



Massy, 15 May 2024

A message from Stéphane Israël, Lead Independent Director

Dear Carrefour Shareholder,

As Lead Independent Director I once again reaffirm my conviction that shareholder dialogue is critical to Carrefour's Board of Directors and Management Team. As approach our AGM due on May 24, we feel it important to draw your attention to the continued progress your Company is making recent years, and more specifically over the past twelve months, to improve its Executive Compensation structures. Carrefour strongly values shareholder engagement on corporate governance and has again furthered its efforts in 2024, building on that which was accomplished over the three years prior, for continuous improvement through greater transparency and two-way dialogue.

Alignment between management and shareholder interests remains the Board's priority. The strong execution of strategy is evidenced by a rapid turnaround in recent years including the re-establishment of Carrefour as an industry leader, solid and structural cashflow generation and a focus on total shareholder compensation, which has multiplied by 3.5x during the tenure of Alexandre Bompard. Significant changes and better articulation of the links between strategy and pay have been made in the Remuneration Policy for 2024 following extensive engagement with shareholders and proxy advisors, including:

- Simplified and reduced overlap between STIP and LTIP criteria;
- Alteration of KPIs to minimise overlap between STIP and LTIP, broadening scope of objectives, reducing likelihood of maximum compensation payout;
- CSR criteria – reduced overlap between the STIP and LTIP criteria, with an amended CSR Index and 3 criteria used in LTIP (see below);
- Financial criteria increased to 60.0% (aligned with CAC40 market practice). Increased weight of NCFE (+5%) and Recurring Operating Income (+5%), and removal of the NPS criterion (-10%);
- New qualitative criterion: "Managerial and Operational performance" replaces "Quality of Governance". This new criterion will be composed of 4 key areas of activity (In anticipation of 2024 changes, Board evaluated Quality of governance similarly to future criteria, which leads to an achievement rate of 160% vs 200% previously);
- Weight of Long-term Incentive plan maintained at 55%;
- Elimination of compensation mechanisms between performance criteria through a reduction in the achievement ceiling for each metric from 130% to 100%;
- TSR benchmarking: Panel extended to 11 peers from 9 in 2023 to include all key players in European food distribution; and
- New CSR criterion: reflecting Group's medium-term commitments to combat global warming: sensitive materials, Greenhouse gas emissions, Greenhouse and supplier commitments.

We are encouraged that the two leading proxy advisory firms have recommended in favour of the new Remuneration Policy, but disappointed to see a recommendation against the 2023 Remuneration of Alexandre Bompard.

The key focus of the 2023 Report has been criticism around compensatory effects and disclosure, however this relates to historic features that in the future will be eliminated if the new Remuneration Policy is approved. On the disclosures Carrefour operates in a highly competitive sector with many unlisted peers especially in our domestic market. Providing too much information on targets to competitors may impact the Group and due to this, no specific disclosure is provided ex ante. However, in our ex-post report, the specific target per result and per criteria is provided.

Given the positive direction of travel and substantial progress proposed under the new Remuneration Policy, we hope that you will be able to support both the new Remuneration Policy (item 17) and 2023 Remuneration of Alexandre Bompard (item 16), in addition to all other proposed resolutions.

Your participation and input are integral to the success and sustainability of Carrefour.

Sincerely,

Stéphane Israël
Lead Independent Director