 1, 2023
Amendments to IAS 12 – *Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	January 1, 2023
Amendments to IFRS 17 – *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*	January 1, 2023

(1) Subject to adoption by the European Union.

Carrefour does not expect the application of this standard and these amendments to have a material impact on its consolidated financial statements.

1.3 Use of estimates and judgement

Preparation of consolidated financial statements involves the use of Group Management estimates and assumptions that may affect the reported amounts of certain assets, liabilities, income and expenses, as well as the disclosures contained in the notes. These estimates and assumptions are reviewed at regular intervals by Group management to ensure that they are reasonable in light of past experience and the current economic situation. Depending on changes in those assumptions, actual results may differ from current estimates. In addition to using estimates, Group management exercises its judgement when determining the appropriate accounting treatment of certain transactions and activities and how it should be applied.

The estimates and judgements applied for the preparation of these consolidated financial statements mainly concern:

- measurement of rebates and commercial income (see Note 6.2.1);
- useful lives of operating assets (see Note 7);
- definition of cash-generating units (CGUs) for the purpose of impairment tests on non-current assets other than goodwill (see Note 7.3);
- measurement of the recoverable amount of goodwill, other intangible assets and property and equipment (see Note 7.3);
- measurement of right-of-use assets and lease commitments in accordance with IFRS 16 – *Leases* (see Note 8);
- measurement of impairment of loans granted by the financial services companies (see Notes 6.5.1 and 14.7.4.2) as well as provisions for credit risk on loan commitments (see Note 11.1);
- measurement of fair value of identifiable assets acquired and liabilities assumed in business combinations (see Note 3.1);
- recognition of deferred tax assets and some tax credits (see Note 10) and determination of uncertainties in income taxes under IFRIC 23;
- measurement of provisions for contingencies and other business-related provisions (see Note 11);
- assumptions used to calculate pension and other post-employment benefit obligations (see Note 12.1);
- determination of the level of control or influence exercised by the Group over investees (see Notes 3 and 9).

The potential impacts of the health crisis on these estimates are set out in Note 2.1.

In addition, the potential impacts of climate change are taken into account in the Group's strategic plan and risk management. In preparing these consolidated financial statements, the Group took these impacts into account in particular when reviewing the useful lives of property and equipment (see Note 7.2) and performing goodwill impairment tests (see Note 7.3).

With regard to climate change, the Group has set itself the goal of becoming carbon neutral by 2040. Its action plan aims to reduce the CO_2 emissions produced by its operations at source as much as possible through several initiatives:

- use of 100% renewable electricity by 2030, with priority given to on-site production for self-consumption or grid feeding, followed by the future adoption of power purchase agreements. In view of this, the Group has begun to equip hypermarkets with photovoltaic systems (seven in France, two in Poland and one in Belgium to date);
- a 27.5% reduction in energy consumption by 2030 compared to 2019. The Group is seeking to improve energy efficiency through five priority action and technology recommendations for its stores: renovation of commercial cooling systems to consume less energy, doors for refrigeration units, use of electronic speed controllers, use of divisional meters and low consumption LED lighting;
- a reduction in emissions from refrigerant use. Carrefour is committed to phasing out HFC refrigeration units and phasing in systems using natural refrigerants (CO_2), which have much lower emission levels, by 2030 in Europe and 2040 in other geographies. Each country has drawn up a roadmap for the renewal of its store base.

1.4 Measurement bases

The consolidated financial statements have been prepared using the historical cost convention, except for:

- certain financial assets and liabilities measured using the fair value model (see Note 14);
- assets acquired and liabilities assumed in business combinations, measured using the fair value model (see Note 3.1);
- assets acquired through exchange, assessed at fair value if the exchange has commercial substance and if it is possible to reliably measure the fair value of the asset received or sold (see Notes 7.2 and 7.4);
- non-current assets held for sale, measured at the lower of their carrying amount and fair value less costs to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with the hierarchy defined in IFRS 13 – *Fair Value Measurement*, there are three levels of inputs:

- Level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs: models that use inputs that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., price-based data);
- Level 3 inputs: inputs that are intrinsic to the asset or liability and are not based on observable market data for the asset or liability.

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2021; data for the comparative period presented have also been adjusted for inflation.

NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

2.1 Covid-19 health crisis

The effects of the health crisis were still present across our different geographies in 2021. Thanks to its omni-channel model and the commitment of all its teams, the Group successfully adapted to the different phases of the crisis to ensure the continuity of food distribution and meet new consumer expectations in a complex and rapidly changing environment. Regarding 2020, the health crisis and its impacts are described in Note 2.1 to the consolidated financial statements as of December 31, 2020.

SOLID BALANCE SHEET, LIQUIDITY AND FINANCIAL DISCIPLINE

Since 2018, Carrefour has shown great financial discipline and has strengthened its balance sheet and liquidity. Carrefour's solid balance sheet is an important asset in the context of the fast-changing food retail sector as well as in the face of the current health crisis.

At December 31, 2021, the Group was rated Baa1 with a stable outlook by Moody's and BBB with a stable outlook by Standard & Poor's.

The main financing operations carried out in 2021 are described in detail in Note 2.4.

IMPACT OF THE HEALTH CRISIS ON THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

INCOME STATEMENT

Income and expenses for 2021 have been recorded and are presented using the same principles as those applied in the 2020 consolidated financial statements. As a result, the effects of the Covid-19 health crisis are reflected at all levels of the income statement.

The costs incurred in connection with the Covid-19 health crisis were recognised in recurring operating income for 2021 (as in 2020), including necessary costs relating to logistics or product distribution in stores or to customers' homes, as well as costs relating to protecting the health of employees, customers and service providers.

As a reminder, in 2020, in accordance with the Group's accounting principles, which were applied consistently, exceptional bonuses and similar benefits were recognised in non-recurring expenses for a total amount of 128 million euros. These bonuses did not compensate employees for their work as such. Rather, they represented an act of corporate social responsibility, offering tax and employee benefits. The exceptional bonuses supplemented the usual components of fixed and variable compensation awarded to the employees concerned (in respect of overtime pay, various types of bonuses, profit-sharing, etc.), i.e., without replacing said components (see Note 2.1 to the 2020 consolidated financial statements).

BALANCE SHEET

The accompanying notes contain specific information relating to the preparation of the 2021 consolidated financial statements, particularly:

- notes 6.4.2 and 6.4.3: Value of inventories and trade receivables;
- note 6.5.1: Value of consumer credit granted by the financial services companies corresponding to customer receivables;
- note 7.3: Impairment testing of goodwill, store assets and investment properties;
- note 9: Value of investments in equity-accounted companies;
- note 10.2: Recoverability of deferred tax;
- note 11: Review of provisions and contingent liabilities;
- note 12.1.6: Change in assumptions (discount rates, applicable legislation, cohorts) and their impacts on the measurement of employee benefits;
- note 14.2.4: Breakdown of cash equivalents;
- note 14.7.1: Review of liquidity risk.

2.2 Simplification of the organisation as part of the "Carrefour 2022" transformation plan

During the first half of 2021, in pursuit of its operating performance and organisational efficiency objectives, Carrefour France launched a headquarters transformation plan. The project is part of a human resources and skills planning (GPEC) initiative which was set out in an agreement signed with the trade unions in late February 2021. It allows for the workforce to be adjusted to needs at headquarters via departures staggered through to the planned end date of the agreement in March 2022.

A provision was set aside at June 30, 2021 for the cost of this plan, against a non-recurring expense. The estimated provision at December 31, 2021 was revised in light of the costs already incurred during the period and following updates to the main parameters: the amount of the provision is the best estimate of the costs that the Group expects to incur in relation to the roll-out of the programme (see Note 6.3).

In October 2021, Carrefour Italy announced a comprehensive performance improvement plan, aimed in particular at enhancing the profitability of integrated stores by streamlining and digitalising operational processes and developing the transition from integrated stores to franchising. The plan also details reorganisation measures leading to a reduction in the number of head office employees and sales teams.

2.3 Main acquisitions and disposals in 2021

ACQUISITION OF 172 STORES UNDER THE SUPERSOL BANNER (SPAIN) – BUSINESS COMBINATION

In August 2020, the Group entered into an agreement to acquire 172 convenience stores and supermarkets under the **Supersol** banner in Spain, located primarily in Andalucía and the Madrid area.

At December 31, 2020, closing of the transaction was subject to the customary conditions. After receiving clearance from the local competition authority on January 12, 2021, the acquisition was completed on March 11, 2021 for a final price of 81 million euros.

The purchase price allocation process stipulated in IFRS 3 – *Business Combinations* was implemented and led to the recognition of provisional goodwill in the amount of 79 million euros in the consolidated financial statements as of December 31, 2021 (see Note 7.1).

Of the 172 Supersol stores, 127 (representing net sales of around 380 million euros in 2020) were converted to Carrefour formats in 2021; 38 stores were sold and six were closed in the second half of the year; the remaining store was ultimately not acquired.

ONGOING ACQUISITION OF GRUPO BIG (BRAZIL) – BUSINESS COMBINATION

On March 24, 2021, Carrefour Brazil entered into an agreement with Advent International and Walmart for the acquisition of **Grupo BIG**, Brazil's third biggest food retailer. The acquiree reported net sales of around 22 billion Brazilian reals (approximately 3.7 billion euros) in 2020 and operates a multi-format network of 387 stores.

The enterprise value is around 7 billion Brazilian reals (around 1.1 billion euros at the December 31, 2021 exchange rate), of which 70% will be paid in cash and 30% in new Carrefour Brazil shares. The agreement provides for an earn-out to be paid six months after completion of the transaction if the Carrefour Brazil share price exceeds the reference value of 19.26 Brazilian reals.

The transaction remains subject to approval by the Brazilian competition authority (CADE) and is expected to be completed in 2022.

CREATION OF A REAL ESTATE COMPANY (SCI) TOGETHER WITH ARGAN FOR THE DEVELOPMENT OF WAREHOUSES (FRANCE) – EQUITY METHOD INVESTMENT

In May 2021, Carrefour and Argan created the real estate company **Cargan-LOG,** intended for developing future logistics warehouses, some of which are to be leased to Carrefour. This entity, which is 60%-owned by Argan and 40% by Carrefour (through the contribution of three warehouses), has been accounted for by the equity method in the consolidated financial statements as from May 2021, for a total amount of 30 million euros (see Note 9).

ACQUISITION OF A NON-CONTROLLING INTEREST IN CAJOO (FRANCE) – EQUITY METHOD INVESTMENT

On July 29, 2021, the Group acquired a non-controlling interest in **Cajoo**, a French trailblazer in quick commerce. At December 31, 2021, the Group owned 40% of the company, which is accounted for by the equity method (see Note 9).

PINHEIROS PROJECT (BRAZIL) – EXCHANGE OF ASSETS

As part of the **Pinheiros** project, Carrefour Brazil proceeded with an exchange of assets with Wtorre in a transaction that took effect in February 2021, following the issuance of a building permit by the São Paulo city hall. With this transaction, Carrefour exchanged land on which its store is currently located (on Avenue of the United Nations in the south of the city), for a new store, a shopping mall, a parking lot and offices in a new corporate tower which its partner has committed to build.

The impacts of the transaction were defined in accordance with IAS 16 – *Property, Plant and Equipment* and led to the recognition of a capital gain in non-recurring income for an amount of 81 million euros (see Note 6.3). In line with the Group's intention regarding the use of these assets, the offices of the corporate tower have been recognised in work-in-progress inventories (for an amount of 300 million Brazilian reals, or 47 million euros at December 31, 2021), the store in assets under construction (65 million Brazilian reals or 10 million euros at December 31, 2021) and the shopping mall and parking lot in investment property (173 million Brazilian reals, or 27 million euros at December 31, 2021).

DISPOSAL OF A CONTROLLING INTEREST IN MARKET PAY (GLOBAL FUNCTIONS)

On October 30, 2020, the Group announced the sale of 60% of its **Market Pay** payment platform to AnaCap Financial Partners, a private equity firm focused on European financial services, with the aim of accelerating the platform's development and diversification.

At December 31, 2020, in accordance with IFRS 5, Market Pay's assets and liabilities were classified within assets held for sale and related liabilities and measured at their net carrying amount.

The transaction was completed on April 29, 2021 and a resulting disposal gain of around 230 million euros (including a cash payment of 189 million euros) was recorded in non-recurring income (before tax) after taking into account the related costs (see Note 6.3).

The Group's residual interest in Market Pay (around 40%) has been accounted for by the equity method in the consolidated financial statements as from April 29, 2021, for an amount of 73 million euros (see Note 9).

DISCONTINUATION OF THE BUSINESS OF CARREFOUR BANCA (ITALIAN BRANCH OF CARREFOUR BANQUE)

In May 2021, the Board of Directors of Carrefour Banque decided to discontinue the business of its Italian branch.

In light of this, the branch disposed of all of its consumer credit portfolios in July and December 2021. As a result of this disposal, and more generally the definitive discontinuation of its operations, a non-recurring expense was recorded in 2021 (see Note 6.3).

2.4 Securing the Group's long-term financing

On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds.

The Group's financial position and liquidity were solid at December 31, 2021. The average maturity of Carrefour SA's bond debt was 3.1 years at end-December 2021, compared with 3.6 years at end-December 2020.

Furthermore, in May 2021, Carrefour exercised its option to extend its two credit facilities totalling 3.9 billion euros, from June 2025 to June 2026. This option has been applied to more than 99% of the Group's banking facilities.

Lastly, the Group updated its Euro-Medium Term Notes (EMTN) programme in June 2021 to include a Corporate Social Responsibility (CSR) component. The Group prepared and published a Sustainability-Linked Bond-type framework aimed at increasing the consideration given to CSR issues in Carrefour SA's bond financing.

Following approval by France's securities regulator, *Autorité des Marchés Financiers* (AMF), Carrefour SA became the first CAC 40 issuer to include this type of option in its EMTN programme, further aligning its financing strategy with the Group's CSR objectives and ambitions.

On September 16, 2021, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars and euros that were immediately swapped for Brazilian reals, for an amount of 1,937 million Brazilian reals (representing approximately 306 million euros at the closing rate on December 31, 2021), with two and three year maturities. The above operations have ensured that the subsidiary's medium-term financing needs are met in relation to the acquisition of Grupo BIG.

On December 8, 2021 (with a deferred start date in early January 2022), Atacadão also obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals, for an amount of 2,900 million Brazilian reals (representing approximately 459 million euros at the closing rate on December 31, 2021), with 16 to 17 month maturities.

2.5 Payment of the 2020 dividend in cash

In February 2021, the Group announced that its dividend policy would be returning to normal following nearly ten years of dividends with a dividend reinvestment option.

At the Shareholders' Meeting held on May 21, 2021, the shareholders decided to set the 2020 dividend at 0.48 euro per share to be paid entirely in cash.

On May 28, 2021, the dividend was paid out in an amount of 383 million euros.

2.6 Share buyback programme with a view to cancelling the shares

As part of its share capital allocation policy, the Group carried out two share buybacks in 2021, one for an amount of 500 million euros and the other for 200 million euros, as authorised by the Shareholders' Meetings of May 29, 2020 and May 21, 2021. The objective of the share buybacks was to allow the Group to hold the shares with a view to cancelling them subsequently.

The first share buyback began on May 7, 2021 and ended on July 9, 2021. 29,475,225 shares were thus acquired at an average unit price of 16.96 euros per share; these shares were cancelled following a decision by the Board of Directors on July 28, 2021 to reduce the share capital of Carrefour SA, based on the authorisation granted by the Shareholders' Meeting on May 21, 2021.

The second share buyback began on August 2, 2021 and ended on September 13, 2021. 12,252,723 shares were thus acquired at an average unit price of 16.32 euros per share; these shares were cancelled following a decision by the Board of Directors on October 20, 2021 to reduce the share capital of Carrefour SA, based on the authorisation granted by the Shareholders' Meeting on May 21, 2021.

Following cancellation of these shares, Carrefour SA has 775,895,892 shares outstanding and, consequently, 9,457,539 treasury shares, representing approximately 1.2% of the share capital.

NOTE 3 SCOPE OF CONSOLIDATION

3.1 Accounting principles

Basis of consolidation

The consolidated financial statements include the financial statements of subsidiaries from the date of acquisition (the date when the Group gains control) up to the date when the Group ceases to control the subsidiary, and the Group's equity in associates and joint ventures accounted for by the equity method.

(i) Subsidiaries

A subsidiary is an entity over which the Group exercises control, directly or indirectly. An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all facts and circumstances when assessing whether it controls an investee, such as rights resulting from contractual arrangements or substantial potential voting rights held by the Group.

The profit or loss of subsidiaries acquired during the year is included in the consolidated financial statements from the date when control is acquired. The profit or loss of subsidiaries sold during the year or that the Group ceases to control, is included up to the date when control ceases.

Intra-group transactions and assets and liabilities are eliminated in consolidation. Profits and losses on transactions between a subsidiary and an associate or joint venture accounted for by the equity method are included in the consolidated financial statements to the extent of unrelated investors' interests in the associate or joint venture.

(ii) Associates and joint ventures

Entities in which the Group exercises significant influence (associates), and entities over which the Group exercises joint control and that meet the definition of a joint venture, are accounted for by the equity method, as explained in Note 9 "Investments in equity-accounted companies".

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

(iii) Other investments

Investments in companies where the Group does not exercise control or significant influence over financial or operating policy decisions are qualified as either financial assets at fair value through other comprehensive income (irrevocable option at initial recognition, which is usually elected by the Group) or financial assets at fair value through profit or loss. In all cases, they are reported under "Other non-current financial assets". The accounting treatment of these investments is described in Note 14 "Financial assets and liabilities, finance costs and other financial income and expenses".

Business combinations

Business combinations, where the set of activities and assets acquired meets the definition of a business and where the Group obtains control of them, are accounted for by the purchase method.

As from January 1, 2020, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The Group may elect to apply a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

If the acquired set of activities and assets does not constitute a business, the transaction is recognised as an asset acquisition.

Business combinations carried out since January 1, 2010 are measured and recognised as described below, in accordance with the revised IFRS 3 – *Business Combinations*.

- As of the acquisition date, the identifiable assets acquired and liabilities assumed are recognised and measured at fair value.
- Goodwill corresponds to the excess of (i) the sum of the consideration transferred (i.e., the acquisition price) and the amount of any non-controlling interest in the acquiree, over (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. It is recorded directly in the statement of financial position of the acquiree, in the latter's functional currency, and is subsequently tested for impairment at the level of the Cash-Generating Unit (CGU) to which the acquiree belongs, by the method described in Note 7.3. Any gain from a bargain purchase (i.e., negative goodwill) is recognised directly in profit or loss.

- For each business combination on a less than 100% basis, the acquisition date components of non-controlling interests in the acquiree (i.e., interests that entitle their holders to a proportionate share of the acquiree's net assets) are measured at either:
  - fair value, such that part of the goodwill recognised at the time of the business combination is allocated to non-controlling interests ("full goodwill" method), or
  - the proportionate share of the acquiree's identifiable net assets, such that only the goodwill attributable to the Group is recognised ("partial goodwill" method).

The method used is determined on a transaction-by-transaction basis.

- The provisional amounts recognised for a business combination may be adjusted during a measurement period that ends as soon as the Group receives the information it needs at the latest 12 months from the acquisition date. Adjustments during the measurement period to the fair value of the identifiable assets acquired and liabilities assumed or the consideration transferred are offset by a corresponding adjustment to goodwill, provided they result from facts and circumstances that existed as of the acquisition date. Any adjustments identified after the 12-month measurement period or not resulting from new information about facts and circumstances that existed at the acquisition date are recognised directly in profit or loss.
- For a business combination achieved in stages (step acquisition), when control is acquired the previously held equity interest is remeasured at fair value through profit or loss. In the case of a reduction in the Group's equity interest resulting in a loss of control, the remaining interest is also remeasured at fair value through profit or loss.
- Transaction costs are recorded directly as an operating expense for the period in which they are incurred.

At the IFRS transition date, the Group elected to maintain the accounting treatment for business combinations applied under previous accounting standards, in line with the option available to first-time adopters under IFRS 1 – *First-time Adoption of International Financial Reporting Standards*.

Changes in ownership interest not resulting in a change of control

Any change in the Group's ownership interest in a subsidiary that does not result in control being acquired or lost is qualified as a transaction with owners in their capacity as owners and recorded directly in equity in accordance with IFRS 10 – *Consolidated Financial Statements*. It is shown in cash flows from financing activities in the statement of cash flows.

Translation of the financial statements of foreign operations

The consolidated financial statements are presented in euros.

An entity's functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Group entities is the currency of their home country.

The financial statements of entities whose functional currency is not the euro and is not the currency of a hyperinflationary economy are translated into euros as follows:

- assets and liabilities are translated at the period-end closing rate;
- income and expenses are translated at the weighted average exchange rate for the period;
- all resulting exchange differences are recognised in other comprehensive income and are taken into account in the calculation of any gain or loss realised on the subsequent disposal of the foreign operation;
- items in the statement of cash flows are translated at the average rate for the period unless the rate on the transaction date is materially different.

Argentina has been classified as a hyperinflationary economy within the meaning of IAS 29 – *Financial Reporting in Hyperinflationary Economies* since 2018. In accordance with this standard:

- non-monetary assets and liabilities are restated by applying a general price index;
- all local currency items in the income statement and statement of other comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements;
- the statement of financial position, income statement and statement of comprehensive income are translated into euros at the closing rate for the reporting period;
- the restatement of reserves for the indexation of Argentinean equity items is presented in exchange differences on translating foreign operations in the statement of comprehensive income and in the translation reserve in the statement of changes in consolidated equity.

Translation of foreign currency transactions

Transactions by Group entities in a currency other than their functional currency are initially translated at the exchange rate on the transaction date.

At each period-end, monetary assets and liabilities denominated in foreign currency are translated at the period-end closing rate and the resulting exchange gain or loss is recorded in the income statement.

Intra-group loans to certain foreign operations are treated as part of the net investment in that operation if settlement of the loan is neither planned nor likely to occur. The gain or loss arising from translation of the loan at each successive period-end is recorded directly in "Other comprehensive income" in accordance with IAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

Non-current assets and disposal groups held for sale and discontinued operations

If the Group expects to recover the carrying amount of a non-current asset (or disposal group) principally through a sale transaction rather than through continuing use, it is presented separately in the consolidated statement of financial position under "Assets held for sale" in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. Liabilities related to non-current assets held for sale are also reported on a separate line of the consolidated statement of financial position (under "Liabilities related to assets held for sale"). Following their classification as held for sale, the assets concerned are measured at the lower of their carrying amount and fair value less costs to sell and they cease to be depreciated or amortised.

All the assets and liabilities of the discontinued operation are presented on separate lines on each side of the statement of financial position after eliminating intra-group items.

A discontinued operation is a component of an entity that has been either disposed of or classified as held for sale, and:

- represents a separate major line of business or geographical area of operations; and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

It is classified as a discontinued operation at the time of sale or earlier if its assets and liabilities meet the criteria for classification as held for sale. When a component of an entity is classified as a discontinued operation, comparative income statement and cash flow information is restated as if the entity had met the criteria for classification as a discontinued operation on the first day of the comparative period.

3.2 Main changes in scope of consolidation

3.2.1 Changes in 2021

The main transactions completed in 2021 are detailed in Note 2.3: acquisition of the Supersol banner in Spain, acquisition of a non-controlling interest in Cajoo in France, creation of SCI Cargan-LOG in France, exchange of assets under the Pinheiros project in Brazil, Carrefour SA's loss of control of Market Pay, and discontinuation of the operations of Carrefour Banque's Italian branch.

In addition, in December 2021, the Group acquired the remaining 40% non-controlling interest in the Belgian financial services company Fimaser (a fully consolidated entity) for approximately 20 million euros. The impact is recorded in consolidated equity as the acquisition constitutes a transaction with minority shareholders.

The Group also bought the remaining non-controlling interests in French companies Quitoque and Greenweez for non-material amounts.

3.2.2 Changes in 2020

ACQUISITION OF MAKRO ATACADISTA STORES (BRAZIL) – ACQUISITION OF ASSETS

On February 15, 2020, Atacadão signed an agreement with **Makro Atacadista** to acquire 30 cash & carry stores (including 22 fully-owned stores, and 8 rented stores) and 14 service stations, located in 17 states across Brazil, for a total price of 1.95 billion Brazilian reals, payable in cash. This transaction corresponds to an asset acquisition.

The 30 stores represent a total retail surface area of over 165,000 sq.m. and annual sales of some 2.8 billion Brazilian reals (2019 figure).

Closing of the transaction was subject to certain customary conditions, notably including agreement by the owners of the rented properties and approval by CADE, Brazil's anti-trust authority. Following CADE's approval on October 5, 2020, the acquisition of the stores and service stations has been undertaken in several stages.

As of December 31, 2020, the Group had acquired 25 of the stores (16 fully-owned stores and nine rented stores) and ten of the service stations. The Group carried out these acquisitions in November and December 2020 for a total amount of 1,725 million reals (around 290 million euros).

In 2021, the Group acquired three additional stores on a full ownership basis and two service stations for a total amount of 170 million reals (approximately 27 million euros). A 29th store is expected to be acquired on a full ownership basis in 2022 but the Group has finally decided not to acquire a 30th store.

ACQUISITION OF THE WELLCOME BANNER (TAIWAN) – BUSINESS COMBINATION

In June 2020, Carrefour signed an agreement with Dairy Farm for the acquisition of the **Wellcome** banner, with its 224 convenience stores and a warehouse. Wellcome reported net sales of some 390 million euros in 2019.

Closing of the transaction was subject to the customary conditions. After receiving clearance from the Taiwan Fair Trade Commission on December 10, 2020, the acquisition was completed on December 31, 2020 for the final price of 4.0 billion New Taiwan dollars (approximately 119 million euros).

Given that the transaction was carried out on the last day of the annual reporting period (i.e., December 31, 2020) and that local regulations restricted the exchange of information between the Carrefour group and the acquired company Wellcome until the transaction completion date, the purchase price allocation process stipulated in IFRS 3 – *Business Combinations* could not be implemented in the 2020 consolidated financial statements; provisional goodwill had therefore been recognised at December 31, 2020 in the amount of 119 million euros.

This allocation process, implemented in 2021, led to a reduction in goodwill to 80 million euros at December 31, 2021, chiefly as a result of the fair value adjustment to the warehouse (building and land) owned by Wellcome.

ACQUISITION OF THE BIOAZUR BANNER (FRANCE) – BUSINESS COMBINATION

On October 13, 2020, Carrefour announced that it was acquiring the entire share capital of the **Bioazur** banner through its subsidiary So.bio. Bioazur is a specialist retailer of organic products operating five stores located in south west France. The transaction was completed on November 12, 2020, corresponding to the date on which control was acquired.

In accordance with IFRS 3 – *Business Combinations*, following the Group's measurement of the assets acquired and liabilities assumed at the acquisition date, provisional goodwill in the amount of 4 million euros was recognised at December 31, 2020 in respect of this acquisition, and became final in 2021.

TAKEOVER OF THE BIO C' BON BANNER (FRANCE) – BUSINESS COMBINATION

On November 2, 2020, the Paris Commercial Court accepted Carrefour's bid to acquire the **Bio c' Bon** banner through its subsidiary So.bio, effective the following day.

This transaction was subject to an exemption from the suspensive effect of merger control and must be submitted to the French competition authority (*Autorité de la Concurrence*) for review. The provisional acquisition price amounted to 60 million euros, corresponding to 107 stores and around one thousand employees operating under the banner.

In accordance with IFRS 3 – *Business Combinations*, following the Group's measurement of the assets acquired and liabilities assumed at the acquisition date, provisional goodwill in the amount of 81 million euros was recognised at December 31, 2020 in respect of this acquisition.

Out of the 107 previously mentioned stores, seven were ultimately not acquired due to lessors electing to exercise their lease termination clause. The final price paid was reduced by 3 million euros.

In addition, in its decision dated September 10, 2021, the French competition authority authorised the transaction subject to the sale of eight identified stores.

On the basis of these factors and the recognition of property and equipment corresponding to the notarial acts, goodwill was reduced to 66 million euros at December 31, 2021.

EXTENDING CARREFOUR'S FOOD E-COMMERCE OFFERING IN FRANCE (BUSINESS COMBINATIONS)

On January 8, 2020, Carrefour acquired a 50% controlling interest in **Potager City**, a company based in Lyon that delivers fruit and vegetable baskets directly from the farm to the consumer. At the end of March 2020, a shareholder's advance from Carrefour was used to underwrite a share issue, giving Carrefour 56% of Potager City's capital and voting rights. Further to the purchase of additional shares from minority shareholders in December 2020, Carrefour held 68% of the capital and voting rights at December 31, 2020.

On January 24, 2020, Carrefour acquired a majority stake (68%) in the company **Dejbox**, a pioneer in lunch delivery for business employees located in suburban and outlying areas. Operating in Lille, Lyon, Paris, Bordeaux, Nantes and Grenoble, plus hundreds of other nearby towns and cities, Dejbox delivers over 400,000 meals each month.

In accordance with IFRS 3 – *Business Combinations*, following the Group's measurement of the assets acquired and liabilities assumed at the acquisition dates, final goodwill was accounted for at December 31, 2020 in the amount of 20 million euros for the Potager City acquisition and 53 million euros for the Dejbox acquisition.

At December 31, 2021, the Group held 69% of Potager City and 86% of Dejbox further to the purchase of additional shares from minority shareholders.

DISPOSAL OF RUE DU COMMERCE (FRANCE)

On November 8, 2019, the Group announced that it had received a firm offer from Shopinvest for the acquisition of 100% of the share capital of Rue du Commerce.

The sale of Rue du Commerce was carried out on April 30, 2020. The disposal loss recognised in 2020 amounted to approximately 40 million euros and was accounted for in non-recurring operating expense.

DISCONTINUATION OF CARREFOUR BANQUE'S C-ZAM BUSINESS (FRANCE)

In April 2020, the Board of Directors of Carrefour Banque decided to discontinue the C-zam business (current account management services for retail banking customers), in order to focus on the bank's core consumer credit business. The business was discontinued in July 2020.

This decision led to the write-down of the associated non-current assets in 2020, with a contra entry to non-recurring items.

3.3 Scope of consolidation at December 31, 2021

The list of consolidated companies (subsidiaries and associates) is presented in Note 18.

The Group reviewed its analyses of control over subsidiaries in which it is not the sole investor, in light of changes in facts and circumstances during the year, and particularly those transactions described in Note 2.3. Based on its review, there were no changes in the type of control exercised over these subsidiaries.

NOTE 4 RESTATEMENT OF THE 2020 CONSOLIDATED FINANCIAL STATEMENTS

4.1 IAS 19 – Employee Benefits – Application of the IFRS IC decision of May 2021

In May 2021, the IFRS IC published a final decision clarifying the attribution of benefit to periods of service. The decision came in response to a request regarding a defined benefit plan with the following characteristics: provided they are still with the company when they reach retirement age, employees are entitled to a lump-sum benefit depending on their length of service, which is capped at a specified number of consecutive years of service.

The IFRS IC concluded that, in application of IAS 19, under such a plan, the benefit obligation should be accrued only for those years of service prior to retirement in respect of which the employee generates a right to the benefit.

For the Group, only the termination benefit plans in France are affected by this decision. The other plans across our various geographies do not meet the characteristics outlined by the IFRS IC.

This decision challenged the principle applied until then, which was to use the entire length of the employee's career as the rights vesting period and to recognise the benefit obligation on a straight-line basis. It led to the reversal of the provision for employees who have not yet reached the age when the cap for the benefit is reached. For employees over this age, the provision is recognised over a shorter period.

This decision has been applied retrospectively, and its impacts have been recognised in retained earnings in the comparative year presented.

4.2 Consolidated statement of financial position at January 1, 2020 and at December 31, 2020 (restated)

ASSETS

(in millions of euros)	December 31, 2019 published	Impact of the IFRS IC decision – IAS 19	January 1, 2020 restated	December 31, 2020 restated
Non-current assets	32,590	–	32,590	30,115
Current assets	18,875	–	18,875	17,473
TOTAL ASSETS	**51,464**	**–**	**51,464**	**47,588**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	December 31, 2019 published	Impact of the IFRS IC decision – IAS 19	January 1, 2020 restated	December 31, 2020 restated
Share capital	2,018	–	2,018	2,044
Consolidated reserves (including net income)	7,919	308	8,227	8,059
Shareholders' equity, Group share	9,937	308	10,245	10,103
Shareholders' equity attributable to non-controlling interests	1,736	4	1,740	1,507
Total shareholders' equity	11,673	312	11,985	11,609
Provisions	3,297	(312)	2,984	2,357
Other non-current liabilities	13,406	–	13,406	12,280
Non-current liabilities	16,703	(312)	16,390	14,637
Current liabilities	23,089	–	23,089	21,342
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**51,464**	**–**	**51,464**	**47,588**

The consolidated income statement and the consolidated statement of comprehensive income for the year 2020 have not been restated as the application of the IFRS IC decision did not have a material impact on these financial statements.

NOTE 5 SEGMENT INFORMATION

Accounting principles

IFRS 8 – *Operating Segments* requires the disclosure of information about an entity's operating segments derived from the internal reporting system and used by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. The Group's operating segments consist of the countries in which it conducts its business through the integrated store network, as each country's results are reviewed monthly by the Group's Chief Executive Officer who is the chief operating decision-maker within the meaning of IFRS 8.

Countries located in the same region are considered to have similar characteristics and have been combined to create four geographical segments, as allowed by IFRS 8. These segments are:

- France;
- Rest of Europe: Spain, Italy, Belgium, Poland and Romania;
- Latin America: Brazil and Argentina;
- Asia: Taiwan.

The income and expenses of certain support entities are allocated to the various countries proportionately to the services provided to each, with any unallocated income and expenses reported under "Global functions".

Segment assets include goodwill, other intangible assets, property and equipment, investment property, right-of-use assets and "other segment assets", corresponding to inventories, trade receivables, consumer credit granted by the financial services companies and other receivables. Segment liabilities comprise lease commitments, suppliers and other creditors, consumer credit financing and other payables.

Segment capital expenditure corresponds to the acquisitions of property and equipment and intangible assets (other than goodwill) reported in the statement of cash flows.

The disclosures in the tables below have been prepared using the same accounting policies as those applied to prepare the consolidated financial statements.

5.1 Segment results

2021 *(in millions of euros)*	Group total	France	Europe	Latin America	Asia	Global Functions
Net sales	72,958	35,283	21,283	13,895	2,497	–
Other revenue	2,181	759	567	699	90	67
Recurring operating income before depreciation and amortisation	4,550	1,797	1,560	993	243	(43)
Recurring operating income	2,272	757	718	768	78	(49)
Capital expenditure(1)	1,653	677	403	493	69	12
Depreciation and amortisation expense(2)	(2,277)	(1,040)	(843)	(224)	(165)	(6)

2020 *(in millions of euros)*	Group total	France	Europe	Latin America	Asia	Global Functions
Net sales	70,719	34,135	21,239	13,245	2,100	–
Other revenue	2,183	789	608	635	88	62
Recurring operating income before depreciation and amortisation	4,465	1,693	1,565	999	225	(18)
Recurring operating income	2,173	629	698	786	94	(33)
Capital expenditure(1)	1,491	582	314	548	34	14
Depreciation and amortisation expense(2)	(2,292)	(1,065)	(867)	(214)	(131)	(15)

(1) In 2020, investments in property and equipment and intangible assets included the acquisition of 16 Makro Atacadista stores on a full ownership basis (see Note 3.2.2). In 2021, three additional stores were acquired on a full ownership basis, bringing the total to 28 acquired stores at the reporting date.
(2) Including the depreciation and amortisation relating to logistics equipment included in the cost of sales.

5.2 Segment assets and liabilities

December 31, 2021 *(in millions of euros)*	Group total	France	Europe	Latin America	Asia	Global Functions
ASSETS						
Goodwill	7,995	5,147	2,379	321	147	1
Other intangible assets	1,333	580	574	144	28	6
Property and equipment	10,721	4,627	2,871	2,784	437	2
Investment property	291	11	115	111	54	–
Right-of-use assets	4,361	1,636	1,945	344	432	4
Other segment assets	15,672	7,326	3,126	4,569	315	336
Total segment assets	40,373	19,327	11,009	8,274	1,414	350
Unallocated assets	7,295					
TOTAL ASSETS	**47,668**					
LIABILITIES (excluding equity)						
Segment liabilities	25,983	11,612	7,497	5,276	1,221	377
Unallocated liabilities	9,856					
TOTAL LIABILITIES	**35,839**					

December 31, 2020 restated *(in millions of euros)*	Group total	France	Europe	Latin America	Asia	Global Functions
ASSETS						
Goodwill	8,034	5,149	2,388	319	176	1
Other intangible assets	1,325	615	551	130	23	6
Property and equipment	10,505	4,741	3,038	2,376	348	2
Investment property	259	11	119	80	50	–
Right-of-use assets	4,506	1,865	1,982	324	330	5
Other segment assets	14,964	7,360	3,105	3,913	206	379
Total segment assets	39,593	19,742	11,183	7,142	1,133	393
Unallocated assets	7,995					
TOTAL ASSETS	**47,588**					
LIABILITIES (excluding equity)						
Segment liabilities	25,512	12,034	7,672	4,604	888	315
Unallocated liabilities	10,466					
TOTAL LIABILITIES	**35,979**					

NOTE 6 OPERATING ITEMS

6.1 Revenue

Accounting principles

Revenue ("Total revenue") comprises net sales and other revenue.

Net sales correspond to sales via the Group's stores, e-commerce sites and service stations (to end customers) and warehouse sales (to franchisees).

Other revenue comprises revenue from the banking and insurance businesses (including bank card fees, and arranging fees for traditional and revolving credit facilities), property development revenue, travel agency revenue, commissions on e-commerce sales made on behalf of third parties (marketplaces), shopping mall rental income and franchise fees (mainly in the form of royalties).

(i) Recognition of net sales and other revenue

Revenue from sales in stores and service stations, which represents the bulk of the Group's net sales, is recorded when the customer pays at the check-out, pursuant to IFRS 15. Control is transferred when the goods and services are transferred to the customers, because the sales do not include any other unsatisfied performance obligation at that date. Some of the products on sale in the Group's stores are sold with a right of return. This concerns only certain specific product categories and the return period is limited based on local regulations in the countries concerned and/or the Group's general conditions of sale.

E-commerce sales correspond to sales on the Group's e-commerce sites (direct sales) and to commission on e-commerce sales carried out on behalf of third parties (marketplaces). The Group acts as the principal for direct sales on its e-commerce sites. Revenue from direct sales is recorded when the goods are delivered (corresponding to the date when control of the goods is transferred). In the same way as for in-store sales, certain products offered on the Group's e-commerce sites are sold with a time-limited right of return. In the case of marketplace sales, the Group acts as an agent and revenue from these sales corresponds to the commission billed to the third-party suppliers of the goods concerned.

Revenue from sales to franchisees is recorded when the goods are delivered (corresponding to the date when control of the goods is transferred).

Net banking revenue generated by the Group's financial services companies consists mainly of net interest revenue that does not fall within the scope of IFRS 15 and is accounted for in accordance with IFRS 9. IFRS 15 only applies to payment card services that do not qualify as financing or credit transactions (bank card fees, arranging fees for traditional and revolving credit facilities). These fees are recognised over the life of the underlying contracts.

Revenue from franchise fees is accounted for in accordance with the specific provisions of IFRS 15 concerning intellectual property licences (dynamic licences). The remuneration received in exchange for the right to use the Group's brand and expertise is calculated as a percentage of the net sales generated by the franchise outlet and is recognised over time. The accounting treatment of business lease fees is the same as for franchise fees.

Revenue from leases and sub-leases where the Group is lessor does not fall within the scope of IFRS 15 and is accounted for in accordance with IFRS 16 (from January 1, 2019).

The property development business corresponds primarily to the construction and extension of shopping centres adjacent to Carrefour hypermarkets and their subsequent sale. It also includes the speciality leasing business, corresponding to the enhancement of space in the shopping centres' common areas for the sale or display of products during a limited period. The property development business is conducted by Carrefour Property, a wholly-owned subsidiary of the Group. Generally speaking, revenue from property development continues to be recognised at the date the built property is delivered to the customer; only revenue relating to off-plan sales is recognised over time (based on the percentage of completion of the construction work, as measured based on costs incurred), since control is transferred to the customer as and when the work is completed by the Group.

(ii) Accounting treatment of customer loyalty programmes

When the purchase of goods or services entitles the customer to award credits under a loyalty programme, the contract with the customer comprises two separate performance obligations:

- the obligation to deliver the goods or services, which is satisfied immediately; and
- the obligation to subsequently supply goods or services at a reduced price or free of charge.

The sale proceeds are allocated between these two performance obligations proportionately to their respective specific sale prices.

1 2 3 4 5 6 7 8 9

6.1.1 Net sales

(in millions of euros)	2021	2020	% change
Net sales	72,958	70,719	3.2%

At constant exchange rates, 2021 net sales amounted to 74,276 million euros versus 70,719 million euros in 2020, an increase of 5.0%. Changes in exchange rates reduced net sales by (1.3) billion euros in 2021, almost exclusively attributable to the Latin America region.

Restated for IAS 29 in Argentina, consolidated net sales for 2021 increased by 5.1% at constant exchange rates.

NET SALES BY COUNTRY[1]

(in millions of euros)	2021	2020
France	35,283	34,135
Rest of Europe	21,283	21,239
Spain	9,471	9,058
Italy	3,941	4,172
Belgium	3,940	4,124
Poland	1,838	1,820
Romania	2,092	2,065
Latin America	13,895	13,245
Brazil	11,578	11,506
Argentina	2,317	1,739
Asia	2,497	2,100
Taiwan	2,497	2,100

(1) Substantially all revenue is recognised on a specific date. Revenue recognised over time is not material at Group level.

6.1.2 Other revenue

(in millions of euros)	2021	2020	% change
Financing fees and commissions[1]	1,159	1,196	-3.1%
Franchise and business lease fees	365	329	10.9%
Rental revenue	171	158	8.6%
Revenue from sub-leases	35	38	-8.6%
Property development revenue[2]	5	21	-77.6%
Other revenue[3]	447	441	1.4%
TOTAL OTHER REVENUE	**2,181**	**2,183**	**-0.1%**

(1) Including net banking revenue and net insurance revenue generated by the Group's financial services and insurance companies.
(2) Corresponding to the sale price of properties developed by the Group for resale. Taking into account development costs recorded in "Cost of sales", the property development margin amounts to 5 million euros in 2021 and 1 million euros in 2020.
(3) Other revenue notably includes sales commissions, commissions received from suppliers, revenue from ticket/travel agency sales and in-store advertising fees.

Financing fees and commissions recognised in 2021 continued to be impacted by the health crisis in Europe, in connection with the reduction in the gross value of consumer credit recorded over the period (see Note 6.5.1). In addition, growth observed in Brazil in local currency was partly offset by its translation into euros, given a more unfavourable average exchange rate over the period than in 2020.

On the other hand, franchise and lease management fees continued to increase in France.

6.2 Recurring operating income

Accounting principles

Recurring operating income is an intermediate aggregate disclosed in order to help users of the consolidated financial statements to better understand the Group's underlying operating performance. It corresponds to operating income (defined as earnings from continuing operations before interest and tax) before material items that are unusual in terms of their nature and frequency and are reported under "Non-recurring income" or "Non-recurring expenses" (see Note 6.3).

6.2.1 Cost of sales

Accounting principles

Cost of sales corresponds to the cost of purchases net of rebates and commercial income, changes in inventories (including impairments), discounting revenue, exchange gains and losses on goods purchases, logistics costs and other costs (primarily the cost of products sold by the financial services companies and the production costs of the property development business).

Rebates are calculated based on immediate or deferred discount rates on purchases, as specified in the contractual terms negotiated each year. Rebates can be:

- unconditional, i.e., proportionate to total purchases and subject to no other conditions; or
- conditional, i.e., dependent on meeting certain conditions (e.g., growth in the supplier's net sales with the Group).

Commercial income corresponds to income from services carried out by Carrefour for its suppliers.

Rebates and commercial income recognised in cost of sales are measured based on the contractual terms specified in the agreements signed with suppliers.

6.2.2 Sales, general and administrative expenses, and depreciation and amortisation

(in millions of euros)	2021	2020	% change
Sales, general and administrative expenses	(11,229)	(11,233)	-0.0%
Depreciation and amortisation of property and equipment, intangible assets, and investment property	(1,270)	(1,319)	-3.7%
Depreciation of right-of-use asset – Property and equipment and investment properties	(748)	(721)	3.8%
TOTAL SG&A EXPENSES AND DEPRECIATION AND AMORTISATION	**(13,247)**	**(13,272)**	**-0.2%**

SALES, GENERAL AND ADMINISTRATIVE EXPENSES

Sales, general and administrative expenses break down as follows:

(in millions of euros)	2021	2020	% Prog.
Employee benefits expense	(7,285)	(7,262)	0.3%
Maintenance and repair costs	(712)	(727)	-2.0%
Fees	(659)	(765)	-14.0%
Advertising expense	(641)	(611)	4.9%
Taxes other than on income	(509)	(489)	4.1%
Energy and electricity	(477)	(484)	-1.6%
Property rentals (excl. IFRS 16)[1]	(74)	(54)	36.5%
Other SG&A expenses	(873)	(840)	3.9%
TOTAL SG&A EXPENSES	**(11,229)**	**(11,233)**	**-0.0%**

(1) In 2020 and 2021, lease expenses under property leases do not include lease expenses under contracts accounted for in accordance with IFRS 16 (see Note 8), which would have amounted to 824 million euros in 2020 and 879 million in 2021 had IFRS 16 not been applied.

DEPRECIATION AND AMORTISATION

Including supply chain depreciation and amortisation recognised in cost of sales, total depreciation and amortisation expense recognised in the consolidated income statement amounted to 2,277 million euros in 2021 (versus 2,292 million euros in 2020), as follows:

(in millions of euros)	2021	2020	% change
Property and equipment	*(1,019)*	*(1,053)*	*-3.3%*
Intangible assets	*(242)*	*(252)*	*-3.9%*
Investment property	*(9)*	*(13)*	*-29.8%*
Depreciation and amortisation of property and equipment, intangible assets, and investment property	(1,270)	(1,319)	-3.7%
Depreciation of right-of-use asset – Property and equipment and investment properties	(748)	(721)	3.8%
Depreciation and amortisation of supply chain	(59)	(55)	6.1%
Depreciation of right-of-use asset – Supply chain	(201)	(197)	1.7%
TOTAL DEPRECIATION AND AMORTISATION	**(2,277)**	**(2,292)**	**-0.6%**

6.3 Non-recurring income and expenses

Accounting principles

In accordance with the French accounting standards setter (ANC) recommendation no. 2020-01 dated March 6, 2020, non-recurring income and expenses are reported on a separate line of the income statement. Non-recurring items are defined as "items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results".

This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges of non-current assets, gains and losses on sales of non-current assets, restructuring costs and provision charges and income recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

They are presented separately in the income statement to "help users of the financial statements to better understand the Group's underlying operating performance and provide them with useful information to assess the earnings outlook".

Non-recurring items represented a net expense of 374 million euros in 2021, and the detailed breakdown is as follows:

(in millions of euros)	2021	2020
Net gains on sales of assets	271	19
Restructuring costs	(385)	(93)
Other non-recurring income and expenses	(42)	(105)
Non-recurring income and expenses, net before asset impairments and write-offs	(156)	(179)
Asset impairments and write-offs	(218)	(295)
of which Impairments and write-offs of goodwill	*(84)*	*(104)*
of which Impairments and write-offs of property and equipment, intangible assets and others	*(134)*	*(192)*
NON-RECURRING INCOME AND EXPENSES, NET	**(374)**	**(474)**
of which:		
non-recurring income	*514*	*279*
non-recurring expense	*(888)*	*(753)*

GAINS AND LOSSES ON DISPOSAL OF ASSETS

Gains and losses on disposals of assets mainly include the gain arising on the loss of control of Market Pay in France for a net amount of around 230 million euros (see Note 2.3). To a lesser extent, this item also includes the disposal of ten hypermarket properties in Spain, through sale and leaseback transactions with Realty Income (see Note 8).

RESTRUCTURING COSTS

Restructuring costs recognised in 2021 result from continued work towards objectives to improve operating performance and organisational efficiency. The expense included in non-recurring items relates primarily to severance paid or payable within the scope of the transformation plan concerning the headquarters in France and, secondarily, to the measures implemented in Italy and Spain.

OTHER NON-RECURRING ITEMS

Other non-recurring income and expenses recorded in 2021 resulted primarily from the following items in Brazil:

- the impact of the Pinheiros real estate transaction, which generated an income of 81 million euros following an exchange of assets in the city of São Paulo (see Note 2.3);
- provision reversals (net of costs) on ICMS credits notably related to transfers between states on "basic products" were recognised for around 35 million euros following expiry of the limitation period for tax claims or further relief under tax amnesty programmes introduced by certain Brazilian states (see Note 6.3 to the 2020 consolidated financial statements);
- following the death of Mr Silveira Freitas, commitments have been made by Carrefour Brazil to public authorities and non-profit organisations as part of a settlement agreement ("*Termo de ajustamento de Conduta*") signed on June 11, 2021. It led to the recognition of a provision for 17 million euros (see Note 11.3 to these financial statements and to the 2020 consolidated financial statements).

Other non-recurring income and expenses in 2021 also included revised estimates of historical risks in Spain and the impacts related to the decision taken in May 2021 to discontinue Carrefour Banque's operations in Italy (see Note 2.3).

ASSET IMPAIRMENTS AND WRITE-OFFS

At December 31, 2021, an impairment loss of 80 million euros was recognised on goodwill in Italy (Note 7.3).

Impairment of assets other than goodwill and write-offs recorded in 2021 include the retirement of a variety of non-current assets, in particular relating to IT in France for 28 million euros, as well as impairment losses of 26 million euros against non-current assets, to take account of the difficulties experienced by certain stores, particularly in Italy and France. They also include the write-off of configuration and customisation costs for SaaS solutions that can no longer be capitalised as a result of the application of the final IFRS IC decision published in April 2021 (see Note 1.2), for approximately 30 million euros. In addition, the alignment of the net carrying value of Showroomprivé shares with the stock market share price at December 31, 2021 represented a non-recurring expense of 10 million euros (see Note 9.2).

<u>Main non-recurring items in 2020</u>

In 2020, gains and losses on disposals of assets included the loss incurred on the sale of Rue du Commerce, which was completed on April 30, 2020. The loss was more than offset by the gains recorded on the sale of store assets or businesses in France, Italy and Belgium.

Restructuring costs in 2020 primarily corresponded to severance paid or payable under the measures implemented in Spain and Italy.

The costs incurred in connection with the Covid-19 health crisis were recognised in recurring operating expenses for 2020, including necessary costs relating to logistics or product distribution in stores or to customers' homes, as well as costs relating to protecting the health of employees, customers and service providers.

In accordance with the Group's accounting principles, which have been applied consistently, exceptional bonuses and similar benefits were recognised in non-recurring expenses for a total amount of 128 million euros during the first half of 2020. These bonuses did not compensate employees for their work as such. Rather, they represented an act of corporate social responsibility, offering tax and employee benefits. The exceptional bonuses supplemented the usual components of fixed and variable compensation awarded to the employees concerned (in respect of overtime pay, various types of bonuses, profit-sharing, etc.), i.e., without replacing said components.

In Brazil, provision reversals on "basic products" (see Note 7.3 to the consolidated financial statements at December 31, 2019) were recognised for around 65 million euros in 2020 (net of costs) following expiry of the statute of limitations for tax claims or receipt of further relief under tax amnesty programmes introduced by certain Brazilian states at the end of the year.

Other non-recurring operating income and expenses recognised in 2020 related primarily to revised estimates of historical risks in France and Brazil.

At December 31, 2020, an impairment loss of 104 million euros was recognised on goodwill in Italy (see Note 7.3 to the 2020 consolidated financial statements). In 2020, impairment losses of 150 million euros were recognised against non-current assets other than goodwill to take account of the difficulties experienced by certain stores, particularly in Italy and France (mainly hypermarkets and Promocash stores).

In addition, 65 million euros' worth of assets were retired during the year, mainly in France (store assets), Brazil (former IT E-Commerce platform) and Spain (certain software applications in particular). Assets were also retired at Carrefour Banque following the discontinuation of the C-zam business (see Note 3.2.2).

Lastly, the net impact of the dilution of Showroomprivé shares and the alignment of their net value with the stock market share price at December 31, 2020 represented non-recurring income of 23 million euros (see Note 9.2 to the 2020 consolidated financial statements).

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6.4 Working capital requirement

6.4.1 Change in working capital requirement

The change in working capital requirement reported in the consolidated statement of cash flows under "Net cash from operating activities" breaks down as follows:

(in millions of euros)	2021	2020	Change
Change in inventories	(422)	79	(500)
Change in trade receivables	(100)	(6)	(94)
Change in trade payables	376	(66)	442
Change in loyalty program liabilities	37	6	32
Change in trade working capital requirement	(109)	13	(121)
Change in other receivables and payables	77	3	74
CHANGE IN WORKING CAPITAL REQUIREMENT	**(32)**	**15**	**(47)**

These items, like all other items in the statement of cash flows, are translated at the average rate for the year.

6.4.2 Inventories

Accounting principles

In accordance with IAS 2 – *Inventories*, goods inventories and the inventories of the property development business (properties under construction) are measured at the lower of cost and net realisable value.

The cost of goods inventories corresponds to the latest purchase price plus all related expenses. This method is appropriate given the rapid inventory turnover, and the resulting values are close to those obtained by the first-in first-out (FIFO) method. The cost of goods inventories includes all components of the purchase cost of goods sold (with the exception of exchange gains and losses) and takes into account the rebates and commercial income negotiated with suppliers.

Net realisable value corresponds to the estimated selling price in the ordinary course of business, less the estimated additional costs necessary to make the sale.

(in millions of euros)	December 31, 2021	December 31, 2020
Inventories at cost	6,024	5,496
Impairment	(166)	(169)
INVENTORIES, NET	**5,858**	**5,326**

Note that the same impairment methods were applied as in previous reporting periods, including for non-food inventories.

6.4.3 Trade receivables

Accounting principles

Trade receivables correspond for the most part to rebates and commercial income receivable from suppliers, amounts receivable from franchisees, shopping mall rental receivables and receivables of the property development business.

Trade receivables are classified as financial assets measured at amortised cost (see Note 14). They are recognised for the initial invoice amount, less a loss allowance recorded in accordance with the simplified impairment model based on expected losses defined in IFRS 9 – *Financial Instruments* (see Note 14.7.4).

Certain Group subsidiaries operate receivables discounting programmes. In accordance with IFRS 9, receivables sold under these programmes are derecognised when the related risks and rewards (i.e., mainly default, late payment and dilution risks) are substantially transferred to the buyer.

(in millions of euros)	December 31, 2021	December 31, 2020
Receivables from clients	1,794	1,697
Impairment	(162)	(174)
Receivables from clients, net	1,632	1,523
Receivables from suppliers	949	1,003
TOTAL TRADE RECEIVABLES	**2,581**	**2,526**

Note that the same impairment methods were applied as in previous reporting periods.

6.4.4 Suppliers and other creditors

Accounting principles

Suppliers and other creditors correspond primarily to trade payables. They also include payables that suppliers have transferred to financial institutions as part of reverse factoring programmes. These programmes enable suppliers to receive payment for the Group's purchases in advance of the normal payment terms. After conducting an analysis, the Group has continued to classify these liabilities as trade payables, their characteristics having not been substantially modified (in particular, their contractual terms – including debt maturity – have been maintained). Suppliers and other creditors at December 31, 2021 included reverse factored payables for a total of 2.2 billion euros (December 31, 2020: 2.0 billion euros).

Suppliers and other creditors are classified in the category of "Financial liabilities measured at amortised cost", as defined in IFRS 9 – *Financial Instruments* (see Note 14). They are initially recognised at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

6.4.5 Tax receivables and payables

BREAKDOWN OF TAX RECEIVABLES

(in millions of euros)	December 31, 2021	December 31, 2020
VAT and sales tax receivables	542	474
Other tax (other than on income) receivables	58	49
Current tax receivables	75	84
TOTAL TAX RECEIVABLES	**675**	**608**

BREAKDOWN OF TAX PAYABLES

(in millions of euros)	December 31, 2021	December 31, 2020
VAT and sales tax payables	350	338
Other tax (other than on income) payables	541	524
Current tax payables	218	177
TOTAL TAX PAYABLES – PORTION DUE IN LESS THAN ONE YEAR	**1,108**	**1,039**
TOTAL TAX PAYABLES – PORTION DUE IN MORE THAN ONE YEAR	**193**	**214**

6.4.6 Other assets and payables

BREAKDOWN OF OTHER ASSETS

(in millions of euros)	December 31, 2021	December 31, 2020
Prepaid expenses[1]	476	304
Proceeds receivable from disposals of non-current assets	10	19
Employee advances	16	18
Other operating receivables, net	440	448
TOTAL OTHER CURRENT ASSETS	**943**	**788**
Prepaid expenses – portion due in more than one year	3	1
Tax receivables – portion due in more than one year[2]	318	489
TOTAL OTHER NON-CURRENT ASSETS	**321**	**490**

(1) At December 31, 2021, this item includes the downpayment of 900 million Brazilian reals in March 2021 (approximately 139 million euros) relating to the ongoing acquisition of Grupo BIG in Brazil (see Note 2.3).

(2) These correspond to ICMS and PIS-COFINS tax credits expected to be collected in over 12 months. At December 31, 2021, the total amount of the Brazilian ICMS tax credits, mainly attributable to favourable rulings handed down by the Brazilian Supreme Court, represented 700 million euros (719 million euros at December 31, 2020). This amount has been written down by 247 million euros (resulting in a net receivable of 453 million euros versus 473 million euros at December 31, 2020) to reflect the market value of the tax credits, which the Company intends to use over a period not exceeding three years. In the income statement, the total amount of the Brazilian ICMS tax credits for the year are recorded in recurring operating income and those for prior years are recorded in non-recurring income. In addition, at December 31, 2021, PIS-COFINS tax credits amounted to 45 million euros, compared with 123 million euros at December 31, 2020, as credits were used by the Brazilian subsidiary Atacadão to pay income tax in 2021.

BREAKDOWN OF OTHER CURRENT PAYABLES

(in millions of euros)	December 31, 2021	December 31, 2020
Accrued employee benefits expense	1,505	1,532
Payables to suppliers of non-current assets	648	524
Deferred revenue	105	93
Other payables	507	468
TOTAL OTHER CURRENT PAYABLES	**2,765**	**2,617**

6.5 Banking and insurance businesses

Accounting principles

To support its core retailing business, the Group offers banking and insurance services to customers, mainly in France, Spain and Brazil.

The Group's financial services companies offer their customers "Carrefour" bank cards that can be used in the Group's stores and elsewhere, consumer credit (renewable credit facilities and amortisable loans), and savings products (life insurance, passbook savings accounts, etc.).

Due to its contribution to the Group's total assets and liabilities and its specific financial structure, this secondary business is presented separately in the consolidated financial statements:

- consumer credit granted by the financial services companies (payment card receivables, personal loans, etc.) is presented in the statement of financial position under "Consumer credit granted by the financial services companies – Portion due in more than one year" and "Consumer credit granted by the financial services companies – Portion due in less than one year", depending on their maturity.
- Financing for these loans is presented under "Consumer credit financing – Portion due in more than one year" and "Consumer credit financing – Portion due in less than one year", depending on their maturity.
- The other assets and liabilities of the banking activities (property and equipment, intangible assets, cash and cash equivalents, tax and employee-related payables, etc.) are presented on the corresponding lines of the statement of financial position.
- Net revenues from banking activities are reported in the income statement under "Other revenue".
- The change in the banking and insurance activities' working capital requirement is reported in the statement of cash flows under "Change in consumer credit granted by the financial services companies".

6.5.1 Consumer credit granted by the financial services companies

As of December 31, 2021, consumer credit granted by the financial services companies totalled 5,294 million euros (compared with 5,227 million euros as of December 31, 2020), as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Payment card receivables	4,474	4,350
Loans	1,549	1,789
Consumer credit (on purchases made in Carrefour stores)	44	73
Other financing[(1)]	254	233
Impairment	(1,027)	(1,219)
TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES	**5,294**	**5,227**
Portion due in less than one year	*3,473*	*3,295*
Portion due in more than one year	*1,821*	*1,933*

(1) Other financing corresponds mainly to restructured loans and credit facilities.

Consumer credit granted by the financial services companies corresponds to customer receivables (credit card debt, personal loans, etc.). Its gross value decreased by 126 million overall compared to December 31, 2020. This decrease reflects firstly the discontinuation of the Italian branch's operations (see Note 2.3) and secondly a decline in credit financing in France since the health crisis. It also reflects the sale of category 3 loans in 2021 in France, Spain and Brazil. In contrast, credit financing increased in Spain and, in particular, in Brazil in 2021.

The decrease in the average impairment rate for consumer credit at December 31, 2021 was mainly attributable to France, Spain and Brazil, following the sale of category 3 loans in 2021, and from Italy, following the sale of its entire client portfolio, including loans also classified in category 3 (see above). The amount of impairment for consumer credit was estimated according to the rules and principles described below.

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CREDIT RISK MANAGEMENT AND IMPAIRMENT APPROACH

Accounting principles

The impairment model for consumer credit granted by the financial services companies was adjusted in line with the requirements of IFRS 9 – *Financial Instruments* using a two-step process:

- classification of outstanding loans in uniform risk categories based on the probability of default; then
- modelling of the probability of credit losses over a 12-month period or at maturity (representing the remaining term of the financial instrument), based on the classification of the instrument.

CLASSIFICATION OF CONSUMER CREDIT

Consumer credit is divided into three categories, based on an analysis of potentially significant increases in credit risk:

- category 1: credit granted to consumers whose credit risk has not significantly increased since the credit was initially recognised;
- category 2: credit granted to consumers whose financial situation has worsened (significant increase in credit risk) since the credit was initially recognised but for which no objective evidence of impairment (default) of a specific credit has yet been identified;
- category 3: credit granted to consumers in default.

(i) Significant increase in credit risk

The main criteria applied by the Group to identify a significant increase in credit risk since initial recognition and where necessary, to reclassify category 1 assets within category 2, are as follows:

- late payment criterion: payments more than 30 days past due (non-rebuttable presumption under IFRS 9);
- renegotiation criterion: credit with renegotiated terms with payment less than 30 days past due.

The Group determines whether there has been a significant increase in credit risk for each of its contracts and applies the "contagion" principle, whereby reclassification of a given credit granted to a consumer will lead to all credit granted to that consumer to be reclassified accordingly.

(ii) Objective evidence of impairment (default)

Carrefour considers that there is objective evidence of impairment if any of the following criteria are met:

- late payment criterion: payments more than 90 days past due (non-rebuttable presumption under IFRS 9);
- renegotiation criterion: credit with renegotiated terms (not considered substantial) owing to significant difficulties of the debtor, with payment more than 30 days past due;
- litigation criterion: credit in dispute at the reporting date;
- "contagion" criterion: if a given credit granted to a consumer meets the aforementioned criteria, all credit granted to that consumer is also deemed to meet those criteria.

The consumer credit concerned is classified in category 3.

ESTIMATES OF EXPECTED CREDIT LOSSES

Calculation of the amount of expected credit losses is based on four main inputs: probability of default, loss given default, exposure at default and the discount rate. Each of these inputs is calibrated according to the consumer credit segmentation – itself based on the products distributed by each entity (personal loans, credit cards/renewable facilities and credit granted for a specific purpose) – based on historical data and taking into account prospective factors. The methods used to calibrate these inputs are consistent with those adopted to meet regulatory and prudential requirements (particularly the Basel Accord).

Expected credit losses are calculated over a 12-month period for consumer credit classified in category 1 and over the life of the credit for items classified in categories 2 and 3.

To protect against default by borrowers, the Group's financial services companies have set up systems to check the quality and repayment capacity of their customers. These include:

- decision-making aids such as credit scoring applications, income/debt simulation tools and credit history checking procedures;
- interrogation of positive and negative credit history databases, where they exist;
- active management of collection and litigation processes;
- solvency analyses at the contract anniversary date;
- credit risk monitoring and control systems.

Within each credit company, a Credit Risk department is responsible for all of these processes and a summary of the Credit Risk Management Committees is systematically presented to the company's Board of Directors.

At December 31, 2021, 73% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 11% in category 2 and 16% in category 3. At December 31, 2020, categories 1, 2 and 3 represented 66%, 14% and 20%, respectively, of the gross value of consumer credit granted by the financial services companies.

6.5.2 Consumer credit financing granted by the financial services companies

The related consumer credit financing amounted to 4,441 million euros at December 31, 2021 (December 31, 2020: 4,574 million euros), as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Bonds and notes[1]	1,202	1,298
Debt securities (Neu CP and Neu MTN)[2]	866	1,042
Bank borrowings[3]	498	516
Customer passbook savings deposits	304	323
Securitisations[4]	369	369
Other refinancing debt to financial institutions	1,202	1,020
Other	–	5
TOTAL CONSUMER CREDIT FINANCING	**4,441**	**4,574**
Portion due in less than one year	*2,868*	*3,067*
Portion due in more than one year	*1,573*	*1,506*

(1) In April 2021, Carrefour Banque redeemed 500 million euros worth of bonds issued in 2016 (3-month Euribor +68 bps) and issued 400 million euros worth of bonds in June 2021 with a fixed rate swapped for the 3-month Euribor (4 years – June 2025 maturity, 3-month Euribor +49 bps).
(2) Debt securities mainly comprised negotiable European commercial paper (NEU CP) and medium-term notes (NEU MTN) issued by Carrefour Banque.
(3) This item mainly includes the 360-million-euro refinancing operation with the European Central Bank, which expired on March 24, 2021 and was renewed on the same date for an equivalent amount over a period of three years, as well as drawdowns of credit lines.
(4) This item corresponds to the "Master Credit Cards Pass" reloadable securitisation programme with compartments launched by Carrefour Banque in November 2013 for an initial asset pool of 560 million euros. Proceeds from the securitisation amounted to 400 million euros. The current series was issued in October 2019 for 370 million euros, maturing in June 2022.

NOTE 7 INTANGIBLE ASSETS, PROPERTY AND EQUIPMENT, INVESTMENT PROPERTY

7.1 Intangible assets

Accounting principles

GOODWILL

Goodwill is initially recognised on business combinations as explained in Note 3.1.

In accordance with IAS 36 – *Impairment of Assets*, goodwill recognised on business combinations is not amortised but is tested for impairment every year, or more frequently if there is an indication that its carrying amount may not be recovered, by the method described in Note 7.3.

OTHER INTANGIBLE ASSETS

Intangible assets consist mainly of software and other intangible assets related to the stores.

Separately acquired intangible assets are initially recognised at cost and intangible assets acquired in business combinations are recognised at fair value (see Note 3.1).

SOFTWARE (EXCLUDING SAAS ARRANGEMENTS)

Internal and external costs directly incurred in the purchase or development of software are recognised as intangible assets, including subsequent improvements, when it is probable that they will generate future economic benefits for the Group. Software is amortised by the straight-line method over periods ranging from, barring exceptions, one to eight years.

SOFTWARE AS A SERVICE (SAAS) ARRANGEMENTS

A SaaS arrangement allows an entity to access, using an Internet connection and for a specified period of time, software functions hosted on infrastructure operated by an external provider. If the Group does not control a SaaS solution, the related development costs (external and internal) are recognised as follows: (a) as an expense as incurred for internal costs and the costs of an integrator not related to the SaaS publisher, and (b) as an expense over the term of the SaaS arrangement for the costs of the SaaS publisher or its subcontractor. If the Group controls a SaaS solution, costs are capitalised if they meet the IAS 38 criteria, otherwise they are expensed as incurred.

Goodwill, which constitutes the main intangible asset, is reported separately from other intangible assets in the statement of financial position.

(in millions of euros)	December 31, 2021	December 31, 2020
Goodwill	7,995	8,034
Other intangible assets	1,333	1,325
INTANGIBLE ASSETS	**9,328**	**9,358**

7.1.1 Goodwill

The carrying amount of goodwill is monitored at the level of the operating segments corresponding to the countries in which the Group conducts its business through its integrated store networks.

The 39 million euro decrease in goodwill relative to December 31, 2020 reflects the following:

- completion of the acquisition of the Supersol banner in Spain (see Note 2.3) including the recognition of provisional goodwill in the amount of 79 million euros;
- the partial impairment of Italian goodwill for 80 million euros as well as the impairment of goodwill related to impaired stores in Belgium;
- regarding the acquisition of the Wellcome banner in Taiwan (see Note 3.2.2), the preliminary implementation of the purchase price allocation required by IFRS 3 – *Business Combinations* led to the reduction of goodwill from 119 million euros in the 2020 consolidated financial statements to 80 million euros in the 2021 consolidated financial statements. As a reminder, the allocation process could not be implemented at December 31, 2020 given the transaction's completion on the last day of the year and local regulations restricting the exchange of information between the Carrefour group and the acquired company Wellcome until the transaction completion date. The decrease in provisional goodwill in 2021 (recorded in the "Other movements" column of the table below) chiefly reflects the fair value adjustment to a warehouse (including the building and the land) owned by Wellcome;
- a favourable translation adjustment of 13 million euros following the increase in value of the New Taiwan dollar compared with December 31, 2020.

(in millions of euros)	December 31, 2020	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	December 31, 2021
France	5,149	12	–	–	(15)	–	5,147
Belgium	956	–	–	(4)	(1)	–	950
Spain	952	79	–	–	–	–	1,031
Brazil	311	–	–	–	–	3	314
Poland	231	–	–	–	–	(2)	229
Taiwan	176	–	–	–	(43)	15	147
Italy	149	–	–	(80)	–	–	69
Romania	101	–	–	–	–	(2)	99
Argentina	9	–	–	–	–	(1)	8
Global Functions	1	–	–	–	–	–	1
TOTAL	**8,034**	**91**	**–**	**(84)**	**(59)**	**13**	**7,995**

The total carrying amount of goodwill at December 31, 2020 remained fairly stable, with goodwill recognised on acquisitions carried out in France (Dejbox, Potager City, Bio c' Bon) and in Taiwan (Wellcome) virtually offset by negative translation adjustments on goodwill (especially in Brazil) and partial impairment of Italian goodwill.

(in millions of euros)	December 31, 2019	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	December 31, 2020
France	4,955	195	–	–	–	–	5,149
Belgium	956	–	–	–	–	–	956
Spain	952	–	–	–	–	–	952
Brazil	437	–	–	–	–	(126)	311
Italy	250	3	–	(104)	–	–	149
Poland	247	–	–	–	–	(16)	231
Romania	103	–	–	–	–	(2)	101
Taiwan	63	119	–	–	–	(6)	176
Argentina	13	–	–	–	–	(5)	9
Global Functions	1	–	–	–	–	–	1
TOTAL	**7,976**	**316**	**–**	**(104)**	**–**	**(155)**	**8,034**

7.1.2 Other intangible assets

(in millions of euros)	December 31, 2021	December 31, 2020
Other intangible assets, at cost	3,644	3,611
Depreciation	(2,496)	(2,419)
Impairment	(67)	(68)
Intangible assets in progress	252	200
OTHER INTANGIBLE ASSETS, NET	**1,333**	**1,325**

CHANGES IN OTHER INTANGIBLE ASSETS

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2019	3,842	(2,389)	1,452
Acquisitions	287	–	287
Disposals	(120)	72	(48)
Depreciation	–	(252)	(252)
Impairment	–	(21)	(21)
Effect of changes in foreign exchange rates	(139)	85	(54)
Changes in scope of consolidation, transfers and other movements[1]	(58)	18	(41)
At December 31, 2020	3,812	(2,487)	1,325
Acquisitions	334	–	334
Disposals	(265)	187	(79)
Depreciation	–	(242)	(242)
Impairment	–	(13)	(13)
Effect of changes in foreign exchange rates	2	(1)	1
Changes in scope of consolidation, transfers and other movements	14	(7)	7
AT DECEMBER 31, 2021	**3,895**	**(2,563)**	**1,333**

(1) This item primarily included the reclassification of Market Pay's intangible assets within assets held for sale in August 2020. The effective sale of the Company took place in April 2021 (see Note 2.3).

7.2 Property and equipment

Accounting principles

Property and equipment mainly comprise buildings, store fixtures and fittings, and land.

INITIAL RECOGNITION

In accordance with IAS 16 – *Property, Plant and Equipment*, these items are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Qualifying assets are defined in IAS 23 – *Borrowing Costs* as assets that necessarily take a substantial period of time to get ready for their intended use or sale, corresponding in the Group's case to investment properties, hypermarkets and supermarkets for which the construction period exceeds one year.

For property and equipment acquired in exchange for one or more non-monetary assets or for a combination of monetary and non-monetary assets, cost is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable, in which case its cost is measured at the carrying amount of the asset given up.

Assets under construction are recognised at cost less any identified impairment losses.

USEFUL LIVES

Depreciation of property and equipment begins when the asset is available for use and ends when the asset is sold, scrapped or reclassified as held for sale in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

Land is not depreciated. Other property and equipment are depreciated by the straight-line method over the following estimated useful lives:

Constructions	
• Building	40 years
• Site improvements	10 to 20 years
• Car parks	6 to 10 years
Equipment, fixtures and fittings	4 to 8 years
Other	3 to 10 years

In light of the nature of its business, the Group considers that its property and equipment have no residual value.

Depreciation periods are reviewed at each year-end and, where appropriate, adjusted prospectively in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*. At December 31, 2021, the Group had not identified any significant factors related to climate change that would lead to a revision of the useful lives applied.

	December 31, 2021			
(in millions of euros)	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land	2,698	–	(72)	2,626
Buildings	10,591	(5,860)	(205)	4,527
Equipment, fixtures and fittings	15,208	(12,091)	(321)	2,797
Other fixed assets	447	(326)	(4)	117
Assets under construction	655	–	–	655
TOTAL PROPERTY AND EQUIPMENT	**29,600**	**(18,277)**	**(602)**	**10,721**

	December 31, 2020			
(in millions of euros)	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land	2,672	–	(77)	2,595
Buildings	10,394	(5,772)	(241)	4,381
Equipment, fixtures and fittings	14,741	(11,620)	(315)	2,806
Other fixed assets	423	(307)	(3)	113
Assets under construction	610	–	–	610
TOTAL PROPERTY AND EQUIPMENT	**28,840**	**(17,699)**	**(636)**	**10,505**

CHANGES IN PROPERTY AND EQUIPMENT

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2019	29,550	(18,180)	11,370
Acquisitions[1]	1,202	–	1,202
Disposals	(608)	517	(91)
Depreciation	–	(1,109)	(1,109)
Impairment	–	(124)	(124)
Effect of changes in foreign exchange rates[2]	(1,570)	680	(890)
Changes in scope of consolidation, transfers and other movements[3]	266	(119)	147
At December 31, 2020	28,840	(18,335)	10,505
Acquisitions[1]	1,318	–	1,318
Disposals[4]	(978)	750	(228)
Depreciation	–	(1,077)	(1,077)
Impairment	–	(28)	(28)
Effect of changes in foreign exchange rates	58	(31)	27
Changes in scope of consolidation, transfers and other movements[3]	362	(156)	206
AT DECEMBER 31, 2021	**29,600**	**(18,879)**	**10,721**

(1) In 2020, acquisitions included 16 Makro Atacadista stores on a full ownership basis (including land) (see Note 3.2.2). Three additional stores were acquired in 2021.
(2) In 2020, translation adjustments mainly corresponded to the decrease in value of the Brazilian real.
(3) In 2020 and 2021, this item corresponds mainly to the hyperinflation effect applied to property and equipment held in Argentina, in accordance with IAS 29. In 2021, this item also includes the non-current assets related to the acquisition of the companies Supersol in Spain and Wellcome in Taiwan (see Notes 2.3 and 3.2.2). In 2020, this item also reflected the reclassification of depreciation charged against leased land to depreciation of the corresponding right-of-use assets.
(4) This item mainly corresponds to the sale and leaseback of ten hypermarket properties in Spain for 137 million euros, carried out with Realty Income in second-half 2021, as well as various disposals of store buildings in Italy (including the Thiene and San Giuliano hypermarkets) and warehouses in France (creation of Cargan-LOG, see Note 2.3).

7.3 Impairment tests

Accounting principles

In accordance with IAS 36 – *Impairment of Assets*, intangible assets and property and equipment are tested for impairment whenever events or changes in the market environment indicate that the recoverable amount of an individual asset and/or a cash-generating unit (CGU) may be less than its carrying amount. For assets with an indefinite useful life – mainly goodwill in the case of the Carrefour group – the test is performed at least once a year.

Individual assets or groups of assets are tested for impairment by comparing their carrying amount to their recoverable amount, defined as the higher of their fair value (less costs of disposal) and their value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference. Impairment losses on property and equipment and intangible assets (other than goodwill) may be reversed in future periods provided that the asset's increased carrying amount attributable to the reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

IMPAIRMENT OF ASSETS OTHER THAN GOODWILL

Impairment tests on property and equipment are performed at the level of the individual stores (CGUs), for all formats.

In accordance with IAS 36, intangible assets (other than goodwill) and property and equipment are tested for impairment whenever there is an indication that their recoverable amount may be less than their carrying amount.

All stores that report a recurring operating loss before depreciation and amortisation in two consecutive years (after the start-up period) are tested.

Recoverable amount is defined as the higher of value in use and fair value less the costs of disposal.

Value in use is considered to be equal to the store's discounted future cash flows over a period of up to five years plus a terminal value. Fair value is estimated based on the prices of recent transactions, industry practice, independent valuations or the estimated price at which the store could be sold to a competitor.

The discount rate and the perpetual growth rate applied are the same as for impairment tests on goodwill.

GOODWILL IMPAIRMENT

IAS 36 requires impairment tests to be performed annually at the level of each CGU or group of CGUs to which the goodwill is allocated.

In accordance with this standard, goodwill is allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which the goodwill is allocated should represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment as defined in IFRS 8 – *Operating Segments* before aggregation.

The Group is analysing the recoverable amount of goodwill at country level. The choice of this level is based on a combination of organisational and strategic criteria. In particular, operations within each country (hypermarkets, supermarkets, etc.) use shared resources (country-level centralised purchasing organisation, marketing systems, headquarters functions, etc.) that represent an essential source of synergies between the various operations.

Value in use corresponds to the sum of discounted future cash flows for a period generally not exceeding five years, with a terminal value calculated by projecting data for the final year at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows used in the impairment tests carried out in 2021 were estimated based on the financial trajectories defined by the Executive Management teams at country level and approved by the Group's Executive Management. These future cash flows take into account the best estimate of the impact of climate change to date, including the level of planned investments.

The discount rate for each country corresponds to the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is determined based on local parameters (risk-free interest rate and market premium). The cost of debt is determined by applying the same logic.

Fair value is the price that would be received to sell the operations in the country tested for impairment in an orderly transaction between market participants. Fair value is measured using observable inputs where these exist (multiples of net sales and/or EBITDA for recent transactions, offers received from potential buyers, stock market multiples for comparable companies) or based on analyses performed by internal or external experts.

Additional tests are performed at the interim period-end when there is an indication of impairment. The main impairment indicators used by the Group are as follows:

- internal impairment indicator: a material deterioration in the ratio of recurring operating income before depreciation and amortisation to net revenues excluding petrol between the budget and the most recent forecast;
- external impairment indicator: a material increase in the discount rate and/or a severe downgrade in the IMF's GDP growth forecast.

Impairment losses recognised on goodwill are irreversible, including those recorded at an interim period-end.

7.3.1 Impairment of goodwill and sensitivity analysis

Based on the impairment tests carried out in 2021, the Group recognised a 80 million-euro impairment loss against Italian goodwill. In 2020, partial impairment of Italian goodwill was also recorded in an amount of 104 million euros.

7.3.1.1 Countries for which impairment was recognised against goodwill in 2021

As a reminder, an impairment loss of 700 million euros was recorded against Italian goodwill in 2017 to reflect the significant decline in the value in use of the Group's operations in this country. The indications of impairment prompted the Group to carry out an in-depth analysis to determine the Italian operations' fair value. This analysis adopted a multi-criteria valuation approach which took into account multiples observed for comparable companies in the retail sector in Europe, and the market value of Italian real estate assets, determined based on independent appraisals.

In the impairment tests carried out at December 31, 2020, partial impairment of Italian goodwill was recorded in an amount of 104 million euros. This reflected a decrease in 2020 net sales, results, and the value of real estate assets in comparison with end-2019.

The multi-criteria approach was used again to test Italian goodwill for impairment at December 31, 2021. It showed that value in use was lower than at December 31, 2020, reflecting lower net sales and real estate asset market value compared to the previous year. The resulting fair value represented Executive Management's best estimate and led to the partial impairment of Italian goodwill in an amount of 80 million euros. Further to this impairment loss, the net amount of Italian goodwill at December 31, 2021 stood at 69 million euros.

7.3.1.2 Other countries

For the other countries where the Group conducts business, the analysis of sensitivity to a simultaneous change in the key inputs based on reasonably possible assumptions did not reveal any probable scenario according to which the recoverable amount of any of the groups of CGUs would be less than its carrying amount.

7.3.1.3 Main financial assumptions used to estimate value in use

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2021 and 2020 are presented below by CGU:

	2021		2020	
Country	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	5.1%	1.3%	5.5%	1.6%
Spain	5.6%	1.7%	6.2%	1.7%
Italy	6.3%	1.4%	7.4%	1.4%
Belgium	5.1%	1.8%	5.6%	1.6%
Poland	7.2%	2.5%	6.8%	2.4%
Romania	8.1%	2.5%	8.8%	2.5%
Brazil	9.3%	3.1%	10.2%	3.3%
Argentina	33.4%	17.0%	32.5%	17.0%
Taiwan	5.6%	1.4%	5.5%	1.4%

7.4 Investment property

Accounting principles

IAS 40 – *Investment Property* defines investment property as property (land or a building or both) held to earn rentals or for capital appreciation or both. Based on this definition, investment property held by the Group consists of shopping malls (retail and service units located behind the stores' check-out area) that are exclusively or jointly owned and represent a surface area of at least 2,500 square metres. These assets generate cash flows that are largely independent of the cash flows generated by the Group's other retail assets.

Investment property is recognised at cost and is depreciated on a straight-line basis over the same period as owner-occupied property (see Note 7.2).

Rental revenue generated by investment property is reported in the income statement under "Other revenue" on a straight-line basis over the lease term. The incentives granted by the Group under its leases are an integral part of the net rental revenue and are recognised over the lease term (see Note 6.1).

The fair value of investment property is measured twice a year:

- by applying a multiple that is a function of (i) each shopping mall's profitability and (ii) a country-specific capitalisation rate, to the gross annualised rental revenue generated by each property; or
- by obtaining independent valuations prepared using two methods: the discounted cash flows method and the yield method. Valuers generally also compare the results of applying these methods to market values per square metre and to recent transaction values.

In view of the limited external data available, particularly concerning capitalisation rates, the complexity of the property valuation process and the use of passing rents to value the Group's own properties, the fair value of investment property is determined on the basis of level 3 inputs.

(in millions of euros)	December 31, 2021	December 31, 2020
Investment property (gross carrying amount)	493	448
Depreciation and impairment	(202)	(189)
TOTAL INVESTMENT PROPERTY, NET	**291**	**259**

CHANGES IN INVESTMENT PROPERTY

(in millions of euros)	
At December 31, 2019	312
Acquisitions	2
Disposals	(0)
Depreciation and amortisation expense	(13)
Effect of changes in foreign exchange rates(1)	(41)
Transfers and other movements	0
At December 31, 2020	259
Acquisitions	2
Disposals	(1)
Depreciation and amortisation expense	(9)
Effect of changes in foreign exchange rates	3
Transfers and other movements(2)	38
AT DECEMBER 31, 2021	**291**

(1) Translation adjustments mainly correspond to the depreciation of the Brazilian real during 2020.
(2) Transfers and other movements are mainly related to the Pinheiros project in Brazil (see Note 2.3).

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totalled 44 million euros in 2021 versus 43 million euros in 2020. Operating costs directly attributable to the properties amounted to 11 million euros in 2021 and 13 million euros in 2020.

The estimated fair value of investment property at December 31, 2021 was 703 million euros, versus 633 million euros at December 31, 2020. Changes in fair values in the various countries (at constant exchange rates) were not individually material.

NOTE 8

LEASES

8.1 Accounting principles

Accounting principles

Leases concern:

- mainly property assets, both used directly by the Group and sub-let to third parties, such as store premises sub-let to franchisees and retail units located in shopping malls and shopping centres;
- to a lesser extent, vehicles; as well as
- a few warehousing, IT and storage contracts with a lease component.

Since January 1, 2019, all leases (excluding the recognition exemptions set out in IFRS 16 – see below) have been included in the statement of financial position by recognising a right-of-use asset and a lease commitment corresponding to the present value of the lease payments due over the reasonably certain term of the lease.

In the income statement, IFRS 16 provides for the recognition of a depreciation charge in current operating expenses and an interest charge in financial income and expenses.

In the statement of cash flows (lease payments, representing payments of interest and repayments of the lease commitment, impact financing cash flows).

Recognition of lease commitments

Amounts taken into account in the initial measurement of the lease commitment are:

- fixed lease payments, less any lease incentives receivable from the lessor;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the option is reasonably certain to be exercised; and
- penalties for terminating or not renewing the lease, if this is reasonably certain.

Lease payments are discounted at the interest rate implicit in the lease if this can be readily determined and otherwise at the lessee's incremental borrowing rate (case applied in practice). The discount rate is tied to the weighted average date for repayment of the outstanding lease commitment.

The discount rate is calculated for each country using a risk-free yield curve and a spread (the same spread is applied for all subsidiaries in a given country). The risk-free yield curve is updated quarterly, while the spread and rating are updated annually, except in the case of a significant event expected to impact assessment of a subsidiary's credit risk.

This lease commitment is subsequently measured at amortised cost using the effective interest method.

The lease commitment may be adjusted if the lease has been modified or the lease term has been changed, or in order to take into account contractual changes in lease payments resulting from a change in an index or a rate used to determine those payments.

Recognition of right-of-use assets

Right-of-use assets are measured at cost, which includes:

- the amount of the initial measurement of the lease commitment;
- any prepaid lease payments made to the lessor;
- any initial direct costs incurred;
- an estimate of the costs to be incurred in dismantling the underlying asset or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are then depreciated on a straight-line basis over the lease term used to measure the lease commitment.

The value of the right-of-use asset may be adjusted if the lease has been modified or the lease term has been changed, or in order to take into account contractual changes in lease payments resulting from a change in an index or a rate used to determine those payments. In the event the lease is terminated before the end of the lease term under IFRS 16, the impact of derecognising the right-of-use asset (write-off of a non-current asset) and lease commitment will be included within non-recurring items.

When the lease contracts provide for initial payment of leasehold rights to the former lessee of the premises, these rights will be accounted for as a component of the right-of-use asset.

Payments under short-term leases (12 months or less) or under leases of a low-value underlying asset are recognised in recurring operating expenses on a straight-line basis over the lease term (IFRS 16 recognition exemptions).

The recoverable amount of the right-of-use asset is tested for impairment whenever events or changes in the market environment indicate that the asset may have suffered a loss in value. Impairment testing procedures are identical to those for property and equipment and intangible assets described in Note 7.3.

Lease term

The lease term to be used to determine the present value of lease payments is the non-cancellable period of a lease, adjusted to reflect:

- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The leased assets' reasonably certain period of use is determined based on:

- the inherent characteristics of the different types of assets (stores, logistics warehouses, administrative buildings) and the country concerned by the lease. In the case of leased store premises, the characteristics taken into account include the store's profitability, the specificity of the format, any recent capital expenditure in the store, the net carrying amount of immovable assets for certain store formats (supermarkets, hypermarkets and cash & carry stores), the existence of significant termination penalties, and whether the store is integrated or franchised;
- a portfolio approach for leased vehicles with similar characteristics and periods of use. Four portfolios have been identified, corresponding to company cars, cars for rental to customers, trucks and light commercial vehicles.

Accounting treatment for sub-leasing arrangements

When the Group leases and then sub-lets a property, it recognises the main lease, for which it is the lessee, and the sublease, for which it is the lessor, as two different contracts.

If the sublease is classified as an operating lease, the right-of-use assets resulting from the main lease are maintained under assets in the statement of financial position and the proceeds from the sublease are recognised in recurring income for the term of the sublease.

If the sublease is classified as a finance lease:

- right-of-use assets resulting from the main lease are de-recognised;
- a receivable is recognised in an amount corresponding to the net investment in the sublease is recognised;
- any difference between the right-of-use assets and the net investment in the sublease is recognised in financial income and expenses;
- the lease commitment (in respect of the main lease) is maintained in liabilities.

Income tax

Deferred tax is recognised based on the net amount of temporary taxable and deductible differences.

Upon initial recognition of the right-of-use asset and lease commitment, no deferred tax is recognised if the amount of the asset equals the amount of the liability.

Net temporary differences that may result from subsequent changes in the right-of-use asset and lease commitment give rise to the recognition of deferred tax.

8.2 Right-of-use assets

	December 31, 2021				December 31, 2020			
(in millions of euros)	Gross carrying amount	Depre-ciation	Impair-ment	Net carrying amount	Gross carrying amount	Depre-ciation	Impair-ment	Net carrying amount
Land & Buildings	6,917	(2,733)	(4)	4,180	6,258	(1,934)	(2)	4,322
Equipment, fixtures and fittings	146	(24)	–	122	139	(17)	–	122
Investment property	92	(34)	–	58	83	(20)	–	63
RIGHT-OF-USE ASSET	**7,155**	**(2,791)**	**(4)**	**4,361**	**6,479**	**(1,971)**	**(2)**	**4,506**

CHANGE IN RIGHT-OF-USE ASSETS

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At January 1, 2020	6,191	(1,141)	5,050
Increase	857	–	857
Decrease	(457)	110	(347)
Depreciation	–	(918)	(918)
Translation adjustment(1)	(186)	37	(150)
Other movements(2)	75	(61)	13
At December 31, 2020	6,479	(1,973)	4,506
Increase(3)	880	–	880
Decrease	(446)	158	(288)
Depreciation	–	(949)	(949)
Impairment	–	(1)	(1)
Translation adjustment(1)	70	(32)	39
Other movements(2)	172	2	174
AT DECEMBER 31, 2021	**7,155**	**(2,795)**	**4,361**

(1) In 2021, translation adjustments mainly corresponded to the increase in value of the New Taiwan dollar. In 2020, they were mainly due to the decrease in value of the Brazilian real.
(2) For 2021, the amounts reported on this line include changes in scope of consolidation for 182 million euros (mainly relating to the acquisition of Supersol stores for 119 million euros and Wellcome for 67 million euros). For 2020, they include changes in scope of consolidation for 65 million euros (mainly relating to Bio c' Bon) and the reclassification of the depreciation of leased land for 55 million euros (see Note 7.2).
(3) In 2021, the increases included the right-of-use assets booked following the sale and leaseback of ten hypermarkets in Spain, carried out with Realty Income for an amount of 68 million euros.

8.3 Lease commitments

LEASE COMMITMENTS BY MATURITY

(in millions of euros)	December 31, 2021	December 31, 2020
Due within 1 year	995	936
Due in 1 to 2 years	917	873
Due in 2 to 5 years	1,619	1,816
Due beyond 5 years	1,065	1,098
TOTAL LEASE COMMITMENTS	**4,597**	**4,723**

NOTE 9 INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Accounting principles

The consolidated statement of financial position includes the Group's share of the change in the net assets of companies accounted for by the equity method (associates and joint ventures), as adjusted to comply with Group accounting policies, from the date when significant influence or joint control is acquired until the date when it is lost.

Companies accounted for by the equity method are an integral part of the Group's operations and the Group's share of their net profit or loss is therefore reported as a separate component of recurring operating income ("Net income/(loss) of equity-accounted companies"), in accordance with the recommendation no. 2013-01 of the French accounting standards setter (ANC).

The carrying amount of investments in equity-accounted companies is tested for impairment in line with the accounting principles described in Note 7.3.

9.1 Changes in investments in equity-accounted companies

Changes in investments in equity-accounted companies can be analysed as follows:

(in millions of euros)	
At December 31, 2019	1,246
Acquisitions and capital increases	2
Disposals	(12)
Dividends	(46)
Share of net income	(13)
Effect of changes in foreign exchange rates	(10)
Other movements	6
At December 31, 2020	1,172
Acquisitions and capital increases	134
Disposals	(0)
Dividends	(55)
Share of net income	12
Effect of changes in foreign exchange rates	0
Other movements	(8)
AT DECEMBER 31, 2021	**1,256**

9.2 Information about associates

The following table shows key financial data for associates:

(in millions of euros)	% interest	Total assets	Shareholders' equity	Non-current assets	Net sales/ Revenues	Net income/ (loss)
Carmila (France)	36%	5,185	2,330	4,758	352	(9)
Provencia SA (France)	50%	448	286	266	830	23
Market Pay (France)	39%	478	178	329	104	(14)
Showroomprive.com (France)(1)	9%	481	177	215	698	14
Ulysse (Tunisia)	25%	135	90	120	342	8
Mestdagh (Belgium)	25%	289	33	96	637	(1)
Costasol (Spain)	34%	93	45	57	148	7
Carrefour SA (Turkey)(1)	38%	301	(8)	164	755	(29)
Other companies(2)	N/A	1,021	411	527	1,632	(21)

(1) Financial data published for the year 2020.
(2) Corresponding to a total of 190 companies, none of which is individually material.

At December 31, 2021, the two main associates were Carmila with a carrying amount of 749 million euros (December 31, 2020: 782 million euros) and Provencia with a carrying amount of 132 million euros (December 31, 2020: 130 million euros). These two associates represented 70% of the total value of equity-accounted companies at end-2021.

All of the summary financial data presented in the table above have been taken from the financial statements of associates, restated where necessary to reflect adjustments made to harmonise accounting methods on application of equity accounting. These data have not been adjusted for any changes in fair value recognised at the time of the acquisition or for any loss of control and elimination of the Group's share of profit or loss arising on asset disposals or acquisitions carried out between the Group and the associate.

MAIN CHANGES IN INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES IN 2021

Carmila

On May 18, 2021, Carrefour opted to receive a portion of its dividend in shares.

On June 9, 2021, at the end of the Preference Share Plan of May 16, 2018, the capital was reduced following the conversion of 112,611 Class B shares into 31,850 Class A shares.

On June 29, 2021, Carmila also carried out a capital increase under the Preference Share Plan for key employees and company officers.

Further to the various transactions in Carmila's capital, Carrefour's interest in Carmila increased from 35.40% at December 31, 2020 to 35.51% at December 31, 2021. The associated accretive effect, which was not material, was recognised in non-recurring income and expenses in accordance with the Group's accounting principles.

Market Pay

On April 29, 2021, the Group completed the sale of a 60% interest in Market Pay (see Note 2.3). The Group's residual interest in Market Pay (around 40%) was accounted for by the equity method in the consolidated financial statements as from April 29, 2021, for an amount of 73 million euros.

Following a capital increase in the second half of the year, the Group's interest in Market Pay was reduced to 39% at December 31, 2021.

Cargan-LOG

In May 2021, Carrefour and Argan created the real estate company Cargan-LOG (see Note 2.3). The entity, which is 60%-owned by Argan and 40% by Carrefour (through the contribution of three warehouses), has been accounted for by the equity method in the consolidated financial statements as from May 2021, for an amount of 30 million euros.

Cajoo

On July 29, 2021, the Group acquired a 40% non-controlling interest in Cajoo, a French trailblazer in quick commerce, which has been accounted for by the equity method in the Group's consolidated financial statements since that date.

Showroomprivé

In 2021, additional impairment of 10 million euros on the Showroomprivé shares was recognised against non-recurring expenses in order to align their value with the company's share price at December 31, 2021.

In August 2020, Showroomprivé (SRP Groupe) carried out a capital increase to which Carrefour elected not to subscribe, leading to the dilution of the Group's interest in that company, from 20.52% to 8.84%. The effect of this dilution combined with the alignment of the value of the shares with their stock market price led to a provision reversal in non-recurring income of 23 million euros in 2020.

Focus on Carmila

Carmila was set up in 2014 by the Group and its co-investment partners. Its corporate purpose is to enhance the value of the shopping centres adjacent to Carrefour hypermarkets in France, Spain and Italy. Carmila is accounted for by the equity method because the governance rules established with the co-investors allows Carrefour to exercise significant influence over Carmila.

Up until its merger with Cardety on June 12, 2017, Carmila's governance was organised by a shareholders' agreement between Carrefour (which held a 42% stake in Carmila) and other institutional investors (which held the remaining 58% stake). This agreement specified the composition of the Board of Directors and listed the decisions requiring the Board's prior approval (votes subject to a simple or qualified majority, depending on the importance of the matters discussed).

In parallel with the merger of Carmila into Cardety, the corporate governance rules were adjusted (restructuring of its governance and management bodies, and amendments to its Articles of Association and the Board of Directors' Internal Rules). In light of the amended corporate governance rules, the Group considers that it has significant influence over Carmila, which is accounted for using the equity method. The Group's position is primarily derived from the fact that the Carrefour group is not represented by a majority on the Board of Directors (comprising 13 members, of which nine independent from Carrefour and four appointed by Carrefour as of December 31, 2021). Therefore, the Group does not have the unilateral ability to direct decisions requiring the Board's prior consent, which concern a portion of the relevant activities.

The following table presents key financial data for Carmila at December 31, 2021 and 2020 (as published in Carmila's consolidated financial statements[1]). Carmila's European Public Real Estate Association Net Tangible Assets (EPRA NTA), corresponding to net assets excluding transfer costs, financial instruments at fair value and the deferred tax effect, amounted to 3,580 million euros at December 31, 2021.

(in millions of euros)	2021	2020
Revenue (rental income)	352	350
Operating income before fair value adjustment of assets	239	211
Operating income[1]	234	(123)
Net income/(loss) from continuing operations	161	(198)
Total non-current assets[1]	5,967	5,897
Total current assets	404	555
of which cash and cash equivalents	*238*	*320*
Total non-current liabilities	2,611	2,662
Total current liabilities	380	522
% interest held by Carrefour	*35.5%*	*35.4%*
Amount of the investment in equity-accounted company	749	782
Carrefour – Cash dividends received from Carmila	34	24

(1) Since Carmila opted to measure its investment properties using the fair value model, in accordance with the option provided in IAS 40, the figures presented in the above table have been adjusted to reflect fair value adjustments to the property portfolio. Before being accounted for by the equity method in the Group financial statements, Carmila's consolidated financial statements are therefore restated to apply the cost model applied by Carrefour.

9.3 Transactions with associates (related parties)

The following table presents the main related-party transactions carried out in 2021 with companies over which the Group exercises significant influence:

(in millions of euros)	Carmila (France)	Provencia (France)	Market Pay (France)	Ulysse (Tunisia)	Mestdagh (Belgium)	Costasol (Spain)	Carrefour SA (Turkey)
Net sales (sales of goods)	–	582	–	4	58	97	0
Franchise fees	–	8	–	3	8	2	3
Property development revenue[1]	7	–	–	–	–	–	–
Sales of services	18	–	–	–	(0)	0	–
Fees and other operating expenses	(7)	–	(81)	–	–	(6)	–
Receivables at closing	61	22	81	1	9	34	0
Payables at closing	(82)	–	(5)	–	–	(6)	–

(1) Amounts are presented before elimination of the Group's share in the associate of revenues and proceeds arising on transactions carried out between the Group and the associate.

NOTE 10 INCOME TAX

Accounting principles

Income tax expense comprises current taxes and deferred taxes. It includes the *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE) local business tax in France assessed on the value-added generated by the business, which is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12 – *Income Tax*.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities in the consolidated statement of financial position and their tax basis (except in the specific cases referred to in IAS 12), and carried-forward tax losses. They are measured at the tax rates that are expected to apply to the period when the asset will be realised or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position under non-current assets and non-current liabilities.

The recoverability of deferred tax assets is assessed separately for each tax entity, based on estimates of future taxable profits contained in the business plan for the country concerned (prepared as described in Note 7.3) and the amount of deferred tax liabilities at the period-end. A valuation allowance is recorded to write down deferred tax assets whose recovery is not considered probable.

10.1 Income tax expense for the period

(in millions of euros)	2021	2020
Current income tax expense (including provisions)	(444)	(534)
Deferred income taxes	71	35
TOTAL INCOME TAX EXPENSE	**(372)**	**(498)**

TAX PROOF

Theoretical income tax for 2021 and 2020 has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate. For 2021, theoretical income tax expense amounted to 464 million euros compared with actual net income tax expense of 372 million euros, as follows:

(in millions of euros)	2021	2020
Income before taxes	1,632	1,351
Standard French corporate income tax rate	28.41%	32.02%
Theoretical income tax expense	**(464)**	**(433)**
Adjustments to arrive at effective income tax rate:		
• Differences between the standard French corporate income tax rate and overseas nominal taxation rates	(33)	16
• Effect of changes in applicable tax rates(1)	(41)	–
• Tax expense and tax credits not based on the taxable income(2)	36	27
• Tax effect of other permanent differences(3)	78	(47)
• Deferred tax assets recognised on temporary differences and tax loss carryforwards of previous years(4)	158	171
• Deferred tax assets not recognised on temporary differences and tax loss carryforwards arising in the year(5)	(76)	(62)
• Valuation allowances on deferred tax assets recognised in prior years(5)	(38)	(166)
• Tax effect of net income from equity-accounted companies	3	(4)
• Other differences	3	(0)
TOTAL INCOME TAX EXPENSE	**(372)**	**(498)**
Effective tax rate	*22.8%*	*36.9%*

(1) This item mainly corresponds to the increase in the statutory rate in Argentina in 2021, leading to an increase in deferred tax liabilities related to the application of IAS 29.
(2) The reported amount of taxes other than on income notably takes into account the CVAE local business tax in France, amounting to 29 million euros in 2021 (2020: 68 million euros, the statutory rate having been halved in 2021), withholding taxes, tax credits and changes in provisions for tax risks.
(3) In 2021, this line item includes non-deductible expenses, which were more than offset by the low tax rate applied on the gains from the disposal of Market Pay in France and the Pinheiros exchange of assets in Brazil (see Note 2.3). In 2020 and 2021, this item was impacted by the partial impairment of Italian goodwill.
(4) Deferred tax assets recognised in 2021 and in 2020 on prior years' tax losses primarily concerned France, Brazil and Argentina.
(5) In 2021, unrecognised deferred tax assets and valuation allowances primarily concerned Italy and Belgium. In 2020, they concerned France and Italy.

10.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 257 million euros at December 31, 2021, versus 213 million euros at December 31, 2020.

(in millions of euros)	December 31, 2021	December 31, 2020
Deferred tax assets	631	679
Deferred tax liabilities	(374)	(467)
NET DEFERRED TAX ASSETS	**257**	**213**

The following table shows the main sources of deferred taxes:

(in millions of euros)	December 31, 2020 restated[1]	Change			December 31, 2021
		Deferred income (expense) tax	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards[2]	1,030	(103)	–	13	940
Property and equipment	106	(1)	–	3	108
Non-deductible provisions[1]	606	11	(9)	18	626
Goodwill amortisation allowed for tax purposes	296	(3)	–	(7)	286
Other intangible assets	19	(1)	–	1	20
Inventories	102	2	–	(1)	103
Financial instruments	132	29	(1)	(4)	156
Other temporary differences	39	81	–	(8)	112
Deferred tax assets before netting	2,331	15	(9)	15	2,352
Effect of netting deferred tax assets and liabilities	(568)	80	5	(205)	(688)
Deferred tax assets after netting	1,763	96	(5)	(190)	1,664
Valuation allowances on deferred tax assets[1]	(1,083)	66	(3)	(12)	(1,033)
Net deferred tax assets	679	161	(8)	(202)	631
Property and equipment	(342)	(38)	–	(15)	(395)
Provisions recorded solely for tax purposes	(410)	77	–	0	(333)
Goodwill amortisation allowed for tax purposes	(106)	(2)	–	(3)	(112)
Other intangible assets	(12)	0	–	1	(12)
Inventories	(14)	4	–	0	(10)
Financial instruments	(15)	(33)	(4)	5	(47)
Other temporary differences	(136)	(17)	–	(1)	(154)
Deferred tax liabilities before netting	(1,035)	(10)	(4)	(13)	(1,062)
Effect of netting deferred tax assets and liabilities	568	(80)	(5)	205	688
Deferred tax liabilities after netting	(467)	(90)	(9)	192	(374)
NET DEFERRED TAXES	**213**	**71**	**(17)**	**(10)**	**257**

(1) The amounts at December 31, 2020 of "non-deductible provisions" and "impairment of deferred tax assets" have been restated by (78) million euros and 78 million euros respectively, following adjustments to align the financial statement presentation with the IFRS IC decision on employee benefits which resulted in the reversal of 312 million euros' worth of provisions for termination benefit obligations (see Note 4).
(2) Utilised tax loss carryforwards primarily concerned France, Brazil and Argentina.

10.3 Unrecognised deferred tax assets

Unrecognised deferred tax assets amounted to 1,033 million euros at December 31, 2021 (December 31, 2020 restated: 1,083 million euros), including 614 million euros related to tax loss carry forwards (December 31, 2020 restated: 683 million euros) and 419 million euros to temporary differences (December 31, 2020: 400 million euros).

NOTE 11 PROVISIONS AND CONTINGENT LIABILITIES

Accounting principles

In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recorded when, at the period-end, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount of the provision is estimated based on the nature of the obligation and the most probable assumptions. Provisions are discounted when the effect of the time value of money is material. Provisions are discounted when the effect of the time value of money is material.

Contingent liabilities, which are not recognised in the statement of financial position, are defined as:

- possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- present obligations that arise from past events but are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

11.1 Changes in provisions

(in millions of euros)	December 31, 2020 restated	Increases	Reversals of surplus provisions	Utilisations	Discounting adjustment	Effect of changes in foreign exchange rates	Other[4]	December 31, 2021
Employee benefits[1]	839	67	(38)	(59)	(34)	3	7	786
Claims and litigation	788	294	(150)	(88)	–	1	(1)	844
Tax litigations	*524*	*90*	*(83)*	*(29)*	–	*2*	*(1)*	*503*
Employee related disputes	*113*	*66*	*(34)*	*(34)*	–	*(1)*	*(1)*	*109*
Legal disputes	*150*	*138*	*(33)*	*(24)*	–	*(0)*	*1*	*232*
Restructuring	245	284	(25)	(148)	–	0	–	356
Provisions related to banking and insurance businesses[2]	261	14	(18)	(10)	–	0	–	247
Other[3]	224	37	(15)	(31)	–	2	4	222
TOTAL PROVISIONS	**2,357**	**696**	**(246)**	**(336)**	**(34)**	**7**	**11**	**2,455**

(1) See Note 4. Following the final IFRIC IC decision published in May 2021 on IAS 19, the published financial statements as of December 31, 2020 were restated retrospectively to reflect the application of this decision.
(2) Provisions relating to the banking and insurance businesses include provisions for credit risk on loan commitments (off-balance sheet) recognised in accordance with IFRS 9, and provisions set aside to cover insurance underwriting risk.
(3) Other provisions mainly concern onerous contracts. They also include provisions for dismantling assets under property leases or for restoring assets to the requisite condition, recognised against the related right-of-use asset following application of IFRS 16 (see Note 8).
(4) Other changes are not material over the period; they correspond mainly to the provisions booked in the opening balance sheets in connection with the acquisitions of Wellcome in Taiwan (see Note 3.2.2) and Supersol in Spain (see Note 2.3).

Group companies are involved in a certain number of pre-litigation and litigation proceedings in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described below. In each case, the risk is assessed by Group management and their advisors.

At December 31, 2021, claims and legal proceedings involving the Group were covered by provisions totalling 844 million euros, compared with 788 million euros at December 31, 2020. No details are provided because the Group considers that disclosure of the amount set aside in each case could be seriously detrimental to its interests.

11.2 Claims and litigation

In the normal course of its operations in around ten different countries, the Group is involved in claims and legal proceedings of all kinds, particularly tax, employee-related and commercial disputes.

11.2.1 Tax disputes (including disputes related to corporate income tax classified in tax payables)

Certain Group companies have been or are currently the subject of tax audits conducted by their local tax authorities.

In Brazil, tax audits are in progress covering, in particular, the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and federal contributions to the social integration programme and to the financing of the social security system (PIS-COFINS). The Group has challenged most of the assessments, particularly the constitutionality of certain legislative provisions on which they are based. The estimated risk in each case is reviewed regularly with the Carrefour Brazil group's advisors and an appropriate provision is recorded. At December 31, 2021, the corresponding provision (including the portion concerning corporate income tax and classified in tax payables) totalled 479 million euros (versus 509 million euros at December 31, 2020) and legal deposits paid in connection with reassessments contested by the Group – recorded in "Other non-current financial assets" (see Note 14.5) – amounted to 388 million euros (362 million euros at December 31, 2020).

In France, in December 2021, the tax authorities challenged some of the methods used to calculate tax on sales areas (TASCOM) from past years. In several countries, the tax authorities have challenged a portion of headquarters expenses deducted by Group companies. The Group has contested these reassessments.

11.2.2 Employee related disputes

As a major employer, the Group is regularly involved in disputes with current or former employees.

From time to time, disputes may also arise with a large group of current or former employees. In Brazil, many former employees have initiated legal proceedings against the Group, primarily claiming overtime pay that they allege is due to them.

11.2.3 Tax and commercial disputes

The Group is subject to regular audits by the authorities responsible for overseeing compliance with the laws applicable to the retail industry and by the competition authorities. As for any company, disputes may also arise between the Group and its co-contractors, particularly its franchisees, service providers or suppliers.

11.3 Contingent liabilities

To the best of the Group's knowledge, there are no contingent liabilities that may be considered likely to have a material impact on the Group's results, financial position, assets and liabilities or business.

In Brazil, due to the highly complex tax rules, especially those applicable to retailers, the Group is exposed to tax risks which the Group and its counsel consider are unlikely to lead to an outflow of resources. The tax risks represented a total exposure of 1.4 billion euros at December 31, 2021. The main tax risk concerns the deductibility for tax purposes of the goodwill amortisation relating to the 2007 acquisition of Atacadão, representing a total exposure of 438 million euros at December 31, 2021. The Group continues to believe that the risk is unlikely to lead to an outflow of resources.

The investigations launched in 2018 by the French competition authority regarding purchasing cooperatives in the predominantly food-based segment of the retail industry are still pending.

Along with some 100 companies and roughly 15 professional associations (including the French Trade and Retail Federation – *Fédération du Commerce et de la Distribution*), several French subsidiaries of Carrefour SA received a statement of objections from the French competition authority on October 5, 2021 as part of a simplified procedure accusing them of having coordinated between February 2012 and September 2015 to implement a collective strategy aimed at:

(I) refraining from any reporting on the absence of Bisphenol A (BPA) in metal containers in order to prevent any single company from gaining a competitive advantage, and

(II) agreeing to set the same dates for the marketing of BPA-free containers and the discontinuation of marketing of containers with BPA.

In its decision of April 28, 2021, the Belgian competition authority deemed that the commitments made by Carrefour Belgium and Provera as part of the implementation of their purchasing alliance were sufficient to meet its concerns. The authority thereby ended the investigation that had been opened on May 6, 2019.

In its decision of April 26, 2021, the Court of Appeal for economic offences dismissed the indictment issued on October 1, 2019 against Carrefour Argentina (INC SA) for complicity in unauthorised financial intermediation for events which occurred between 2012 and 2015 in a context of hyperinflation. The case has again been referred to a court of first instance.

In August 2019, Atacadão SA notified the Group of two criminal proceedings initiated by the State of São Paolo's public prosecutor (GEDEC) against public officials and company employees concerning the conditions under which the operating licences for the headquarters of Atacadão and two stores were renewed. Atacadão SA is not party to these criminal proceedings but the municipality of São Paolo initiated two civil proceedings against the company on June 27, 2020 and May 25, 2021.

Under the settlement agreement dated June 11, 2021 ("*Termo de ajustamento de Conduta*"), following the death of Mr. Silveira Freitas after he was beaten by security guards employed by a third party at the Porto Alegre store, Carrefour Brazil has undertaken to take a variety of measures aimed at strengthening its initiatives against racism, discrimination and violence. The settlement has put an end to the various investigations and class actions brought by public authorities and non-profit organisations.

NOTE 12 NUMBER OF EMPLOYEES, EMPLOYEE COMPENSATION AND BENEFITS

Accounting principles

Group employees receive short-term benefits (paid vacation, paid sick leave and statutory profit-sharing bonuses), long-term benefits (such as long-service awards and seniority bonuses) and post-employment benefits (such as length-of-service awards and supplementary pension benefits). Post-employment benefits may be paid under defined contribution or defined benefit plans.

All of these benefits are accounted for in accordance with IAS 19 – *Employee Benefits*. Short-term benefits (i.e., benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services) are classified as current liabilities (under “Other payables”) and recorded as an expense for the year in which the employees render the related services (see Note 6.2.2). Post-employment benefits and other long-term benefits are measured and recognised as described in Note 12.1.

Two types of share-based payment plans have been set up for management and selected employees – stock option plans and performance share plans. These plans fall within the scope of IFRS 2 – *Share-based Payment* and are accounted for as described in Note 12.2.

12.1 Pension and other post-employment benefits

Accounting principles

Post-employment benefits are employee benefits that are payable after the completion of employment. The Group’s post-employment benefit plans include both defined contribution plans and defined benefit plans.

DEFINED CONTRIBUTION PLANS

Defined contribution plans are post-employment benefit plans under which the Group pays regular contributions into a separate entity that is responsible for the plan’s administrative and financial management as well as for the payment of benefits, such that the Group has no obligation to pay further contributions if the plan assets are insufficient. Examples include government-sponsored pension schemes, defined contribution supplementary pension plans and defined contribution pension funds.

The contributions are recorded as an expense for the period in which they become due.

DEFINED BENEFIT AND LONG-TERM BENEFIT PLANS

A liability is recognised for defined benefit obligations that are determined by reference to the plan participants’ years of service with the Group.

The defined benefit obligation is calculated annually using the projected unit credit method, taking into account actuarial assumptions such as future salary levels, retirement age, mortality, staff turnover and the discount rate.

The discount rate corresponds to the interest rate observed at the period-end for investment grade corporate bonds with a maturity close to that of the defined benefit obligation. The calculations are performed by a qualified actuary.

The net liability recorded for defined benefit plans corresponds to the present value of the defined benefit obligation less the fair value of plan assets (if any). The cost recognised in the income statement comprises:

- current service cost, past service cost and the gain or loss on plan amendments or settlements (if any), recorded in operating expense;
- interest expense on the defined benefit liability, net of interest income on the plan assets, recorded in net financial expense.

Remeasurements of the net defined benefit liability (comprising actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling) are recognised immediately in “Other comprehensive income”.

12.1.1 Description of the main defined benefit plans

The main defined benefit plans concern supplementary pension benefits paid annually in some countries to retired employees of the Group, and length-of-service awards provided for in collective bargaining agreements that are paid to employees upon retirement. The plans, which are presented below, mainly concern France, Belgium and Italy.

FRENCH PLANS

Group employees in France are entitled to a length-of-service award when they retire, determined in accordance with the law and the applicable collective bargaining agreement. The award is measured as a multiple of the individual's monthly salary for the last 12 months before retirement, determined by reference to his or her years of service, and may be capped for certain plans in place.

In this respect, the Group retrospectively applied the IFRS IC decision of May 2021 relating to IAS 19, which resulted in a restatement of the amount of provisions for the employees concerned (see Note 4 for more details).

In 2009, the Group set up a supplementary defined benefit pension plan, amended in 2015. Following publication of government order 2019-697 dated July 3, 2019 (on transposition into French law of the European "Portability" Directive), the supplementary pension plan was cancelled by decision of the Board of Directors on April 20, 2020 and the provision carried in the consolidated statement of financial position at December 31, 2019 was reversed in full in 2020.

In addition, at its meeting of April 20, 2020, the Board of Directors decided to set up a new supplementary defined benefit pension plan that meets the requirements of Article L. 137-11-2, as amended, of the French Social Security Code (*Code de la sécurité sociale*), effective from January 1, 2020. The main characteristics of the new plan are as follows:

- beneficiaries will retain the annual rights accrued in the event that they leave the Company;
- the rights accrued in a given year will be calculated based on the compensation for that year (reference compensation), without exceeding 60 times the annual social security ceiling;
- rights vest subject to the achievement of annual performance conditions: the performance criteria and specified targets are chosen among those used by the Board of Directors to determine the annual variable component of the Executive Officer's compensation;
- the annual vesting rate under the plan will vary depending on the achievement rates for the performance criteria, and the aggregate annual percentages applied for a given beneficiary, all employers combined, will be capped at 30%.

The Group has externalised the plan's management to an insurance company, through a deferred annuity contract fully invested in euro-denominated funds.

BELGIAN PLANS

The Group's main commitments in Belgium concern "prepensions" and the "solidarity fund".

The prepension scheme provides for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement to the statutory retirement age. Carrefour is committed to topping up the benefits paid by the Belgian State, so that the individuals concerned receive 95% of their final net salary. The retirement age under Belgian law, amended in 2015, is 65 (unless otherwise provided). Under the collective bargaining agreement applicable to Carrefour, employees are eligible for prepension benefits from the age of 62 (unless otherwise provided).

The solidarity fund is a corporate supplementary pension plan that offers participants the choice between a lump sum payment on retirement or a monthly pension for the rest of their lives. The plan was closed in 1994 and replaced by a defined contribution plan. Consequently, the projected benefit obligation only concerns pension rights that vested before 1994.

Furthermore, as of 2016, an additional provision has been recorded for defined contribution plans with a minimum legal guaranteed yield, in view of the current economic conditions.

ITALIAN PLANS

The Group's commitments in Italy primarily concern the *Trattemento di Fine Rapporto* (TFR) deferred salary scheme. The TFR scheme underwent a radical reform in 2007, with employers now required to pay contributions to an independent pension fund in full discharge of their liability. The Group's obligation therefore only concerns deferred salary rights that vested before 2007.

12.1.2 Net expense for the period

The expense recorded in the income statement is detailed as follows:

2020 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Current service cost	42	16	0	1	59
Past service cost (plan amendments and curtailments)	(9)	–	–	–	(9)
Settlements and other[1]	(46)	–	(1)	–	(46)
Service cost	(13)	16	(1)	1	3
Interest cost (discount effect)	6	3	1	1	10
Return on plan assets	(0)	(2)	–	(0)	(2)
Other items	0	0	–	–	1
EXPENSE (INCOME) FOR 2020	**(7)**	**18**	**0**	**1**	**12**

2021 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Current service cost	46	18	0	1	66
Past service cost (plan amendments and curtailments)	(6)	–	–	(0)	(6)
Settlements and other[1]	(23)	–	(1)	–	(23)
Service cost	17	18	(1)	1	36
Interest cost (discount effect)	2	2	0	1	5
Return on plan assets	(0)	(1)	–	(0)	(1)
Other items	(1)	–	–	(0)	(1)
EXPENSE (INCOME) FOR 2021	**18**	**19**	**(0)**	**2**	**39**

(1) In 2021, this line primarily includes the impact of curtailments recognised following the remeasurement of commitments made under the restructuring plans implemented in France (Note 2.2) and recognised in non-recurring income. In 2020, this line included the impact of cancelling the supplementary defined benefit pension plan as decided by the Board of Directors in April 2020 (see above).

The net expense for 2021 corresponds to 58 million euros recognised in employee benefits expense, 23 million euros recognised in non-recurring income, and 4 million euros recorded in financial expense. In 2020, the net expense for the year was 12 million euros.

12.1.3 Breakdown of the provision

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Defined benefit obligation restated	474	470	106	43	1,094
Fair value of plan assets	(16)	(227)	–	(12)	(255)
Provision at December 31, 2020 restated	459	243	106	33	839
Defined benefit obligation	465	442	88	60	1,055
Fair value of plan assets	(20)	(228)	–	(21)	(269)
Provision at December 31, 2021	445	215	88	39	786

12.1.4 Change in the provision

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Provision at January 1, 2020 restated	481	233	116	35	864
Movements recorded in the income statement	(7)	18	0	1	12
Benefits paid directly by the employer	(11)	(11)	(10)	(0)	(32)
Effect of changes in scope of consolidation	(16)	–	–	–	(16)
Change in actuarial gains and losses(1)	11	8	(0)	2	20
Other	0	(5)	–	(5)	(9)
Provision at December 31, 2020 restated	459	243	106	33	839
Movements recorded in the income statement	18	19	–	2	39
Benefits paid directly by the employer	(11)	(15)	(15)	(1)	(42)
Effect of changes in scope of consolidation	(14)	–	–	7	(7)
Change in actuarial gains and losses(1)	(7)	(25)	(3)	1	(34)
Other	1	(8)	–	(3)	(9)
Provision at December 31, 2021	445	215	88	39	786

(1) This line breaks down as follows:

2020 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	(7)	3	(3)	0	(8)
Actuarial (gain)/loss due to demographic assumption changes	(16)	0	–	2	(14)
Actuarial (gain)/loss due to financial assumption changes(1)	34	13	3	(0)	51
Return on plan assets (greater)/less than discount rate	(0)	(8)	–	(0)	(9)
Changes in actuarial gains and losses 2020	11	8	–	2	20

2021 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	(1)	3	(0)	0	3
Actuarial (gain)/loss due to demographic assumption changes	8	–	(0)	1	9
Actuarial (gain)/loss due to financial assumption changes(1)	(14)	(16)	(3)	(1)	(33)
Return on plan assets (greater)/less than discount rate	(0)	(13)	–	(0)	(13)
Changes in actuarial gains and losses 2021	(7)	(25)	(3)	1	(34)

(1) Eurozone discount rates decreased in 2020, from 0.75% at end-2019 to 0.40% at end-2020. These rates increased in 2021 to represent 0.80% at the year-end.

12.1.5 Plan assets

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Fair value at December 31, 2019	7	229	–	11	246
Return on plan assets	0	2	–	0	2
Benefits paid out of plan assets	(0)	(18)	–	(2)	(20)
Actuarial gain/(loss)	0	8	–	0	9
Other	9	7	–	3	19
Fair value at December 31, 2020	16	227	–	12	255
Return on plan assets	0	1	–	0	1
Benefits paid out of plan assets	(0)	(21)	–	(4)	(25)
Actuarial gain/(loss)	0	13	–	0	13
Other	5	8	–	12	25
Fair value at December 31, 2021	20	228	–	21	269

Plan assets break down as follows by asset class:

	December 31, 2021				December 31, 2020			
	Bonds	Equities	Monetary investments	Real estate and other	Bonds	Equities	Monetary investments	Real estate and other
France	10%	1%	88%	1%	14%	2%	84%	1%
Belgium	35%	9%	56%	0%	36%	9%	55%	0%

All bonds and equities held in plan asset portfolios are listed securities.

12.1.6 Actuarial assumptions and sensitivity analysis

The assumptions used to measure defined benefit obligations for length-of-service awards in the three main countries are as follows:

	2021	2020
Retirement age	63-67	62-67
Rate of future salary increases	2.0% to 2.6%	2.0% to 2.5%
Inflation rate	2.0%	1.8%
Discount rate	0.80%	0.40%

At December 31, 2021, a discount rate of 0.80% was used for France, Belgium and Italy (December 31, 2020: 0.40%). The discount rate is based on an index of AA-rated corporate bonds with maturities that correspond to the expected cash outflows of the plans.

In 2021, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 9.9 years, 9.2 years and 10.5 years respectively (versus 13.8 years, 9.5 years and 11.2 years in 2020). The application of the IFRS IC decision on IAS 19 resulted in a reduction in the average duration of plans in France of approximately three years.

Sensitivity tests show that:

- a 25-bps increase in the discount rate would reduce the defined benefit obligation under the French, Belgian and Italian plans by around 23 million euros;
- a 25-bps increase in the inflation rate would increase the defined benefit obligation under the French, Belgian and Italian plans by around 17 million euros.

12.2 Share-based payments

Accounting principles

Two types of share-based payment plans have been set up for members of management and selected employees – stock option plans and performance share plans.

As the plans are equity-settled, the benefit represented by the share-based payment is recorded in employee benefits expense with a corresponding increase in shareholders' equity in accordance with IFRS 2 – *Share-based Payment*. The cost recorded in employee benefits expense corresponds to the fair value of the equity instruments on the grant date (i.e., the date on which grantees are informed of the plan's characteristics and terms). Fair value is determined using the Black-Scholes option pricing model for stock options and the share price on the grant date for performance shares. Performance conditions that are not based on market conditions are not taken into account to estimate the fair value of stock options and performance shares at the measurement date. However, they are taken into account in estimates of the number of shares that are expected to vest, as updated at each period-end based on the expected achievement rate for the non-market performance conditions.

The cost calculated as described above is recognised on a straight-line basis over the vesting period.

The cost of share-based payment plans for 2021 recorded under employee benefits expense in recurring operating income was 26 million euros, with a corresponding increase in equity (2020: (23) million euros).

Details of the stock option and performance share plans set up for Executive Management and selected employees are presented below.

1 2 3 4 5 6 7 8 9

12.2.1 Stock option plans

There were no longer any Carrefour SA stock option plans outstanding at December 31, 2021, since the 2010 plans based on performance conditions and continued employment in the Group expired in July 2017.

On March 21, 2017, the Board of Directors of Atacadão decided to award options on existing or new Atacadão shares. This stock option plan was approved by Atacadão's Shareholders' Meeting held on the same date. Options awarded under this plan represent a maximum number of 9,283,783 shares, or 0.47% of Atacadão's share capital. The options are subject to the following vesting conditions:

- one-third of the options vest at the date of the company's IPO;
- one-third of the options will vest 12 months after the date of the IPO;
- one-third of the options will vest 24 months after the date of the IPO.

The options may be exercised up to March 21, 2023 at a price of 11.7 Brazilian reals.

The table below shows the main assumptions used to calculate the fair value of the options awarded in 2017.

Fair value of the options at the grant date	Brazil 2017 "Pre-IPO" Plan
Exercise price *(in reals)*	11.7
Estimated fair value of the share at the grant date *(in reals)*	11.7
Volatility *(in %)*	29.02%
Dividend growth *(in %)*	1.35%
Risk-free interest rate *(in %)*	10.25%
Expected average life of share option (years)	2.72
Model	Binomial
Fair value option at grant date *(in reals)*	3.73

Movements in the 2017 stock option plan were as follows:

	2021	2020
Options outstanding at January 1	1,822,472	3,310,923
Options granted during the year	–	–
Options exercised during the year	(140,500)	(543,451)
Options cancelled or that expired during the year	–	(945,000)
Recalculation of pending shares	944,999	–
Options outstanding at December 31	2,626,971	1,822,472

On June 26, 2017, Atacadão's Extraordinary Shareholders' Meeting approved a regular stock option plan ("regular plan") providing for annual grants of stock options subject to the following conditions:

- vesting period: 36 months after the grant date;
- maximum exercise period: end of the sixth year following the date of the stock option plan;
- maximum dilution: 2.5% of the total amount of ordinary shares comprising the share capital; and
- exercise price: to be determined by the Board of Directors when granting stock options. The price will take into account the share price during a maximum of 30 days preceding the date of grant.

On September 26, 2019, the Board of Directors of Atacadão decided to award the first options, as shown below:

	Brazil 2019 "Regular" Plan
Grant date	September 26, 2019
Number of options granted	3,978,055
Life of the options	6 years
Number of grantees	92
Exercise period	From September 26, 2022 to September 26, 2025
Number of options outstanding	3,159,255
Exercise price *(in reals)*	21.98

The table below shows the main assumptions used to calculate the fair value of the options awarded in 2019.

Fair value of the options at the grant date	Brazil 2019 "Regular" Plan
Exercise price *(in reals)*	21.98
Estimated fair value of the share at the grant date *(in reals)*	21.98
Volatility *(in %)*	27.20%
Dividend growth *(in %)*	1.09%
Risk-free interest rate *(in %)*	5.57%
Expected average life of share option *(years)*	3
Model	Binomial
Fair value option at grant date *(in reals)*	5.20

Movements in the 2019 stock option plan were as follows:

	2021	2020
Options outstanding at January 1	3,163,617	3,612,789
Options granted during the year	–	–
Options exercised during the year	–	–
Options cancelled or that expired during the year	(199,055)	(449,172)
Recalculation of pending shares	194,693	–
Options outstanding at December 31	3,159,255	3,163,617

12.2.2 Performance share plans

A. CARREFOUR SA PERFORMANCE SHARE PLANS

On February 27, 2019, based on the Compensation Committee's recommendation, Carrefour SA's Board of Directors decided to use the authorisation given in the 14th resolution of the Annual Shareholders' Meeting held on May 17, 2016 to grant new or existing performance shares. This plan provided for the grant of a maximum of 3,366,200 shares (excluding shares granted to the Executive Officer), or 0.43% of the share capital. The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the rights were granted. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

Details of the 2019 performance share plan are presented below.

	2019 Performance Plan
Shareholders' Meeting date	May 17, 2016
Grant date(1)	February 27, 2019
Vesting date(2)	February 28, 2022
Total number of shares approved at the grant date	3,615,346
Number of grantees at the grant date	640
Fair value of each share *(in euros)*(3)	14.33

(1) Notification date (i.e., date on which grantees were notified of the plans' characteristics and terms).
(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and performance conditions are met.
(3) The Carrefour share price on the grant date (reference price) adjusted for dividends expected during the vesting period.

Movements in performance share grants related to the 2019 plan were as follows:

	2021	2020
Shares allotted at January 1	2,933,646	3,232,646
Shares granted during the year	–	–
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(299,100)	(299,000)
Shares allotted at December 31	2,634,546	2,933,646

The performance conditions under the 2019 plan were met as of December 31, 2021. The shares will vest subject to a service condition whereby the beneficiary must still be employed by the Group on February 27, 2022.

On February 26, 2020, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the 25th resolution of the Annual Shareholders' Meeting held on June 14, 2019 to grant new or existing performance shares. The plan provided for the grant of a maximum of 2,604,597 shares (representing 0.32% of the share capital). The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the rights were granted. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and free cash flow growth for 25%);
- A condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

Details of the 2020 performance share plan are presented below.

	2020 Performance Plan
Shareholders' Meeting date	June 14, 2019
Grant date(1)	February 26, 2020
Vesting date(2)	February 27, 2023
Total number of shares approved at the grant date	2,604,597
Number of grantees at the grant date	516
Fair value of each share *(in euros)*(3)	13.05

(1) Date of the Board of Directors' decision to grant shares.
(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.
(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants related to the 2020 plan were as follows:

	2021	2020
Shares allotted at January 1	2,520,262	–
Shares granted during the year	–	2,604,597
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(174,839)	(84,335)
Shares allotted at December 31	2,345,423	2,520,262

On February 17, 2021, based on the Compensation Committee's recommendation, Carrefour SA's Board of Directors decided to use the authorisation given in the 25th resolution of the Annual Shareholders' Meeting held on June 14, 2019 to grant new or existing performance shares. The plan provided for the grant of a maximum of 3,000,000 shares (representing 0.37% of the share capital). The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the rights were granted. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and net free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%); and
- a CSR-related condition for 25%.

Details of the 2021 performance share plan are presented below.

	2021 Performance Plan
Shareholders' Meeting date	June 14, 2019
Grant date(1)	February 17, 2021
Vesting date(2)	February 17, 2024
Total number of shares approved at the grant date	3,000,000
Number of grantees at the grant date	691
Fair value of each share *(in euros)*(3)	11.85

(1) Date of the Board of Directors' decision to grant shares.
(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.
(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants related to the 2021 plan were as follows:

	2021
Shares allotted at January 1	–
Shares granted during the year	3,000,000
Shares delivered to the grantees during the year	–
Shares cancelled during the year	(72,400)
Shares allotted at December 31	2,927,600

B. ATACADÃO PERFORMANCE SHARE PLANS

On November 10, 2020, the Board of Directors of Atacadão decided to grant rights to existing or new Atacadão shares. This plan was approved by Atacadão's Shareholders' Meeting held on April 14, 2020.

The vesting period is three years from the date of the Board of Directors' Meeting at which the rights were granted. The number of shares that vest will depend on the achievement of five performance conditions:

- two conditions linked to financial performance (recurring operating income for 20% and free cash flow for 20%);
- a condition linked to an external performance criterion (TSR), benchmarking the Atacadão share price against a panel of companies in the retail sector (for 20%);
- a condition linked to the Company's digital transformation (for 20%);
- a CSR-related condition (for 20%).

Details of the 2020 performance share plan are presented below.

	Brazil 2020 "Regular" Plan
Shareholders' Meeting date	April 14, 2020
Grant date(1)	November 10, 2020
Vesting date(2)	November 10, 2023
Total number of shares approved at the grant date	1,291,074
Number of grantees at the grant date	80
Fair value of each share *(in reals)*(3)	17.35

(1) Date of the Board of Directors' decision to grant shares.
(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.
(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants under the Brazil 2020 "Regular plan" were as follows:

	2021	2020
Shares allotted at January 1	999,403	–
Shares granted during the year	29,965	999,403
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(52,228)	–
Shares allotted at December 31	977,140	999,403

On August 25, 2021, the Board of Directors of Atacadão decided to grant rights to existing or new Atacadão shares. This plan was approved by Atacadão's Shareholders' Meeting held on April 14, 2020.

The vesting period is three years from the date of the Board of Directors' Meeting at which the rights were granted. The number of shares that vest will depend on the achievement of five performance conditions:

- two conditions linked to financial performance (recurring operating income for 20% and free cash flow for 20%);
- a condition linked to an external performance criterion (TSR), benchmarking the Atacadão share price against a panel of companies in the retail sector (for 20%);
- a condition linked to the Company's digital transformation (for 20%);
- a CSR-related condition (for 20%).

Details of the 2021 performance share plan are presented below.

	Brazil 2021 "Regular" Plan
Shareholders' Meeting date	April 14, 2020
Grant date(1)	August 25, 2021
Vesting date(2)	August 25, 2024
Total number of shares approved at the grant date	1,832,230
Number of grantees at the grant date	124
Fair value of each share *(in reals)*(3)	14.56

(1) Date of the Board of Directors' decision to grant shares.
(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.
(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants under the Brazil 2021 "Regular plan" were as follows:

	2021
Shares allotted at January 1	–
Shares granted during the year	1,556,541
Shares delivered to the grantees during the year	–
Shares cancelled during the year	(33,306)
Shares allotted at December 31	1,523,235

12.3 Management compensation (related parties)

The following table shows the compensation paid by the Carrefour group during the year to the Group's key management personnel.

(in millions of euros)	2021	2020
Compensation for the year	8.4	8.8
Prior year bonus	8.3	11.3
Benefits in kind (accommodation and company car)	0.4	0.3
Total compensation paid during the year	17.0	20.4
Employer payroll taxes	4.5	5.5
Termination benefits	–	0.7

Other management benefit plans are as follows:

- the supplementary defined benefit pension plan described in Note 12.1;
- stock options and performance shares: the serving members of the management team at December 31, 2021 held 2,296,410 performance shares (1,416,443 at December 31, 2020), for which the vesting conditions are described in Note 12.2.2. The recognised cost of share-based payment plans for members of the management team was not material in either 2021 or 2020.

The compensation paid in 2021 to members of the Board of Directors in respect of their duties amounted to 0.9 million euros (0.4 million euros in 2020).

12.4 Number of employees

	2021	2020
Senior Directors	365	379
Directors	1,761	1,794
Managers	32,395	31,978
Employees	284,500	277,148
Average number of Group employees	319,021	311,299
Number of Group employees at the year-end	319,565	322,164

NOTE 13 EQUITY AND EARNINGS PER SHARE

13.1 Capital management

The parent company, Carrefour SA, must have sufficient equity to comply with the provisions of the French Commercial Code.

The Group owns interests in a certain number of financial services companies (banks, insurance companies). These subsidiaries must have sufficient equity to comply with capital adequacy ratios and the minimum capital rules set by their local banking and insurance supervisors.

Capital management objectives (equity and debt capital) are to:

- ensure that the Group can continue operating as a going concern, in particular by maintaining high levels of liquid resources;
- optimise shareholder returns;
- keep gearing at an appropriate level, in order to minimise the cost of capital and maintain the Group's credit rating at a level that allows it to access a wide range of financing sources and instruments.

In order to maintain or adjust its gearing, the Group may take on new borrowings or retire existing borrowings, adjust the dividend paid to shareholders, return capital to shareholders, issue new shares, buy back shares or sell assets in order to use the proceeds to pay down debt.

13.2 Share capital and treasury stock

13.2.1 Share capital

At December 31, 2021, the share capital was made up of 775,895,892 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	2021	2020
Outstanding at January 1	817,624	807,266
Issued for cash	–	–
Issued under performance share plans	–	–
Issued in payment of dividends	–	10,358
Cancelled shares[1]	(41,728)	–
Outstanding at December 31	775,896	817,624

(1) See Note 2.6.

13.2.2 Treasury stock

Accounting principles

Treasury stock is recorded as a deduction from shareholders' equity, at cost. Gains and losses from sales of treasury stock (and the related tax effect) are recorded directly in equity without affecting net income for the year.

At December 31, 2021 and December 31, 2020, a total of 9,457,539 shares were held in treasury.

Shares held in treasury are intended for the Group's performance share plans.

All rights attached to these shares are suspended for as long as they are held in treasury.

13.3 Dividends

In February 2021, the Group announced that its dividend policy would be returning to normal following nearly ten years of dividends with a dividend reinvestment option.

At the Shareholders' Meeting held on May 21, 2021, the shareholders decided to set the 2020 dividend at 0.48 euro per share to be paid entirely in cash.

On May 28, 2021, the dividend was paid out in an amount of 383 million euros.

13.4 Other comprehensive income

	2021			2020		
Group share *(in millions of euros)*	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	54	(13)	41	(8)	1	(7)
Changes in the fair value of debt instruments through other comprehensive income	(5)	1	(4)	(3)	1	(2)
Exchange differences on translating foreign operations(1)	88	0	88	(697)	0	(697)
Items that may be reclassified subsequently to profit or loss	137	(11)	126	(707)	2	(705)
Remeasurements of defined benefit plans obligation(2)	33	(6)	27	(20)	0	(20)
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	(0)	(1)	0	(1)
Items that will not be reclassified to profit or loss	33	(6)	27	(21)	0	(21)
TOTAL OTHER COMPREHENSIVE INCOME/ (LOSS) – GROUP SHARE	**170**	**(18)**	**153**	**(728)**	**2**	**(726)**

	2021			2020		
Non-controlling interests *(in millions of euros)*	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	3	(1)	2	1	0	1
Changes in the fair value of debt instruments through other comprehensive income	(5)	1	(4)	(3)	1	(2)
Exchange differences on translating foreign operations(1)	28	0	28	(333)	0	(333)
Items that may be reclassified subsequently to profit or loss	25	0	26	(335)	1	(334)
Remeasurements of defined benefit plans obligation(2)	1	0	1	(1)	0	(1)
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	(0)	0	0	0
Items that will not be reclassified to profit or loss	1	0	1	(1)	0	(1)
TOTAL OTHER COMPREHENSIVE INCOME/ (LOSS) – NON-CONTROLLING INTERESTS	**26**	**0**	**27**	**(336)**	**1**	**(335)**

(1) Exchange differences recognised on translating foreign operations in 2021 mainly reflect the increase in the value of the New Taiwan dollar and the very slight increase in the value of the Brazilian real. Differences in 2020 mainly reflected the significant decline in the Brazilian real during the year.
(2) Remeasurement of the net defined benefit liability recognised in 2021 reflects the increase in discount rates applied for the eurozone, from 0.40% at end-December 2020 to 0.80% at end-December 2021. In 2020, these discount rates had decreased, from 0.75% at end-December 2019 to 0.40% at end-December 2020.

13.5 Shareholders' equity attributable to non-controlling interests

Non-controlling interests mainly concern:

- the sub-group made up of Carrefour Banque SA and its subsidiaries (part of the France operating segment), which is 60% owned by the Group;
- the Grupo Carrefour Brasil sub-group made up of Atacadão SA and its subsidiaries (part of the Latin America operating segment) and covering all of Carrefour's operations in Brazil, which is 72% owned by the Group.

The following tables present the key information from the sub-groups' consolidated financial statements:

CARREFOUR BANQUE SUB-GROUP

Income statement *(in millions of euros)*	2021	2020
Revenue (Net Banking Revenue)	228	262
Net income(1)	49	(47)

Statement of financial position *(in millions of euros)*	December 31, 2021	December 31, 2020
Total assets	3,486	3,849
Total liabilities excluding shareholders' equity	2,963	3,385
Dividends paid to non-controlling interests	–	–

(1) The net income of the Carrefour Banque sub-group includes the capital gain realised on the sale of the Belgian finance company Fimaser in 2021 (see Note 3.2). At the level of the Carrefour group, as the sale constitutes a transaction with minority shareholders, it was recognised directly in consolidated equity at December 31, 2021.

GRUPO CARREFOUR BRASIL SUB-GROUP

Income statement *(in millions of euros)*	2021	2020
Total revenue	12,214	12,105
Net income	529	484
of which:		
• *attributable to the Carrefour group*	*494*	*454*
• *attributable to non-controlling interests*	*35*	*29*

Statement of financial position *(in millions of euros)*	December 31, 2021	December 31, 2020
Non-current assets	4,444	4,142
Current assets	4,880	3,985
Non-current liabilities (excluding shareholders' equity)	1,812	1,577
Current liabilities	4,601	3,877
Dividends paid to non-controlling interests	35	13

As Carrefour SA owns 72% of Atacadão SA, the distribution of net income is different at the level of the consolidated financial statements of the Carrefour group:

- 2021 net profit of 529 million euros breaks down into 354 million euros attributable to the Carrefour group and 175 million euros attributable to non-controlling interests;
- 2020 net profit of 484 million euros breaks down into 326 million euros attributable to the Carrefour group and 158 million euros attributable to non-controlling interests.

There are no individually material non-controlling interests in other subsidiaries.

13.6 Earnings per share (Group share)

Accounting principles

In accordance with IAS 33 – *Earnings Per Share*, basic earnings per share is calculated by dividing net income, Group share by the weighted average number of shares outstanding during the period. Treasury stock is not considered to be outstanding and is therefore deducted from the number of shares used for the calculation. Contingently issuable shares are treated as outstanding and included in the calculation only from the date when all necessary conditions are satisfied.

Diluted earnings per share is calculated by adjusting net income, Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares correspond exclusively to the stock options and performance shares presented in Note 12.2. Their dilutive effect is calculated by the treasury stock method provided for in IAS 33, which consists in applying the proceeds that would be generated from the exercise of stock options to the purchase of shares at market price (defined as the average share price for the period). In accordance with this method, stock options are considered to be potentially dilutive if they are in the money (the exercise price considered includes the fair value of the services rendered by the grantee, in accordance with IFRS 2 – *Share-based Payment*).

Basic earnings per share	2021	2020
Net income/(loss) from continuing operations	1,030	663
Net income/(loss) from discontinued operations	42	(22)
Net income/(loss) for the year	**1,072**	**641**
Weighted average number of shares outstanding(1)	786,946,494	805,713,713
Basic income/(loss) from continuing operations – per share *(in euros)*	1.31	0.82
Basic income/(loss) from discontinued operations – per share *(in euros)*	0.05	(0.03)
Basic income/(loss) – per share *(in euros)*	1.36	0.80

(1) In accordance with IAS 33, the weighted average number of shares used to calculate earnings per share for 2021 was adjusted to take into account the impact of the two share buybacks carried out during the year (see Note 2.6).

Diluted earnings per share	2021	2020
Net income/(loss) from continuing operations	1,030	663
Net income/(loss) from discontinued operations	42	(22)
Net income/(loss) for the year	**1,072**	**641**
Weighted average number of shares outstanding, before dilution	786,946,494	805,713,713
Potential dilutive shares	4,462,264	1,874,178
Performance shares	4,462,264	1,874,178
Diluted weighted average number of shares outstanding	**791,408,758**	**807,587,891**
Basic income/(loss) from continuing operations – per share *(in euros)*	1.30	0.82
Basic income/(loss) from discontinued operations – per share *(in euros)*	0.05	(0.03)
Basic income/(loss) – per share *(in euros)*	1.35	0.79

NOTE 14 FINANCIAL ASSETS AND LIABILITIES, FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

Accounting principles

NON-DERIVATIVE FINANCIAL ASSETS

In accordance with IFRS 9 – *Financial Instruments*, the main financial assets are classified in one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss (FVPL).

Their classification determines their accounting treatment. Financial assets are classified by the Group upon initial recognition, based on the characteristics of the contractual cash flows and the objective behind the asset's purchase (business model).

Purchases and sales of financial assets are recognised on the trade date, defined as the date on which the Group is committed to buying or selling the asset.

(i) Financial assets at amortised cost

Financial assets at amortised cost are debt instruments (mainly loans and receivables) that give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and that are held within a business model whose objective is to hold assets to collect contractual cash flows.

They are initially recognised at fair value and are subsequently measured at amortised cost by the effective interest method. For short-term receivables with no specified interest rate, fair value is considered to be equal to the original invoice amount.

These assets are impaired as described below.

Financial assets at amortised cost include trade receivables, other loans and receivables (reported under other financial assets), deposits and guarantees, and consumer credit granted by the financial services companies.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are debt instruments that give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling underlying financial assets. These financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income, under "Changes in the fair value of debt instruments at fair value through other comprehensive income" until the underlying assets are sold, at which time they are transferred to profit or loss.

This category also includes investments in equity instruments (primarily shares) that the Group has irrevocably elected to classify in this category. In this case, when the shares are sold, the unrealised gains or losses previously carried in equity (other comprehensive income) will not be reclassified to profit or loss; only dividends will be transferred to the income statement.

This category notably includes investments in non-consolidated companies which the Group has elected to recognise at fair value through other comprehensive income (an option generally chosen by the Group).

The fair value of listed securities corresponds to their market price. For unlisted securities, fair value is determined first and foremost by reference to recent transactions or by using valuation techniques based on reliable and observable market data. However, where there is no observable market data for comparable companies, the fair value of unlisted securities is usually measured based on the present value of future estimated cash flows or on the revised net asset value, as calculated by reference to internal inputs (level 3 of the fair value hierarchy).

(iii) Financial assets at fair value through profit or loss

This category includes all debt instruments that are not eligible to be classified as financial assets at amortised cost or at fair value through other comprehensive income, as well as investments in equity instruments such as shares which the Group has chosen not to measure at fair value through other comprehensive income.

They are measured at fair value with changes in fair value recognised in the income statement, under financial income or expense.

Impairment

Trade receivables and other current financial assets (other than consumer credit granted by the financial services companies) carried at amortised cost are impaired based on the total lifetime expected losses resulting from a payment default, pursuant to the simplified approach allowed under IFRS 9. Impairment is calculated using a provision matrix, which is applied to receivables past due and not yet past due (provision rates based on the length of time past due, as calculated for each country and each receivable with similar characteristics).

For consumer credit granted by the financial services companies and other non-current financial assets carried at amortised cost, impairment is determined using the general approach available under IFRS 9 and corresponds:

- on initial recognition of the asset, to expected losses over the next 12 months;
- when the credit risk significantly increases, to the total lifetime expected losses resulting from default.

The approach applied to consumer credit granted by the financial services companies is described in Note 6.5.1.

Non-derivative financial assets held by the Group

The main non-derivative financial assets held by the Group are as follows:

- non-current financial assets: this line of the statement of financial position mainly includes deposits and guarantees, investments of insurance companies (corresponding mainly to bonds and other debt securities) and of the Group's other financial services companies, along with investments in non-consolidated companies;
- trade receivables;
- consumer credit granted by the financial services companies (see Note 6.5.1);
- other current financial assets: mainly debt securities held by the financial services companies and measured at fair value, along with short-term deposits.

NON-DERIVATIVE FINANCIAL LIABILITIES

Non-derivative financial liabilities are initially recognised at fair value plus transaction costs and premiums directly attributable to their issue. They are subsequently measured at amortised cost.

Non-derivative financial liabilities held by the Group

The main non-derivative financial liabilities held by the Group are as follows:

- borrowings: "Borrowings – portion due in more than one year" and "Borrowings – portion due in less than one year" include bonds and notes issued by the Group, other bank loans and overdrafts, and any financial liabilities related to securitised receivables for which the credit risk is retained by the Group;
- lease commitments: these result from applying IFRS 16 from January 1, 2019 and also include 275 million euros in finance lease commitments recognised at December 31, 2018 in accordance with IAS 17 and reclassified within lease commitments;
- suppliers and other creditors;
- consumer credit financing granted by the financial services companies (see Note 6.5.2);
- other payables: other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly interest rate and currency risks. Exceptionally, the risk of changes in the prices of certain commodities – mainly diesel – may also be hedged.

Derivatives are initially recognised at fair value. They are subsequently measured at fair value with the resulting unrealised gains and losses recorded as explained below.

(i) Derivatives designated as hedging instruments

Hedge accounting is applied if, and only if, the following conditions are met:

- the hedging instrument and hedged item forming the hedging relationship are eligible for hedge accounting;
- at the inception of the hedge, there is a clearly identified and formally documented hedging relationship and the effectiveness of the hedge can be demonstrated (qualitative and prospective tests);
- there is formal designation and structured documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

The derivatives used by the Group may be qualified as either cash flow hedges or fair value hedges. At December 31, 2021, no hedges were in place in respect of the Group's net investment in foreign operations.

Cash flow hedges

For instruments qualified as cash flow hedges, the portion of the change in fair value determined to be an effective hedge is recognised in other comprehensive income and accumulated in other comprehensive income until the hedged transaction affects profit. The ineffective portion of the change in fair value is recognised in the income statement, under financial income and expense.

The main cash flow hedges consist of interest rate options and swaps that convert variable rate debt to fixed rate debt, and forward purchases of foreign currencies that hedge future goods purchases in foreign currency.

Fair value hedges

Changes in fair value of instruments qualified as fair value hedges are recognised in the income statement, with the effective portion offsetting changes in the fair value of the hedged item.

Swaps set up to convert fixed rate bonds and notes to variable rate qualified as fair value hedge. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognised in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps. At December 31, 2021, as at December 31, 2020, the financing facilities arranged for Brazilian subsidiary Atacadão in April 2020 and September 2021 respectively were subject to fair value hedges (see Note 14.2.3).

(ii) Other derivative instruments

Other derivative instruments are measured at fair value, with changes in fair value recognised in profit or loss. Derivative instruments used by the Group include interest rate and currency swaps and vanilla interest rate options.

FAIR VALUE CALCULATION METHOD

The fair values of currency and interest rate instruments are determined using market-recognised pricing models or prices quoted by external financial institutions.

Values estimated using pricing models are based on discounted future cash flows for futures and forward contracts or, for options, the Black & Scholes option pricing model. The models are calibrated using market data such as yield curves and exchange rates obtained from recognised financial data services.

The fair value of long-term borrowings is estimated based on the quoted market price for bonds and notes or the value of future cash flows discounted based on market conditions for similar instruments (in terms of currency, maturity, interest rate and other characteristics).

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2021 and 2020, the effect of incorporating these two types of risk was not material.

14.1 Financial instruments by category

At December 31, 2021 *(in millions of euros)*	Carrying amount	Breakdown by category: Fair value through profit or loss	Fair value through OCI	Amortised cost	Derivative instruments not designated as hedges	Derivative instruments designated as hedges	Fair value
Investments in non-consolidated companies	126	14	112	–	–	–	126
Other long-term investments	1,026	159	163	704	–	–	1,026
Other non-current financial assets	1,152	174	274	704	–	–	1,152
Consumer credit granted by the financial services companies	5,294	–	–	5,294	–	–	5,294
Trade receivables	2,581	–	–	2,581	–	–	2,581
Other current financial assets	532	–	79	246	24	182	532
Other current assets[(1)]	467	–	–	467	–	–	467
Cash and cash equivalents	3,703	3,703	–	–	–	–	3,703
ASSETS	**13,729**	**3,877**	**353**	**9,292**	**24**	**182**	**13,729**
Total borrowings	6,834	–	–	6,793	22	18	7,101
Total lease commitment	4,597	–	–	4,597	–	–	4,597
Total consumer credit financing	4,441	–	–	4,431	1	9	4,441
Suppliers and other creditors	13,072	–	–	13,072	–	–	13,072
Other current payables[(2)]	2,660	–	–	2,660	–	–	2,660
LIABILITIES	**31,604**	**–**	**–**	**31,553**	**24**	**27**	**31,871**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

At December 31, 2020 *(in millions of euros)*	Carrying amount	Breakdown by category: Fair value through profit or loss	Fair value through OCI	Amortised cost	Derivative instruments not designated as hedges	Derivative instruments designated as hedges	Fair value
Investments in non-consolidated companies	105	12	94	–	–	–	105
Other long-term investments	1,106	252	150	704	–	–	1,106
Other non-current financial assets	1,212	264	244	704	–	–	1,212
Consumer credit granted by the financial services companies	5,227	–	–	5,227	–	–	5,227
Trade receivables	2,526	–	–	2,526	–	–	2,526
Other current financial assets	368	–	57	191	20	101	368
Other current assets[(1)]	484	–	–	484	–	–	484
Cash and cash equivalents	4,439	4,439	–	–	–	–	4,439
ASSETS	**14,256**	**4,703**	**300**	**9,132**	**20**	**101**	**14,256**
Total borrowings	7,389	–	–	7,324	32	32	7,807
Total lease commitment	4,723	–	–	4,723	–	–	4,723
Total consumer credit financing	4,574	–	–	4,558	1	15	4,574
Suppliers and other creditors	12,560	–	–	12,560	–	–	12,560
Other current payables[(2)]	2,524	–	–	2,524	–	–	2,524
LIABILITIES	**31,769**	**–**	**–**	**31,689**	**33**	**47**	**32,188**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

ANALYSIS OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The table below shows assets and liabilities presented according to the fair value hierarchy provided for in IFRS 13 – Fair Value Measurement (see Note 1.4):

December 31, 2021 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	–	14	112	126
Other long-term investments	322	–	–	322
Other current financial assets – Fair Value through OCI	79	–	–	79
Other current financial assets – Derivative instruments	–	207	–	207
Cash and cash equivalents	3,703	–	–	3,703
Consumer credit financing – Derivative instruments recorded in liabilities	–	(11)	–	(11)
Borrowings – Derivative instruments recorded in liabilities	–	(40)	–	(40)

December 31, 2020 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	–	12	94	105
Other long-term investments	402	–	–	402
Other current financial assets – Fair Value through OCI	57	–	–	57
Other current financial assets – Derivative instruments	–	122	–	122
Cash and cash equivalents	4,439	–	–	4,439
Consumer credit financing – Derivative instruments recorded in liabilities	–	(15)	–	(15)
Borrowings – Derivative instruments recorded in liabilities	–	(64)	(0)	(64)

14.2 Net debt

14.2.1 Breakdown of net debt

Consolidated net debt at December 31, 2021 amounted to 2,633 million euros compared to 2,616 million euros at December 31, 2020. This amount breaks down as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Bonds and notes	6,052	6,822
Other borrowings	741	503
Total borrowings excluding derivative instruments recorded in liabilities	6,793	7,324
Derivative instruments recorded in liabilities	40	64
TOTAL BORROWINGS	**6,834**	**7,389**
of which borrowings due in more than one year	*5,491*	*6,305*
of which borrowings due in less than one year	*1,342*	*1,084*
Other current financial assets[1]	498	334
Cash and cash equivalents	3,703	4,439
TOTAL CURRENT FINANCIAL ASSETS	**4,201**	**4,773**
NET DEBT	**2,633**	**2,616**

(1) The current portion of amounts receivable from finance sub-leasing arrangements is not included in this caption (see Note 14.2.5).

14.2.2 Breakdown of bond debt

(in millions of euros)	Maturity	Face value December 31, 2020	Face value Issues	Face value Repayments	Face value Translation adjustments	Face value December 31, 2021	Book value of the debt December 31, 2021
Public placements by Carrefour SA		6,686	–	(871)	68	5,883	5,815
EMTN, EUR, 11 years, 3.875%	2021	871	–	(871)	–	–	–
EMTN, EUR, 8 years, 1.75%	2022	1,000	–	–	–	1,000	993
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2023	407	–	–	34	441	426
EMTN, EUR, 8 years, 0.750%	2024	750	–	–	–	750	748
EMTN, EUR, 10 years, 1.25%	2025	750	–	–	–	750	748
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2024	407	–	–	34	441	414
EMTN, EUR, 5 years, 0.88%	2023	500	–	–	–	500	499
EMTN, EUR, 7.5 years, 1.75%	2026	500	–	–	–	500	498
EMTN, EUR, 8 years, 1.00%	2027	500	–	–	–	500	497
EMTN, EUR, 7.5 years, 2.625%	2027	1,000	–	–	–	1,000	994
Placements by Atacadão SA		235	–	–	2	237	237
Debentures, BRL 500 million, 5 years, 105.75% CDI	2023	78	–	–	1	79	79
Debentures, BRL 450 million, 3 years, 100% CDI	2022	71	–	–	1	71	71
Debentures, BRL 350 million, 5 years, 100% CDI	2024	55	–	–	0	55	55
Debentures, BRL 200 million, 7 years, 100% CDI	2026	31	–	–	0	32	32
TOTAL BONDS AND NOTES		**6,921**	**–**	**(871)**	**70**	**6,120**	**6,052**

On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds.

The Group's financial position and liquidity were solid at December 31, 2021. The average maturity of Carrefour SA's bond debt was 3.1 years at end-December 2021, compared with 3.6 years at end-December 2020.

In accordance with IFRS 9 – *Financial Instruments*, conversion options on the bonds qualify as embedded derivatives and are therefore accounted for separately from inception. Subsequent changes in the fair value of these options are recognised in income and set off against changes in the fair value of the call options purchased on Carrefour shares in parallel with the bond issue. At December 31, 2021, their fair value amounted to 22 million euros.

The bonds are recognised at amortised cost, excluding the conversion feature.

Two EUR/USD cross-currency swaps for 250 million US dollars were arranged at the inception of the transaction in 2018 for the same maturity. The swaps have been accounted for as a cash flow hedge and had a positive fair value of 80 million euros at December 31, 2021.

The fair value in euros of the currency swap for 500 million US dollars set up in 2017 to hedge bonds redeemable in cash issued on June 7, 2017 (classified as a cash flow hedge for accounting purposes) was a positive 40 million euros at December 31, 2021.

14.2.3 Breakdown of other borrowings

(in millions of euros)	December 31, 2021	December 31, 2020
Latin America borrowings	610	302
Other borrowings	59	90
Accrued interest[(1)]	38	55
Other financial liabilities	33	55
TOTAL OTHER BORROWINGS	**741**	**503**

(1) Accrued interest on total borrowings, including bonds and notes.

"Latin America borrowings" include in particular the financing facilities in US dollars and euros set up and swapped for reals by Brazilian subsidiary Atacadão in April 2020 and in September 2021, for an amount of 1,500 million reals (approximately 237 million euros at the December 31, 2021 closing rate) and 1,937 million reals (approximately 306 million euros at the December 31, 2021 closing rate), respectively.

These euro- and US dollar-denominated facilities, which were originally fixed-rate, were converted into Brazilian reals and indexed to the CDI rate at the time of issue through cross-currency swaps over the life of the borrowings. These instruments are documented and recognised as hedges (Fair Value Hedge).

14.2.4 Cash and cash equivalents

Accounting principles

Cash includes cash on hand and demand deposits.

Cash equivalents are highly liquid investments with an original maturity of less than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(in millions of euros)	December 31, 2021	December 31, 2020
Cash	1,108	1,482
Cash equivalents	2,596	2,957
TOTAL CASH AND CASH EQUIVALENTS	**3,703**	**4,439**

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its host countries. The local supervisory authorities may require banking subsidiaries to comply with certain capital, liquidity and other ratios and to limit their exposure to other Group parties.

At December 31, 2021, as at December 31, 2020, there was no restricted cash.

14.2.5 Other current financial assets

(in millions of euros)	December 31, 2021	December 31, 2020
Derivative instruments[(1)]	207	122
Financial receivable[(2)]	162	113
Other current financial assets – Fair Value through OCI	79	57
Sub-lease receivable – less than one year	34	34
Deposits with maturities of more than three months	40	33
Other	10	9
TOTAL OTHER CURRENT FINANCIAL ASSETS	**532**	**368**

(1) The 85-million-euro increase compared to December 31, 2020 primarily reflects higher mark-to-market adjustments on the currency swaps hedging the US dollar-denominated convertible bonds (see Note 14.2.2), due to the increase in value of the US dollar against the euro over the period.

(2) This amount represents the financial receivable relating to the 20% stake in Carrefour China. The increase of 49 million euros in comparison with December 31, 2020 was booked against net income from discontinued operations. In accordance with the agreement signed with Suning.com on September 26, 2019, the Carrefour group exercised its put option on the disposal of the remaining 20% interest in Carrefour China in the second half of 2021, with payment set to be made in the first half of 2022.

14.3 Analysis of borrowings (excluding derivative instruments recorded in liabilities)

14.3.1 Analysis by interest rate

	December 31, 2021		December 31, 2020	
(in millions of euros)	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	6,518	5,936	7,047	6,785
Variable rate borrowings	276	857	278	539
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**6,793**	**6,793**	**7,324**	**7,324**

14.3.2 Analysis by currency

(in millions of euros)	December 31, 2021	December 31, 2020
Euro	5,935	6,784
Brazilian real	855	539
Argentine peso	–	0
Polish zloty	2	–
Romanian lei	1	1
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**6,793**	**7,324**

The above analysis includes the effect of hedging.

Euro-denominated borrowings represented 87% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2021 (93% at December 31, 2020).

14.3.3 Analysis by maturity

(in millions of euros)	December 31, 2021	December 31, 2020
Due within 1 year	1,302	1,019
Due in 1 to 2 years	1,259	1,216
Due in 2 to 5 years	2,731	3,047
Due beyond 5 years	1,502	2,042
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**6,793**	**7,324**

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14.4 Changes in liabilities arising from financing activities

(in millions of euros)	Other current financial assets[1]	Borrowings	Total Liabilities arising from financing activities
At December 31, 2020	(334)	7,389	7,055
Changes from financing cash flows	**(21)**	**(726)**	**(748)**
Change in current financial assets	(21)	–	(21)
Issuance of bonds	–	–	–
Repayments of bonds	–	(871)	(871)
Net financial interests paid	–	(158)	(158)
Other changes in borrowings	–	302	302
Non-cash changes	**(143)**	**171**	**29**
Effect of changes in foreign exchange rates	(2)	7	6
Effect of changes in scope of consolidation	(0)	(0)	(1)
Changes in fair values	(95)	(14)	(109)
Finance costs, net	–	172	172
Other movements[2]	(46)	6	(39)
At December 31, 2021	(498)	6,834	6,336

(1) The current portion of amounts receivable from finance sub-leasing arrangements totalling 34 million euro is not included in this caption.
(2) In 2021, other changes in other current financial assets included the reversal of the impairment loss recorded on the financial receivable relating to the 20% stake in Carrefour China (see Note 14.2.5).

14.5 Other non-current financial assets

(in millions of euros)	December 31, 2021	December 31, 2020
Deposits and guarantees[1]	559	518
Financial services companies' portfolio of assets	322	403
Sub-lease receivable – more than one year[2]	76	108
Investments in non-consolidated companies	126	105
Other	69	77
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,152**	**1,212**

(1) Deposits and guarantees include legal deposits paid in Brazil in connection with the tax disputes discussed in Notes 11.2 and 11.3 (disputes relating mainly to tax reassessments challenged by the Group) pending final court rulings, as well as security deposits paid to lessors under property leases.
(2) Amounts receivable from finance sub-leasing arrangements were recognised following the application of IFRS 16 from January 1, 2019.

14.6 Finance costs and other financial income and expenses

Accounting principles

This item corresponds mainly to finance costs.

In accordance with IFRS 16, it also includes interest expenses on leases along with interest income on finance sub-leasing (see Note 8).

Other financial income and expenses consist notably of discounting adjustments, taxes on financial transactions, late interest payable on certain liabilities, or the effects of hyperinflation in Argentina.

This item breaks down as follows:

(in millions of euros)	2021	2020
Interest income from loans and cash equivalents	**(1)**	**3**
Interest income from bank deposits	(1)	3
Interest income from loans	0	0
Finance costs	**(171)**	**(174)**
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(159)	(159)
Cost of receivables discounting in Brazil	(12)	(15)
Finance costs, net	(172)	(171)
Interest charge related to leases commitment	(107)	(114)
Interest income related to financial sublease contracts	1	1
Net interests related to lease commitment	(106)	(113)
Interest expense on defined employee benefit debt	(5)	(10)
Interest income on pension plan assets	1	2
Financial transaction tax	(24)	(18)
Late interest due in connection with tax reassessments and employee-related litigation	(24)	(19)
Dividends received on available-for-sale financial assets	3	3
Proceeds from the sale of available-for-sale financial assets	7	13
Cost of sold available-for-sale financial assets	(0)	(7)
Exchange gains and losses	5	(28)
Cost of bond buybacks	(11)	(11)
Changes in the fair value of interest rate derivatives	(8)	(3)
Impact of hyperinflation in Argentina – application of IAS 29	56	29
Other	(1)	(0)
Other financial income and expenses, net	(1)	(50)
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	**(279)**	**(334)**
Financial expenses	(352)	(384)
Financial income	73	50

14.7 Risk management

The main risks associated with the financial instruments used by the Group are liquidity, interest rate, currency, credit and equity risks. The Group's policy for managing these risks is described below.

Due to the differing natures of the various businesses, financial risks arising from the banking and insurance business (including Carrefour Banque in particular) are managed separately from those related to the retail business.

An organisation has been set up to track financial risks based on a cash-pooling system managed by the Corporate Treasury and Financing Department. A reporting system ensures that Group Executive Management can oversee the department's implementation of the approved management strategies.

The risks associated with the financial services and insurance businesses are managed and tracked directly by the entities concerned. Corporate Treasury and Financing oversees the proper implementation of the rules governing these businesses, jointly with other investors. A reporting system exists between local teams and Corporate Treasury and Financing.

14.7.1 Liquidity risk

14.7.1.1 Retail business

Liquidity risk is the risk that Carrefour will be unable to settle its financial liabilities when they fall due.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market.

A Liquidity Committee meets at monthly intervals to check that the Group's financing needs are covered by its available resources.

Corporate Treasury and Financing's liquidity management strategy consists of:

- promoting prudent financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programmes, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) programme totals 12 billion euros;
- using the 5 billion-euro commercial paper programme on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2021, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. In June 2019, Carrefour amended these two credit facilities, incorporating an innovative Corporate Social Responsibility (CSR) component in the first CSR-linked credit transaction in the European Retail sector. In May 2021, Carrefour exercised the option to extend its two credit facilities from June 2025 to June 2026. The option has been applied to more than 99% of the Group's banking facilities. Group policy consists of keeping these facilities on stand-by to support the commercial paper programme. The loan agreements for the syndicated lines of credit include the usual commitment clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. The pricing grid may be adjusted up or down to reflect changes in the long-term credit rating.

The main transactions in 2021 concerned the redemption of 871 million euros worth of 3.875% 11-year bonds (see Note 14.2.2).

The Group considers that its liquidity position is robust. It has sufficient cash reserves to meet its debt repayment obligations in the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 3.1 years.

14.7.1.2 Banking and insurance business

The liquidity risk of financial services companies is monitored within the framework of an Executive Management-approved liquidity strategy that is part of the Group's overall strategy. Each entity's refinancing situation is assessed based on internal standards and early warning indicators.

Liquidity risk management objectives are to:

- diversify sources of financing to include central bank programmes, bonds, securitisation programs for renewable credit facilities, negotiable debt issues and repos;
- create a balanced banking relationship using credit facilities granted by our local partners in addition to those granted by our shareholders;
- secure refinancing sources in accordance with internal and external criteria (rating agencies and supervisory authorities);
- ensure a balanced profile in terms of debt maturity and type;
- comply with regulatory ratios.

In April 2021, Carrefour Banque redeemed 500 million euros worth of bonds and issued a further 400 million euros worth of four-year bonds in June 2021 with a fixed rate swapped for the three-month Euribor +49 bps.

Banco CSF (Brazil) issued several financial bills (*Letra Financeira*) throughout the year for a total amount of 1,046 million Brazilian reals at December 31, 2021. In December 2021, it also redeemed the collateralised financial bill (*Letra Financeira Garantida*) subscribed in December 2020 (see below) and issued another collateralised financial bill through the Brazilian Central Bank for an amount of 114 million Brazilian reals (maturing in December 2022).

As a reminder, several structured financing operations were carried out in 2020:

- a 500 million-euro bond issue was redeemed by Carrefour Banque in March 2020;
- Banco CFS (Brazil) issued a collateralised financial bill in December 2020 through the Brazilian Central Bank for an amount of 284 million Brazilian reals (maturing in December 2021).

The following tables analyse the cash flows generated by the Group's financial liabilities by period.

December 31, 2021 *(in millions of euros)*	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Fair value hedged borrowings(2)	581	581	135	446	–
Fixed rate borrowings	5,936	6,285	1,149	3,599	1,538
Unhedged borrowings	276	276	94	95	87
Derivative instruments	40	43	17	26	–
Total Borrowings	6,834	7,185	1,394	4,166	1,625
Suppliers and other creditors	13,072	13,072	13,072	–	–
Consumer credit financing	4,441	4,441	2,868	1,573	–
Other current payables(1)	2,660	2,660	2,660	–	–
TOTAL FINANCIAL LIABILITIES	**27,007**	**27,358**	**19,995**	**5,739**	**1,625**

(1) Excluding deferred revenue.
(2) Borrowings hedged by fair value hedges include in particular the financing facilities in US dollars and euros set up and swapped for reals by Brazilian subsidiary Atacadão in April 2020 and September 2021, for 1,500 million Brazilian reals and 1,937 million Brazilian reals, respectively (see Note 14.2.3).

December 31, 2020 *(in millions of euros)*	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Fair value hedged borrowings(2)	261	261	–	261	–
Fixed rate borrowings	6,785	7,253	1,091	4,077	2,085
Unhedged borrowings	278	278	15	232	31
Derivative instruments	64	100	39	61	0
Total Borrowings	7,389	7,892	1,145	4,631	2,116
Suppliers and other creditors	12,560	12,560	12,560	–	–
Consumer credit financing	4,574	4,574	3,067	1,506	–
Other current payables(1)	2,524	2,524	2,524	–	–
TOTAL FINANCIAL LIABILITIES	**27,046**	**27,550**	**19,296**	**6,137**	**2,116**

(1) Excluding deferred revenue.
(2) Borrowings hedged by fair value hedges include in particular the financing facilities in US dollars and euros set up and swapped for reals by Brazilian subsidiary Atacadão in April 2020, for an amount of 1,500 million Brazilian reals (see Note 14.2.3).

The cash flows relating to the Group's lease commitments (established based on reasonably certain lease terms within the meaning of IFRS 16) are presented by maturity in Note 8.3.

14.7.2 Interest-rate risk

Interest rate risk is the risk of a change in interest rates leading to an increase in the Group's net borrowing costs.

It is managed at head-office level by Corporate Treasury and Financing, which reports monthly to an Interest Rate Risk Committee responsible for recommending hedging strategies and methods to be used to limit interest rate exposures and optimise borrowing costs.

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates. Various financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates. These are mainly basic swaps and options. Hedge accounting is applied in all cases where the required criteria are met.

Variable rate long-term borrowings are hedged using financial instruments that cap rises in interest rates over all or part of the life of the debt.

The following table shows the sensitivity of total borrowings to changes in interest rates over one year:

	50-bps decline		50-bps increase	
(in millions of euros) *(- = loss; + = gain)*	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Investments	–	(8.4)	–	8.4
Options qualified as cash flow hedges	(11.0)	–	12.5	–
TOTAL EFFECT	**(11.0)**	**(8.4)**	**12.5**	**8.4**

14.7.3 Foreign exchange risk

Currency transaction risk is the risk of an unfavourable change in exchange rates having an adverse effect on cash flows from commercial transactions denominated in foreign currency.

The Group conducts its international operations through subsidiaries that operate almost exclusively in their home country, such that purchases and sales are denominated in local currency. As a result, the Group's exposure to currency risk on commercial transactions is naturally limited and mainly concerns imported products. Currency risks on import transactions (i.e., goods purchases billed in foreign currencies) covered by firm commitments are hedged by forward purchases of the payment currency. Currency hedges are generally for periods of less than 12 months.

The following table shows the effect of an increase/decrease in exchange rates on currency instruments:

	10% decline		10% increase	
(in millions of euros) *(- = loss; + = gain)*	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Position EUR/USD	–	159.2	–	(159.5)
Position EUR/HKD	–	0.2	–	(0.2)
Position EUR/PLN	–	10.2	–	(10.2)
Position EUR/RON	–	2.2	–	(2.2)
Position USD/RON	–	(0.9)	–	0.9
Position CHF/EUR	–	(0.4)	–	0.4
TOTAL EFFECT	**–**	**170.5**	**–**	**(170.8)**

Currency translation risk is the risk of an unfavourable change in exchange rates reducing the value of the net assets of a subsidiary whose functional currency is not the euro, after conversion into euros for inclusion in the Group's consolidated statement of financial position.

The consolidated statement of financial position and income statement are exposed to a currency translation risk: consolidated financial ratios are affected by changes in exchange rates used to translate the income and net assets of foreign subsidiaries operating outside the eurozone.

The translation risk on foreign operations outside the eurozone mainly concerns the Brazilian real and Argentine peso. For example, changes in the average exchange rates used in 2021 compared with those for 2020 decreased consolidated net sales by 1,317 million euros, or 1.8% of 2021 net sales, and recurring operating income by 69 million euros, or 3.0% of 2021 recurring operating income.

Lastly, when financing is arranged locally, it is generally denominated in local currency.

Hedging results and effectiveness

The table below reconciles, according to risk category, equity items and the assessment of other comprehensive income from hedge accounting.

(in millions of euros)	Change in fair value of hedging instruments in OCI	Ineffectiveness recognised in P&L	Heading that includes ineffectiveness of hedging	Amount transferred from CFH reserve to P&L	Heading of P&L affected by the reclassification
Cash Flow Hedge					
Interest rate risk	18	–	–	(2)	- Financial result
Foreign exchange risk	16	–	–	–	N/A
Discontinuation of hedge accounting	–	–	–	(7)	- Financial result

14.7.4 Credit risk

The Group's estimated exposure to credit risk is presented below:

(in millions of euros)	December 31, 2021	December 31, 2020
Investments in non-consolidated companies	126	105
Other long-term investments	1,026	1,106
Total Other non-current financial assets	1,152	1,212
Consumer credit granted by the financial services companies	5,294	5,227
Trade receivables	2,581	2,526
Other current financial assets	532	368
Other current assets[(1)]	467	484
Cash and cash equivalents	3,703	4,439
MAXIMUM EXPOSURE TO CREDIT RISK	**13,729**	**14,256**

(1) Excluding prepaid expenses.

14.7.4.1 Retail business

1) TRADE RECEIVABLES

Trade receivables correspond mainly to amounts receivable from franchisees (for delivered goods and franchise fees), suppliers (mainly rebates and commercial income) and tenants of shopping mall units (rent). Impairment losses are recognised where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

At December 31, 2021, trade receivables net of impairment (excluding receivables from suppliers) amounted to (1,632) million euros (see Note 6.4.3). At that date, past due receivables amounted to a net 151 million euros, of which 37 million euros were over 90 days past due (2.3% of total trade receivables net of impairment excluding receivables from suppliers).

2) INVESTMENTS (CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS)

The Group's short-term cash management strategy focuses on acquiring liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value.

Investments are made for the most part by Corporate Treasury and Financing, in diversified instruments such as term deposits with leading banks and mutual funds classified by the AMF as "money market" and "short-term money market" funds without any withdrawal restrictions. Investments made at the country level are approved by Corporate Treasury and Financing.

Counterparty risk monitoring procedures are implemented to track counterparties' direct investment strategies and the underlying assets held by mutual funds in which the Group invests. The Group's objective is to never hold more than 5% of a fund's net assets and to never invest more than 250 million euros in any single fund.

14.7.4.2 Banking and insurance business

A description of credit risk management processes and the method used to determine and record impairment losses in the banking and insurance businesses is provided in Note 6.5.1.

ANALYSIS OF DUE AND PAST DUE CONSUMER LOANS

(in millions of euros)	December 31, 2021	Amounts not yet due at the period-end	Amounts due and past due at the period-end: 0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	5,294	4,620	596	25	28	25

(in millions of euros)	December 31, 2020	Amounts not yet due at the period-end	Amounts due and past due at the period-end: 0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	5,227	4,276	805	36	56	55

ANALYSIS OF CONSUMER LOANS BY MATURITY

(in millions of euros)	December 31, 2021	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	1,263	552	643	69
Belgium	139	2	118	18
Spain	2,033	1,138	353	542
Italy	–	–	–	–
Argentina	46	46	0	–
Brazil	1,812	1,736	77	0
TOTAL	**5,294**	**3,473**	**1,191**	**630**

(in millions of euros)	December 31, 2020	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	1,467	664	769	34
Belgium	133	2	119	12
Spain	1,974	1,097	357	521
Italy	75	25	49	–
Argentina	37	37	–	–
Brazil	1,540	1,469	72	0
TOTAL	**5,227**	**3,295**	**1,367**	**566**

14.7.5 Equity risk

Group policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

Marketable securities portfolios and other financial investments held by the Group consist for the most part of money market instruments that do not expose the Group to any material equity risk.

From time to time, the Group buys back its shares on the market or purchases call options on its shares.

These shares are mainly used to cover stock option and performance share plans. At December 31, 2021, shares held in treasury by the Group covered its total commitments under these plans.

The equity risk associated with the conversion options embedded in the bonds issued by the Group in June 2017 and March 2018 is fully hedged by symmetrical options contracted with banks. The derivatives are recognised as assets and liabilities in the statement of financial position in a total amount of 22 million euros.

NOTE 15 OFF-BALANCE SHEET COMMITMENTS

Accounting principles

Commitments given and received by the Group that are not recognised in the statement of financial position correspond to contractual obligations whose performance depends on the occurrence of conditions or transactions after the period-end. There are four types of off-balance sheet commitments, related to cash transactions, retailing operations, acquisitions and disposal of securities and leases.

Commitments given *(in millions of euros)*	December 31, 2021	By maturity: Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2020
Related to cash management transactions	10,936	9,423	1,414	100	10,938
Financial services companies	*10,711*	*9,332*	*1,377*	*2*	*10,681*
Other companies	*225*	*90*	*37*	*98*	*257*
Related to operations/real estate/expansion	1,306	801	397	109	1,474
Related to purchases and sales of securities	207	5	107	95	224
Related to leases	238	42	98	98	239
TOTAL	**12,687**	**10,270**	**2,016**	**402**	**12,875**

Commitments received *(in millions of euros)*	December 31, 2021	By maturity: Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2020
Related to cash management transactions	5,997	1,147	4,235	615	5,805
Financial services companies	*1,531*	*585*	*332*	*614*	*1,438*
Other companies	*4,467*	*563*	*3,903*	*–*	*4,367*
Related to operations/real estate/expansion	1,412	376	810	226	1,247
Related to purchases and sales of securities	410	275	78	56	395
Related to leases	517	275	190	52	452
TOTAL	**8,336**	**2,073**	**5,313**	**949**	**7,899**

Off-balance sheet commitments related to cash transactions include:

- credit commitments given to customers by the Group's financial services companies in the course of their operating activities, and credit commitments received from banks;
- mortgages and other guarantees given or received, mainly in connection with the Group's real estate activities;
- committed lines of credit available to the Group but not drawn down at the period-end.

Off-balance sheet commitments related to operations mainly include:

- commitments to purchase land given in connection with the Group's expansion programmes;
- miscellaneous commitments arising from commercial contracts;
- commitments given for construction work to be performed in connection with the Group's expansion programmes;
- rent guarantees and guarantees from shopping mall operators;
- guarantees for the payment of receivables.

Off-balance sheet commitments related to securities consist of commitments to purchase and sell securities received from or given to third parties:

- for the most part in France, in connection with the Group's franchising activities;
- including immediately exercisable put and call options and sellers' warranties given to third parties. No value is attributed to sellers' warranties received by the Group.

Off-balance sheet commitments related to leases correspond to minimum payments under non-cancellable operating leases qualifying for the exemptions set out in IFRS 16 and also the IFRS 16 leases for which the underlying assets have not been made available as of December 31, 2021.

NOTE 16 SUBSEQUENT EVENTS

In early January 2022, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals. The post-swap debt totalled 2,900 million Brazilian reals (representing approximately 459 million euros at the closing rate on December 31, 2021), with maturities of 16 to 17 months.

On January 24, 2022, the General Superintendence of CADE (the Brazilian competition authority) issued decision no. 85/2022 recommending that the acquisition of Grupo BIG by Carrefour Brazil should be approved. This transaction is now being analysed by the CADE tribunal, which has until June 2022 to make a final decision on the recommendations of the General Superintendence.

NOTE 17 AUDITORS' FEES

	Fees 2021					
in thousands euros	Deloitte & Associés[1]	Network	Total Deloitte	Mazars[1]	Network	Total Mazars
Financial statements certification services	2,339	2,338	4,677	2,335	1,390	3,725
Carrefour SA – Issuer	*450*	*–*	*450*	*450*	*–*	*450*
Subsidiaries (controlled entities)	*1,889*	*2,338*	*4,227*	*1,885*	*1,390*	*3,275*
Other services[2]	131	666	797	120	162	282
Carrefour SA – Issuer	*51*	*–*	*51*	*69*	*150*	*218*
Subsidiaries (controlled entities)	*80*	*666*	*746*	*52*	*12*	*64*
TOTAL	**2,470**	**3,004**	**5,474**	**2,455**	**1,552**	**4,007**

(1) Carrefour SA (holding company) Statutory Auditors (excluding services provided by their network).
(2) Including services that are to be provided by Statutory Auditors by law.

Non-audit services provided to the parent, Carrefour SA, and its subsidiaries by the Statutory Auditors include mainly services in relation to the issuance of certificates and agreed-upon procedures on financial information and internal control or due-diligence in the context of an acquisition or a disposal.

NOTE 18 LIST OF CONSOLIDATED COMPANIES

18.1 Fully consolidated companies at December 31, 2021

FRANCE	Percent interest used in consolidation
ALEP 33	85
ALSATOP	100
AMIDIS ET CIE	100
ANIDIS	100
ANTIDIS	100
AUPARLIXTOP	100
AVENUE	52
AZIMMO	100
BELLEVUE DISTRIBUTION	100
BLO DISTRIBUTION	100
BRINGO FRANCE	100
BRINGO INTERNATIONAL	100
C.DICAR	100
C.DIS	100
C.S.D	74
C.S.F	100
CADS	100
CALLOUETS	51
CANDIS	100
CARAUTOROUTES	100
CARDADEL	100
CARFIDIS	100
CARFUEL	100
CARGAN INVEST	100
CARGO INVEST	100
CARGO PROPERTY DEVELOPMENT	100
CARIMA	100
CARMA	50
CARMA VIE	50
CARREFOUR ADMINISTRATIF FRANCE	100
CARREFOUR BANQUE	60
CARREFOUR DÉVELOPPEMENT URBAIN	100
CARREFOUR DRIVE	100
CARREFOUR FINANCE	100
CARREFOUR FORMATION HYPER FRANCE	100
CARREFOUR FRANCE	100
CARREFOUR FRANCE PARTICIPATION	100
CARREFOUR HYPERMARCHÉS	100
CARREFOUR IMPORT	100
CARREFOUR MANAGEMENT	100
CARREFOUR MARCHANDISES INTERNATIONALES	100

FRANCE	Percent interest used in consolidation
CARREFOUR MONACO	100
CARREFOUR OMNICANAL	100
CARREFOUR PARTENARIAT INTERNATIONAL	100
CARREFOUR PROPERTY FRANCE	100
CARREFOUR PROPERTY GESTION	100
CARREFOUR PROPERTY INTERNATIONAL	100
CARREFOUR PROXIMITÉ FRANCE	100
CARREFOUR SA	100
CARREFOUR SERVICES CLIENTS	100
CARREFOUR STATION SERVICE	100
CARREFOUR SUPPLY CHAIN	100
CARREFOUR VOYAGES	100
CIGOTOP	100
CL CV LOGISTIQUE	100
CLAIREFONTAINE	100
COMPAGNIE D'ACTIVITÉ ET DE COMMERCE INTERNATIONAL – CACI-	100
CORSAIRE	100
COVIAM 8	100
COVICAR 2	100
COVICAR 44	100
COVICAR 51	100
COVICAR 55	100
CRF RÉGIE PUBLICITAIRE	100
CRFP13	100
CRFP20	100
CRFP22	100
CRFP23	100
CRFP8	100
CROQUETTELAND	100
CSD TRANSPORTS	74
CSI	100
DAUPHINOISE DE PARTICIPATIONS	100
DE LA FONTAINE	51
DE SIAM	51
DEJBOX LAB	86
DEJBOX SERVICES	86
DIGITAL MEDIA SHOPPER	100
DISTRIVAL	100
DOREL	100
EPG	66
FALDIS	100

FRANCE	Percent interest used in consolidation
FCT MASTER CREDIT CARD 2013	60
FINANCIÈRE RSV	100
FINIFAC	100
FONMARTOP	100
FORUM DÉVELOPPEMENT	100
GAMACASH	100
GEILEROP	100
GENEDIS	100
GIE BREST BELLEVUE	80
GREENWEEZ	100
GREENWEEZ BELGIUM	100
GUYENNE & GASCOGNE	100
GVTIMM	51
HAUTS DE ROYA	100
HYPARLO	100
HYPERADOUR	100
HYPERMARCHÉS DE LA VÉZÈRE	50
IMMO ARTEMARE	51
IMMO BACQUEVILLE	51
IMMOBILIERE CARREFOUR	100
IMMOBILIÈRE PROXI	100
IMMOCYPRIEN	51
IMMODIS	100
IMMOTOURNAY	51
INTERDIS	100
LA CROIX VIGNON	51
LALAUDIS	99
LANN KERGUEN	51
LAPALUS	100
LÉGÈRE	100
LES TASSEAUX	51
LES VALLÉES	51
LESCHENES	100
LOGIDIS	100
LOMA	100
LUDIS	100
LYBERNET	50
MAISON JOHANES BOUBEE	100
MAISON VIZET FABRE	81
MATOLIDIS	100
MAXIMOISE DE CRÉATION	51
MONTEL DISTRIBUTION	100
MY DESIGN	100
NOOPART	100

FRANCE	Percent interest used in consolidation
NORLITOP	100
NOSAEL	51
PARLITOP	100
PARSEVRES	100
PASDEL	100
PHIVETOL	100
PLANETA HUERTO	100
POTAGER CITY	69
PROFIDIS	100
PUECH ECO	100
QUITOQUE	100
QUITOQUE BELGIUM	100
RESSONS	51
SAFABE	100
SAFETY	100
SAINT HERMENTAIRE	100
SALACA	100
SAS LOUIS SEGUIN – ANGLET	100
SCI PROXALBY	74
SELIMA	100
SIGOULIM	51
SMARTECO	100
SO.BIO HOLDING	100
SO.BIO SÈVRES	100
SOCIÉTÉ DES NOUVEAUX HYPERMARCHÉS	100
SODIMODIS	100
SODISAL	100
SODITRIVE	100
SOFALINE	100
SOFIDIM	99
SORGENTE NATURA	100
SOVAL	100
STELAUR	100
STENN	100
STORETOP	100
SUPERADOUR	100
SUPERDIS	97
TROTTEL	100
VAN K	100
VÉZÈRE DISTRIBUTION	50
VIZEGU	90
ZORMAT	100

ARGENTINA	Percent interest used in consolidation
BANCO DE SERVICIOS FINANCIEROS SA	88
INC S.A.	100

GERMANY	Percent interest used in consolidation
CARREFOUR PROCUREMENT INTERNATIONAL BV & CO. KG	100

BRAZIL	Percent interest used in consolidation
ATACADÃO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA – BANK	37
ATACADÃO SA	72
BANCO CSF	37
BRAZIL INSURANCE SFA	37
BSF HOLDING	37
CARREFOUR COMMERCIO E INDUSTRIA	72
CMBCI INVESTIMENTOS E PARTICIPAÇÕES	72
COMERCIAL DE ALIMENTOS CARREFOUR	72
COTABEST INFORMACOES E TECNOLOGIA	37
CSF ADMINISTRADORA E CORRETORA DE SEGUROS EIRELI	37
E MIDIA INFORMACOES	72
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA	72
PANDORA PARTICIPACOES	72
RIOBONITO ASSESSORIA DE NEGOCIOS	72
TROPICARGAS TRANSPORTES	72
VERPARINVEST	72

BELGIUM	Percent interest used in consolidation
BRUGGE RETAIL ASSOCIATE	100
CAPARBEL	100
CARREFOUR BELGIUM	100
CARUM	100
DRIVE 1	100
DRIVE 2	100
ÉCLAIR	100
FILUNIC	100
FIMASER	100
FIRST IN FRESH	100

BELGIUM	Percent interest used in consolidation
GROSFRUIT	100
HALLE RETAIL ASSOCIATE	100
HEPPEN RETAIL ASSOCIATE	100
INTERDIS	100
MARKET A1 CBRA	100
MARKET B2 CBRA	100
MARKET C3 CBRA	100
MARKET D4 CBRA	100
MARKET E5 CBRA	100
MARKET F6 CBRA	100
ORTHROS	100
ROB	100
SCHILCO	100
SHIP TO	100
SOUTH MED INVESTMENTS	100
STIGAM	100
VANDEN MEERSSCHE NV	100

NETHERLANDS	Percent interest used in consolidation
CARREFOUR NEDERLAND BV	100
CARREFOUR PROPERTY BV	100
HYPER GERMANY BV	100
INTERNATIONAL MERCHANDISE TRADING BV	100

SPAIN	Percent interest used in consolidation
CARREFOUR PROPERTY ESPANA	100
CENTROS COMERCIALES CARREFOUR	100
CORREDURIA DE SEGUROS CARREFOUR	100
FINANZAS Y SEGUROS	100
GROUP SUPECO MAXOR	100
INVERSIONES PRYCA	100
NORFIN HOLDER	100
SERVICIOS FINANCIEROS CARREFOUR	60
SOCIEDAD DE COMPRAS MODERNAS	100
SUPERDISTRIBUCION CEUTA	100
SUPERMERCADOS CHAMPION	100
SUPERSOL SPAIN	100
VIAJES CARREFOUR	100

ITALY	Percent interest used in consolidation
CARREFOUR BANCA	60
CARREFOUR ITALIA FINANCE SRL	100
CARREFOUR ITALIA SPA	100
CARREFOUR PROPERTY ITALIA SRL	100
CONSORZIO NICHELINO	64
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	53
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUROLO	89
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	77
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	54
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	58
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	87
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	84
GS SPA	100

POLAND	Percent interest used in consolidation
CARREFOUR POLSKA	100
CPA WAW 1	100

ROMANIA	Percent interest used in consolidation
ALLIB ROM SRL	100
ARTIMA SA	100
BRINGO MAGAZIN	100
CARREFOUR PRODUCTIE SI DISTRIBUTIE	100
CARREFOUR ROUMANIE	100
COLUMBUS ACTIVE SRL	100
COLUMBUS OPERATIONAL SRL	100
MILITARI GALERIE COMERCIALA	100
SUPECO INVESTMENT SRL	100

SWITZERLAND	Percent interest used in consolidation
CARREFOUR WORLD TRADE	100

LUXEMBOURG	Percent interest used in consolidation
VELASQUEZ	100

TAIWAN	Percent interest used in consolidation
CARREFOUR INSURANCE BROKER CO	60
CARREFOUR TELECOMMUNICATION CO	60
CHARNG YANG DEVELOPMENT CO	30
PRESICARRE	60
WELLCOME	60

HONG KONG	Percent interest used in consolidation
CARREFOUR ASIA LTD	100
CARREFOUR GLOBAL SOURCING ASIA	100
CARREFOUR TRADING ASIA LTD (CTA)	100

CHINA	Percent interest used in consolidation
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	100
SHANGHAI GLOBAL SOURCING CONSULTING CO LTD	100
SOCIEDAD DE COMPRAS MODERNAS, S.A. SHANGHAI REPRESENTATIVE OFFICE	100

18.2 Equity-accounted companies at December 31, 2021

FRANCE	Percent interest used in consolidation
ABREDIS	50
ADIALEA	20
ALEXANDRE	50
ALTACAR OLLIOULES	50
ANGIDIS	50
ANTONINE	50
ARLOM	50
AROBLIS	50
AUBINYC	50
AUDIST S.A.S.	50
BAMAZO	50
BELONDIS	50
BIADIS	34
BLS RETRAIL	50
BORDEROUGE	50
BOURG SERVICES DISTRIBUTION « B.S.D »	50
BPJ	26
CABDIS	50
CAJOO TECHNOLOGY	40
CALODIAN DISTRIBUTION	50
CAMPI	50
CARDUTOT	26
CARMILA	36
CENTRALE ENVERGURE	50
CERBEL	50
CEVIDIS	50
CHAMNORD	56
CHERBOURG INVEST	48
CHRISTIA	50
CINQDIS 09	50
CJA DISTRIBUTION	50
CLOVIS	50
CLUNYDIS	50
CODINOG	50
COFLEDIS	50
COLODOR	50
COROU	50
CVP DISTRIBUTIONPLANE PORT VENDRES	50
CYMUR	50
D2C	50
DECODIS	26
DÉPÔT PÉTROLIER DE LYON	50
DÉPÔTS PÉTROLIERS CÔTIERS	24
DIRIC	50
DISTRI AIX	50
DISTRI PALAVAS	50
DISTRIBOURG	50
DISTRICAB	50
DISTRIFLEURY	50
DOUDIS	50
DU MOULIN	50

FRANCE	Percent interest used in consolidation
EDENDIS	50
ENTREPÔT PÉTROLIER DE VALENCIENNES	34
FABCORJO	50
FALME	50
FIVER	50
FONCIÈRE MARSEILLAN	50
FONCIÈRE PLANES	50
FRELUM	50
GALLDIS	50
GGP DISTRIBUTION	50
GPVM	30
GRANDI	50
GRDIS	50
HALLE RASPAIL	50
HBLP	25
IDEC	50
IMMO ST PIERRE ÉGLISE	50
J2B	50
JEDEMA	50
JLEM	50
JMS74 DISTRIBUTION	50
JOSIM	34
JTDS MARKET	50
JUPILOU	50
LA CATALANE DE DISTRIBUTION	50
LA CRAUDIS	50
LAITA BELON DISTRIBUTION	50
LB LE PLAN	50
LE CLAUZELS	50
LE PETIT BAILLY	50
LE PLA	50
LEHENBERRI	50
LES OLIVIERS	50
LEZIDIS	50
LSODIS	50
LUMIMMO	51
LYEMMADIS	50
MADIS	50
MAGODIS	50
MALISSOL	50
MARIDYS	50
MARLODIS	50
MASSEINE	50
MATCH TOPCO	39
MAVIC	50
MBD	50
MIMALI	50
NASOCA	50
NC DISTRIBUTION	50
NCL	50
NOUKAT	50

FRANCE	Percent interest used in consolidation
OLICOURS	50
OUISDIS	50
OULLIDIS	50
PAM	50
PAS DE MENC	50
PFDIS	50
PHILODIS	50
PLAMIDIS	50
PLANE MARSEILLAN	50
PLANE PORT VENDRES	50
PRIGONDIS	50
PRODIX	50
PROVENCIA	50
RD2M	50
REBAIS DISTRIBUTION	50
RETAIL MARKET	50
RIMADIS	50
ROND POINT	50
ROSE BERGER	26
SADEV	26
SAINT JUERY DISTRIBUTION	50
SAS DF19	50
SAS DISTRI GIGNAC	50
SASD	26
SCB	26
SCGR DISTRIBUTION	50
SCI 2C	50
SCI 2F	50
SCI CARGAN-LOG	40
SCI FONCIÈRE DES ALBERES	50
SCI IMMODISC	50
SCI LA BEAUMETTE	49
SCI LA CLAIRETTE	50
SCI LATOUR	60
SCI PONT D'ALLIER	50
SCI SOVALAC	50
SCOMONDIS	50
SDAP	26
SEREDIS	26
SERPRO	50
SIFO	50
SIXFOURSDIS	50
SME	50
SOBRAMIC	50
SOCADIS BANYULS	50
SOCADIS CAVALAIRE	50
SODIBOR	50
SODICAB	50
SODILIM	50
SODIMER	50
SODIOUIS	50

FRANCE	Percent interest used in consolidation
SODYEN	50
SOMADIS	50
SOQUIMDIS	50
SOVADIS	50
SOVALDIS	50
SPC DISTRI	50
SRP GROUPE SA (SHOWROOMPRIVE.COM)	9
ST BONNET DISCOUNT	50
ST PAUL DE DISTRIBUTION	50
STE D'ALIM MODERNE	50
STE DU DÉPÔT PÉTROLIER DE NANTERRE	20
TEDALI	50
TIADIS	50
TURENNE	50
VALCRIS DISTRIBUTION	50
VALMENDIS	50
VICTURIS 2003	50
VICUN	50

BELGIUM	Percent interest used in consolidation
MESTDAGH	25

BRAZIL	Percent interest used in consolidation
COSMOPOLITANO SHOPPING EMPREENDIMENTOS	36
EWALLY	35

SPAIN	Percent interest used in consolidation
2013 ALVARO EFREN JIMENEZ	26
2013 CID OTERO	26
2013 CORDOBA RODRIGUEZ	26
2013 ERIK DAVID	26
2013 FLORES HERNANDEZ	26
2013 LIZANDA TORTAJADA	26
2013 SOBAS ROMERO	26
COSTASOL DE HIPERMERCADOS	34
DIAGONAL PARKING	58
GLORIAS PARKING	50
HEGERVIS MATARO	26
ILITURGITANA DE HIPERMERCADOS	34
J.CARLOS VAZQUEZ	26
JM MARMOL SUPERMERCADOS	26
LUHERVASAN	26
SAGRADA FAMILIA	26

ITALY	Percent interest used in consolidation
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	50
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	46
CONSORZIO TRA I PROPRIETARI DEL PARCO COMMERCIALE DI NICHELINO	30
S.C.A.R.L. SHOPVILLE GRAN RENO	39

POLAND	Percent interest used in consolidation
C SERVICES	30

ROMANIA	Percent interest used in consolidation
PLOIESTI SHOPPING CITY	50

TURKEY	Percent interest used in consolidation
CARREFOUR SABANCI TICARET MERKEZI (CARREFOUR SA)	38

TUNISIA	Percent interest used in consolidation
ULYSSE	25

6.7 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2021

To the Carrefour Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of Carrefour for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of ethics (code de déontologie) for statutory auditors, for the period from January 1st, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Emphasis of Matter

We draw attention to the following matter, without calling into question the opinion expressed above:

- the impact of the change in accounting policy, set out in notes 1.2 and 4 of the consolidated financial statements, following the May 2021 publication of the IFRS IC clarifying the rules for attachment of benefit rights to periods of service in calculation of the provision for employee benefits falling within the scope of IAS19.
- The impact of the change in accounting policy set out in notes 1.2 and 6.3 of the financial consolidated statements, following the April 2021 publication of the IFRS IC clarifying the rules for recognition of configuration and customization costs related to SaaS (Software as a Service) contracts.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Key Audit Matters	Responses as part of our audit
Tax provisions of Brazilian subsidiaries: estimation of provisions, tax payables and contingent liabilities *(See notes 1.3, 11.1, 11.2.1 and 11.3 to the consolidated financial statements)* In Brazil, the Group is involved in tax risks, in particular, on the tax on the distribution of goods and services (ICMS) and to the corresponding tax credits recorded, on the federal contributions related to the social integration programme and to the financing of the social security system (Pis-Cofins) and on the tax amortization of goodwill recognised in 2007 in the context of the acquisition of Atacadão. The assessment of the risk related to each tax litigation is regularly reviewed by the tax departments of the Group and the subsidiary, with the support of its external counsels for the most significant tax litigations in order to determine the need of recording a provision or not, and in the case where a provision should be recorded, to estimate the amount of the provision. We considered the tax risk of the Brazilian subsidiaries, for both the estimation of the provisions and the information disclosed in the financial statement as a key audit matter due to the amount and the number of tax risks, to the complexity and the level of management judgment in the assessment of the ongoing litigations and the amount of the provision to be booked.	We have reviewed the internal controls implemented by the Group to identify tax risks in the Brazilian subsidiaries (identification of risks, documentation of risk assessment, engagement of external experts). We also performed the following procedures, with the assistance of our tax experts: • Interviews with the tax department of the Group and with the tax department of the Brazilian subsidiaries in order to assess the current status of the identified risks and ongoing litigations; • Review the opinions of the external counsels of the entities of the Group, including the opinions the responses to our written confirmation requests; • Analysis of the estimates and positions adopted by management to determine the need to record a provision and, where this is necessary, to assess reasonable assurance on the amount of provision to be recorded; • Assessment of the information disclosed in the notes 11.2.1 and 11.3 of the consolidated financial statements.
Measurement and recognition of rebates and service agreement *(See notes 1.3 and 6.2.1 to the consolidated financial statements)* The Group enters into a significant number of purchase agreements with suppliers which include: • Commercial discounts based on the purchase volumes or on other contractual terms such as the achievement of threshold or the increase of purchase volumes (« rebates »); • Revenues from services provided to suppliers by the Group (« service agreements »). Rebates and service agreements received from suppliers by the Group are estimated based on the contractual terms agreed in the purchase agreement with suppliers and are recorded as a reduction of cost of sales. Given the significant number of agreements and the specificities of each agreement, the correct measurement and recognition of rebates and service agreements in accordance with the contractual terms and the purchases volumes represent a key audit matter.	We have obtained an understanding on the internal controls implemented by the Group on the measurement and the recognition of rebates and service agreements. We assessed their design and implementation and we tested their effectiveness through a sample of agreements. Our other procedures consisted mainly, for a sample of rebates and service agreements of: • Matching the data used for the calculations of rebates and service agreements with the commercial conditions mentioned in the contracts signed with the suppliers; • Comparing last year's estimates with actual figures in order to assess the reliability of the rebates and service agreement measurement's process (review of the release of prior year's rebates); • Matching business volumes used for the calculation of the expected rebates and service agreements for the year ended December 31, 2021 with business volumes recorded in the Group's procurement system; • Performing substantive analytical procedures on the change in rebates and service agreements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance, required under Article L. 225-102-1 of the French Commercial Code (*code de commerce*), is included in the information relating to the group provided in the management report of the group, being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration. A report will be issued on this information by an independent third party.

Report on Other Legal and Regulatory Requirements

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer. Our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Carrefour by the Shareholders' Meetings held on April 15, 2003 for Deloitte & Associés, and on June 21, 2011 for Mazars.

As at December 31, 2021, Deloitte & Associés, and Mazars were in the 19th year, and 11th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris-La Défense and Courbevoie, February 25, 2022

French original signed by

MAZARS
Emilie LOREAL
Jérôme de PASTORS

DELOITTE & ASSOCIES
Stéphane RIMBEUF
Bertrand BOISSELIER

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CARREFOUR SA FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

7.1 Income statement

(in millions of euros)	*Note*	2021	2020
Reversals of impairment and provisions, and transferred charges		8	45
Other income		147	115
Total operating income		**155**	**159**
Other purchases and external charges		(154)	(168)
Wages and salaries, payroll taxes		(20)	(24)
Depreciation, amortisation, impairment and provision expense		(10)	(11)
Taxes other than on income, other operating expenses		(2)	(2)
Total operating expenses		**(186)**	**(205)**
Operating loss		(31)	(46)
Income from shares in subsidiaries and affiliates		517	853
Interest income, revenue from disposals of marketable securities		67	3
Reversals of impairment and provisions		136	31
Total financial income		**720**	**887**
Impairment and provision expense		(305)	(280)
Interest and other financial expenses		(130)	(178)
Total financial expenses		**(435)**	**(458)**
Financial income, net	*8.*	284	429
Recurring income before tax, net		254	383
Reversals of impairment and provisions		16	102
Depreciation, amortisation, impairment and provision expense		(5)	(3)
Other non-recurring income and expenses		253	(33)
Non-recurring income, net		264	65
Employee profit-sharing		-	-
Income tax	*9.*	319	102
NET INCOME		**837**	**550**

1 2 3 4 5 6 7 8 9

7.2 Balance sheet

ASSETS

(in millions of euros)	*Note*	December 31, 2021 Gross	December 31, 2021 Amortisation, depreciation and impairment	December 31, 2021 Net	December 31, 2020 Net
Intangible fixed assets	*4.2*	19	(18)	1	3
Tangible fixed assets	*4.2*	2	(2)	0	0
Financial investments	*4.1*	37,451	(7,870)	29,580	29,602
Fixed assets		37,471	(7,890)	29,582	29,605
Accounts receivable	*10.1*	934	(17)	917	935
Cash and marketable securities	*5.2*	207	(58)	149	134
Current assets		1,141	(75)	1,066	1,069
Prepayments and deferred charges	*10.1*	62	-	62	41
TOTAL ASSETS		**38,674**	**(7,965)**	**30,709**	**30,715**

EQUITY AND LIABILITIES

(in millions of euros)	*Note*	December 31, 2021	December 31, 2020
Share capital	*7.1*	1,940	2,044
Issue and merger premiums	*7.2*	16,587	17,183
Legal reserve	*7.3*	204	202
Regulated reserves	*7.3*	378	378
Other reserves	*7.3*	39	39
Retained earnings	*7.3*	2,268	2,102
Net income for the year	*7.3*	837	550
Tax-driven provisions		-	-
Shareholders' equity	*7.3*	22,252	22,498
Provision for contingencies and charges	*6*	122	167
Financial liabilities	*5.1*	5,913	6,740
Trade payables		5	9
Accrued taxes and payroll costs	*10.2*	209	101
Operating liabilities		214	110
Other miscellaneous liabilities	*10.2*	2,207	1,166
Accruals and deferred revenue	*10.2*	-	35
Miscellaneous liabilities		2,207	1,201
TOTAL EQUITY AND LIABILITIES		**30,709**	**30,715**

7.3 Statement of cash flows

(in millions of euros)	2021	2020
Net income	837	550
Depreciation and amortisation	2	2
Provisions and impairment of financial assets, net of reversals	(44)	117
Other changes	(37)	34
Cash flow from operations	757	703
Change in other receivables and payables	(348)	32
Net cash from operating activities	409	736
Acquisitions of shares in subsidiaries and affiliates	(345)	-
Disposals of shares in subsidiaries and affiliates	185	-
Change in other financial investments	-	
Other cash flows from investing activities[1]	-	5
Net cash from (used in) investing activities	(160)	5
Dividends paid	(383)	(57)
Share capital reduction	(700)	
Net change in debt	(826)	102
Change in intra-Group receivables and payables	1,659	(785)
Net cash used in financing activities	(251)	(741)
Net change in cash and cash equivalents	(1)	(0)
Cash and cash equivalents at beginning of year[1]	1	2
Cash and cash equivalents at end of year[1]	0	1
Net change in cash and cash equivalents	(1)	(1)

(1) Excluding treasury shares (recorded in assets, under marketable securities).

7.4 Notes to the Company financial statements

NOTE 1 DESCRIPTION OF THE COMPANY

Carrefour SA is the parent company of the Carrefour group.

It acts as a holding company through investments conferring direct or indirect control over Group entities.

Carrefour SA is the head of a tax consolidation group comprising the parent company and the major French subsidiaries.

It also conducts an external financing policy on behalf of the Group on the banking and capital markets, designed to maintain an appropriate level of liquidity and meet its commitments and investment requirements.

NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

Despite the continuing effects of the health crisis throughout 2021, Carrefour SA was able to continue to operate normally. The health crisis did not therefore affect its ability to continue as a going concern.

2.1 Sale of Market Pay

On October 30, 2020, Carrefour SA announced the sale of 60% of its Market Pay payment platform to AnaCap Financial Partners, a private equity firm focused on European financial services, with the aim of accelerating the platform's development and diversification. The remaining Market Pay shares were contributed to an entity created as part of the transaction, in exchange for 40% of the shares of the new entity. The transaction was completed on April 29, 2021 and gave rise to the recognition of a disposal gain of 242 million euros (net of disposal costs).

2.2 Share buyback programmes

Two share buyback were implemented during 2021:

(i) an initial share buyback for a maximum amount of 500 million euros, running from May 2021 to July 2021;

(ii) a second share buyback for a maximum amount of 200 million euros, running from August 4, 2021 to September 13, 2021.

Treasury shares in a total amount of 700 million euros were bought back under the programmes.

2.3 Capital reductions

Following the share buybacks under the above-mentioned buyback programme, Carrefour SA carried out two capital reductions by cancelling the shares bought back:

(i) an initial capital reduction in July 2021 involving the cancellation of 29,475,225 shares, corresponding to a capital reduction of 73.7 million euros and an impact on premiums of 426.3 million euros;

(ii) a second capital reduction in October 2021 involving the cancellation of 12,252,723 shares, corresponding to a capital reduction of 30.6 million euros and an impact on premiums of 169.4 million euros.

NOTE 3 ACCOUNTING PRINCIPLES

3.1 Basis of preparation

The financial statements of the Company have been prepared and are presented in accordance with the principles and policies defined in *Autorité des normes comptables* (ANC) Regulation 2014-03, approved by government order of September 8, 2014 and amended by all subsequently published Regulations.

The Carrefour SA financial statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding differences between the amounts reported in the various statements.

Assets and liabilities are measured according to the historical cost convention.

There were no changes in measurement or presentation methods in 2021 compared with the previous year, with the exception of the change in accounting policy for pension benefit obligations (see Note 6.2).

The preparation of financial statements involves the use of management estimates and assumptions that may affect the reported amounts of certain assets, liabilities, income and expenses. Due to the uncertainty inherent in any measurement process, amounts reported in future financial statements may differ from the currently estimated values.

3.2 Foreign currency translation

Income and expenses recorded in foreign currencies are translated at the exchange rate in force on the transaction date.

Receivables and payables denominated in foreign currency are recorded in the balance sheet at the closing exchange rate. The difference arising from the application of the year-end rate is recorded in the balance sheet under "Prepayments and deferred charges" or "Accruals and deferred revenue". A provision is set aside for the extent of unrealised losses at the reporting date.

NOTE 4 FIXED ASSETS

4.1 Financial investments

4.1.1 Accounting treatment and measurement

Financial investments consist of shares in subsidiaries and affiliates (including any allocated merger deficits), loans and advances to subsidiaries and affiliates and other financial assets.

Shares in subsidiaries and affiliates are stated at cost.

At January 1, 2016, on the first-time application of ANC Regulation 2015-06, merger deficits resulting mainly from the merger of Carrefour-Promodès in 2000 were allocated to the investments in Carrefour France, Norfin Holder, Caparbel, Carrefour Nederland BV and Hyparlo based on the respective unrealised gains as at that date.

Shares in subsidiaries and affiliates are tested for impairment at each year-end to confirm that their net carrying amount (including the net carrying amount of any allocated merger deficits) does not exceed their value in use.

Value in use is estimated based on a range of criteria including:

- the Company's interest in the investee's net assets;
- projected future cash flows from the investment;
- a fair value measurement of the net assets based on reasonable business projections or observable data if they exist (multiples of net sales and/or income statement aggregates for recent transactions, offers received from buyers, stock market multiples for comparable companies) or based on analyses performed by internal or external experts, adjusted where applicable for net debt.

An impairment loss is recorded when the net carrying amount (including, where applicable, the net carrying amount of any allocated merger deficit) exceeds value in use.

Impairment losses are recorded in net financial expense, along with amounts written off on disposal of the interests concerned. Gains and losses on disposal of shares in subsidiaries and affiliates are recorded in non-recurring income or expenses.

4.1.2 Changes in ownership interests over the year

FIXED ASSETS

(in millions of euros)	Shares in subsidiaries and affiliates	Deficits allocated to shares in subsidiaries and affiliates	Other financial assets	Financial assets, net in 2021	Financial assets, net in 2020
Gross amount at January 1	25,846	11,407	0	37,254	37,293
Capital increases and acquisitions(1)	418			418	-
Capital reductions and disposals/liquidations(2)	(220)			(220)	(39)
Gross amount at December 31 (A)	26,044	11,407	0	37,451	37,254
Impairment at January 1	(2,642)	(5,010)	-	(7,652)	(7,412)
Increases(3)	(241)			(241)	(268)
Reversals(3)	23			23	28
Accumulated impairment at December 31 (B)	(2,860)	(5,010)	0	(7,870)	(7,652)
NET TOTAL (A) - (B)	**23,183**	**6,397**	**0**	**29,581**	**29,602**

(1) The main movements during the 2021 financial year relate to:
- the addition of Match Topco shares for 72.7 million euros, corresponding to the value of the contribution of the remaining 40% of the Market Pay shares to Match Topco as part of the sale of Market Pay (see "Significant events of the year");
- the increase in Carrefour Management's capital by an amount of 95.2 million euros;
- the increase in Carrefour Italy's capital by 45 million euros;
- the increase in Soca BV's capital by 204.6 million euros.

(2) Liquidations in 2021 mainly concern the retirement of Market Pay shares for 15.3 million euros and of Soca BV shares for 204.6 million euros.

(3) Impairment of shares in subsidiaries and affiliates for the year mainly concerns:
- Carrefour Italy for 126.2 million euros;
- Carrefour Systèmes d'Information for 25.8 million euros;
- Carrefour Management for 88.9 million euros (the provision for negative net assets recognised in provisions for contingencies and charges at December 31, 2020 in the amount of 95.2 million euros was reversed in 2021).
- In addition, a 22.8-million-euro reversal was recognised for Guyenne & Gascogne.

Details of allocated shares in subsidiaries and deficits are presented in Note 12.

4.1.3 Carrefour France SAS

At December 31, 2021, the net carrying amount of the shares in Carrefour France SAS including allocated merger deficits amounted to 6,222 million euros, unchanged from December 31, 2020.

No additional impairment losses (or reversals of previous write-downs, mainly recorded in 2017), were recognised further to the impairment tests performed on the merger deficit allocated to Carrefour France shares at December 31, 2021 and December 31, 2020.

Value in use is estimated based on the sum of discounted future cash flows for a period of five years, plus a terminal value calculated by projecting data for the final year using a perpetuity growth rate. A specific discount rate by country is used for the calculation. Future cash flows used in the impairment tests were estimated based on financial projections prepared by country-level Executive Management teams and approved by the Group's Executive Management.

The main financial assumptions used for the purposes of discounting Carrefour France SAS's future cash flows were a post-tax discount rate of 5.1% (5.5% in 2020), and a perpetuity growth rate of 1.3% (1.6% in 2020).

4.2 Tangible and intangible fixed assets

Tangible fixed assets are stated at cost, corresponding to the purchase price and ancillary expenses.

Intangible fixed assets are mainly composed of software, stated at acquisition cost.

Intangible fixed assets are amortised and tangible fixed assets are depreciated over their estimated useful lives, as follows:

- software: 3 to 8 years;
- computer equipment: 3 years;
- building fixtures and fittings: 8 years;
- other: 3 to 10 years.

If the net carrying amount of a tangible or intangible fixed asset is not expected to be recovered through the future economic benefits generated by the asset, an impairment loss is recognised for the difference between its carrying amount and the higher of value in use and fair value.

Movements in tangible and intangible fixed assets in 2021 were as follows:

(in millions of euros)	Intangible fixed assets	Tangible fixed assets	Total in 2021	Total in 2020
Gross amount at January 1	19	2	21	21
Acquisitions	-	-	-	
Disposals and scrap	-	-	-	
Gross amount at December 31 (A)	19	2	21	21
Depreciation, amortisation and impairment at January 1	(16)	(2)	(17)	(16)
Depreciation/amortisation for the year	(2)		(2)	(2)
Reclassifications			-	-
Disposals and scrap			-	-
Depreciation/amortisation and impairment at December 31 (B)	(18)	(2)	(20)	(17)
NET TOTAL (A) - (B)	**1**	**0**	**1**	**3**

NOTE 5 FINANCING AND RISK MANAGEMENT

5.1 Borrowings

At December 31, 2021, borrowings broke down as follows:

	December 31, 2021				December 31, 2020
(in millions of euros)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total	Total
Bonds	1,000	3,383	1,500	5,883	6,686
Accrued interest	30			30	53
FINANCIAL LIABILITIES	**1,030**	**3,383**	**1,500**	**5,913**	**6,739**

Changes in bonds in 2021 are set out below:

		Face value			
(in millions of euros)	December 31, 2020	Issues	Repayments	Translation adjustments	December 31, 2021
EMTN, EUR, 11 years, 3.875%	871	-	(871)(1)	-	-
EMTN, EUR, 8 years, 1.75%	1,000	-	-	-	1,000
Non-dilutive convertible bonds, USD 500 million, 6 years, 0%	407	-	-	34	441
EMTN, EUR, 8 years, 0.750%	750	-	-	-	750
EMTN, EUR, 10 years, 1.25%	750	-	-	-	750
Non-dilutive convertible bonds, USD, 6 years, 0%	408	-	-	34	442
EMTN, EUR, 5 years, 0.88%	500	-	-	-	500
EMTN, EUR, 7.5 years, 1.75%	500	-	-	-	500
EMTN, EUR, 8 years, 1.00%	500		-	-	500
EMTN, EUR, 7 years, 2.625%	1,000				1,000
Total bonds and notes	6,686	0	(871)	68	5,883

(1) On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds.

5.2 Cash and marketable securities

			December 31, 2021	December 31, 2020
(in millions of euros)	Gross	Impairment	Net	Net
Treasury shares allocated to specific plans[1]	39		39	-
Available treasury shares[2]	168	(58)	110	133
Cash and cash equivalents[3]	0		0	1
CASH AND MARKETABLE SECURITIES	**207**	**(58)**	**149**	**134**

Cash and marketable securities comprise:

(1) Carrefour shares designated as being held for allocation to employees under stock option and performance share plans. They are stated at cost (or at their net carrying amount at the reclassification date if they are reclassified from "Treasury shares (available)" to "Treasury shares (allocated to specific plans)"). They are not written down to market value because they are intended to be allocated to employees and a provision is recorded in liabilities as explained below in Note 6.1.

(2) Carrefour shares available for allocation to employees or to stabilise the share price. These shares are stated at the lower of cost and market value, corresponding to the most recent share price.

(3) Cash at bank.

Initially, none of the treasury shares held by the Company were allocated to specific plans. Accordingly, they were recognised within "Cash and cash equivalents" as "Treasury shares (available)" and written down if their carrying amount exceeded the most recent share price. At the end of 2021, the Company decided to use treasury shares for the 2019 free share plan, which is expected to be delivered in February 2022. The treasury shares earmarked for the plan have therefore been reclassified from "Treasury shares (available)" to "Treasury shares (allocated to specific plans)" for their net carrying amount at the reclassification date (the previously-recognised impairment cannot be reversed), corresponding to 38.5 million euros (gross amount of 65.4 million euros and previously-recognised impairment of 26.9 million euros). A provision for contingencies and charges in the amount of 38.5 million euros was recorded at December 31, 2021 in respect of the share delivery expected in February 2022, offset by the recognition of accrued income of 34.6 million euros corresponding to the amount to be rebilled to subsidiaries in respect of the shares that will be delivered to their employees.

At December 31, 2021, cash and marketable securities comprise 9,457,539 Carrefour shares, of which 2,634,546 shares have been allocated to specific plans and 6,822,993 shares are available, for a gross amount of 207 million euros.

	Available treasury shares				Treasury shares allocated to specific plans			
(in millions of euros)	Number of shares	Gross value	Impairment	Net value	Number of shares	Gross value	Impairment	Net value
Amount at January 1, 2021	9,457,539	233	(101)	133	-	-	-	-
Reclassification to treasury shares allocated to specific plans	(2,634,546)	(65)	27	(39)	2,634,546	39	-	39
Net charge to/reversal of impairment of available treasury shares			16	16				
AMOUNT AT DECEMBER 31, 2021	**6,822,993**	**168**	**(58)**	**110**	**2,634,546**	**39**	**-**	**39**

Carrefour shares held at December 31, 2021 and not allocated to specific plans are measured based on the latest known quoted price, i.e., 16.105 euros, and their carrying amount is 110 million euros.

Movements in treasury shares in 2021 were as follows:

MARKETABLE SECURITIES

(in millions of euros)	Number of shares	Gross value of marketable securities	Impairment of marketable securities	Net value of marketable securities	Provisions for performance share plans
Amount at December 31, 2020	9,457,539	233	(101)	133	-
Shares purchased to cover performance share plans					
Delivery of performance shares allocated to specific plans					
Share buyback programme	41,727,948	700		700	
Cancellation of treasury shares	(41,727,948)	(700)		(700)	
Reclassification of available treasury shares to treasury shares allocated to specific plans		(27)	27		
Reversals of provisions for performance shares allocated to specific plans					
Additions to provisions for performance shares allocated to specific plans					(39)
Impairment of shares not yet allocated to specific plans			16	16	
AMOUNT AT DECEMBER 31, 2021	**9,457,539**	**207**	**(58)**	**148**	**(39)**

5.3 Liquidity

5.3.1 Credit facilities

At December 31, 2021, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros.

As a reminder, in May 2021, Carrefour exercised its option to extend its two credit facilities totalling 3.9 billion euros, from June 2025 to June 2026. This option has been applied to more than 99% of the Group's banking facilities. Group policy consists of keeping these facilities on stand-by to support the commercial paper programme.

The loan agreements for the syndicated lines of credit include the usual commitment clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. The pricing grid may be adjusted up or down to reflect changes in the long-term credit rating.

5.3.2 Financing programmes

Carrefour has 12 billion euros of available financing through its Euro Medium Term Notes (EMTN) programme, aimed at maintaining a presence in the debt market through regular debt issuance, mainly in euros, in order to create a balanced maturity profile. The Group updated the Euro Medium Term Notes (EMTN) programme in June 2021 to include a CSR component. The Group prepared and published a Sustainability-Linked Bond-type framework aimed at increasing the consideration given to CSR issues in Carrefour SA's bond financing. Following approval by the AMF, Carrefour SA is the first CAC 40 issuer to include an option of this type in its EMTN programme, further aligning its financing strategy with the Group's CSR objectives and ambitions.

Carrefour also has a 5 billion-euro commercial paper programme described in a prospectus filed with the Banque de France.

5.3.3 Securing the Group's long-term financing

On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds.

The Group's financial position and liquidity were solid at December 31, 2021. The average maturity of Carrefour SA's bond debt was 3.1 years at end-December 2021, compared with 3.6 years at end-December 2020.

5.4 Risk hedging

5.4.1 Interest rate risk

Interest rate risk is the risk of a change in interest rates leading to an increase in the Group's net borrowing costs.

Interest rate hedging is managed by Corporate Treasury and Financing. The hedging strategy and methods used to limit interest rate exposures and optimise borrowing costs are updated on a monthly basis.

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates. Financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates.

Interest rate hedging instruments are used mainly to limit the effects of changes in exchange rates on the Company's variable-rate borrowings. These are mainly basic swaps and options.

Details of derivative instruments outstanding and their carrying amounts are presented in Note 10.

5.4.2 Currency risk

Currency risk is the risk of an unfavourable change in exchange rates having an adverse effect on cash flows from transactions denominated in foreign currency.

As a holding company, Carrefour is exposed to currency risk on specific transactions (capital increases or dividend payments) with certain foreign subsidiaries whose functional currency is not the euro. Currency risk on these transactions can in certain cases be hedged by forward currency purchases.

On June 7, 2017, Carrefour issued 500 million US dollars' worth of six-year cash-settled convertible bonds (maturing in June 2023) to institutional investors. A EUR/USD cross-currency swap for 500 million US dollars with the same maturity was arranged in parallel to the bond issue in 2017.

On March 22, 2018, Carrefour issued another 500 million US dollars' worth of six-year cash-settled convertible bonds (maturing in March 2024). As for the 2017 bond issue, two EUR/USD cross-currency swaps for 250 million US dollars with the same maturity were arranged in parallel to the bond issue.

These operations, for which a EUR/USD cross-currency swap was arranged in euros, provide the Company with the equivalent of standard euro-denominated bond financing.

5.4.3 Equity risk

Company policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

From time to time, the Company buys back its shares on the market or purchases call options on its shares. These shares are mainly used to cover stock option and performance share plans.

The equity risk associated with the conversion options embedded in the bonds issued by the Group in June 2017 and March 2018 is fully hedged by symmetrical options contracted with banks.

NOTE 6 PROVISIONS AND IMPAIRMENT

A provision is recorded when (i) the Company has an obligation towards a third party, (ii) the amount of the obligation can be reliably estimated, (iii) it is probable that an outflow of resources will be necessary to settle the obligation and (iv) no equivalent economic benefit is expected to be received in return.

(in millions of euros)	December 31, 2020	Increases	Reversals: Used	Reversals: Surplus	Other movements	December 31, 2021
Obligations to deliver shares	0	39				39
Pension obligations	0					0
Provisions for shares in subsidiaries and affiliates	95	25	(95)	0		25
Disputes and miscellaneous risks	73	14	(8)	(20)		58
Provision for contingencies and charges	168	77	(103)	(20)		122
On financial assets	7,652	241		(23)		7,870
On accounts receivable	221		(205)			17
On other items (marketable securities)	101			(16)	(27)	58
Impairment	7,974	241	(205)	(39)	(27)	7,945
TOTAL PROVISIONS AND IMPAIRMENT	**8,141**	**319**	**(307)**	**(59)**	**(27)**	**8,067**

6.1 Provisions for share plans

Certain Carrefour group employees receive equity-settled share-based payments in the form of performance share and stock option plans.

Plans settled by issuing new shares

The Company does not set aside a provision for these plans, in accordance with the provisions of Article 624-6 of the French General Chart of Accounts *(Plan comptable général)*.

Performance share and stock option plans settled in existing shares

At the grant date, the Company does not recognise any expense in payroll costs in respect of performance shares and stock options, but on delivery of the performance shares or exercise of the stock options.

A provision is recognised when (i) the Company decides to set up a stock option or performance share plan, (ii) the Company has an obligation to deliver existing shares to grantees and (iii) it is probable or certain that an outflow of resources will be necessary to settle the obligation without any equivalent economic benefit being received in return.

When the vesting of performance shares or stock options is explicitly subject to a service condition requiring the grantee's continued presence at Carrefour for a specified future period, the provision is recognised on a straight-line basis over the vesting period.

2019 Plan

On February 27, 2019, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the 14th resolution of the Annual Shareholders' Meeting held on May 17, 2016 to grant new or existing performance shares. This plan provided for the grant of a maximum of 3,366,200 shares (excluding shares granted to the Executive Officer), representing 0.43% of the share capital. The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the plan was decided. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%); and
- a CSR-related condition for 25%.

As mentioned in Note 5.2, the shares that will be delivered to the grantees in February 2022 will be treasury shares held by the Company.

2020 Plan

On February 26, 2020, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the Extraordinary Shareholders' Meeting held on June 14, 2019 to grant new or existing performance shares. The plan provided for the grant of a maximum of 2,300,000 shares (excluding shares granted to the Executive Officer), representing 0.28% of the share capital. The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the plan was decided. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and adjusted free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%); and
- a CSR-related condition for 25%.

2021 Plan

On February 17, 2021, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the Extraordinary Shareholders' Meeting held on June 14, 2019 to grant new or existing performance shares. The plan provided for the grant of a maximum of 2,664,670 shares excluding shares granted the Executive Officer (representing 0.33% of the share capital). The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the plan was decided. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and adjusted free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%); and
- a CSR-related condition for 25%.

Characteristics

The main characteristics of the three performance share plans outstanding are presented below:

	2019 Plan	2020 Plan	2021 Plan
Date of the Shareholders' Meeting	May 17, 2016	June 14, 2019	June 14, 2019
Grant date(1)	February 27, 2019	February 26, 2020	February 17, 2021
Vesting date(2)	February 28, 2022	February 25, 2023	February 16, 2024
Total number of shares awarded at the grant date	3,615,346	2,604,597	3,000,000
Number of grantees at the grant date	640	516	690
Fair value of each share *(in euros)*(3)	14.33	13.05	11.85

(1) Notification date (i.e., date on which grantees were notified of the plans' characteristics and terms).
(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.
(3) The Carrefour share price on the grant date (reference price) adjusted for dividends expected during the vesting period and the expected achievement of market performance criteria.

Changes in the year

Movements in shares under these plans were as follows in 2021:

	2021	2020
Number of performance shares granted at January 1	5,453,908	3,232,646
Shares granted during the year	3,000,000	2,604,597
Shares delivered to grantees during the year	-	-
Shares cancelled during the year(1)	(546,339)	(383,335)
NUMBER OF PERFORMANCE SHARES GRANTED AT DECEMBER 31	**7,907,569**	**5,453,908**

(1) Including 299,100 shares cancelled under the 2019 Plan, 174,839 shares cancelled under the 2020 Plan and 72,400 shares cancelled under the 2021 Plan.

6.2 Provisions for pension benefit obligations

Pension benefit obligations corresponding to amounts payable to employees on retirement are measured using the projected unit credit method. The main actuarial assumptions used to measure the obligations are described below.

The Company applies the rules set out under ANC Recommendation 2013-02 for the recognition and measurement of pension benefits and other obligations. The recommendation was amended on November 5, 2021. In accordance with the amendments, the Company has changed its accounting policy in order to align the measurement of its pension benefits with the method used to prepare its IFRS consolidated financial statements. The 0.8-million-euro impact of the change in accounting policy was recorded in retained earnings at December 31, 2021.

6.2.1 Termination benefit obligations

Company employees in France are legally entitled to a lump-sum payment on retirement, with all rights vested to the persons concerned expensed during the year they are incurred.

The assumptions used to calculate the provision are as follows:

Assumptions	December 31, 2021	December 31, 2020
Rate of future salary increases	2.84%	2.84%
Payroll tax rate	36%	35%
Discount rate	0.80%	0.40%
Mortality table	TV TD 2016-2018	TV TD 2015-2017
Staff turnover rate (based on seniority):	Before age 55, average of the actual turnover rates for headquarters staff over the period 2019-2021; beyond age 55, the turnover rate is nil	Before age 55, average of the actual turnover rates for headquarters staff over the period 2018-2020; beyond age 55, the turnover rate is nil
0 to 5 years' seniority	*8.46%*	*4.98%*
6 to 10 years' seniority	*7.10%*	*5.10%*
11 to 15 years' seniority	*3.04%*	*2.10%*
16 to 20 years' seniority	*4.72%*	*4.33%*
21 to 25 years' seniority	*2.96%*	*3.75%*
More than 26 years' seniority	*3.26%*	*2.39%*

The provision at December 31, 2021 reflects the full amount of the present value of pension benefit obligations (including actuarial gains and losses and past service costs), net of plan assets. At December 31, 2021, the obligation net of plan assets corresponded to 234 thousand euros in assets.

6.2.2 Supplementary pension obligations

In 2009, the Group set up a supplementary defined benefit pension plan, amended in 2015. Following publication of government order 2019-697 dated July 3, 2019 (on transposition into French law of the European "Portability" Directive), the supplementary pension plan was cancelled by decision of the Board of Directors on April 20, 2020 and the provision carried in the consolidated statement of financial position at December 31, 2019 was reversed in full.

In addition, at its meeting of April 20, 2020, the Board of Directors decided to set up a new supplementary pension plan that meets the requirements of Article L. 137-11-2, as amended, of the French Social Security Code (*Code de la sécurité sociale*), effective from January 1, 2020. The main characteristics of the new plan are as follows:

- beneficiaries will retain the annual rights accrued in the event that they leave the Company;
- the rights accrued in a given year will be calculated based on the compensation for that year (reference compensation), without exceeding 60 times the annual social security ceiling;
- rights vest subject to the achievement of annual performance conditions: the performance criteria and specified targets are chosen among those used by the Board of Directors to determine the annual variable component of the Executive Officer's compensation;
- the annual vesting rate under the plan will vary depending on the achievement rates for the performance criteria, and the aggregate annual percentages applied for a given beneficiary, all employers combined, will be capped at 30%.

The Group has externalised the plan's management to an insurance company.

NOTE 7 SHAREHOLDERS' EQUITY

7.1 Share capital

At December 31, 2021, the share capital was made up of 775,895,892 ordinary shares with a par value of 2.50 euros each, versus 817,623,840 shares at December 31, 2020.

The change during the year corresponds to the shares cancelled in connection with the capital reductions carried out in July and October 2021.

7.2 Issue and merger premiums

Issue premiums represent the difference between the nominal amount of shares issued and the amount, net of costs, of cash or in-kind contributions received by Carrefour SA.

7.3 Changes in shareholders' equity

(in millions of euros)	Share capital	Issue and merger premiums	Other reserves, retained earnings	Net income	Total shareholders' equity
Shareholders' equity at December 31, 2020	2,044	17,182	2,721	550	22,498
Appropriation of net income for 2020			167	(550)	(383)
Share capital reduction	(104)	(596)			(700)
Other movements			1		1
Net income for 2021				837	837
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021	**1,940**	**16,587**	**2,889**	**837**	**22,252**

At the Annual Shareholders' Meeting held on May 21, 2021, the shareholders decided to set the 2020 dividend at 0.48 euro per share. The dividend was paid on May 28, 2021 for a total amount of 383.1 million euros. Dividends not paid on Carrefour shares held in treasury on the ex-dividend date, in the amount of 9.4 million euros, were credited to retained earnings.

As mentioned in Note 2, further to buying back treasury shares for a total amount of 700 million euros, the Company carried out two capital reductions through the cancellation of shares: (i) an initial capital reduction in July 2021 involving the cancellation of 29,475,225 shares, corresponding to a capital reduction of 73.7 million euros and an impact on premiums of 426.3 million euros; (ii) a second capital reduction in October 2021 involving the cancellation of 12,252,723 shares, corresponding to a capital reduction of 30.6 million euros; and (iii) an impact on premiums of 169.4 million euros.

Other movements correspond to the impact of the change in policy for pension benefit obligations (see Note 6.2).

7.4 Treasury share reserve

At December 31, 2021 and December 31, 2020, a total of 9,457,539 shares were held in treasury.

Shares held in treasury are intended for the Group's performance share plans. All rights attached to these shares are suspended for as long as they are held in treasury.

The net carrying amount of Carrefour shares held at December 31, 2021 was 148 million euros (see Note 5.2) versus 132 million euros at December 31, 2020.

NOTE 8 FINANCIAL INCOME, NET

Net financial income breaks down as follows:

(in millions of euros)	2021	2020
Dividends	517	853
Interest and other financial expenses	(130)	(178)
Increase in impairment and provisions for shares in subsidiaries and affiliates	(305)	(280)
Reversals of impairment and provisions for shares in subsidiaries and affiliates	136	31
Other financial income and expenses	67	3
FINANCIAL INCOME, NET	**284**	**429**

In 2021, dividends received stood at 517 million euros, mainly including:

- 182.8 million euros from Spanish subsidiary Norfin Holder;
- 90.3 million euros from Brazilian subsidiary Atacadão;
- 85.6 million euros from French subsidiary CRFP8;
- 45 million euros from Belgian subsidiary Caparbel.

Interest expense was mainly attributable to bond issues.

Further to their remeasurement at December 31, 2021, the Company recognised an increase of 218.4 million euros in the net charge to impairment of shares in subsidiaries and affiliates, and 69.8 million euros in net reversals of provisions for shares in subsidiaries and affiliates (see Note 6).

The increase for the year also includes a reversal of impairment of marketable securities for 15.7 million euros and a charge to impairment in respect of the delivery of treasury shares under the 2019 free share plan for 38.5 million euros (see Note 5.2).

Other financial income and expenses include the deferral of bond redemption premiums as well as exchange gains and losses.

NOTE 9 INCOME TAX

9.1 Breakdown of net income and corresponding tax

(in millions of euros)	Before tax	Tax	After tax
Recurring income before profit-sharing	254		254
Non-recurring income, net	264	(66)	198
Group relief		385	385
2021 NET INCOME	**518**	**319**	**837**

The income tax benefit for 2021 corresponds to net income from tax consolidation.

Tax credits deductible from income tax expense are reported in the income statement under "Income tax".

9.2 Tax consolidation

Carrefour SA is the head of a tax consolidation group.

Each company in the tax group records in its accounts the income tax expense or benefit that it would have paid or received if it had been taxed on a stand-alone basis.

The tax saving or additional tax charge corresponding to the difference between the sum of the taxes payable by the companies in the tax group and the tax expense or benefit calculated on the basis of the tax group's consolidated profit or loss is recorded by Carrefour SA.

In 2021, the tax saving resulting from tax losses at subsidiaries in the tax consolidation group amounted to 1,403 million euros (1,438 million euros in 2020).

9.3 Unrecognised deferred taxes

The following table shows the impact of temporary differences between Carrefour SA's taxable profit and accounting profit.

	December 31, 2021		December 31, 2020	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
1- Temporarily non-deductible expenses				
• Provisions for pension obligations				
• Provisions for contingencies and charges	2		3	
• Other				
2- Temporarily non-taxable revenue				
• Capital gains on mergers and asset contributions qualifying for rollover relief		250		250
3- Tax loss carryforwards	256		315	
TOTAL	**258**	**250**	**318**	**250**

The amount of 250 million euros recorded in liabilities corresponds to deferred taxes arising on share contribution transactions qualifying for preferential tax treatment under Article 210B of the French General Tax Code (*Code général des impôts*).

NOTE 10 OTHER INFORMATION

10.1 Accounts receivable and accrued assets

Accounts receivable mainly correspond to intra-group receivables related to the provision of services, in which case the receivables are recognised when the service is provided.

They are recorded in the balance sheet at their nominal amount. An impairment loss is recorded when there is a risk that they may not be recovered.

CURRENT ASSETS

(in millions of euros)	December 31, 2021	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2020
Accounts receivable	934	934			1,157
Subtotal accounts receivable	934	934			1,157
Translation losses					
Other accruals[1]	62	62			41
Subtotal accruals	62	62			41
TOTAL	**996**	**996**			**1,198**

(1) Other accruals mainly include bond issuance premiums for 18.1 million euros and bond issuance costs for 7.2 million euros, which are deferred over the life of the corresponding bonds.

10.2 Accounts payable and accrued liabilities

The debt maturity schedule is as follows:

(in millions of euros)	December 31, 2021	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2020	Due within 1 year
Bank borrowings	-	-			-0	-0
Trade payables	5	5			9	9
Accrued taxes and payroll costs	209	209			101	101
Other liabilities[1]	2,207	2,207			1,166	1,166
Translation gains	-	-			35	35
TOTAL	**2,421**	**2,421**			**1,311**	**1,311**

(1) Other liabilities essentially correspond to intra-group payables.

10.3 Related parties

There were no material transactions with related parties other than wholly-owned subsidiaries that were not entered into on arm's length terms.

10.4 Off-balance sheet commitments

10.4.1 Derivative instruments

Derivative instruments used (in millions of euros)	Notional amount covered by maturity					Market value of derivatives	
	December 31, 2021	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2020	December 31, 2021	December 31, 2020
Purchased calls	883		883		815	22	17
Currency swaps	883		883		815	120[1]	52
EUR/USD on convertible bonds							
Purchased interest rate options (caps)	100	100			600	0	
Purchased swaptions	575	300	275		650	8	2
Sold swaptions	(250)	(250)			(300)	(4)	(13)
TOTAL	**2,191**	**150**	**2,041**	**-**	**2,580**	**146**	**58**

(1) A EUR/USD cross-currency swap for 500 million US dollars was arranged in 2017 in parallel to and with the same maturity as a cash-settled convertible bond issue on June 7, 2017.
Two EUR/USD cross-currency swaps for 250 million US dollars with the same maturity were arranged in March 2018 in parallel to a 500-million-US-dollar cash-settled convertible bond issue.

10.4.2 Other commitments

(in millions of euros)	December 31, 2021	December 31, 2020
Guarantees[1]	34	13
Rent guarantees	-	-
Other guarantees given		-
Commitments given	34	13
Undrawn syndicated lines of credit[2]	3,900	3,900
Rent guarantees	-	-
Commitments received	3,900	3,900

(1) Guarantees mainly relate to guarantees issued on behalf of the Group's captive insurance company.
(2) At December 31, 2021, the Company had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. In 2020, Carrefour exercised the option to extend the two credit facilities from June 2025 to June 2026.
The first credit facility ("Club deal") was negotiated with a syndicate of eight banks for a total of 1.4 billion euros. The second credit facility ("Syndicated facility") was negotiated with a syndicate of 21 banks for a total of 2.5 billion euros.

10.5 Employees and compensation

10.5.1 Average number of employees

	2021	2020
Managerial	4	5
AVERAGE NUMBER OF EMPLOYEES	**4**	**5**

10.5.2 Compensation

Details of management compensation are provided in the management report.

NOTE 11 SUBSEQUENT EVENTS

No events have occurred since the year-end that would have a material impact on the Company at December 31, 2021.

NOTE 12 SUBSIDIARIES AND AFFILIATES

(in millions of euros)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment, net	Gross amount of merger losses allocated to shares	Net amount of merger losses allocated to shares	Last published income	Last published revenue	Dividends received
A- DETAILED INFORMATION										
1. Subsidiaries (over 50% owned)										
France										
CARMA	23	94	50.0%	44	44	-	-	5	0	0
Carrefour Banque	101	355	60.0%	124	124	-	-	(14)	278	0
Carrefour France	1,995	5	99.6%	3,979	3,979	6,952	2,243	(39)	15	0
CARREFOUR MANAGEMENT	0	(99)	100.0%	118	6	-	-	4	0	0
CARREFOUR SYSTEMES D'INFORMATION	164	(141)	100.0%	168	0	-	-	35	405	0
CRFP 8	3,381	196	74.8%	2,528	2,528	-	-	120	0	86
CRFP 13	863	454	38.0%	385	385	-	-	(24)	0	0
GUYENNE ET GASCOGNE	106	(34)	100.0%	428	250	-	-	(57)	12	0
HYPARLO	63	60	100.0%	450	450	180	155	(77)	0	0
TOTAL				**8,223**	**7,767**	**7,132**	**2,398**	**(46)**	**709**	**86**
International										
CARREFOUR ASIA	170	(166)	100.0%	190	4					0
Carrefour Nederland BV	2,259	1,316	100.0%	3,603	3,603	767	675			0
NORFIN HOLDER	2	4,324	79.9%	3,177	3,177	2,872	2,688			183
CAPARBEL	6,334	9	100.0%	6,334	6,334	636	636			45
TOTAL				**13,304**	**13,119**	**4,275**	**3,998**	**0**	**0**	**228**
2. Affiliates (10%-50% owned)										
International										
ATACADÃO	1,200	1,265	32.8%	251	251	-	-			90
CARREFOUR FINANCE	6,816	633	25.0%	1,668	1,668	-	-			0
CARREFOUR ITALIA	1,289	(391)	30.0%	2,237	32	-	-			0
TOTAL				**4,156**	**1,951**	**0**	**0**	**0**	**0**	**90**

(in millions of euros)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment, net	Gross amount of merger losses allocated to shares	Net amount of merger losses allocated to shares	Last published income	Last published revenue	Dividends received
B- AGGREGATE INFORMATION										
1. Other subsidiaries										
France				11	11	0	0			67
International				0		0	0			0
2. Other investments										
France				101	96	0	0			20
International				248	240	0	0			26
C- GENERAL INFORMATION ABOUT INVESTMENTS										
French subsidiaries (total)				8,234	7,778	7,132	2,398			153
International subsidiaries (total)				13,304	13,119	4,275	3,998			228
French affiliates (total)				101	96	0	0			20
International affiliates (total)				4,404	2,190	0	0			117
TOTAL				**26,043**	**23,183**	**11,407**	**6,397**			**517**

Data in greyed out cells are not provided because their disclosure would be seriously prejudicial to the Company's interests.

The columns "Share capital", "Reserves and retained earnings", "Last published income" and "Last published revenue" correspond to information for 2020 since the 2021 data have not yet been authorised for issue by the appropriate governance bodies.

7.5 Statutory Auditors' report on the financial statements

For the year ended December 31, 2021

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Carrefour Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Carrefour for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (*code de commerce*) and the French Code of ethics (*code de déontologie*) for statutory auditors for the period from January 1, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

Emphasis of Matter

We draw attention, to the following matter described in note 6.2 to the financial statements regarding the recommendation by the ANC n°2013-02 modified on November 5, 2021, in order to align the provision for employee benefits with the method used to prepare the Carrefour Group's IFRS consolidated accounts. Our opinion is not modified in respect of this matter.

Justification of Assessments – Key Audit Matter

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on specific items of the financial statements.

Key Audit Matter

Measurement of the value in use of the shares in Carrefour France SAS

(See notes 4.1.1, 4.1.3, and 12 to the financial statements)

As of December 31, 2021, the net book value of the shares in Carrefour France S.A.S. including allocated merger losses amounted to €6,222 million.

As stated in Note 4.1.1 to the financial statements, shares in subsidiaries and affiliates are subject to impairment tests at each year-end in order to verify that their net carrying amount (including, where necessary, the net carrying amount of allocated merger losses) does not exceed their value in use. Otherwise, an impairment loss is recognized in the financial result.

As stated in Note 4.1.3 to the financial statements, the value in use of the shares in Carrefour France S.A.S. has been determined based on projections of future cash flows established by the country's Executive Management and validated by the Group's Executive Management, based on significant judgments from Management, such as the discounting of future cash flows over a period of five years with a determination of a terminal value calculated from the extrapolation of the final year's data to the perpetual growth rate and the use of a specific discount rate per country.

The test performed as at December 31, 2021 on the merger losses allocated to the shares of Carrefour France does not put forward the need to recognize in the financial statements an additional impairment loss or a reversal of impairment which has been mainly booked during the 2017 financial year.

Due to the significant net carrying amount of the shares, uncertainties relating mainly to the probability of the realization of the future cash flow forecasts used to measure the value in use and sensitivity to changes of the financial data and assumptions used, we considered the measurement of the value in use of the shares in Carrefour France S.A.S. to be a key audit matter.

Responses as part of our audit

In order to estimate the value in use of the shares in Carrefour France S.A.S. as determined by management, our work mainly consisted in:

- assessing the appropriateness of the methodology used to determine the value in use;
- analyzing the consistency of the cash flow forecasts used with our understanding of the group's strategic outlook and guidance for French operations and with the management's latest assessment;
- compare the actual performance observed for past periods with the previous forecasts to verify the reliability of the forecasting process;
- ensuring that the value resulting from future cash flow forecasts has been adjusted to the amount of net debt;
- analyzing the reasonableness of the financial parameters used (discount and perpetual growth rates) with the assistance of our specialists in financial valuation and relying particularly on experts valuations;
- assessing the appropriateness of the disclosures in Notes 4.1.1, 4.1.3, and 12 to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, 2021 and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

In accordance with French law, we report to you that the information relating to payment times referred to Article D. 441-6 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 et L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by or allocated to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled companies that are included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Carrefour by the Shareholders' Meetings held on April 15, 2003 for Deloitte & Associés, and on June 21, 2011 for Mazars.

As of December 31, 2021, Deloitte & Associés, and Mazars were in the 19th, and 11th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the Company's affairs.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matter that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, and Courbevoie, April 21, 2022

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS	MAZARS
Stéphane Rimbeuf	Jerôme de Pastors
Bertrand Boisselier	Emilie Loreal

8

INFORMATION ABOUT THE COMPANY AND THE CAPITAL

8.1 Information about the Company

8.1.1 CORPORATE NAME, TRADE AND COMPANIES REGISTER AND LEGAL ENTITY IDENTIFICATION NUMBER (LEI)

Carrefour

Registered with the Evry Trade and Companies Register under no. 652 014 051

LEI: 549300B8P6MUJ1YWTS08

8.1.2 HEAD OFFICE, PHONE NUMBER AND WEBSITE

93, avenue de Paris, 91300 Massy, France

Phone: +33 (0)1 64 50 50 00

Website: *http://www.carrefour.com* (the information provided on the website does not form part of the Universal Registration Document unless that information is incorporated by reference into the Universal Registration Document).

8.1.3 LEGAL FORM AND TERM

French public limited company (*société anonyme*) governed by the provisions of the French Commercial Code (*Code de commerce*).

By decision of the Shareholders' Meeting of July 28, 2008, the Company adopted the form of a *société anonyme* (public limited company) with a Board of Directors. Following its deliberations on June 21, 2011, the Board of Directors decided to combine the duties of Chairman and Chief Executive Officer.

This Board of Directors' decision to combine the duties of Chairman and Chief Executive Officer met the objective to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance (see Section 3.1.1 of this Universal Registration Document).

The term of the Company, which began on July 11, 1959, will expire on July 10, 2058, unless the Company is wound up in advance or its term is extended.

8.1.4 MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

8.1.4.1 *Raison d'être* (preamble)

Our mission is to provide our customers with quality services, products and food accessible to all across all distribution channels. Thanks to the competence of our employees, to a responsible and multicultural approach, to our broad territorial presence and to our ability to adapt to production and consumption modes, our ambition is to be the leader of the food transition for all.

8.1.4.2 Corporate purpose (Article 3)

The purpose of the Company is to:

- create, acquire and operate, in France and abroad, stores for the sale of all items, products, foodstuffs and merchandise and, secondarily, provide within the said stores all services that may be of interest to customers;
- purchase, manufacture, sell, represent and package the said products, foodstuffs and merchandise;
- in general, carry out all industrial, commercial, financial, property and real estate operations relating directly or indirectly to the said purpose, or which may facilitate the said purpose or ensure its development.

The Company may act, directly or indirectly, and conduct any and all of the said operations in any country, on its own behalf or on behalf of third parties, either alone or within partnerships, alliances, groups or companies, with any other persons or companies, and carry out and complete them in any manner whatsoever.

The Company may also acquire any and all interests and stakes in any French or foreign companies or businesses, regardless of their purpose.

8.1.4.3 Board of Directors (Articles 11, 12, 13 and 14)

The Company is managed by a Board of Directors comprising between three and eighteen members.

When the number of Directors appointed by the Ordinary Shareholders' Meeting exceeding 75 years of age is higher than one-third of the Directors in office, the oldest Director is deemed to have resigned; his/her term expires at the next Ordinary Shareholders' Meeting.

Each Director must own at least 1,000 shares during his/her term of office, with the exception of the Directors representing employees.

The members of the Board of Directors, including the Directors representing employees, are appointed for a three-year term.

One-third (or an equivalent proportion) of the members of the Board of Directors appointed by the Ordinary Shareholders' Meeting is renewed every year. At the Board of Directors' meeting following the initial appointments, the names of the Directors exiting the Board at the end of their first and second year are determined by drawing lots. Exiting Directors are eligible for re-appointment.

The Directors cease to hold office at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous year and held during the year in which their term of office expires, with the exception of the Directors representing employees, whose term of office ends on the anniversary date of their appointment.

When the Company falls within the scope of Article L. 225-27-1 of the French Commercial Code, the Board of Directors also includes one or more Directors representing employees. The number of such Directors and the conditions of their appointment are set by the applicable legal provisions and the Company's Articles of Association.

When only one Director representing employees is to be appointed, he/she is appointed by the Group Committee (*Comité de Groupe français Carrefour*). When two Directors representing employees are to be appointed, the second is appointed by the European Works Council (*Comité d'information et de concertation européen Carrefour*).

The Director(s) representing employees are not taken into account for the determination of the maximum number of Directors provided for by the French Commercial Code, or for the enforcement of Article L. 225-18-1 paragraph 1 of the French Commercial Code.

The office of the Director(s) representing employees expires before its term under the conditions provided for by law and this Article, in particular in the case of the termination of his/her/their employment agreement, except in the event of an intergroup transfer. If the conditions provided for in Article L. 225-27-1 of the French Commercial Code are not fulfilled at the end of a given financial year, the office of the Director(s) representing employees expires at the end of the meeting during which the Board of Directors acknowledges that the Company is no longer subject to the said legal requirement.

In the event of a vacancy, for any reason, of the office of a Director representing employees, the vacant seat is filled according to the conditions provided for in Article L. 225-34 of the French Commercial Code. Until the date of replacement of the Director representing employees, the Board of Directors may validly meet and deliberate.

In addition to the provisions of Article L. 225-29 paragraph 2 of the French Commercial Code, and for the avoidance of doubt, it is specified that the failure of the committee(s) designated by the Company's Articles of Association to appoint a Director or Directors representing employees does not affect the validity of the Board of Directors' deliberations, in accordance with the law and this Article.

Subject to the provisions of this Article and to the applicable legal provisions, the Director(s) representing employees have the same status, rights and obligations as the other Directors.

The Board of Directors appoints a Chairman, from among its members, who must be an individual. The age limit for the position of Chairman is 75. The Chairman may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the financial statements for the previous year and held during the year in which he/she reaches the age of 70.

The Chairman may be appointed for the entire duration of his/her term of office as a Director.

The Board of Directors appoints a Vice-Chairman, from among its members, who is asked to replace the Chairman in case of absence, temporary unavailability, resignation, death or non-renewal of his/her term of office. If the Chairman is temporarily unavailable, the Vice-Chairman replaces him/her for a defined period of time during such unavailability; otherwise the Vice-Chairman acts as Chairman until a new Chairman is appointed.

The Chairman organises and directs the Board of Directors' work, reporting thereon to the Shareholders' Meeting.

The Chairman ensures the proper functioning of the Company's bodies and, in particular, that the Directors are able to perform their duties.

The Board of Directors meets as often as required to serve the Company's interests, either at the head office or at any other place indicated in the Notice of Meeting. Certain decisions referred to in Article L. 225-37 of the French Commercial Code may be the subject of written consultations of the Directors.

The Directors are called to meetings by the Chairman or, where necessary, by the Vice-Chairman, by any means, including orally.

Board of Directors' meetings are chaired by the Chairman of the Board of Directors or, where necessary, by the Vice-Chairman.

Proceedings are conducted under the conditions of quorum and majority prescribed by law.

The Board of Directors' deliberations are recorded in minutes kept in a special register in accordance with the applicable legislation or Article R. 225-22 of the French Commercial Code, in electronic format. In such a case, the minutes are signed using an electronic signature that complies with the minimum requirements of an advanced electronic signature provided for in Article 26 of Regulation (EU) 910/2014 of the European Parliament and of the Council of July 23, 2014 on electronic identification and trusted services for electronic transactions within the internal market. The Secretary of the Board of Directors is authorised to certify copies and extracts of meeting minutes.

The Board of Directors determines the Company's business strategy and oversees its implementation.

Subject to the powers expressly attributed to the Shareholders' Meetings and within the scope of the corporate purpose, the Board of Directors deals with all matters relating to the proper management of the Company and, through its proceedings, handles other matters concerning it.

The Board conducts the controls and audits that it deems appropriate. The Directors receive all information needed to perform their duties and may consult any documents that they deem useful.

8.1.4.4 Management (Article 16)

As provided for by law, the management of the Company comes under the responsibility of either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Based on a majority vote of the Directors present or represented, the Board of Directors chooses between the two aforementioned management methods.

The Board of Directors appoints, from among its members or otherwise, the Chief Executive Officer, an individual under the age of 70, who has the broadest powers to act on the Company's behalf under all circumstances. The Chief Executive Officer exercises his/her powers within the scope of the corporate purpose and subject to the powers expressly attributed by law to the Shareholders' Meetings and the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

The age limit for the position of Chief Executive Officer is 70. The duties of a Chief Executive Officer who reaches the said age limit cease following the Shareholders' Meeting called to approve the financial statements for the previous year and held during the year in which the said age limit is reached.

When the Company is managed by the Chairman, the provisions of the laws and regulations or the Company's Articles of Association relating to the Chief Executive Officer are applicable to the Chairman. The Chairman assumes the title of Chairman and Chief Executive Officer and may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the financial statements for the previous year and held during the year in which he/she reaches the age of 70.

The Board of Directors may determine the areas in which the Chief Executive Officer must consult the Board of Directors in performing his/her duties.

8.1.4.5 Shareholder rights (Article 9)

Double voting rights are conferred on all fully paid up registered shares that have been registered in the name of the same shareholder for at least two years.

Double voting rights are cancelled for any shares converted into bearer form or whose ownership is transferred, subject to any exceptions provided for by law.

Solely the Extraordinary Shareholders' Meeting is authorised to modify shareholders' rights, as provided for by law.

8.1.4.6 Shareholders' Meetings (Articles 20 to 23)

All shareholders are entitled to attend Shareholders' Meetings in person or by proxy, upon presentation of identification and evidence of share ownership, in the form and at the place indicated in the Notice of Meeting, in accordance with the conditions provided for in the applicable regulations.

Every shareholder has the right to participate in Shareholders' Meetings by way of a proxy granted to any other person or legal entity of his/her choice, and may also vote by post, subject to the conditions provided for in the applicable regulations.

Any shareholder may, if the Board of Directors so decides when convening the Shareholders' Meeting, also participate in and vote at Shareholders' Meetings via videoconference or any other means of telecommunication (including the Internet) that enables him/her to be identified under the conditions and according to the procedures provided for in the applicable laws. Shareholders are notified of such a decision in the Notice of Meeting published in the French legal gazette (*Bulletin des annonces légales obligatoires*).

Any shareholders who use, for such purpose and within the required periods, the electronic voting form provided on the website set up by the Shareholders' Meeting organiser are considered to be shareholders present or represented. The electronic form may be completed and signed directly on the site using a login and password, as provided for in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code (*Code civil*).

The proxy or vote thus cast electronically prior to the Shareholders' Meeting, as well as the acknowledgement of receipt provided, will be considered binding documents that are enforceable against all persons, it being specified that, in the event of a transfer of shares occurring prior to the date provided for in the applicable laws and regulations, the Company will invalidate or modify accordingly, depending on the situation, the proxy or vote cast prior to said date.

Shareholders' Meetings are convened by the Board of Directors under the conditions and within the time limits prescribed by law. They are held at the head office or at any other place indicated in the Notice of Meeting.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman or a Director designated by the Board of Directors.

Vote teller duties are fulfilled by the two shareholders, present and willing, who hold the greatest number of votes, either in their own name or by proxy.

The Meeting Committee (*Bureau*) appoints a secretary, who does not need to be a member of the Shareholders' Meeting.

Ordinary and Extraordinary Shareholders' Meetings voting under the conditions of quorum and majority prescribed by law exercise the powers attributed to them in accordance with the law.

8.1.4.7 Provision of the issuer's Articles of Association that would delay, postpone or prevent a change in its control

None.

8.2 Information about the capital

8.2.1 CHANGE IN SHARE CAPITAL

Share capital reductions

Capital reduction on July 28, 2021

Further to the implementation of its share buyback programme and pursuant to the authorisation granted by the Shareholders' Meeting of May 21, 2021 (21st resolution), the Board of Directors decided to reduce the Company's share capital by cancelling shares purchased under the programme.

The Company's share capital was accordingly reduced by a nominal amount of 73,688,062.50 euros (seventy-three million, six hundred and eighty-eight thousand, sixty-two euros and fifty cents) through the cancellation of 29,475,225 Company shares.

Following the reduction, the share capital amounted to 1,970,371,537.50 euros (one billion, nine hundred and seventy million, three hundred and seventy-one thousand, five hundred and thirty-seven euros and fifty cents), divided into 788,148,615 shares with a par value of 2.50 euros each.

Capital reduction on October 20, 2021

Further to the implementation of its share buyback programme and pursuant to the authorisation granted by the Shareholders' Meeting of May 21, 2021 (21st resolution), the Board of Directors decided to reduce the Company's share capital by cancelling shares purchased under the programme.

The Company's share capital was accordingly reduced by a nominal amount of 30,631,807.50 euros (thirty million, six hundred and thirty-one thousand, eight hundred and seven euros and fifty cents) through the cancellation of 12,252,723 Company shares.

Following the reduction, the share capital amounted to 1,939,739,730 euros (one billion, nine hundred and thirty-nine million, seven hundred and thirty-nine thousand, seven hundred and thirty euros), divided into 775,895,892 shares with a par value of 2.50 euros each.

Shares not representing capital: number and primary characteristics

None.

Amount of convertible or exchangeable securities or securities with stock purchase warrants

None.

Information on the conditions governing any right of acquisition and/or any obligation relating to unpaid share capital, or on any undertaking to increase the capital

None.

Information on the capital of any member of the Group that is under option or subject to a conditional or unconditional agreement to be put under option, and the details of such options

None.

8.2.2 SUMMARY OF DELEGATIONS OF AUTHORITY AND POWERS CONCERNING CAPITAL INCREASES

Type	Guarantee amount	Duration	Expiry date	Use during 2021
Issue of shares and/or marketable securities with pre-emptive subscription rights				
• Shares	€500 million	26 months	July 21, 2023	-
• Other marketable securities	€4.5 billion	26 months	July 21, 2023	-
Issue of shares and/or marketable securities without pre-emptive subscription rights as part of a public tender or public exchange offer made by the Company for another company				
• Shares	€175 million	26 months	July 21, 2023	-
• Other marketable securities	€1.5 billion	26 months	July 21, 2023	-
Issue of shares and/or marketable securities without pre-emptive subscription rights (private placement)				
• Shares	€175 million	26 months	July 21, 2023	-
• Other marketable securities	€1.5 billion	26 months	July 21, 2023	-
Issue of shares and/or marketable securities to remunerate contributions-in-kind granted to the Company in an amount of up to 10% of the share capital	10%	26 months	July 21, 2023	-
Capital increase by incorporation of reserves, profits and premiums	€500 million	26 months	July 21, 2023	-
Capital increase in favour of employees who are members of a Company savings plan (shareholder waiver of pre-emptive subscription rights)	€35 million	26 months	July 21, 2023	-
Free allotment of new or existing Company shares to salaried employees and officers of the Company and its affiliates (shareholder waiver of pre-emptive subscription rights)	0.8% 0.25% (Company officers)	26 months	July 21, 2023	-
Transactions in Company shares	10% of the Company's capital	18 months	Nov. 20, 2022	41,727,948 shares, i.e., approximately 5.10% of the Company's share capital

8.2.3 CHANGE IN THE COMPANY'S CAPITAL

Event	Change in the number of shares	Capital *(in euros)*
Position at December 31, 2016	756,235,154	1,890,587,885.00
Capital increase resulting from the option to pay the dividend in shares	18,442,657	
Position at December 31, 2017	774,677,811	1,936,694,527.50
Capital increase resulting from the option to pay the dividend in shares	14,575,028	
Position at December 31, 2018	789,252,839	1,973,132,097.50
Capital increase resulting from the option to pay the dividend in shares	17,096,567	
Capital increase resulting from the vesting of performance shares issued under the 2016 long-term incentive plan	916,098	
Position at December 31, 2019	807,265,504	2,018,163,760.00
Capital increase resulting from the option to pay the dividend in shares	10,358,336	
Position at December 31, 2020	817,623,840	2,044,059,600.00
Capital reduction through cancellation of treasury shares	29,475,225	
Capital reduction through cancellation of treasury shares	12,252,723	
Position at December 31, 2021	775,895,892	1,939,739,730.00

8.2.4 TREASURY SHARE BUYBACKS

Treasury shares

At December 31, 2021, the Company held 9,457,539 treasury shares (i.e., 1.22% of the share capital).

The market value of treasury shares held at December 31, 2021, based on the final quoted price known for the year of 16.105 euros per share, was 152 million euros.

Share buybacks

The Shareholders' Meeting of May 21, 2021, deliberating pursuant to Article L. 22-10-62 of the French Commercial Code, authorised the Board of Directors to purchase Company shares, enabling it to use the option of dealing in treasury shares, to:

- engage in market making activities in the secondary market or ensure the liquidity of Company shares through an investment services provider, under the terms of a liquidity agreement and in accordance with the market practices accepted by the French financial markets authority (*Autorité des marchés financiers* – AMF);
- implement any Company stock option plan or any similar plan, in accordance with the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code;
- allocate or transfer shares to employees for their investment in the Company's development and/or to implement any savings plan as provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*);
- allocate performance shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- in general, meet all obligations relating to stock option plans or other allocation of Company shares to employees and/or Company officers of the Group or of related companies;
- deliver shares upon the exercise of rights attached to securities giving access to share capital by means of redemption, conversion, exchange, exercise of a warrant or any other means;
- cancel some or all of the shares thus repurchased; or
- engage in any market making activities that may be recognised by law or the AMF.

For each of the goals pursued, the number of shares purchased was as follows:

1. Liquidity agreement:

   The Company terminated the liquidity agreement with Rothschild & Cie Banque on November 30, 2018.

2. Stock option plan:

   There were no longer any Carrefour stock option plans outstanding at December 31, 2021.

3. Performance share plan:

   In 2021, no shares were delivered under the performance share plan.

4. Cancellation:

   On July 28, 2021 and October 20, 2021, the Company cancelled 29,475,225 and 12,252,723 shares, respectively, that had been purchased under the share buyback programme.

5. Sale of treasury shares:

   No shares were sold in 2021.

Description of the share buyback programme approved by the Shareholders' Meeting of May 21, 2021

1. Date of the Shareholders' Meeting that approved the share buyback programme and implementation decision:

   Approval of the programme: Shareholders' Meeting of May 21, 2021.

   Implementation decision: Board of Directors' meeting of May 20, 2021.

2. Number of shares and percentage of capital held directly or indirectly by the issuer:

   At May 21, 2021, the Company held 9,457,539 treasury shares, i.e., 1.16% of the share capital as of that date.

3. Purposes for which shares are held by the Company:

   9,457,539 shares are used to cover stock option plans, performance share plans and any other allocations of shares.

4. Objectives of the share buyback programme:

   Purchases will be made, in descending order of priority, to:

   - engage in market making activities in the secondary market or ensure the liquidity of Company shares through an investment services provider, under the terms of a liquidity agreement and in accordance with the market practices accepted by the AMF;
   - implement any Company stock option plan or any similar plan, in accordance with the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code;
   - allocate or transfer shares to employees for their investment in the Company's development and/or to implement any savings plan as provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code;
   - allocate performance shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
   - in general, meet all obligations relating to stock option plans or other allocations of Company shares to employees and/or Company officers of the Group or of related companies;
   - deliver shares upon the exercise of rights attached to securities giving access to share capital by means of redemption, conversion, exchange, exercise of a warrant or any other means;
   - cancel some or all of the shares thus repurchased, provided that the Board of Directors has a valid authorisation from the Extraordinary Shareholders' Meeting to reduce the share capital by cancelling shares purchased as part of a share buyback programme; or
   - engage in any market making activities that may be recognised by law or the AMF.

The purchase, sale or transfer of shares may be carried out and paid for by any means, on one or more occasions, on the open market or through a private transaction, including the use of option mechanisms, derivatives – in particular the purchase of call options – or securities giving a right to shares of the Company, under the terms set forth by the market authorities. Moreover, the maximum portion of capital that can be purchased, sold or transferred as blocks of securities may extend to the entire share buyback programme.

The Company may not use the authority granted by the Shareholders' Meeting of May 21, 2021 and continue to implement its share buyback programme in the event of a public offer involving shares or other securities issued or initiated by the Company.

5. Maximum percentage of capital, maximum number and characteristics of the shares the Company intends to purchase and maximum purchase price:

The maximum purchase price per share is 25 euros and the maximum number of shares that may be purchased is 81,762,284 (representing approximately 10% of the share capital at December 31, 2020). The total amount that the Company may use to buy back its own shares may not exceed 2,044,059,600 euros.

Given that the Company already held 9,457,539 treasury shares at May 21, 2021, representing 1.16% of the share capital as of that date, the maximum number of shares that may be purchased under this authorisation is 72,304,745.

6. Term of the share buyback programme:

Eighteen months from May 21, 2021 pursuant to the authorisation granted at the Shareholders' Meeting, i.e., until November 20, 2022.

7. Transactions carried out by way of purchase, sale or transfer under the previous share buyback programme:

Percentage of capital held directly and indirectly by the Company (in shares and as a percentage) at the beginning of the previous programme on May 21, 2021	9,457,539/1.16%
Number of shares cancelled over the past 24 months	41,727,948
Number of shares held at December 31, 2021 (in shares and as a percentage)	9,457,539/1.22%
Gross book value of the portfolio *(in euros)*	206,503,138.98
Market value of the portfolio *(in euros)*	152,313,665.60
Number of shares purchased	41,727,948
Number of shares sold	-
Transaction costs *(in euros)*	350,000
Average purchase price *(in euros)*	16.77
Average sale price	-

Grant of options

There were no longer any Carrefour stock option plans outstanding at December 31, 2021.

Grant of shares

On February 17, 2021, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the 25th resolution of the Shareholders' Meeting held on June 14, 2019 to grant performance shares (new or existing) to 691 Group employees. Shares granted under this plan will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the rights were granted.

The number of shares that vest will depend on the achievement of four performance conditions, each with a weighting of 25%:

- two conditions linked to financial performance: recurring operating income and adjusted free cash flow;
- one condition linked to share performance: total shareholder return;
- a CSR-related condition.

Details of the performance share plans in progress at December 31, 2021 are presented below.

	2020 Performance Plan	2021 Performance Plan
Date of the Annual Shareholders' Meeting	June 14, 2019	June 14, 2019
Grant date	February 26, 2020	February 17, 2021
Vesting date[1]	February 26, 2023	February 17, 2024
Number of shares awarded at grant date	2,604,597	3,000,000
of which to Company Officers	*304,597*	*335,330*
Number of grantees at grant date	516	691
Fair value of one share *(in euros)*[2]	13.05	11.85

(1) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.
(2) The Carrefour share price on the grant date (reference price) adjusted for estimated dividends not received during the vesting period.

The 2019 performance share plan expired on February 27, 2022. The Carrefour group's performance with regard to this plan was 100%. The corresponding shares were delivered to the grantees in accordance with the terms of the relevant regulation.

A total of 2,587,146 shares were delivered under this plan.

The performance achieved by the Group (capped at 100% of the shares allocated) breaks down as follows over the performance assessment period: the performance level achieved for the recurring operating income criterion was 136% (2,350 thousand euros compared with a target of 2,142 thousand euros); the performance level achieved for the free cash flow criterion was 150% (1,930 thousand euros compared with a target of 1,200 thousand euros); the performance level of the TSR criterion was 50%, for a positioning at the median of the panel of companies; and the performance level achieved for the CSR criterion was 136% (114.5% compared with a 100% target).

Movements in performance shares in 2021 were as follows:

	2020	2021
Number of performance shares granted at January 1	3,232,646	5,377,309
of which shares outstanding	0	0
Shares granted during the year[1]	2,604,597[2]	3,000,000
Shares delivered to grantees during the year	-	-
Shares cancelled during the year[3]	(459,934)	(469,740)
Number of performance shares granted at December 31	5,377,309	7,907,569
of which shares outstanding		-

(1) 2021 performance share plan decided by the Board of Directors on February 17, 2021.
(2) 2020 performance share plan decided by the Board of Directors on February 26, 2020.
(3) Shares cancelled under the 2019, 2020 and 2021 performance share plans.

8.3 Shareholders

8.3.1 MAIN SHAREHOLDERS

At December 31, 2021, the share capital amounted to 1,939,739,730 euros (one billion, nine hundred and thirty-nine million, seven hundred and thirty-nine thousand, seven hundred and thirty euros), divided into 775,895,892 shares with a par value of 2.50 euros each.

The Company is authorised to identify bearer shares.

The number of voting rights at December 31, 2021 was 955,881,146. After deducting the voting rights that cannot be exercised, the total number of voting rights is 946,423,607.

CAPITAL (AT DECEMBER 31, 2021)

To the Company's knowledge, the breakdown of the capital and voting rights at December 31, 2021 was as follows:

Shareholders	Number of shares	Capital *(in %)*	Number of actual voting rights	Actual voting rights *(in %)*	Number of theoretical voting rights	Theoretical voting rights *(in %)*
	79,624,212	10.26%	159,248,424	16.83%	159,248,424	16.66%
Galfa	22,291,101[1]	2.87%	-	-	22,291,101	2.33%
Subtotal – Galfa	**101,915,313**	**13.14%**	**159,248,424**	**16.83%**	**181,539,525**	**18.99%**
Peninsula Europe	**62,563,160[2][3]**	**8.06%**	**122,797,711**	**12.97%**	**122,797,711**	**12.85%**
Bank of America Merrill Lynch	**48,511,723**	**6.25%**	**48,511,723**	**5.13%**	**48,511,723**	**5.08%**
Employees	7,188,600	0.93%	14,338,858	1.52%	14,338,858	1.50%
Treasury shares	9,457,539	1.22%	-	-	9,457,539	0.99%
Public	546,259,557	70.40%	601,526,891	63.56%	579,235,790	60.60%
TOTAL	**775,895,892**	**100.00%**	**946,423,607**	**100.00%**	**955,881,146**	**100.00%**

(1) Held via stock options.
(2) Including 24,809,568 shares held by Abilio Diniz.
(3) Shares pledged to banks under structured financing arrangements.

CAPITAL (AT DECEMBER 31, 2020)

To the Company's knowledge, the breakdown of the capital and voting rights at December 31, 2020 was as follows:

Shareholders	Number of shares	Capital *(in %)*	Number of actual voting rights	Actual voting rights *(in %)*	Number of theoretical voting rights	Theoretical voting rights *(in %)*
	79,624,212	9.74%	158,598,424	15.73%	158,598,424	15.25%
Galfa	22,291,101[1]	2.73%	-	-	22,291,101	2.14%
Subtotal – Galfa	**101,915,313**	**12.46%**	**158,598,424**	**15.73%**	**180,889,525**	**17.40%**
Peninsula Europe	**62,563,160[2][3]**	**7.65%**	**122,641,891**	**12.17%**	**122,641,891**	**11.80%**
Bank of America Merrill Lynch	**53,670,022**	**6.56%**	**53,670,022**	**5.32%**	**53,670,022**	**5.16%**
Cervinia Europe	41,550,370	5.08%	80,918,585	8.03%	80,918,585	7.78%
Groupe Arnault	3,704,367	0.45%	6,837,413	0.68%	6,837,413	0.66%
Subtotal – Groupe Arnault	**45,254,737**	**5.53%**	**87,755,998**	**8.71%**	**87,755,998**	**8.44%**
Employees	7,402,518	0.91%	14,552,776	1.44%	14,552,776	1.40%
Treasury shares	9,457,539	1.16%	-	-	9,457,539	0.91%
Public	537,360,551	65.72%	570,749,083	56.62%	570,749,083	54.89%
TOTAL	**817,623,840**	**100.00%**	**1,007,968,194**	**100.00%**	**1,039,716,834**	**100.00%**

(1) Held via stock options.
(2) Including 24,809,568 shares held by Abilio Diniz.
(3) Shares pledged to banks under structured financing arrangements.

SHARE CAPITAL (AT DECEMBER 31, 2019)

To the Company's knowledge, the breakdown of the capital and voting rights at December 31, 2019 was as follows:

Shareholders	Number of shares	Capital *(in %)*	Number of actual voting rights	Actual voting rights *(in %)*	Number of theoretical voting rights	Theoretical voting rights *(in %)*
	79,624,212	9.86%	157,098,423	15.39%	157,098,423	15.25%
Galfa	22,291,101[1]	2.76%	-	-	22,291,101	2.16%
Subtotal – Galfa	**101,915,313**	**12.62%**	**157,098,423**	**15.39%**	**179,389,524**	**17.42%**
Peninsula Europe	**60,234,551**[2][3]	**7.46%**	**119,833,735**	**11.74%**	**119,833,735**	**11.64%**
Cervinia Europe	40,780,919	5.05%	80,149,134	7.85%	80,149,134	7.78%
Groupe Arnault	3,230,556	0.40%	6,363,602	0.62%	6,363,602	0.62%
	412,858	0.05%	825,716	0.08%	825,716	0.08%
Bunt	24,999,996[1]	3.10%	-	-	24,999,996	2.43%
Subtotal – Groupe Arnault	**69,424,329**	**8.60%**	**87,338,452**	**8.56%**	**112,338,448**	**10.91%**
Bank of America Merrill Lynch	**64,843,604**	**8.03%**	**64,843,604**	**6.35%**	**64,843,604**	**6.30%**
Employees	7,408,858	0.92%	14,753,148	1.45%	14,753,148	1.43%
Treasury shares	9,457,539	1.17%	-	-	9,457,539	0.92%
Public	493,981,310	61.19%	576,597,176	56.50%	529,306,079	51.39%
TOTAL	**807,265,504**	**100.00%**	**1,020,464,538**	**100.00%**	**1,029,922,077**	**100.00%**

(1) Held via stock options.
(2) Including 24,808,463 registered shares held by Abilio Diniz.
(3) Shares pledged to two banks under structured financing arrangements.

Carrefour shareholder agreement

There is no shareholder agreement at Carrefour.

Employee shareholding

At December 31, 2021, Group employees held 0.93% of the Company's share capital through the Company mutual fund.

8.3.2 CROSSING OF THRESHOLDS REPORTED TO THE COMPANY IN 2021

To the Company's knowledge, the crossing of the following statutory thresholds was reported by the shareholders to the Company and the AMF in 2021:

Shareholders	Date threshold was crossed	Upward or downward	Threshold crossed	Percentage of share capital held at the declaration date	Percentage of voting rights held at the declaration date	Number of shares
Bank of America Corporation	01/01/2021	Downward	5.00%	2.91%	2.29%	23,818,315
Bank of America Corporation	01/01/2021	Correction to downward crossing declaration	5.00%	7.32%	5.76%	59,865,080
Bank of America Corporation	05/12/2021	Downward	5.00%	1.56%	1.22%	12,736,193
Cervinia Europe	09/01/2021	Downward	5.00%	0.00%	0.00%	-
Bank of America Merrill Lynch	09/01/2021	Upward	5.00%	6.52%	5.08%	51,395,071

8.3.3 INFORMATION REFERRED TO IN ARTICLE L. 233-13 OF THE FRENCH COMMERCIAL CODE

At the end of 2021:

- Galfa, a simplified joint-stock company formed under French law whose head office is located at 27, rue de la Chaussée d'Antin, 75009 Paris, France, held more than one-tenth of the share capital and more than three-twentieths of the voting rights;
- Peninsula Europe SARL, whose head office is located at 26, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, held more than one-twentieth of the share capital and more than one-tenth of the voting rights;
- Bank of America Merrill Lynch International Limited, whose head office is located at 2, King Edward Street, London EC1A 1HQ, UK, held more than one-twentieth of the share capital and more than one-twentieth of the voting rights.

8.3.4 INFORMATION REFERRED TO IN ARTICLE L. 22-10-11 OF THE FRENCH COMMERCIAL CODE

To the Company's knowledge, the composition of the share capital is as shown in the table in Section 8.3.1 of this Universal Registration Document.

To the Company's knowledge, there is no agreement between its principal shareholders that could result in a change of control of the Company if implemented subsequently.

The summary table of current delegations of authority and powers granted to the Board of Directors appears in Section 8.2.2 of this Universal Registration Document. Any delegation whose implementation is likely to jeopardise a public offer is suspended during the public offer period.

9

ADDITIONAL INFORMATION

9.1 Publicly available documents

Documents concerning the Company and, in particular, its Articles of Association, financial statements and the reports presented to its Shareholders' Meetings by the Board of Directors and the Statutory Auditors may be consulted at the head office at 93, avenue de Paris, 91300 Massy, France.

These documents are also available on the Company's website: *www.carrefour.com*.

9.2 Person responsible

9.2.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Alexandre Bompard, Chairman and Chief Executive Officer.

9.2.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, true and correct, and that there are no omissions that are likely to affect its import.

I hereby certify that, to the best of my knowledge, the financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of operations of the Company and of all the consolidated companies, and that the management report gives a true and fair view of the changes in the business, results and financial position of the Company and of all the consolidated companies, and that it describes the main risks and uncertainties to which they are subject."

April 28, 2022

Alexandre Bompard

Chairman and Chief Executive Officer

9.3 Person responsible for the financial information

Matthieu Malige

Chief Financial Officer

9.4 Persons responsible for auditing the financial statements

	Date of initial appointment	Date of last renewal	Term of office[(1)]
PRINCIPAL STATUTORY AUDITORS			
Deloitte & Associés 6 place de la Pyramide, 92908 Paris la Défense Cedex, France Signatories: Stéphane Rimbeuf and Bertrand Boisselier	April 15, 2003	May 21, 2021	2027
Mazars 61, rue Henri-Régnault, 92400 Courbevoie, France Signatories: Émilie Loreal and Jérôme de Pastors	June 21, 2011	June 15, 2017	2023

(1) Date of the Shareholders' Meeting called to approve the financial statements for the previous year ended December 31.

Pursuant to European directives, following the audit reform which caps the number of consecutive years of a Statutory Auditor's engagement at 24 years, and on the recommendation of the Audit Committee, the Board of Directors, meeting on October 27, 2020, decided not to propose the renewal of the appointment of KPMG as Statutory Auditor and to propose the renewal of the appointment of Deloitte & Associés as Statutory Auditor. This renewal was proposed to and approved by the shareholders at the May 21, 2021 Shareholders' Meeting. In compliance with current regulations, the renewal of the appointments of the alternate Statutory Auditors was not proposed.

9.5 Information incorporated by reference

In accordance with Article 19 of EU Regulation no. 2017/1129 of June 14, 2017, this Universal Registration Document includes by reference the following information, to which the reader is invited to refer:

- for the financial year ended December 31, 2020: consolidated financial statements, Company financial statements and related Statutory Auditors' reports included in the Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on April 8, 2021 under number D.21-0275, on pages 247 to 340, 341 to 344, 345 to 365 and 366 to 368 respectively;
- for the financial year ended December 31, 2019: consolidated financial statements, Company financial statements and related Statutory Auditors' reports included in the Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on April 30, 2020 under number D.20-0421, on pages 223 to 308, 313 to 334, 309 to 312 and 335 to 338 respectively;

The information included in the abovementioned Universal Registration Documents, other than that indicated above, is, where applicable, superseded or updated by the information included in this Universal Registration Document. The abovementioned Universal Registration Documents are available under the conditions described in Section 9.1 "Publicly available documents" of this Universal Registration Document.

9.6 Concordance tables

9.6.1 UNIVERSAL REGISTRATION DOCUMENT CONCORDANCE TABLE

Appendices I and II of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	Chapter/Section no.
1/ Persons responsible, third-party information, statements by experts and approval by competent authorities	
1.1. Name and function of the person responsible	9.2-9.3
1.2. Declaration by the person responsible	9.2
1.3. Information on the expert report	2.4.3
1.4. Third-party information	1
1.5. Statement of filing without prior approval from the competent authority	1st page
2/ Statutory Auditors	
2.1. Identity	9.4
2.2. Change, if any	N/A
3/ Risk factors	4.1
4/ Information concerning the issuer	
4.1. Corporate name and purpose	8.1.1
4.2. Place of registration, registration number and legal entity identification number (LEI)	8.1.1-8.1.2
4.3. Creation and term	8.1.3
4.4. Head office, legal form, applicable legislation, head office address and phone number, website	8.1.2-8.1.3
5/ Business overview	
5.1. Principal activities	1.4 6.6 (Notes 6.1, 6.1.2 and 6.5)
5.2. Principal markets	1.1.2-1.1.3-1.2-1.4 5.1.2 6.6 (Notes 5.1 and 6.1.1)
5.3. Key events in the issuer's business development	1.6.1-1.6.2-1.6.3 5.3, 5.4.2, 5.4.5 6.6 (Notes 2, 3.2 and 16)
5.4. Strategy and objectives	1.1.6 5.3, 5.4.2 6.6 (Notes 2 and 3)
5.5. Issuer's dependence	6.6 (Note 14.7)
5.6. Competitive position	1.2.7-1.5.1
5.7. Investments	5.4.2, 5.4.5 6.6 (Notes 2 and 3.2)
6/ Organisational structure	
6.1. Brief description of the Group	1.1-1.6.6
6.2. List of significant subsidiaries	6.6 (Note 18) 7.4 (Note 12)
7/ Review of financial position and earnings	
7.1. Financial position	5.2-5.6.6
7.2. Operating income	5.1
8/ Cash and cash equivalents and capital	
8.1. Information concerning capital resources	5.2.1-6.5 6.6 (Note 13) 7.4 (Note 7)
8.2. Cash flow	5.2.3 6.4
8.3. Borrowing requirements and funding structure	5.2.2-5.2.4 6.6 (Note 14)
8.4. Restrictions on the use of capital resources	5.2.5 6.6 (Note 14.2.4)
8.5. Anticipated sources of funds	5.2.6
9/ Regulatory environment	4.1.1
10/ Trend information	
10.1. Most significant trends since the end of the last financial year	5.3, 5.4.5
10.2. Events reasonably likely to have a material effect on prospects	5.3

Appendices I and II of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	Chapter/Section no.
11/ Profit forecasts and estimates	N/A
12/ Administrative, management and supervisory bodies and Executive Management	
12.1. Board of Directors and Executive Management	3.2-3.3
12.2. Conflicts of interest within the administrative, management and supervisory bodies and Executive Management	3.2.2.1
13/ Compensation and benefits	
13.1. Compensation and benefits in kind	3.4
13.2. Amounts provisioned or recorded for pensions, retirement benefits or other benefits	6.6 (Note 12.1)
14/ Operation of administrative and management bodies	
14.1. Expiration of current terms of office	3.2.1.1
14.2. Service contracts	3.1.2.3
14.3. Information on the Audit Committee and Compensation Committee	3.2.3
14.4. Statement on compliance with the applicable corporate governance regime	Introduction of 3/3.5
14.5. Potential material impacts on corporate governance	N/A
15/ Employees	
15.1. Number of employees and breakdown of the workforce	2.2.3.1
15.2. Director shareholdings and stock options	3.2.1-3.4.3 8.2.3
15.3. Arrangements for involving employees in the capital	2.2.3 3.4.4 8.3
16/ Main shareholders	
16.1. Exceeding the threshold	8.3.1-8.3.2
16.2. Existence of different voting rights	8.1.4.3
16.3. Direct or indirect control	8.3.1
16.4. Arrangements that could result in a change of control if implemented	8.1.4.3
17/ Related-party transactions	3.7 6.6 (Note 9.3)
18/ Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
18.1. Historical financial information	6 7
18.2. Interim and other financial information	N/A
18.3. Auditing of historical annual financial information	6.7 7.5
18.4. Pro forma financial information	N/A
18.5. Dividend policy	5.6.3
18.6. Legal and arbitration proceedings	4.3
18.7. Significant change in the issuer's financial position	5.4.3 6.6 (Note 16)
19/ Additional information	
19.1. Share capital	
19.1.1. Subscribed share capital	8.2
19.1.2. Other shares	8.2
19.1.3. Treasury shares	8.2
19.1.4. Marketable securities	8.2
19.1.5. Vesting conditions	8.2
19.1.6. Options or agreements	8.2
19.1.7. History of share capital	8.2
19.2. Memorandum and Articles of Association	
19.2.1. Corporate purpose	8.1
19.2.2. Rights and privileges of shares	8.1
19.2.3. Change in control	8.1
20/Material contracts	N/A
21/Documents available	9.1

9.6.2 ANNUAL FINANCIAL REPORT CONCORDANCE TABLE

Sections of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*)	Chapter/Section no.
1/Company financial statements	7.1 to 7.4
2/Consolidated financial statements	6.1 to 6.6
3/Management report	
Analysis of change in sales	5.1
Analysis of results	5.1
Analysis of financial position	5.2
Foreseeable changes in the situation of the Company and of the Group	5.3
Principal risks and uncertainties	4.1.1
Capital structure and factors that could have an impact in the event of a public offer	N/A
Treasury share buybacks carried out by the Company	8.2.3
4/Declaration of the person responsible for the annual financial report	9.2.2
5/Statutory Auditors' reports on the Company financial statements and consolidated financial statements	6.7 and 7.5
6/Corporate governance report	3 and 8

9.6.3 MANAGEMENT REPORT CONCORDANCE TABLE

Reference texts			Chapter/Section no.
		Comment on the financial year	
French Commercial Code (*Code de commerce*)	L. 225-100-1, L. 232-1, L. 233-6 and L. 233-26	Situation of the Company during the financial year and objective, comprehensive analysis of changes in the business, results and financial position of the Company and of the Group	5.1 to 5.4 and 5.6
French Commercial Code	L. 225-100-1	Key non-financial performance indicators relating to the Company's specific activity	2.4.1
French Commercial Code	L. 233-6	Significant acquisitions during the financial year of equity interests in companies whose head office is located in France	N/A
French Commercial Code	L. 232-1 and L. 233-26	Significant events between the financial year-end and the report preparation date	5.4.5
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable changes in the situation of the Company and of the Group	5.3
French General Tax Code (*Code général des impôts*)	243 *bis*	Dividends distributed for the three previous financial years and amount of income distributed for these same financial years eligible for the 40% tax reduction	5.6.3
French Commercial Code	L. 441-6, L. 441-6-1 and D. 441-4	Information on the payment cycles of the Company's suppliers and customers	5.6.1
		Presentation of the Group	
French Commercial Code	L. 225-100-1	Description of the principal risks and uncertainties to which the Company is subject	4.1.1
French Commercial Code	L. 22-10-35	Financial risks related to the impact of climate change and presentation of the measures the Company has taken to reduce said impact by implementing a low-carbon strategy in all areas of its operations	2.2.2.4
French Commercial Code	L. 22-10-35	Main characteristics of the internal control and risk management procedures implemented by the Company relating to the preparation and processing of accounting and financial information	4.2
French Commercial Code	L. 225-100-1	Details on the Company's objectives and policy concerning hedges in each main transaction category for which hedge accounting is used	6.6 (Note 14.7.3)
French Commercial Code	L. 225-100-1	The Company's exposure to price, credit, liquidity and cash flow risks	4.1.1.3
French Commercial Code	L. 225-102-1	Social and environmental consequences of the business	2

Reference texts			Chapter/Section no.
French Commercial Code	L. 225-102-1	Collective bargaining agreements entered into by the Company and their impact on the Company's financial performance and employee working conditions	2.2.3
French Commercial Code	L. 225-102-2	If the Company operates a facility of the type referred to in Article L. 515-36 of the French Environmental Code (*Code de l'environnement*): • description of risk prevention policy regarding technological accidents; • report on civil liability insurance coverage for property and people and details on how the Company plans to ensure that victims are adequately compensated in the event of a technological accident for which the Company is liable (including "Seveso" facilities)	N/A
French Commercial Code	L. 225-102-4	Duty of care plan enabling the Company to identify risks and prevent serious violations as regards human rights and fundamental freedoms, health, safety, and the environment due to the Company's operations and those of its suppliers and subcontractors	2.3.1
French Commercial Code	L. 232-1	Research and development activities	5.6.4
		Information regarding corporate governance	
French Monetary and Financial Code	L. 621-18-2	Transactions involving the Company's shares carried out by executives and related persons	3.6
French Commercial Code	L. 225-184	Options granted to or subscribed or purchased during the financial year by the Company Officers and each of the top ten employees who are not Company Officers, and options granted to all employees, by category	8.2.3
		Information about the Company and capital	
French Commercial Code	L. 225-211	Details of purchases and sales of treasury shares during the financial year	8.2.3
		Information relating to treasury share buybacks carried out by the Company with a view to allocating them to employees and/or executives	8.2
French Commercial Code	R. 228-90	Possible adjustments for securities giving access to the capital in the event of buybacks of shares or financial transactions	N/A
French Commercial Code	L. 225-102	Report on employee profit-sharing as of the last day of the financial year, and proportion of capital represented by shares held by employees under the Company savings plan and by current and former employees under Company mutual funds	8.3.1
French Commercial Code	L. 464-2	Injunctions or financial penalties for anti-competitive practices	N/A
French Commercial Code	L. 233-13	Identity of private individuals or legal entities holding, directly or indirectly, more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at Shareholders' Meetings	8.3.1 and 8.3.3
French Monetary and Financial Code	L. 511-6	The amount of loans due within less than two years granted by the Company on an ancillary basis to micro-enterprises, SMEs or middle-market companies with which it has economic ties justifying such loans	N/A
		Information related to the financial statements	
French Commercial Code	L. 232-6	Possible changes in the presentation of the financial statements and the valuation methods used	N/A
French General Tax Code	34.9 and 223 *quater*	Additional tax information	N/A
French Commercial Code	R. 225-102	Company earnings performance in the last five financial years	5.6.6

9.6.4 CORPORATE GOVERNANCE REPORT CONCORDANCE TABLE

Reference texts			Chapter/ Section no.
		Compensation	
French Commercial Code	L. 22-10-8	Compensation policy for Company Officers	3.4.1, 3.4.2.1, 3.4.3.1, and 3.4.3.2
French Commercial Code	L. 22-10-9, L. 22-10-34 I, R. 22-10-14	Information about compensation	3.4
		Information about the Company's Executive Management and general management	
French Commercial Code	L. 225-37-4	List of all the Company Officers' positions and the duties they performed in any company during the financial year	3.2.1.3
French Commercial Code	L. 225-37-4	Related-party agreements entered into between a Company Officer or a shareholder holding more than 10% of the voting rights, and a subsidiary	3.7
French Commercial Code	L. 22-10-10	Description of the authorisation procedure for routine agreements entered into on an arm's length basis	3.7
French Commercial Code	L. 225-37-4	Executive Management's choice of management methods	3.1.1.1
French Commercial Code	L. 225-37-4	Summary of outstanding delegations of authority and powers granted by the Shareholders' Meeting to the Board of Directors concerning capital increases	8.2.2
French Commercial Code	L. 22-10-10	Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work	3.2
French Commercial Code	L. 22-10-10	Application of the principle of gender equality	3.1.2
French Commercial Code	L. 22-10-10	Limitations of powers of the Chief Executive Officer	3.1.1.2
French Commercial Code	L. 22-10-10	Reference to the Corporate Governance Code	3.1
French Commercial Code	L. 22-10-10	Specific rules governing shareholders' participation in Shareholders' Meetings	8.1.4
French Commercial Code	L. 22-10-11	Rules applicable to the appointment and replacement of members of the Board of Directors and to amendments of the Company's Articles of Association	8.1.4
French Commercial Code	L. 22-10-11	Powers of the Board of Directors, including in particular the issue or buyback of shares	3.1.1, 3.2.2 and 8.2.3
French Commercial Code	L. 225-185	Conditions under which options may be exercised and held by the Executive Officers	3.4.3
French Commercial Code	L. 225-197-1	Conditions under which performance shares granted to the Executive Officers may be held	3.4.3
		Information about the capital	
French Commercial Code	L. 22-10-11	Structure and change of the Company's capital	8.2, 8.3
		Factors that could have an impact in the event of a public offer	N/A
French Commercial Code	L. 22-10-11	Statutory restrictions about the exercise of voting rights and share transfers or contractual clauses brought to the Company's knowledge	N/A
French Commercial Code	L. 22-10-11	Direct or indirect interests in the Company's capital brought to the Company's knowledge	8.3
French Commercial Code	L. 22-10-11	List of holders of any security conferring special rights of control and description of these securities	N/A
French Commercial Code	L. 22-10-11	Control mechanisms provided under a possible employee share ownership scheme when the rights of control are not exercised by employees	N/A
French Commercial Code	L. 22-10-11	Agreements between shareholders brought to the Company's knowledge and which may result in restrictions on share transfers and the exercise of voting rights	N/A

Reference texts			Chapter/ Section no.
French Commercial Code	L. 22-10-11	Agreements concluded by the Company that are amended or terminated in the event of a change in control of the Company, unless this disclosure would seriously harm its interests (except in cases of a legal obligation to disclose)	N/A
French Commercial Code	L. 22-10-11	Agreements providing for compensation to members of the Board of Directors or employees if they resign or are dismissed without real and serious cause or if their employment ends as a result of a public offer	3.4

9.6.5 EXTRA-FINANCIAL PERFORMANCE CONCORDANCE TABLE

Components of the Non-Financial Statement	Chapter/Section no.
Business model	1.1.5
Main non-financial risks	2.1.1.2/4.1.2
Duty of care policy and procedures	2.1.1.2/2.2
Publication of Key Performance Indicators	2.2/2.4.1
Mandatory topics referred to in Article L. 225-102-1 of the French Commercial Code	
Social impacts of the business	2.1.6/2.2.3
Environmental impacts of the business	2.1.2/2.2.1.3/2.2.3
Respect for human rights*	2.1.5.2/2.2.3
Prevention of corruption*	2.1.5.5
Prevention of tax evasion*	2.1.5.5
Impact of the Company's business on climate change and the use of goods and services it produces	2.1.2.5/2.1.3
Social commitment to promoting a circular economy	1.3.2.3/2.1.2.4
Collective bargaining agreements entered into by the Company and their impact on its financial performance and employee working conditions	2.1.6.2
Social commitment to combating discrimination and promoting diversity	1.3.2.1/2.1.6.4/2.2.4
Measures taken to combat food waste	1.3.2.3/2.1.2.5/2.1.3.4
Measures taken to promote employment of the disabled	1.3.2.1/2.1.6.4
Social commitment to combating food insecurity	1.2.4/1.3.1.2/2.1.3.4
Social commitment to promoting animal welfare	1.3.2.3/2.1.5.6
Social commitment to promoting responsible, equitable and sustainable diets	1.3.1/1.3.2.4/2.1.4.2/2.1.4.3
Social commitment to sustainability	Chapter 2/1.3

(*) For listed companies.

9.6.6 SASB, GRI AND TCFD CONCORDANCE TABLE

Carrefour established its strategy and reporting in accordance with the principles of the SASB (Sustainability, Accounting Standards Board), the GRI (Global Reporting Initiative), and the TCFD (Task Force on Climate-related Financial Disclosures) to ensure its completeness. The concordance table below cross-references the key principles of these three frameworks (2021 update) with the CSR report.

SASB – Sustainability disclosure	URD	Website	Other sources
Fleet fuel management	2.1.3 Climate 2.1.3.1 Overview of objectives and performance 2.2.2.5 2020 case study – Expanding the biomethane fleet in France	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C4.1a, C12.1d
Air emissions from refrigeration	2.1.3 Climate 2.1.3.1 Overview of objectives and performance	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C2.2a, C2.3
Energy management	2.1.3 Climate 2.1.3.1 Overview of objectives and performance	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C8.2a
Food waste management	2.1.3.4 Combating food waste and food insecurity	see Biodiversity and Climate sections - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C12.1b
Data security	2.1.5.4 Personal data protection 4.1.2.2 Governance, laws and regulations	see Health, nutrition and product quality and safety section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	-
Food safety	2.1.4.3 Our products and our customers' health	see Health, nutrition and product quality and safety section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	-
Product health & nutrition	2.1.4.3 Our products and our customers' health	see Health, nutrition and product quality and safety section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	-
Product labelling & marketing	2.2.2.2.1 Methodology for the detailed analysis of risks associated with the duty of care	*https://www.carrefour.com/en/csr/responsible-conduct*	-
Labor practices	2.1.6.3 Attracting, supporting and developing talent 2.1.6.5 Protecting employee health, safety and quality of life	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	-
Management of environmental & social impacts in the supply chain	2.1.2.2 Supporting the transition to sustainable agriculture 2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.5.2 Respect for human rights and labour rights 2.1.2.4 Developing ecodesign and a circular economy for packaging	see Biodiversity and Business conduct and Supply chain sections - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Forest: F2, F4
Number of (1) retail locations and (2) distribution centres	1.1.3 Operating regions 1.4 Description of the Group's businesses	*https://www.carrefour.com/en/group* *https://www.carrefour.com/en/carrefour-group-locations*	-

SASB – Sustainability disclosure	URD	Website	Other sources
Total area of (1) retail space and (2) distribution centres	1.1.2 Business overview 1.3.1.3 Across all distribution channels 1.4 Description of the Group's businesses	-	-
Number of vehicles in commercial fleet	Unavailable	-	CDP – Climate: C4.3b
Ton-miles travelled	Unavailable	-	-

No.	GRI disclosure	URD	Website
GRI 100			
GRI 102 – General disclosures			
Organizational profile			
102-1	Name of the organization	8.1.1 Goodwill	https://www.carrefour.com/en/group
102-2	Activities, brands, products, and services	1.1.1 Facts and figures 1.1.2 Business overview 1.4 Description of the Group's businesses	
102-3	Location of headquarters	1.1.3 Operating regions 1.4.1 An international omni-channel retailer	
102-4	Location of operations	1.1.3 Operating regions 1.4 Description of the Group's businesses	
102-5	Ownership and legal form	1.5.4 Summary of stock market performance 1.5.6 Simplified legal chart at December 31, 2020 8.3 Shareholders	
102-6	Markets served	1.4 Description of the Group's businesses	
102-7	Scale of the organization	1.1.1 Facts and figures 1.1.2 Business overview 1.4 Description of the Group's businesses	
102-8	Information on employees and other workers	1.1.1 Facts and figures 2.1.6 Employees	
102-9	Supply chain	1.1.5 Our business model, based on creating shared value	
102-10	Significant changes to the organization and its supply chain	1.5 The Carrefour group in 2020	
102-11	Precautionary principle or approach	4 Risk management and internal control 2.2 Carrefour's duty of care plan	
102-12	External initiatives	2.1 Non-financial policies, action plans and performance 2.2 Carrefour's duty of care plan	
102-13	Membership of associations	1.3.2.2 Our ability to adapt to change 2.1 Non-financial policies, action plans and performance	
Strategy			
102-14	Statement from senior decision-maker	Annual report editorial	-
102-15	Key impacts, risks, and opportunities	1.2 Context: global challenges and development opportunities 4.1.2 Main risks	-
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	1.3 Our *raison d'être* 2.1.5.5 Fair practices 2.2 Carrefour's duty of care plan	https://www.carrefour.com/en/csr/responsible-conduct
102-17	Mechanisms for advice and concerns about ethics	2.1.5.5 Fair practices 2.2 Carrefour's duty of care plan 4.1.2.2 Governance, laws and regulations	
Governance			
102-18	Governance structure	3.2 The Board of Directors	https://www.carrefour.com/en/group/governance
102-19	Delegating authority	3.2 The Board of Directors 3.3 Group Executive Committee	-
102-20	Executive-level responsibility for economic, environmental, and social topics	2.2.1 CSR and duty of care plan governance and methodology	https://www.carrefour.com/en/csr/policy

No.	GRI disclosure	URD	Website
102-21	Consulting stakeholders on economic, environmental, and social topics	1.3.1.4 Stakeholder dialogue 2.2.1 CSR and duty of care plan governance and methodology	*https://www.carrefour.com/en/csr/policy*
102-22	Composition of the highest governance body and its committees	3.2 The Board of Directors 3.3 The Group Executive Committee	-
102-23	Chair of the highest governance body	3.2 The Board of Directors 3.3 The Group Executive Committee	-
102-24	Nominating and selecting the highest governance body	3.2 The Board of Directors 3.3 The Group Executive Committee	-
102-25	Conflicts of interest	2.1.5.5 Fair practices	*https://www.carrefour.com/en/csr/responsible-conduct*
102-26	Role of highest governance body in setting purpose, values, and strategy	3.2 The Board of Directors 3.3 The Group Executive Committee	-
102-27	Collective knowledge of highest governance body	3.2 The Board of Directors 3.3 The Group Executive Committee	-
102-28	Evaluating the highest governance body's performance	3.2 The Board of Directors 3.3 The Group Executive Committee	-
102-29	Identifying and managing economic, environmental, and social impacts	2.1.1.1 CSR methodology	*https://www.carrefour.com/en/csr/policy*
102-30	Effectiveness of risk management processes	2.1 Non-financial policies, action plans and performance	*https://www.carrefour.com/en/csr/csr-commitment* *https://www.carrefour.com/en/csr/performance*
102-31	Review of economic, environmental, and social topics	2.2.1.1 CSR governance	*https://www.carrefour.com/en/csr/policy*
102-32	Highest governance body's role in sustainability reporting	2.2.1.1 CSR governance	*https://www.carrefour.com/en/csr/policy*
102-33	Communicating critical concerns	2.2.1.1 CSR governance	-
102-34	Nature and total number of critical concerns	2.2.1.1 CSR governance	-
102-35	Remuneration policies	3.4 Compensation and benefits granted to Company Officers	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
102-36	Process for determining remuneration	3.4 Compensation and benefits granted to Company Officers	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
102-37	Stakeholders' involvement in remuneration	3.4 Compensation and benefits granted to Company Officers	-
102-38	Annual total compensation ratio	3.4 Compensation and benefits granted to Company Officers	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
102-39	Percentage increase in annual total compensation ratio	3.4 Compensation and benefits granted to Company Officers	-
Stakeholder engagement			
102-40	List of stakeholder groups	1.3.1.4 Stakeholder dialogue 1.3.2.2 Our ability to adapt to change 2.2.1 CSR and duty of care plan governance and methodology	*https://www.carrefour.com/en/csr/policy* *https://www.carrefour.com/en/csr/csr-commitment*
102-41	Collective bargaining agreements	2.2.3.2 Measures for preventing and mitigating risks	*https://www.carrefour.com/en/csr/policy* *https://www.carrefour.com/en/csr/csr-commitment*

No.	GRI disclosure	URD	Website
102-42	Identifying and selecting stakeholders	1.3.1.4 Stakeholder dialogue 2.2.1 CSR and duty of care plan governance and methodology 4.1.2 Main risks	
102-43	Approach to stakeholder engagement	1.3.1.4 Stakeholder dialogue 2.2.1 CSR and duty of care plan governance and methodology	
102-44	Key topics and concerns raised	1.3.1.4 Stakeholder dialogue 2.2.1 CSR and duty of care plan governance and methodology	
Reporting practice			
102-45	Entities included in the consolidated financial statements	6.6 (Note 19) List of consolidated companies	-
102-46	Defining report content and topic Boundaries	2.1.3 Non-Financial Statement	-
102-47	List of material topics	1.3.2.2 Our ability to adapt to change 2.1.3 Non-Financial Statement	-
102-48	Restatements of information	N/A	-
102-49	Changes in reporting	2.4.1 Detailed reporting methodology for CSR indicators	-
102-50	Reporting period	2.4.1 Detailed reporting methodology for CSR indicators	-
102-51	Date of most recent report	April 30, 2021	-
102-52	Reporting cycle	2.4.1 Detailed reporting methodology for CSR indicators	-
102-53	Contact point for questions regarding the report	investisseurs@carrefour.com	-
102-54	Claims of reporting in accordance with the GRI Standards	Core	-
102-55	GRI content index	9.6.6 GRI (Global Reporting Initiative) concordance table	-
102-56	External assurance	2.4.2 Report by the independent third party on the consolidated non-financial statement included in the Group management report	-

No.	GRI disclosure	URD	Website
GRI 200			
GRI 201 – Economic performance			
201-1	Direct economic value generated and distributed	5. Business review as of December 31, 2021	-
201-2	Financial implications and other risks and opportunities due to climate change	Unavailable	-
201-3	Defined benefit plan obligations and other retirement plans	1.3.2.1 Diversity and our employees' skills 3.4 Compensation and benefits granted to Company Officers	-
201-4	Financial assistance received from government	N/A	-
GRI 202 – Market presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Unavailable	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
202-2	Proportion of senior management hired from the local community	Unavailable	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
GRI 203 – Indirect economic impacts			
203-1	Infrastructure investments and services supported	N/A	-
203-2	Significant indirect economic impacts	N/A	-
GRI 204 – Procurement practices			
204-1	Proportion of spending on local suppliers	1.3.2.4 Geographic footprint	see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
GRI 205 – Anti-corruption			
205-1	Operations assessed for risks related to corruption	2.1.5.5 Fair practices 4.1.2.2 Governance, laws and regulations	*https://www.carrefour.com/en/csr/responsible-conduct*
205-2	Communication and training about anti-corruption policies and procedures	2.1.5.5 Fair practices 4.1.2.2 Governance, laws and regulations	*https://www.carrefour.com/en/csr/responsible-conduct*
205-3	Confirmed incidents of corruption and actions taken		
GRI 206 – Anti-competitive behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	2.1.5.5 Fair practices	*https://www.carrefour.com/en/csr/responsible-conduct*
GRI 207 – Tax			
207-1	Approach to tax	2.1.5.5 Fair practices 4.1.2.2 Governance, laws and regulations 6.6 (Note 10) Income tax 7.3 Statement of cash flows	*https://www.carrefour.com/en/csr/responsible-conduct*
207-2	Tax governance, control, and risk management		
207-3	Stakeholder engagement and management of concerns related to tax		
207-4	Country-by-country reporting		

No.	GRI disclosure	URD	Website
GRI 300			
GRI 301 – Materials			
301-1	Materials used by weight or volume	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.2.4 Developing ecodesign and a circular economy for packaging	see Biodiversity section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
301-2	Recycled input materials used	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.2.5 Limiting the environmental impact of our plants 2.1.2.4 Developing ecodesign and a circular economy for packaging	
301-3	Reclaimed products and their packaging materials	2.1.2.4 Developing ecodesign and a circular economy for packaging	
GRI 302 – Energy			
302-1	Energy consumption within the organization	2.1.3.2 Helping stores become carbon neutral	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
302-2	Energy consumption outside of the organization		
302-3	Energy intensity		
302-4	Reduction of energy consumption		
302-5	Reductions in energy requirements of products and services		
GRI 303 – Water and effluents			
303-1	Interactions with water as a shared resource	Unavailable	see Biodiversity and Climate sections - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
303-2	Management of water discharge-related impacts	Unavailable	see Biodiversity and Climate sections - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
303-3	Water withdrawal	2.1.2.5 Limiting the environmental impact of our plants	
303-4	Reduction of energy consumption	Unavailable	
303-5	Water consumption	2.1.2.5 Limiting the environmental impact of our plants	
GRI 304 – Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	Unavailable	see Biodiversity section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
304-2	Significant impacts of activities, products, and services on biodiversity	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.2.5 Limiting the environmental impact of our plants	
304-3	Habitats protected or restored	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.2.5 Limiting the environmental impact of our plants	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Unavailable	see Biodiversity section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*

No.	GRI disclosure	URD	Website
GRI 305 – Emissions			
305-1	Direct (Scope 1) GHG emissions	2.1.3.2 Helping stores become carbon neutral 2.1.3.3 Promoting low carbon consumption	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions		
305-6	Emissions of ozone-depleting substances (ODS)	Unavailable	Unavailable
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Unavailable	Unavailable
GRI 306 – Waste			
306-1	Waste generation and significant waste-related impacts	2.1.3.4 Combating food waste and food insecurity 2.1.2.5 Limiting the environmental impact of our plants	see Biodiversity and Climate sections - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
GRI 307 – Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	2.1.2.5 Limiting the environmental impact of our plants	see Biodiversity section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
GRI 308 – Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	2.2.3 Risk assessment, prevention and mitigation measures	see Biodiversity section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
308-2	Negative environmental impacts in the supply chain and actions taken	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials	

No.	GRI disclosure	URD	Website
GRI 400			
GRI 401 – Employment			
401-1	New employee hires and employee turnover	2.1.6.2 Employment at Carrefour and managerial transformation 2.1.6.3 Attracting, supporting and developing talent	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Unavailable	
401-3	Parental leave	2.1.6.4 Encouraging diversity and inclusion and battling all forms of harassment and discrimination	
GRI 402 – Labor/management relations			
402-1	Minimum notice periods regarding operational changes	Unavailable	Unavailable
GRI 403 – Occupational health and safety			
403-1	Occupational health and safety management system	2.1.6.5 Protecting employee health, safety and quality of life	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
403-2	Hazard identification, risk assessment, and incident investigation		
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety		
403-8	Workers covered by an occupational health and safety management system	2.1.6.5 Protecting employee health, safety and quality of life	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
403-9	Work-related injuries		
403-10	Work-related ill health		
GRI 404 – Training and education			
404-1	Average hours of training per year per employee	2.1.6.3 Attracting, supporting and developing talent	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
404-2	Programs for upgrading employee skills and transition assistance programs	2.1.6.2 Employment at Carrefour and managerial transformation	
404-3	Percentage of employees receiving regular performance and career development reviews	Unavailable	
GRI 405 – Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	3.2 The Board of Directors 2.1.6.4 Encouraging diversity and inclusion and battling all forms of harassment and discrimination	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
405-2	Ratio of basic salary and remuneration of women to men	Unavailable	see Employees section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
GRI 406 – Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	2.2.4.2 Summary of alerts and corrective actions taken	
GRI 407 – Freedom of association and collective bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.2.3 Risk assessment, prevention and mitigation measures 2.1.5.2 Respect for human rights and labour rights 2.2 Carrefour's duty of care plan	*https://www.carrefour.com/en/csr/responsible-conduct* see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*

No.	GRI disclosure	URD	Website
GRI 408 – Child labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.5.2 Respect for human rights and labour rights 2.2 Carrefour's duty of care plan	*https://www.carrefour.com/en/csr/responsible-conduct* see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
GRI 409 – Forced or compulsory labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.5.2 Respect for human rights and labour rights 2.2 Carrefour's duty of care plan	*https://www.carrefour.com/en/csr/responsible-conduct* see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
GRI 410 – Security practices			
410-1	Security personnel trained in human rights policies or procedures	2.1.5.2 Respect for human rights and labour rights 2.2 Carrefour's duty of care plan	*https://www.carrefour.com/en/csr/responsible-conduct* see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
GRI 411 – Rights of indigenous peoples			
411-1	Incidents of violations involving rights of indigenous peoples	N/A	N/A
GRI 412 – Human rights assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	2.1.5.2 Respect for human rights and labour rights 2.1.5.3 Fair compensation and decent wages 2.2 Carrefour's duty of care plan	*https://www.carrefour.com/en/csr/responsible-conduct* see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
412-2	Employee training on human rights policies or procedures	2.1.5.2 Respect for human rights and labour right 2.1.5.5 Fair practices 2.2 Carrefour's duty of care plan	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Unavailable	
GRI 413 – Local communities			
413-1	Operations with local community engagement, impact assessments, and development programs	2.2.3 Risk assessment, prevention and mitigation measures 2.1.5.2 Respect for human rights and labour rights	see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
413-2	Operations with significant actual and potential negative impacts on local communities	Unavailable	
GRI 414 – Supplier social assessment			
414-1	New suppliers that were screened using social criteria	2.2.3 Risk assessment, prevention and mitigation measures 2.1.5.2 Respect for human rights and labour rights	https://www.carrefour.com/en/csr/responsible-conduct see Business conduct and Supply chain section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
414-2	Negative social impacts in the supply chain and actions taken	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.5.2 Respect for human rights and labour rights 2.2 Carrefour's duty of care plan	

No.	GRI disclosure	URD	Website
GRI 415 – Public policy			
415-1	Political contributions	N/A	N/A
GRI 416 – Customer health and safety			
416-1	Assessment of the health and safety impacts of product and service categories	2.1.4.2 Guarantee the safety of our customers and the quality of our products 4.1.2.3 Operations – Product quality, compliance and safety.	see Health, nutrition and product quality and safety section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Unavailable	
GRI 417 – Marketing and labelling			
417-1	Requirements for product and service information and labelling	2.1.4.2 Guarantee the safety of our customers and the quality of our products 4.1.2.3 Operations – Product quality, compliance and safety.	see Health, nutrition and product quality and safety section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*
417-2	Incidents of non-compliance concerning product and service information and labelling	2.2.3 Risk assessment, prevention and mitigation measures	*https://www.carrefour.com/en/csr/responsible-conduct*
417-3	Incidents of non-compliance concerning marketing communications	2.2.3 Risk assessment, prevention and mitigation measures	
GRI 418 – Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1.5.4 Personal data protection 4.1.2.2 Governance, laws and regulations	Unavailable
GRI 419 – Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	4.1.2.2 Governance, laws and regulations 4.1.2.3 Operations	Unavailable

TCFD recommendations	TCFD subcategories	URD	Website	Other sources
Governance				
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	2.2.1 CSR and duty of care plan governance and methodology 2.1.3.1 Overview of objectives	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C1.1a, C1.1.b
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	1.3.1.4 Stakeholder dialogue 2.2.1 CSR and duty of care plan governance and methodology		CDP – Climate: C1.2, C1.2a
Strategy				
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	1.3.1.4 Stakeholder dialogue 2.1.1.2 Content of the Group's map of CSR risks 1.2.6 The need to preserve natural resources	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C2.1a, C2.1b, C2.2a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	1.3.2.3 Transformation of production and consumption modes 2.1.3 Climate	see Climate section - CSR policy commitments: https://www.carrefour.com/en/csr/csr-commitment	CDP – Climate: C2.2a, C2.3a, C2.4a
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.1.1.2.2 Map of the Group's CSR risks 2.1.3 Climate	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C3.1b, C3.1d, C3.1e
Risk management				
Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	1.3.1.4 Stakeholder dialogue 2.1.1 CSR methodology and non-financial risks and performance 2.1.3.1 Overview of objectives 2.2.2.1 Identifying and defining risks associated with the environment, human rights, and health and safety	see Performance section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C2.1a, C2.1b, C2.2
	b) Describe the organization's processes for managing climate-related risks.	2.1.1.1 CSR methodology 2.1.1.2.2 Map of the Group's CSR risks 2.1.3 Climate 2.2.3 Risk assessment, prevention and mitigation measures	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C2.2a
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.1.1.2 Content of the Group's map of CSR risks 2.2.3 Risk assessment, prevention and mitigation measures		CDP – Climate: C2.2

TCFD recommendations	TCFD subcategories	URD	Website	Other sources
Metrics and targets				
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	1.1.7 Corporate Social Responsibility - Stronger commitments and results 1.5.5 Summary of non-financial performance 2.1.3 Climate	see Biodiversity and Climate sections - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C4.1a, C4.1b, C4.3a, C4.3c, C8., C11.3a CDP – Water: W8.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.1.3 Climate 2.2.4.3 Summary of duty of care indicators 2.4 Reporting methodology and verification ofinformation	see Climate section - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C4.1a, C4.1b, C5., C6., C7.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	1.5.5 Summary of non-financial performance 2.1.3 Climate 2.2.4.3 Summary of duty of care indicators 2.4 Reporting methodology and verification ofinformation	see Biodiversity and Climate sections - CSR policy commitments: *https://www.carrefour.com/en/csr/csr-commitment*	CDP – Climate: C4.1a, C4.1b CDP – Water: W8.

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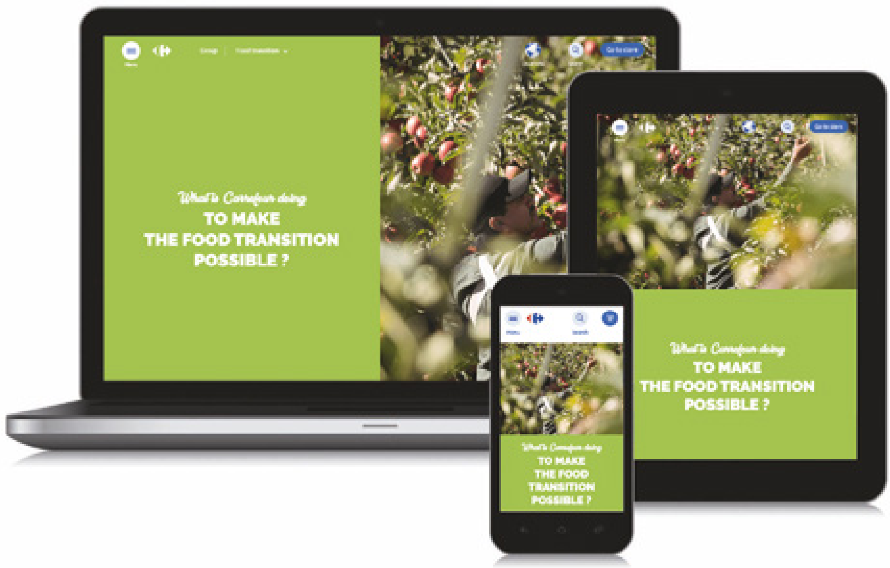

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