



CARREFOUR GROUP
SUSTAINABILITY-
LINKED BOND FRAMEWORK



MAY 2022



PART 1

BUSINESS OVERVIEW 4

PART 2

SUSTAINABILITY STRATEGY AND PERFORMANCE 6

2.1. Sustainability Strategy 6

2.2. Carrefour’s approach for leading on the Food transition for all 6

2.3. Carrefour’s Contribution toward the United Nations Sustainable Development Goals (SDGs) 9

2.4. External ratings of Carrefour ESG performance 11

2.5. Climate change 13

2.6. Circular economy 16

PART 3

SUSTAINABILITY FINANCING AND SLB FRAMEWORK 20

3.1. Sustainable Financing 20

3.2. SLB Framework 21

3.3. Selection of Key Performance Indicators (KPI(s)) and Calibration of Sustainability Performance Targets (SPT(s)) 22

3.4 Bond Characteristics 28

3.5 Reporting 28

3.6 Verification 29

BUSINESS OVERVIEW

With a multi-format network of some 13,000 stores in more than 40 countries, the Carrefour Group is one of the world's leading food retailers. It has close to 320,000 employees who help to make Carrefour the global leader in the food transition for all, providing customers access to high-quality, affordable food every day.

 **40**
COUNTRIES

 **13,000**
STORES

 **320,000**
EMPLOYEES

In 2018, Carrefour launched the "Carrefour 2022" transformation plan, with the aim of positioning the Group as leader of the food transition for all, based on a sustainable and profitable growth model.

The progress of Carrefour's ESG performance is tracked, in particular, through the evolution of our **CSR and Food Transition Index**, a comprehensive and detailed index composed of 17 key performance indicators and targets, the performance of which is measured annually, disclosed in our Universal Registration Document ("URD") and audited annually by an independent third party (for more information please refer to section 2 "Corporate social responsibility and performance" of our URD, available at www.carrefour.com).

In 2019, the Group reiterated its ambition to **become the leader of the food transition for all**, by adopting its "raison d'être".

Carrefour's position as a leading global retailer gives it a unique ability to pursue transformative change across the supply chain and lead industry-wide action to tackle some of the biggest social and environmental challenges facing us today.



SUSTAINABILITY STRATEGY AND PERFORMANCE

2.1. SUSTAINABILITY STRATEGY

In January 2018, Carrefour launched, under the leadership of Alexandre Bompard, its five-year transformation plan, "Carrefour 2022" to respond to identified global challenges by becoming the leader in the food transition for all. The objective of Carrefour's business model transformation is to promote healthier, accessible food while committing to the agricultural transition and the preservation of the planet's resources.



Carrefour SA has also included the following mission in its by-laws:

"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."

2.2. CARREFOUR'S APPROACH FOR LEADING ON THE FOOD TRANSITION FOR ALL

The Group's CSR methodology 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 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.

→ **Dedicated governance:** Governance bodies for CSR and the food transition have been set up at every level in the organisation. 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 in integrated countries and within the various professions depending on the issues addressed.

→ **Actions for its customers integrated into products and stores:** 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, 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. 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 across the value chain, organisations and public authorities. These coalitions come together to facilitate market transformation by collectively shaping practices and bringing about large-scale changes, which can sometimes anticipate new regulations. The Group also takes part in different working groups to identify emerging solutions and co-build action plans at a collective industry level.

→ **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 bag", returnable packaging, no-waste boxes, and the elimination of plastic from the fruits and vegetables section. Carrefour and its partners work to identify innovative solutions, support the implementation of these solutions and, as such, suggest new ways of producing and using products.

→ **Involving direct suppliers and partners:** 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 all. For instance, Carrefour offers its suppliers

opportunities to work on joint projects (e.g., Collaboration for Healthier Life in Lyon), innovation platforms (e.g., RESET project for ecodesign in packaging) and technical support for supply lines (e.g., development of agroecology in Carrefour Quality Lines). Finally, the Group launched the Food Transition Pact in 2020, which unites national brand suppliers around common objectives on the themes biodiversity, climate, packaging, health and nutrition.

→ **Educating and engaging customers:**

To transform consumer habits, Carrefour offers products and solutions in stores to promote sustainable consumption. This enables Carrefour 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 (for example, activist consumer groups in Spain and France).

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

- engaging with stakeholders and consumers on societal issues;
- defining policies and helping the business segments to deploy action plans and achieve objectives;
- risk analysis and materiality analysis;
- evaluating non-financial performance.

2.3. CARREFOUR'S CONTRIBUTION TOWARD THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

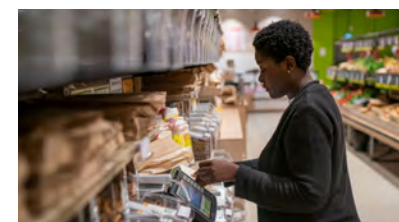
Carrefour's business model aims at creating value for its stakeholders and generating a positive impact on society. **Carrefour's mission is to offer its customers quality services, products and food accessible to all through all distribution channels.** Through its activities, Carrefour primarily contributes to 10 Sustainable Development Goals ("SDG"):



ZERO HUNGER

The Group's targets

- 50% reduction in food waste by 2025 and 55% reduction by 2027 vs. 2016
- 100% of countries have deployed an annual Act For Food communication program
- 100% of countries have a dedicated local food and purchasing program in place by 2020
- 45,000 local partners by 2025



- 100% of countries have implemented an action plan on health, safety and quality of life at work

GOOD HEALTH AND WELL-BEING

The Group's targets

- Banning controversial substances
- Ensure the quality and safety of Carrefour products
- 7 000 products with Nutri-Score in Europe by 2022
- 100% of countries have implemented an action plan on nutrition in all countries

GENDER EQUALITY

The Group's targets

- Women to account for 35% of the top 200 managers by 2025
- GEEIS certification for gender equality in all countries

DECENT WORK AND ECONOMIC GROWTH

The Group's targets

- 100% of supply plants located in high-risk or at-risk countries must undergo a social audit

RESPONSIBLE CONSUMPTION AND PRODUCTION

The Group's targets

- 15% of fresh food sales coming from sustainable agriculture by 2025, including organic agriculture and agro-ecology.
- 8 key objectives of our animal welfare policy deployed in all countries by 2025
- Guarantee the transparency and traceability of Carrefour products
- 100% reusable, recyclable and compostable packaging by 2025
- 100% of waste recovered by 2025

CLIMATE ACTION

The Group's targets

- Scopes 1&2: Carbon neutrality by 2040 for the stores. As part of this commitment the Group is aiming at the following trajectory for the emission reduction from its activities:
 - reduction of 30 % by 2025;
 - reduction of 39.5% by 2027;
 - reduction of 50% by 2030;
 - reduction of 70% by 2040 (compared with 2019 levels),
 These targets are aligned with the SBTi's 1.5°C scenario.
- Carbon neutrality of its e-commerce activities by 2030
- Scope 3: Reduce GHG emissions by 29% by 2030, compared to 2019, including a reduction of GHG emissions from products

sold in stores by 20 megatonne by 2030. Through this commitment, Carrefour plans to reduce by 30% the emissions linked to purchased goods and services. In order to implement this ambition, Carrefour has set up a reduction target of 20 megatonne of its suppliers CO₂ emissions within its "20 megatonne platform", launched in 2021. As part of this operational target, the Group has set an intermediate target of a 5 megatonne reduction of its suppliers emissions by 2027.

LIFE BELOW WATER

The Group's targets

- 50% of seafood products coming from responsible fishing by 2025
- 20,000 tonnes of packaging saved by 2025, including 15,000 tonnes of plastic (cumulated since 2017) and 21,500 tonnes of packaging saved in 2027, including 16,000 tonnes of plastic.

LIFE ON LAND

The Group's targets

- 100% of sensitive raw materials to be covered by a risk reduction plan by 2025, including products linked to deforestation (palm oil, wood and paper, Brazilian beef, soy, cocoa, paper packaging, textile fibers)

2.4. EXTERNAL RATINGS OF CARREFOUR ESG PERFORMANCE

Carrefour regularly answers questionnaires from rating agencies to assess its economic, social and governance performance.

Since 2017, **Carrefour has in particular been among the top-performing companies in the Dow Jones Sustainability World Index (DJSI)**. This distinction positions the Group among the **top five global retailers in terms of CSR**.

The table below sets out the ESG rating of Carrefour by each of the listed rating agencies:

RATING 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 Eiris	55	67	-	A1+ ⁽³⁾ 68	67	64
CDP Forest	-	-	-	-	-	-
Palm oil	B	A-	B-	B	B	B
Soy	B	B	B-	B	B	B
Beef	C	B	C	B-	B	B
Wood and paper	B	A-	B-	B-	B	B
CDP Water	-	-	-	-	A-	A-

(1) Change in rating system in 2016.

(2) Change in rating system in 2018 - equivalent rating with new rating system.

(3) Rating requested from Carrefour Group in addition to standard rating.

(4) No rating in 2019.



2.5. CLIMATE CHANGE

→ Context and definition

In 2015, the COP21 Paris climate agreement set goals for limiting global warming, advocating for a reorientation of the world economy toward a low-carbon model and the phase-out of fossil fuels. This sets a major challenge for large-scale retail, whose environmental impact extends not only to the actual stores but through the entire logistics chain, from production sites to the customer's home.

At its Shareholders' Meeting of May 29, 2020, Carrefour announced new goals, approved by the Science Based Targets initiative, 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.**

The Group has evaluated its greenhouse gas (GHG) emissions accordingly: 97% fall into scope 3 (indirect emissions, from activities upstream of Carrefour itself, as opposed to scopes 1 and 2, direct emissions); 76% of the Group's scope-3 emissions are from products and packaging sold in stores and 12% from the use of fuel sold.

Carrefour experiences a number of risks and opportunities arising from climate change. To start with, regulatory pressure incites stores to achieve greater energy efficiency. Second, there is the physical risk of extreme climate events, such as flooding, hail and snow, damaging roofs that were not designed to undergo them. In addition, new consumption habits

(such as a preference for local produce or organic food), deriving from concern on environmental protection, is exerting an increasing influence on purchase decisions and Group preferences.

→ Policy and performance

Scope 1 and Scope 2: In the wake of COP21 in 2015, Carrefour raised its targets for reducing its CO₂ emissions. It then set a new reduction pathway approved by the Science-Based Target (STBi) initiative in 2020 (compatible with keeping the increase in global warming to below 2°C by 2100). Ahead of COP26, the Group again raised its ambition, setting an objective of carbon neutrality by 2040. To do this, the Group is intending to reduce the emissions resulting from its direct activities as much as possible. In particular, this will involve using completely renewable electricity by 2030, replacing all of its fluorinated refrigerants with natural fluids and further reducing its energy consumption.

The Group's action plan to achieve carbon neutrality will involve reducing the CO₂ emissions resulting from its activities at source as much as possible by tackling the following areas: Reducing the emissions resulting from the Group's activities by 30% by 2025, by 39,5% by 2027, by 50% by 2030 and then by 70% by 2040 (compared with 2019 levels), a target aligned with the SBTi's 1.5°C scenario.

To do this, Carrefour is doing the following:

- Using 100% renewable electricity by 2030. The Group will give priority to on-site production – producing electricity for its own use or injecting it into the grid – and will then enter into

PPAs (Power Purchase Agreements). Electricity consumption accounted for 58% of greenhouse gas emissions in 2020;

- Reducing energy consumption by 27.5% by 2030 (compared with 2019 levels) – which is equivalent to more than 1 million MWh per year

and equivalent to a 240,000 tonne CO₂ reduction. Energy consumption accounted for 66% of the Group's greenhouse gas emissions in 2020;

- Reducing emissions resulting from using refrigerants by 50% by 2030 and then by 80% by 2040. In particular, this will involve replacing fluorinated

refrigerants with new facilities that use CO₂, in compliance with the European F-Gas regulation. Refrigerant consumption accounted for 34% of CO₂ emissions in 2020.

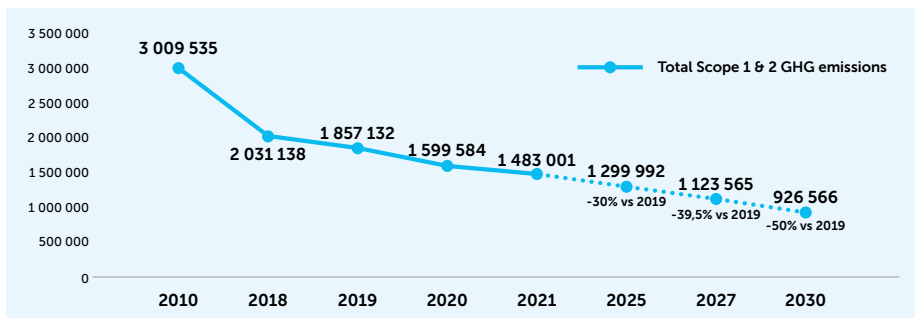
Scope 3: Carrefour has set itself the goal of achieving a 29% reduction in its indirect GHG emissions (scope 3) by 2030, compared with 2019.

Concerning its main indirect emissions drivers, Carrefour has structured its Climate Action Plan around three priority areas that together account for 90% of scope 3 emissions, according to a first estimation of its scope 3 emissions conducted in 2020:

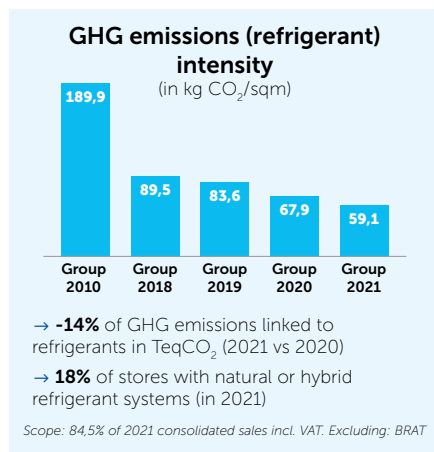
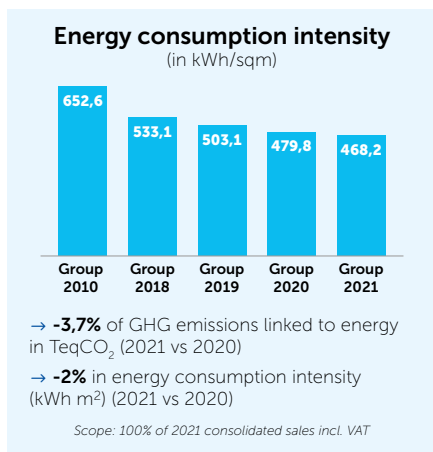
- **purchases of goods and services:** reducing emissions from goods and services purchased by 30% by 2030, compared with 2019 (well below the 2°C scenario). According to our first scope 3 estimation conducted in 2020, 20 megatonnes CO₂ emission reduction between 2030 is a relevant estimate to approach

this target within purchased goods and services. Therefore, Carrefour is engaging its suppliers that are part of the Food Transition Pact to reduce 20 megatonnes of CO₂ emissions by 2030 linked to the production and use of products per year. As part of this operational target, the Group has set an intermediate target of a 5 megatonnes reduction of its suppliers emissions by 2027. Progress toward this ambition will be tracked through a collaborative online platform, co-developed with PepsiCo and more than twenty of Carrefour's international suppliers. <https://www.20megatons.com/>.

- **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 CO₂ emissions linked to outbound transport by 20% by 2030, compared with 2019 (2°C scenario).



INDICATOR	Units	2021 vs 2020	2021	2020	2019
Scope 1 GHG emissions	t CO ₂	-12%	613,932	696,742	822,116
Scope 2 GHG emissions	t CO ₂	-4%	869,069	902,842	1,035,016
Total scope 1&2 GHG emissions	t CO₂	-7,3%	1,483,001	1,599,584	1,857,132



INDICATOR	2021	2020	Change	Target
Number of suppliers that are members of the Food Transition Pact	114	26	+338%	300 in 2025
GHG emissions from downstream transportation (tco2e)	311	337	-7,8%	-20% in 2030 (vs 2019)

→ **Joint initiatives and partnerships:**

- Signatory of the French Business Climate Pledge
- Consumer Goods Forum (CGF) network
- Science Based Target Initiative (SBTi)
- European Climate Pledge
- Business Ambition for 1.5
- Climate Disclosure Standard Board (CDSB)

- Race to Zero
- Carbon Disclosure Project (CDP) - Reporter Services Membership
- Food Transition Pact


For more detailed information on the action plan, please refer to our URD.

Indicators audited with reasonable assurance

2.6. CIRCULAR ECONOMY

DEVELOPING ECODESIGN AND A CIRCULAR ECONOMY FOR 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. Because packaging is considered throw-away by nature and of low cash value, and because collection infrastructures are not highly effective, the environmental impact is very considerable, as we can see with the proliferation of waste plastic in the ocean.

The rise in packaging volumes is closely linked to the boom in large-scale retail: packaging facilitates goods transport, extends product conservation and helps consumers identify product differences. If major retail is responsible for the emergence of large quantities of single-use packaging, it is also ideally placed to bring about the necessary changes in packaging practices, especially in the light of growing consumer awareness on the issue.

Carrefour wishes to spearhead a retail industry transition toward a more reasonable and measured consumption of packaging, by working alongside its rivals to promote the innovations in the eco-design of product and packaging suppliers, by raising consumer awareness on the matter, and by partnering with NGOs in the field. An initial analysis covering 800 suppliers in 2018 estimated the yearly amount of Carrefour own-brand packaging at more than 120,000 tonnes. Concerted



involvement across the entire Carrefour ecosystem is needed to address this issue and smoothly bring in the necessary changes.

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 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.

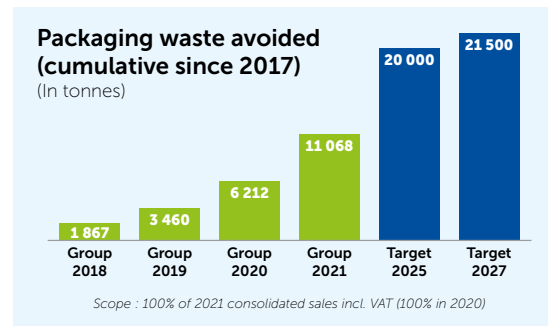
→ Policy and performance

Carrefour's policy 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.

As the results of the CSR index were above the targets set for 2020, Carrefour has revised its packaging reduction target to 20,000 tonnes by 2025, including 15,000 tonnes of plastic. The Group will pursue this trajectory with a target of 21,500 tonnes of packaging saved by 2027 including 16,000 tonnes of plastic.

Carrefour is targeting 100% reusable, recyclable or compostable packaging for its own-brand products by 2025. A common reporting system across several retailers is being developed



so that performance relative to this objective can be measured.

Carrefour has achieved its target of 80% of recyclable packaging for its own-brand organic products. Moreover, the target of discontinuing plastic packaging for organic fruits and vegetables was achieved for 70% of produce in 2020 and this figure will be 90% in 2021.

20,000 tonnes of packaging saved by 2025 and 21,500 by 2027

- Participating in the transformation of the market

- New Plastics Economy
 - Global Commitment
 - European Plastic Pact
 - Plastic Pact Poland
 - Pacte National sur les Emballages Plastiques
- Mobilising our clients

- Mission Zéro Plastique
 - Défi Zéro Plastique
- Collaborating with our partners through to create innovative solutions

- Loop
 - (Re)set packaging
- Taking action in store

- 11,000 tonnes of packaging saved since 2017
 - Development of bulk packaging: more than 1,000 stores equipped
 - "Bring your own container": possibility to bring reusable containers in all stores

→ 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
- The European Plastics Pact
- (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



COMBATING FOOD WASTE AND FOOD INSECURITY

→ **Context and definition**

Every year across the planet, 1.3 billion tonnes of food end up uneaten⁽¹⁾, though still edible, with no health risk. The cost of wasting farming produce (excluding fish and seafood) is estimated at 750 billion dollars per year worldwide. In environmental terms, food waste accounts for the release of 3.3 Gt of greenhouse gases per year, making it the third-biggest polluter in the world, after the United States and China.

Food waste has a number of causes: overproduction, calibration criteria, interruption in the cold chain, poor

stock management, supply-demand mismatching, etc. In France, 32% of food waste is generated at the agricultural production stage, 21% at the transformation stage, 14% at the retail stage, 14% at restaurants and in catering, and 19% in domestic consumption⁽²⁾. At each step in the farming and food chain, there are measures to be taken on cutting down waste. In 2018,

Carrefour evaluated 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 evaluation yielded numerous solutions throughout the value chain: crop growing & harvesting, sorting, packaging

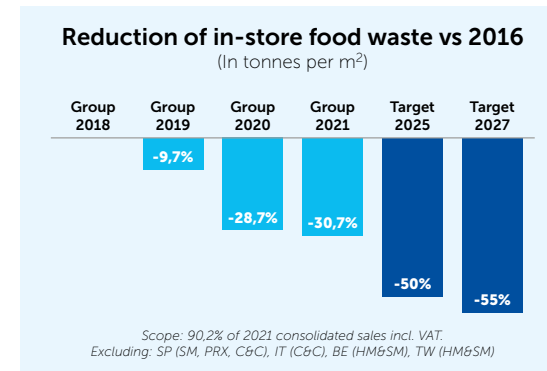
& transport, quality control, distribution and consumption. These solutions could eventually be rolled out across all the products sold by Carrefour.

and nutritious food being wasted so that it could be given to the most deprived.

→ **Policy and performance**

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 the sell-by date and recovery of unsold produce open opportunities for cutting down waste.

Carrefour shares the Consumer Goods Forum (CGF's) goal of achieving a 50% reduction in food waste by 2025 (compared to 2016); The Group will pursue this trajectory with a target of 55% reduction by 2027. Carrefour's global policy on cutting down food waste has three focus areas: in-store measures, cooperation with suppliers, and consumer education. 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.



→ **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
- Champions 12.3

(1) Source : Organisation des Nations Unies pour l'alimentation et l'agriculture (FAO), 2019

(2) Source : Ademe, 2016

SUSTAINABILITY FINANCING AND SLB FRAMEWORK

3.1. SUSTAINABLE FINANCING

The Group is committed to contributing to the financing of sustainable projects and initiatives.

The Carrefour Foundation, which celebrated in 2020 its twentieth birthday, has encouraged and funded numerous sector-based and local stakeholders committed to promoting sustainable agricultural practices, in France, in the 8 other integrated countries of the Carrefour Group (Argentina, Belgium, Brazil, Spain, Italy, Poland, Romania and Taiwan) and around the world.

Carrefour actively contributes to agricultural food transition projects and, more generally, to numerous initiatives, such as combating food waste, energy consumption and the overall impact of its operations on climate change (for more information please refer to section 2 "Corporate social responsibility and performance" of our URD, available on www.carrefour.com). In 2018, Carrefour launched "Je Participe" - a crowdfunding and crowd-lending platform - enabling it to invest in local agricultural projects in line with the Food Transition alongside with its customers.



In June 2019, Carrefour amended and extended two credit facilities, incorporating an innovative Corporate Social Responsibility (CSR) component in the first CSR-linked credit transaction in the European retail sector. As part of these credit facilities, an investment structure dedicated to the food transition for all has been put in place, funded by Carrefour and the banks, depending on the evolution of Carrefour's CSR & Food Transition Index. The related sums are used to finance "Act for Food" initiatives, such as funding supplier projects linked to the food transition (e.g., transitioning to organic farming and switching to more animal-friendly farming methods).

Through the issuance of Sustainability-Linked Bonds ("**SLBs**"), Carrefour is committed to further reinforcing the alignment of its funding strategy with its sustainability goals.

To this end, Carrefour has included the option to issue SLBs (as further described in Section 3.2 (*SLB Framework*) below) into its Euro Medium Term Notes programme, which includes Sustainability Performance Targets that are aligned with the sustainability goals identified by Carrefour.

In that respect, regardless of whether or not the applicable Sustainability Performance Target(s) has/have been reached (as defined below), Carrefour may elect to dedicate part of the proceeds of any SLB issuance to fund CSR Projects.

For the purpose of SLB issuance, "**CSR Projects**" means the "Act for Food" project (as described in the URD) or any other internal project conducted by the



Issuer as part of its CSR (corporate social responsibility) strategy.

For the avoidance of doubt, SLBs are not "sustainable bonds" or "green bonds" where the proceeds would be exclusively applied to finance or refinance green or social projects or a combination of both green and social projects. Carrefour does not intend to comply with the Green or Social Bond Principles as published by ICMA.

3.2. SLB FRAMEWORK

This Sustainability-Linked Bonds Framework (the "**SLB Framework**") is aligned with the five core components of the Sustainability-Linked Bond Principles published by the International Capital Market Association ("**ICMA**") in June 2020 as may be amended from time to time (the "**ICMA SLBP**")⁽³⁾.

The ICMA SLBP are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking sustainability outcomes and promote integrity in the development of the SLB market by clarifying the approach for the issuance of a SLB.

(3) See: <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-linked-bond-principles-slb/>

The following five core components form the basis of the ICMA SLBP:

1. Selection of Key Performance Indicator ("KPI") and Calibration of Sustainability Performance Targets ("SPTs")
2. Bond Characteristics
3. Reporting
4. Verification

Sustainability-Linked Bonds ("SLBs") are any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Sustainability/Environmental, Social and Corporate Governance ("ESG") objectives. In that sense, issuers of SLBs are further committing explicitly to future improvements in sustainability outcome(s) within a predefined timeline that are relevant, core and material to their overall business. SLBs are a forward-looking performance based instrument.

In this context, Carrefour intends to issue SLBs which would comply with the ICMA SLBP and thereby intends to define ESG objectives that are material to the Group's core sustainability and business strategy (as described in Section 2 above). The relevant KPI(s) and SPT(s) will be selected by Carrefour prior to each issuance of SLB under Carrefour's EMTN programme and will be specified in the final terms of the relevant SLB issue.

The net proceeds of the issues of SLBs will be used for the Group's general corporate purposes. Carrefour does not commit to allocate the net proceeds specifically to projects or business activities meeting sustainability criteria, the use of proceeds is not a determinant in the SLB categorization.



Regardless of whether or not the applicable SPT(s) has/have been reached, Carrefour may elect to dedicate part of the proceeds of any SLB issuance to fund CSR Projects.

3.3. SELECTION OF KEY PERFORMANCE INDICATORS (KPI(S)) AND CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPT(S))

Carrefour has selected the below three KPI(s), which are core, relevant, and material to its business and measure progress against its sustainability commitments. The SPTs described below have been calibrated for each KPI and reflect the level of ambition Carrefour is ready to commit to and its sustainability strategy as described in Section 2 (*Sustainability Strategy and Performance*).



CLIMATE CHANGE

KPI 1.A: Group Greenhouse Gas (GHG) Emissions reduction (Scope 1 and 2, in T. CO₂ eq.)

→ Sustainability Performance Targets (SPT(s)):

The Group's action plan to achieve carbon neutrality will involve reducing the CO₂ emissions resulting from its activities at source as much as possible in the following areas: Reducing the emissions resulting from the Group's activities by 30% by 2025, by 39.5% by 2027, by 50% by 2030 and then by 70% by 2040 (compared with 2019 levels), a target aligned with the SBTi's 1.5°C scenario.

Gas, electricity and refrigerants consumed in stores are Carrefour's main direct sources of greenhouse gas emissions. To this end, Carrefour is committed to the following areas of work:

- reducing energy consumption,
- increasing the share of renewable energy in energy consumption,
- reduce CO₂ emissions from refrigerants by 2025, compared to 2010, by phasing out hydrofluorocarbon (HFC) refrigerants and limiting refrigerant leaks.

→ Scope and methodology for measurement:

Baseline: 2019

Scope: integrated stores in the Group's integrated countries (Argentina, Belgium, Brazil, Spain, France, Italy, Poland, Romania, Taiwan)

Metrics: tonnes of CO₂ equivalent.

Methodology: in order to assess the CO₂ emissions linked to energy consumption (electricity, gas and fuel oil) and to store refrigerants, conversion factors (from kWh and kg to kg CO₂ equivalent) from internationally recognized organisations, such as the IPCC (Intergovernmental Panel on Climate Change) and the IEA (International Energy Agency) are used. BUs also have the option of using specific national factors.

INDICATOR	Units	2021 vs 2020	2021	2020	2019
Scope 1 GHG emissions	t CO ₂	-12%	613,932	696,742	822,116
Scope 2 GHG emissions	t CO ₂	-4%	869,069	902,842	1,035,016
Total scope 1&2 GHG emissions	t CO₂	-7,3%	1,483,001	1,599,584	1,857,132



CLIMATE CHANGE

KPI 1.B: Greenhouse Gas (GHG) Emissions reduction from Carrefour' suppliers part of the 20 megatonne platform (Scope 3, in T. CO₂ eq.)

→ Sustainability Performance Targets (SPT(s)):

Carrefour has set itself the goal of achieving a 29% reduction in its indirect GHG emissions (scope 3) by 2030, compared with 2019. Concerning its main indirect emissions drivers, Carrefour has structured its Climate Action Plan around three priority areas that together account for 90% of scope 3 emissions, according to a first estimation conducted in 2020:

- 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). According to our first scope 3 estimation conducted in 2020, 20 megatonnes CO₂ emission reduction between 2030 is a relevant estimate to approach this target within purchased goods and services. Therefore, Carrefour is engaging its suppliers to reduce 20 megatonnes of CO₂ emissions by 2030 linked to the production of products per year. As part of this operational target, the Group has set an intermediate target of a 5 megatonne reduction of its suppliers emissions by 2027. Progress toward this ambition will be tracked through a collaborative online platform, co-developed with PepsiCo and more than twenty of Carrefour's international suppliers.

<https://www.20megatons.com/>

→ Scope and methodology for measurement:

Baseline: 2019

Scope: suppliers reporting their emissions on the 20 megatonne platform, open to all suppliers of Carrefour, starting with the members of the Food Transition Pact

Metrics: tonnes of CO₂ equivalent.

Methodology: the scope 3 emissions are calculated by using monetised emission factors, multiplied by the sales in certain product groups. The sum of all these calculations provides a first estimate of the climate impact of the products sold. Although Carrefour is using external expertise to ensure these calculations, to date scope 3 emissions remain estimates. With the 20 megatonne project, Carrefour uses a more robust KPI based on specific emissions reduction with suppliers. This is why the Group has chosen this 20 megatonnes KPI as an operational target to pilot the implementation of its Scope 3 ambition. This 20 megatonne indicator will be the KPI 1.B used within this Sustainability-Linked Bond Framework. The methodology is in line with the globally accepted and used GHG Protocol Scope 3 Standard.

i New indicator: Data will be published for the first time in 2022.



CIRCULAR ECONOMY

KPI 2: Tonnes of packaging avoided

→ Sustainability Performance Targets (SPT(s)):

Carrefour's packaging policy aims to reduce the quantity of packaging placed on the market but also to improve the use and end of life of those that are still needed by ensuring, for example, their reuse or recyclability.

Carrefour's objective was to avoid the placing on the market of 20,000 tonnes of packaging by 2025 (cumulative since 2017), including 15,000 tonnes of plastic through the elimination of unnecessary packaging and implementation of eco-design. The Group will pursue this trajectory with a target of 21,500 tonnes of packaging saved by 2027 including 16,000 tonnes of plastic.

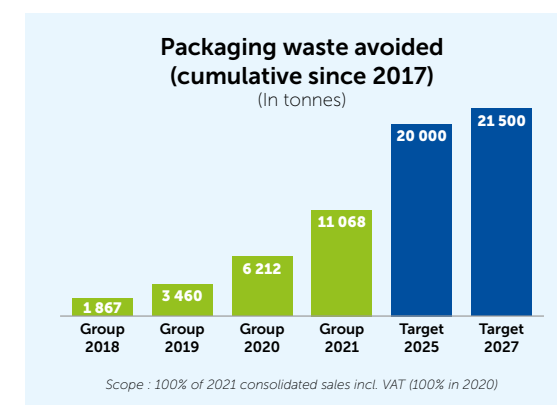
→ Scope and methodology for measurement:

Baseline: 2017

Scope : sales in integrated countries (Argentina, Belgium, Brazil, Spain, France, Italy, Poland, Romania, Taiwan)

Metrics: tonnes of packaging (cumulative since 2017).

Methodology: accounting for packaging reductions linked to eco-design projects or the elimination of plastic packaging products or stores. The weight of packaging saved or plastic avoided is multiplied by the number of products sold over the period considered when this is still active.





CIRCULAR ECONOMY

KPI 3: Food waste generated by the stores (in tonnes/m²)

→ Sustainability Performance Targets (SPT(s)):

In line with the objective of the Consumer Goods Forum (CGF), Carrefour aims to reduce its food waste by 50% by 2025 and 55% reduction by 2027 compared to 2016. To this end, Carrefour's overall food waste reduction policy is based on three levers: in-store actions, collaboration with suppliers and consumer awareness. The Group's ambition is to be irreproachable in its activities but also to play a leading role in the fight against waste within its ecosystem, by involving all the other stakeholders (suppliers and consumers).

→ Scope and methodology for measurement:

Baseline: 2016

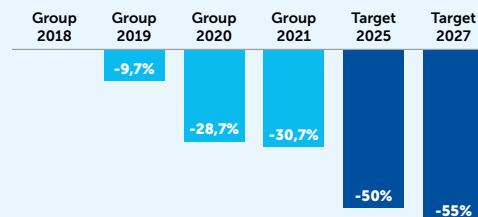
Scope: integrated stores in the Group's integrated countries (Argentina, Belgium, Brazil, Spain, France, Italy, Poland, Romania, Taiwan)

Metrics: tonnes of food waste per square meter of in-store sales area

Methodology: evaluating and consolidating data on in-store food waste is a pioneering process on which Carrefour is working with the Consumer Goods Forum. Carrefour has deployed a tool for monitoring food waste in stores which allows it to monitor changes in the percentage reduction in its food waste compared to the 2016 reference year. The indicator calculation method is based on the standard food waste accounting referent of the Food Loss and Waste Accounting and Reporting Standard (or FLW Standard).

Reduction of in-store food waste vs 2016

(In tonnes per m²)



Scope: 90,2% of 2021 consolidated sales incl. VAT.
Excluding: SP (SM, PRX, C&C), IT (C&C), BE (HM&SM), TW (HM&SM)

3.4 BOND CHARACTERISTICS

The financial characteristics of any SLBs issued by Carrefour under its EMTN programme will be detailed in the corresponding bond documentation (i.e. the final terms).

The failure by Carrefour to satisfy any of the applicable SPT(s), specified as being applicable in the relevant final terms, as at any target observation date will result in a coupon adjustment, as set out in the relevant final terms (the "**Sustainability Trigger Event**").

For the avoidance of doubt the relevant final terms may specify more than one SPT(s) and more than one target observation date.

Any Sustainability Trigger Event will result in an interest step up (as specified in the applicable final terms), applying to the relevant SLBs as at the date specified in the relevant final terms.

If for any reason, Carrefour does not publish the applicable sustainability performance report, the assurance report or, if applicable, the SPT verification assurance certificate, on



or before the date of publication of Carrefour's URD, the interest step up (as described above) will be applicable.

3.5 REPORTING

In order to provide investors with adequate information about the progress made on the KPI(s) and the achievement or not of the SPT(s) set out in this SLB Framework and in the terms and conditions of the SLB, Carrefour will provide relevant reporting on an annual basis, and in any case for any date/period relevant for assessing the trigger of the SPT(s) leading to an interest step up of the relevant SLB.

Such reporting will be included in a dedicated section of Carrefour's URD or published on its website as a separate report or document and kept readily available and easily accessible on Carrefour's website (<https://www.carrefour.com>).

Such reporting will contain:

- the level of the relevant KPI(s) as at 31 December in each year;
- an assurance report issued by an external verifier on an annual basis confirming the level of the applicable KPI(s);
- a verification assurance certificate provided by the external verifier confirming the level of the KPI(s) against the applicable SPT(s) following each date of assessment of the SPT(s); and
- information in relation to any change to the levels of the KPI(s) used as a baseline, of the Baseline Date and/or of the SPT(s) in the event of any recalculation made in accordance with the terms and conditions of the SLBs.



The reporting may also include when feasible and possible:

- a qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI(s) on an annual basis; and
- illustration of the positive sustainability impacts of the performance improvement.

3.6 VERIFICATION

1. Pre-Issuance Review

Carrefour's SLB Framework has been reviewed by Moody's ESG Solutions who provided a second party opinion confirming the alignment with the ICMA SLBP five core components and the

relevance, robustness and reliability of the selected KPI(s), the rationale and level of ambition of the proposed SPT(s), the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them (the "**SPO**").

The SPO will be made available on Carrefour's website.

2. Post-Issuance Review

Carrefour's performance of each KPI(s) against the applicable SPT(s) at the relevant target observation date will be verified by an external verifier with the relevant expertise at least once a year. To this end, the external verifier will issue assurance reports as further described in section 3.6 (Reporting) above.

The external verifier means Mazars, or any such other qualified verifier of third party assurance or attestation services appointed by Carrefour in replacement of the initial external verifier who will provide an assurance report.

In the event of a recalculation made pursuant to the terms and conditions of the SLBs, the consistency of the proposed revision with Carrefour's ESG strategy and with the initial level of ambition of the SPT(s) will be confirmed by the external verifier, as a pre-requirement to such recalculation.

The external verifier assurance report will be made publicly available on Carrefour's website as provided in section 3.6 (*Reporting*) above.

3. Amendments to this Framework

Carrefour may review this SLB Framework from time to time, including its alignment to updated versions of the ICMA Sustainability Linked Bonds Principles as and when they are released, with the aim of adhering to best practices in the market. Carrefour may also review this SLB Framework in case of material changes in the perimeter, methodology, or data accessibility, and in particular in the event of a change to the KPI(s), the Baseline Date and/or the SPT's calibration in the context of any recalculation made in accordance with the terms and conditions of the SLBs.

Such reviews may result in this SLB Framework being updated and amended from time to time. The updates, if not minor in nature, will be subject to the prior approval of Moody's ESG Solutions or any such other qualified provider of second party opinion.



Any future updated version of this SLB Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external verifier. The updated SLB Framework, if any, will be published on Carrefour's website and will replace this Framework.

4. Recalculation

Any changes (i) to the calculation methodology of any SPT(s), or (ii) in data due to better data accessibility, or (iii) in the Group's perimeter, which, individually or in aggregate, has a significant impact on the levels of the SPT(s), then the level of the KPI used as a baseline, the baseline date and/or the SPT(s) may be recalculated in good faith by the Carrefour to reflect such change, in accordance and subject to with the terms and conditions of the SLBs.



DISCLAIMER

Certain statements, estimates and opinions made in this SLB Framework are forward-looking statements. Phrases such as "aim", "plan", "intend", "should", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements are based on current expectations and assumptions which may or may not prove to be correct and are subject to a number of risks, uncertainties and other important factors that could cause actual results, performance, achievements or events to differ materially from what is expressed or implied by those statements. Many of the factors that could cause actual results, performance, achievements or events involving the Group to differ materially from its expectations are outside of its control and not predictable, including, among other things, general business and economic conditions globally, industry trends, competition, changes in government and other regulation and policy, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, interest rates and currency fluctuations, changes in its business strategy, and political and economic uncertainty, including as a result of global pandemics. As such, undue reliance should not be placed on the forward-looking statements contained herein. Any forward-looking statement is based on information available to the Group as of the date of this statement. All written or oral forward-looking statements attributable to the Group are qualified by this caution. No liability is accepted by the Group in respect of the achievement of or in connection with any such forward-looking statements or assumptions. Neither Carrefour nor any of its officers, employees, agents or affiliates makes any express or implied representation, warranty or undertaking with respect to the information, opinions or forward-looking statements contained herein, and none of them accept any responsibility or liability as to their accuracy or completeness or for any loss howsoever arising, directly or indirectly, from any use of or reliance on such information, opinions or forward-looking statements or otherwise arising in connection therewith. Other than in accordance with legal and regulatory obligations, Carrefour undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. The information contained in this SLB Framework does not purport to be comprehensive and, unless otherwise specified therein, has not been independently verified by any independent third party. Nothing in this SLB Framework constitutes legal, financial, regulatory or other advice or a recommendation with respect to any securities or financial instruments. This SLB Framework does not constitute an offer to sell or the solicitation of an offer to buy any securities or financial instruments and nothing contained herein shall form the basis of any contract or commitment whatsoever.



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