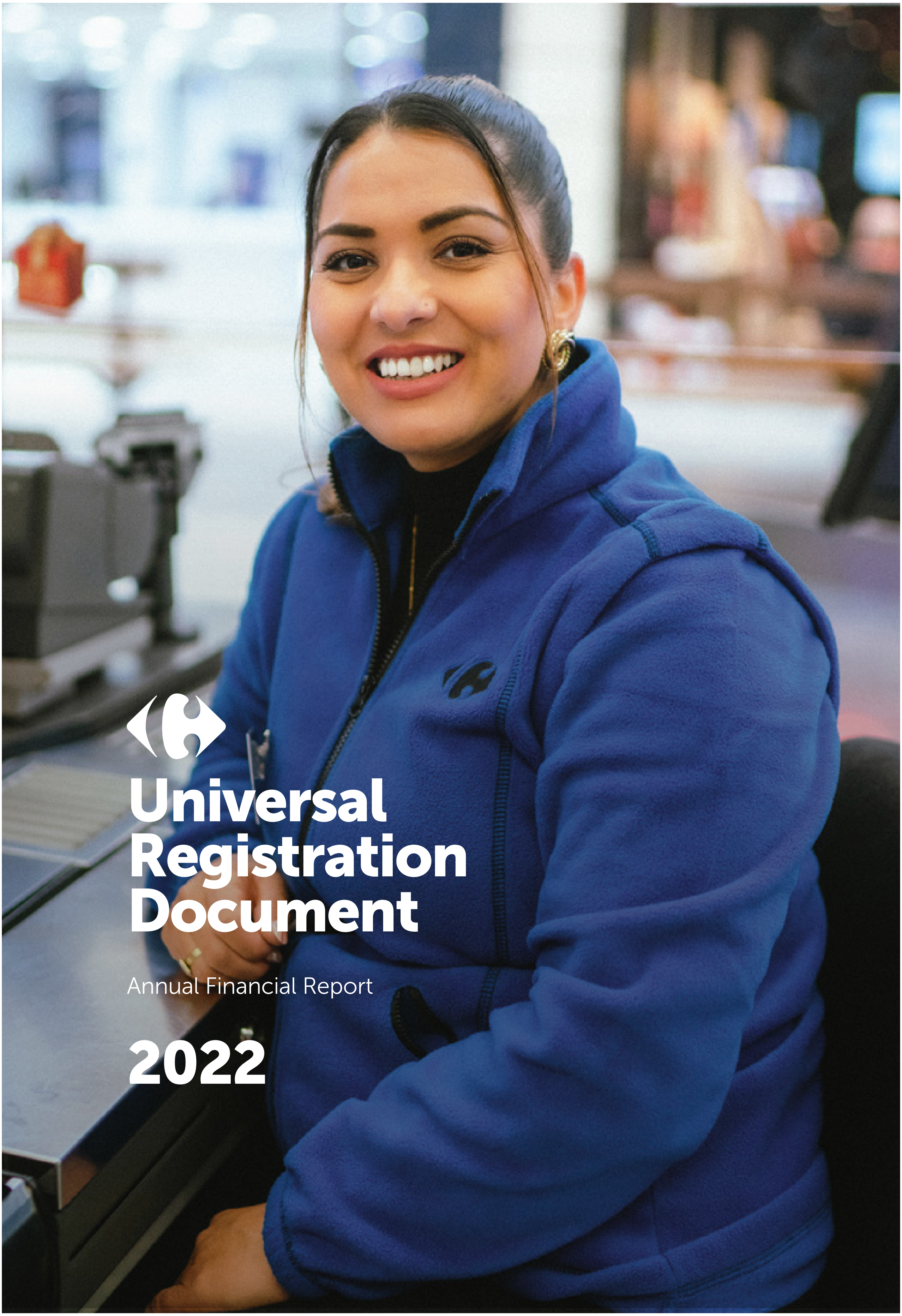


Universal Registration Document

Annual Financial Report

2022

CONTENTS

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

The elements of the Non-Financial Information Statement are identified using the pictogram NFS

Universal Registration Document

2022 Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French language version of this *Document d'Enregistrement Universel* (Universal Registration Document) was filed on April 6, 2023 with the *Autorité des Marchés Financiers* (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said regulation.

This *Document d'Enregistrement Universel* (Universal Registration Document) may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the *Document d'Enregistrement Universel* (Universal Registration Document). The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

"I would like to underline the unwavering commitment of our teams and our franchisees, who gave their utmost every day to offer quality service to our customers. Their expertise, dedication and ability to adapt enabled us to meet the challenges that faced us in 2022."

2022 was a pivotal year for Carrefour

Pivotal, firstly, in light of the unprecedented conditions in which our Group managed to operate. We achieved an outstanding performance in an environment shaped by new global tensions and the resurgence of high inflation in Europe. While this environment continues to affect our customers and our operations, Carrefour is moving forward on its growth trajectory and gaining further market share in its key economies, notably in France. With the acquisition of Grupo BIG last June, Carrefour is now an uncontested leader in Brazil. While maintaining profitability and improving its non-financial performance, the Group has also accelerated its digital transformation, with strong growth in its e-commerce activities and better use of technology and data to enhance its commercial offering and its performance. In addition, the agreement for the sale of our shares in Carrefour Taiwan was reached under excellent conditions, representing a key milestone on the journey to redefine our Group's geographical footprint.

I would like to underline the unwavering commitment of our teams and our franchisees, who gave their utmost every day to offer quality service to our customers. Their expertise, dedication and ability to adapt enabled us to meet the challenges that faced us in 2022.

Together, we have demonstrated the strength of the business model developed over the last five years. We have reached a new stage in our transformation, thanks to our constant and rigorous financial discipline, our digital transformation, which is becoming more ambitious every year, and our commitment to the food transition for all.

Lastly, 2022 was pivotal because it opened up a new chapter in our Carrefour 2026 strategic plan, which was developed with employees and the support of our Board of Directors. This plan will take our transformation to a whole new level, making the most of our brand and our diverse range of formats, adding a new dimension to our social and environmental commitment, and reinventing the future of retail through digital technology. In 2023, Carrefour will increasingly grow, innovate and deliver high performance.

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 nearly 14,350 stores and e-commerce sites welcome 80 million customers per year.

The Group, which has 335,000 employees in its eight integrated countries (France, Spain, Italy, Belgium, Romania, Poland, Brazil and Argentina), reported 90.8 billion euros in gross sales in 2022, an increase of 8.5% like-for-like. Recurring operating income in 2022 came to 2,377 million euros, up 8.3%.

Against a backdrop of continuing inflation, Carrefour's sustained focus on customer satisfaction yielded very strong performance, with ongoing gains in market share in all its key geographical regions, most markedly in France, Spain and Brazil. The Group addressed purchasing power challenges by strengthening its discount formats (hypermarkets, cash & carry, soft discount), developing its own brands (which now account for over 33% of its sales), broadening its range of entry-level products, and running dynamic promotional operations. This competitive commercial policy, coupled with rigorous cost control, enabled it to protect its customers' purchasing power while confirming the strength of its business model.

Carrefour continued to rebalance geographically by strengthening the weight of its key markets in Europe and Latin America through the rapid integration of Grupo BIG in Brazil and the announcement of an agreement to dispose of Carrefour Taiwan on the basis of an enterprise value of 2 billion euros. The sale of Carrefour Taiwan, which was announced in 2022, will be finalised in 2023. The Group is also stepping up its move towards franchising and lease management, important performance drivers, and is aiming to open ten new markets through international partnerships by 2026.

The Group's digital model made significant progress in 2022, with advances in Data & Retail Media operations, through the Carrefour Links platform. It joined forces with Publicis to form a joint venture targeting leadership in European Retail Media.

The Group also strengthened its CSR commitments, especially as regards climate, energy and employee engagement. In 2022, Carrefour again exceeded its targets, with a 109% score in its CSR and Food Transition Index. This index, introduced in 2018, assesses Carrefour's performance in implementing its CSR commitments.

In terms of cash flow generation, the Group generated a record amount of 1,262 million euros in 2022. Carrefour carried out share buybacks of 750 million euros and successfully placed 2.35 billion euros worth of Sustainability-Linked Bonds. Carrefour's significant strengthening of balance sheet and liquidity since 2018 proved effective against the backdrop of macroeconomic uncertainties and rapid changes in food retailing.

Building on the success of the Carrefour 2022 plan, which strengthened its position in the sector, the Group is readying for further progress through the new Carrefour 2026 transformation plan. Carrefour is targeting 40% of food sales for its own-brand products by 2026 and 8 billion euros in sales of certified and sustainable products. It also reasserts its ambition on 10 billion euros in GMV (Gross Merchandise Value) for e-commerce. It aims to develop its discount formats by strengthening the appeal of its hypermarkets through the Maxi method, and accelerating the expansion of Atacadão in Brazil, while continuing to improve its overall performance through transformation of its operational processes, targeting 4 billion euros in cost savings, or 1 billion euros per year. Carrefour is seeking growth drivers in new businesses, such as photovoltaic energy production, value enhancement of real estate assets through the development of mixed-use real estate projects in France, and development of South America's largest private real estate operation, in Brazil. In addition, the Group is strengthening its CSR commitments, with particular regard to countering climate change, developing energy efficiency, reducing packaging, and promoting diversity and inclusion.

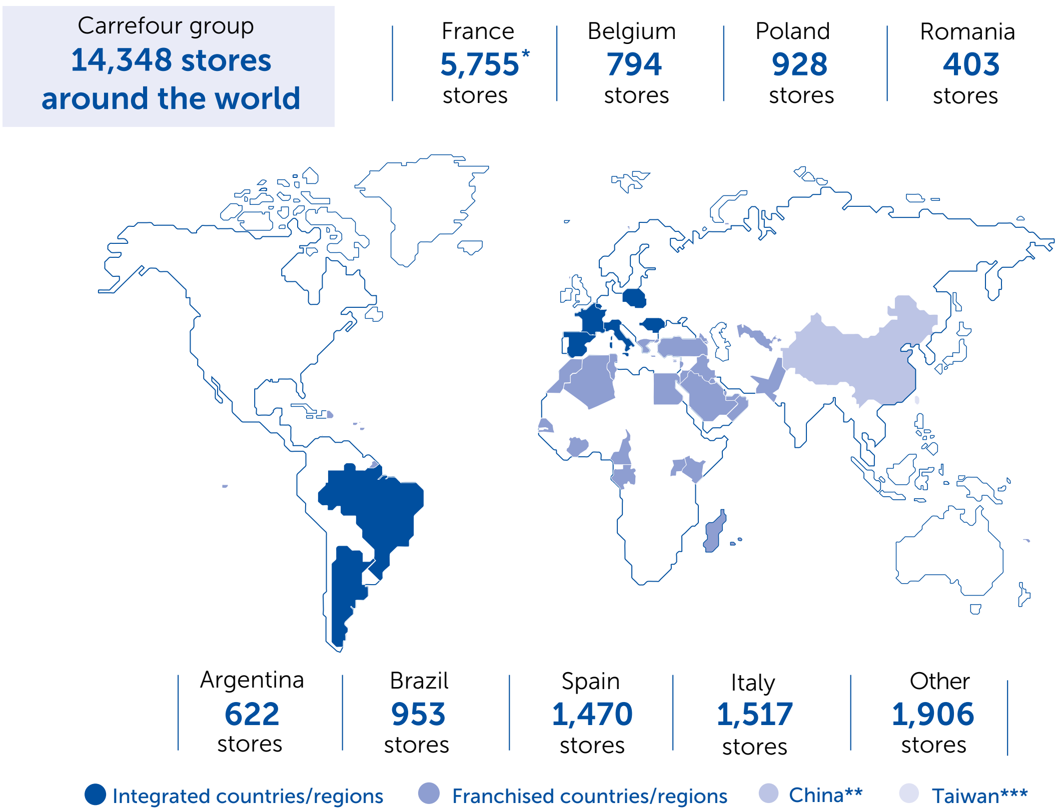
1.1.2 BUSINESS OVERVIEW

Present in more than 40 countries worldwide, Carrefour operates directly in eight countries throughout Europe (France, Spain, Italy, Belgium, Poland and Romania) and Latin America (Brazil and Argentina). Together, France, Spain and Brazil account for over 80% of consolidated gross sales. In these eight countries, Carrefour is steadily deploying its store base, with outlets operated either directly or, increasingly, through franchises and lease management contracts. In the Middle East, Africa, Asia 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 omni-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, Carrefour had 5,945 stores under its banners at year-end 2022, of which 5,755 in mainland France and 190 through partners in overseas territories. By format, they included: 253 Carrefour hypermarkets; 1,039 Carrefour Market supermarkets; 4,472 convenience stores under banners such as Carrefour City, Carrefour Contact, Carrefour Express, Bio c' Bon etc.; 148 Promocash cash & carry outlets; and 33 Supeco soft discount stores. In Europe (excluding France), Carrefour had 6,117 stores under its banners at the end of 2022, of which 5,112 operated directly in the five host countries and 1,005 through partners. They included 455 hypermarkets, 2,088 supermarkets, 3,471 convenience stores, 12 cash & carry outlets and 91 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 252 hypermarkets, 246 supermarkets, 581 convenience stores, 356 cash & carry outlets, 97 Todo Dia soft discount stores and 43 Sam's Club stores. Carrefour also operates 711 stores with local franchisee partners in the rest of the world (Middle East, Africa, Asia, 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.
*** Carrefour announced on July 19, 2022 the signing of an agreement to sell its 60% ownership of Carrefour Taiwan to Uni-President. The Taiwanese operations were accounted for as discontinued operations in 2022, in accordance with the IFRS 5 accounting standard.

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 loyalty 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 acquired Rue du Commerce and Greenweez in France and launched 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 and 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 included a *raison d'être (see Section 1.1.5)* 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. 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 (acquisitions of Italy-based Sorgente Natura, leader in organic products, and of a 49% stake in Ewally, a Brazilian fintech company).

.

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; digitisation 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.

2022

The Group launched its new strategic plan – Carrefour 2026. It aims to give all its customers access to the very best and invent the Group of tomorrow, drawing on its *raison d'être*, its commitment to the food transition for all, and its digital-based omni-channel model (see Section 1.3 of this Universal Registration Document).

+ The highlights of 2022 and the first quarter of 2023 are presented in Sections 1.5.1 and 1.5.2 of this Universal Registration Document.

1.1.5 OUR *RAISON D'ÊTRE*

At the Shareholders' Meeting of June 14, 2019, the Group took up a *raison d'être*, stated in its Articles of Association, that reasserts 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."

Alexandre Bompard, Chairman and Chief Executive Officer

1.1.6 OUR BUSINESS MODEL, BASED ON CREATING SHARED VALUE

Digital Retail Company

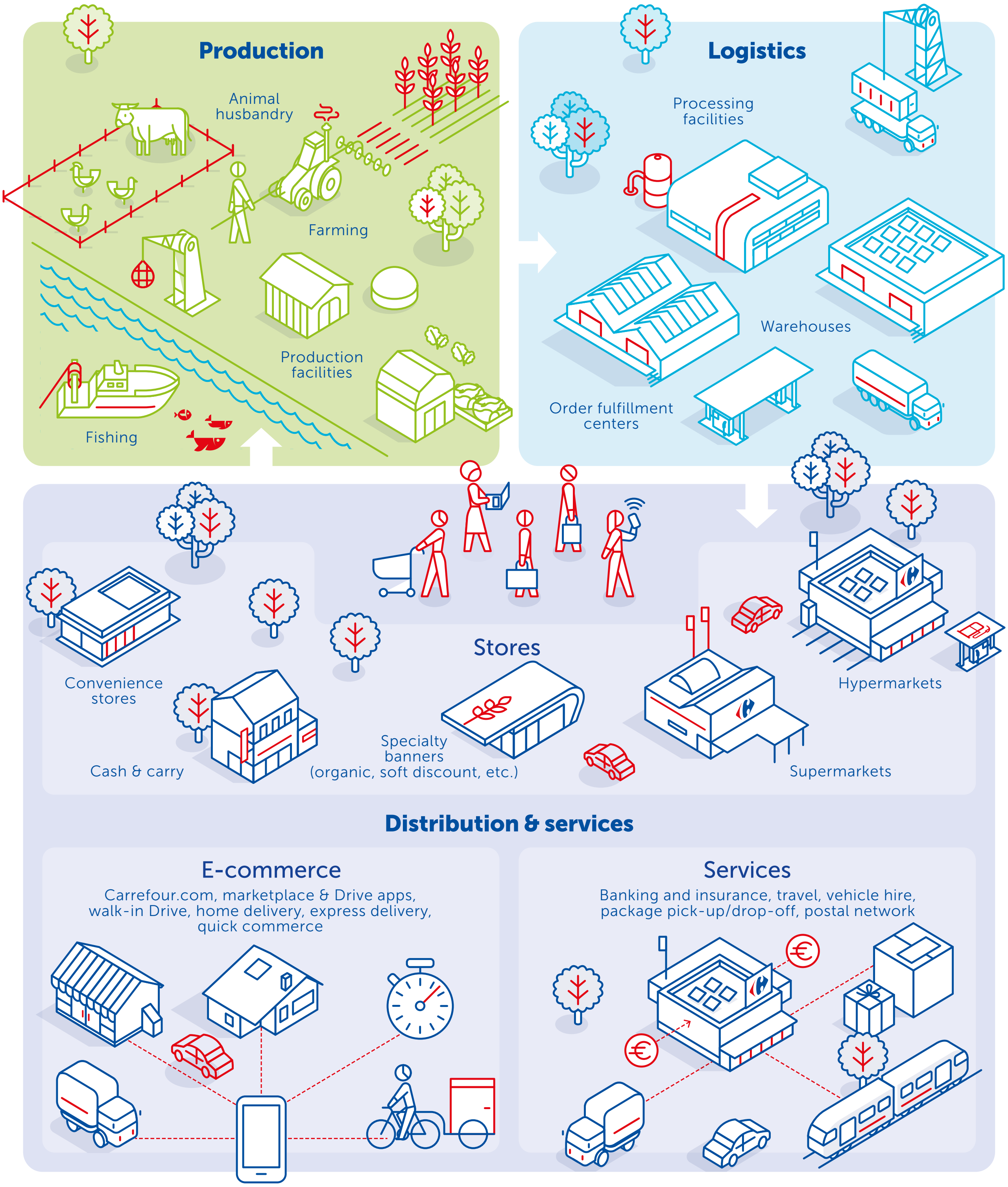
Carrefour laid out its Digital Retail Company model at the Digital Day event of November 9, 2021. This strategy, rooted in a "data-centric, digital first" approach, has four key focuses: increasing e-commerce activity, ramp-up of Data & Retail Media activities, digitalisation of financial services, and digital-driven transformation of traditional retail operations, contributing to improved customer experience and heightened operational efficiency, both at head offices and in-store.

Our business model

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. 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.

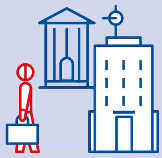
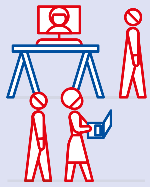
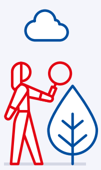
Our business model

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



1 2 3 4 5 6 7 8 9

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	→ **14,348** stores and **2,321** Drive outlets worldwide → Over **40** host countries → **€90.8 billion** in gross sales → **€2,546 million** in other income (finance companies, real estate development, leases) → **€154 million** in financial income	→ **€380 million** in dividends paid to parent company shareholders → More than **€4 billion** of income and other taxes * → **€1,608 million** in payroll taxes → **€644 million** in financial expenses	 Shareholders/investors, public authorities/ local governments
HUMAN & INTELLECTUAL CAPITAL	→ **334,640** employees worldwide → **300** job families → Worldwide agreement signed with UNI Global Union → Act for Change managerial programme	→ **€7,337 million** in wages, salaries and payroll taxes → Employer recommendation indicator → **11.3** hours of annual training per employee → **1,418** social audits performed at our suppliers → **26%** women in the Top 200 management positions → **35%** under-30 youth employment rate → **3.7%** employment of people with disabilities	 Employees
RELATIONAL CAPITAL	→ **80 million** customer households → **1** worldwide e-commerce site → **43.2 million** loyalty cardholders → **14** international partnerships → **2,703** production facilities in Europe → **22,176** CQL partner producers → Strategic partnerships and alliances → **€6.75 million** budget allocated by the Carrefour Foundation	→ **17 million** fans on social media → **77%** Net Promoter Score® (NPS®) response rate in 2022 (vs. 71% in 2021) → **€70,745 million** in purchased merchandise and services → **844** Carrefour Quality Lines products → **1,247** Carrefour organic product listings → **45.6 million** meals donated to food aid charities → **83** 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	→ **29%** reduction in CO_2 emissions (vs. 2019) → **75%** of store waste recovered → **40%** reduction in food waste (vs. 2016) → **50%** of tested seafood products are from sustainable sources → **16,390** tonnes of packaging avoided since 2017	 Local communities and civil society

* includes taxes on energy products, financial transactions, and excise duties

Contributions to 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. It is also a member of the UN 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.

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 2022 represented the equivalent of 45 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

➔ Ensure the quality and safety of Carrefour products.

➔ All countries to have rolled out a Healthier Diet action plan.

➔ Remove 2,600 tonnes of sugar, 250 tonnes of salt and 20 new controversial substances (120 in total since 2018).

04. QUALITY EDUCATION

Contribution to SDG

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

➔ Promote the employment of people with disabilities.

➔ Develop a proactive policy to promote diversity of backgrounds.

Group goals

➔ 15,000 people with disabilities in the workforce by 2026 (up 50% vs. 2022).

➔ All employees trained in digital by 2024.

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.

➔ Maintain maturity levels in all countries according to GEEIS guidelines.

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.

➔ 50,000 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

➔ Carbon neutrality for stores by 2040 (reduce GHG emissions (scopes 1 and 2) by 30% by 2025, 50% by 2030 and 70% and by 70% by 2040).

➔ Carbon neutrality for the Group's e-commerce activities by 2030.

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, CQL).

➔ 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 600 organic suppliers are signatories to the Food Transition Pact by 2030.

10. REDUCED INEQUALITIES

Contribution to SDG

➔ Make our product range accessible to as many people as possible.

➔ Provide more affordable organic, agroecological and local products.

➔ Participate in the food transition by donating our unsold good.

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

Group goals

➔ Carrefour-branded products accounting for 40% of sales by 2026.

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

➔ Reduce outbound transport carbon emissions by 20% compared with 2019.

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 by organic or agroecological products 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 for Carrefour-branded products by 2025.

➔ Recover 100% of waste by 2025.

➔ 50,000 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 Mt compared with 2019.

➔ Double fruit and vegetable supplies from ultra-local producers in Europe.

➔ Grow sales of non-packaged products to €150 million by 2026.

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-branded 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).

➔ Deforestation-free" beef by 2030.

➔ Ensure that all new shopping centre constructions and expansions of over 2,000 sq.m. are certified to BREEAM standards in France, Spain and Italy.

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

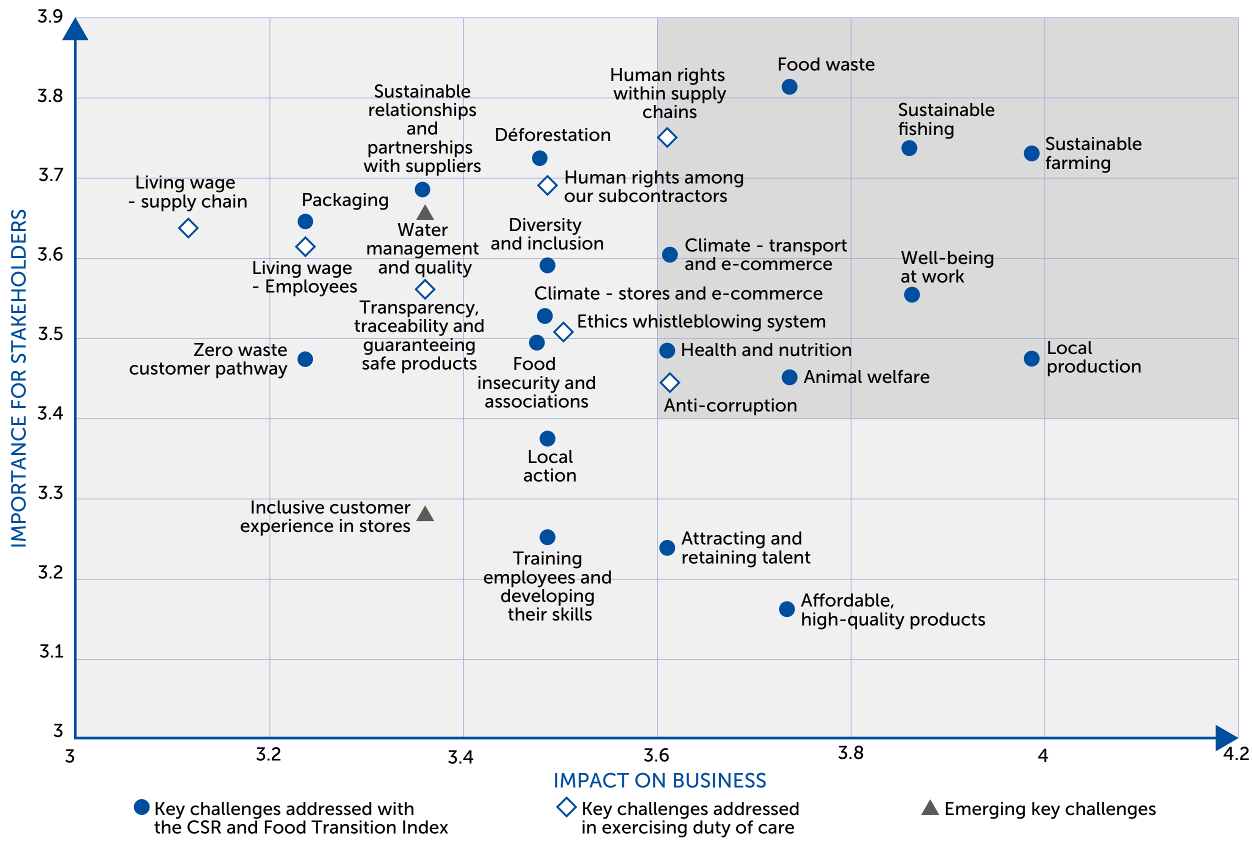
➔ 600 suppliers committed to the Food Transition Pact by 2030.

➔ 50,000 local partner producers in 2025.

1.1.7 STAKEHOLDER DIALOGUE

Carrefour constantly engages in constructive dialogue with its stakeholders, who play a key role in decisions about the Group's strategy and operations, and conducts a survey every two years. Some 110 stakeholders (customers, suppliers, investors, trade unions, institutions and employees) were consulted in 2021 on an update to the Group's materiality analysis. The resulting matrix enables Carrefour to map and prioritise the issues associated with its *raison d'être*, based on their importance to external stakeholders and their impact on Carrefour's performance.

The matrix below shows the 28 priority issues that emerged from the study conducted in 2021.



1.1.8 CARREFOUR 2022 PLAN – REVIEW AND RESULTS

Review and results

The Carrefour 2022 strategic transformation plan, implemented in all the countries where the Group operates, put it in a strong position in the global retail industry. Here are some of the key aspects enacted from the transformation plan:

- Act for Food campaigns brought strong take-up for the Group's ***raison d'être*** within stores and teams;
- The **customer's** place at the centre of the Carrefour model was reasserted through daily **NPS**® (Net Promoter Score®) monitoring at all levels of the organization;
- Carrefour's **ambition** on world leadership in **digital retail** was asserted through:
  - development of the e-commerce activity, whose GMV (Gross Merchandise Value) has **increased fourfold** since 2017,
  - launch of the Data & Retail Media business through the Carrefour Links platform, in 2021,
  - digitalisation of the Group's financial services;
- The **business proposition** has been **redesigned** through:
  - transformation of Carrefour own-brand product lines, which today account for **33% of food sales**, 8 percentage points up on the 2018 figure,
  - the redesign of non-food categories and the launch of "In & Out" spaces,
  - a more competitive commercial and promotional policy;
- **Geographical refocus** on Europe and Latin America has proved successful, with:
  - exit from Asia achieved on very favourable terms, fully effective in the course of 2023,
  - acquisition of Grupo BIG, which makes Carrefour the uncontested leader in Brazil,
  - an increase in the number of Group stores, with the opening of more than 3,500 convenience stores and 130 Atacadão stores since 2018;
- A **culture of financial and non-financial performance** has enabled:
  - **cost reduction** of around **1 billion euros per year** since 2018,
  - becoming a global leader in CSR;
- The Group has **raised its commercial, economic and financial profile**:
  - sustained momentum in **market share gains** across all key countries,
  - **acceleration of Net Free Cash Flow generation,** which has continually exceeded 1 billion euros *per annum* since 2020,
  - transformation in shareholder remuneration policy through 100% monetary payment of ordinary dividend (rather than partial payment in shares) and regular share buybacks since 2021.

Corporate Social Responsibility – Stronger commitments and results

In 2022, Carrefour again exceeded its CSR targets, with a 109% score in its CSR and Food Transition Index. This index, introduced in 2018, assesses Carrefour's performance in implementing its CSR commitments.

In 2022, the Group made particular progress on the following commitments:

Food transition and partners:

- 204 suppliers involved in the Food Transition Pact (compared to 114 in 2021);
- 11,945 local and regional partner producers in 2022 (2,104 more than in 2021);
- 85% of eggs sold within the Group (compared to 80% in 2021) and 60% of eggs used in Carrefour product recipes in Europe (compared to 51% in 2021) come from cage-free production facilities.

Reduction in packaging:

- 16,390 tonnes of packaging avoided since 2017, which is ahead of target (50% more than in 2021);
- Carrefour is extending the measurement of reusable, recyclable or compostable packaging rates. In France, Brazil, Belgium and Romania, this rate climbed to 57% in 2022 (compared to 46% in France for 2021 only).

Reduction of CO_2 emissions: 29% reduction in greenhouse gas emissions from stores (Scopes 1 and 2) compared to 2019, ahead of the target of a 50% reduction by 2030, and 70% by 2040 (compared to 2019), corresponding to a 1.5°C trajectory. Carrefour confirms its objective of helping stores become carbon neutral (Scopes 1 and 2) by 2040.

Human resources and inclusion

- 26% of Group senior managers ("C200") were women at the end of 2022 (1 percentage point higher than in 2021);
- 73% of employees received training in 2022 (81% in 2021) against an annual target of 50%, with an average of 11 hours training per employee;
- 3.7% of Carrefour employees (or 11,281 people) were recognised as having a disability in 2022 (compared to 3.4% in 2021). The target has been raised to 15,000 employees with disabilities by 2026.

Carrefour maintained its leading position in CSR assessments. The Group was awarded an "A" score from the Carbon Disclosure Project (CDP) for its commitment to the fight against global warming (it also got an A in 2021), putting it among the leaders for the sixth year in a row. Carrefour is ranked second in the retail sector by Moody's (formerly Vigeo EIRIS) and its rating was 9 points higher than in 2021.

1.1.9 CARREFOUR 2026 PLAN – STRATEGY AND OBJECTIVES

Strategy and objectives

On November 8, 2022, the Group launched its new strategic plan, Carrefour 2026, to accelerate its transformation. This new plan draws upon its *raison d'être*, the food transition for all, and its digital-driven omni-channel model. The Carrefour 2026 plan has two pillars:

- **Commitment to making the best available to all our customers**

  To help customers confronted by purchasing power challenges and to combat climate change, Carrefour is announcing the following initiatives:

  - **Carrefour own-brand** lines take a central place in the commercial model, set to account for **40% of food sales by 2026** (vs. 33% in 2022),
  - Development **of discount shop formats** is being stepped up, targeting a total of more than 470 Atacadão stores in Brazil by 2026 (200 more than in 2022), more than 200 Supeco stores in Europe (80 more than in 2022), and enhanced appeal for hypermarkets in Europe through the Maxi method,
  - **Support for sustainable agriculture** is being stepped up, targeting 8 billion euros in sales of certified sustainable products [(1)] by 2026 (40% more than in 2022),
  - The Group's **top 100 suppliers** are being required to take up a 1.5°C trajectory by 2026, failing which Carrefour commits to delisting them,
  - The **e-commerce initiatives** and the target of 10 billion euros in e-commerce GMV (Gross Merchandise Value) by 2026 are confirmed, as announced at Digital Day in 2021;

- **Building a cutting-edge Group**

  To further improve its performance, the Group is innovating in terms of organization, new businesses and social initiatives:

  - **Operational processes are being transformed** through digital developments, and organization redesigned, contributing to 4 billion euros in cost savings by 2026,
  - **The Group's expert and support functions will be pooled at centres of excellence** across Europe,
  - **Merchandise negotiations and procurement** will be pooled across Europe thanks to the creation of Eureca, a European purchasing centre for major international suppliers,
  - An **ambitious energy policy** is under way, targeting major reductions in energy consumption (of 20% by 2026 group-wide, and by 2024 in France) and carpark generation of photovoltaic energy, with 4.5 million sq.m. of solar panels by 2026,
  - **A joint venture with Publicis** has been announced with the aim of creating a leading European Retail media company,
  - **Value enhancement for the Group's real-estate assets** is sought through the development of mixed-use real-estate projects in France and the creation in Brazil of the largest private property company in South America,
  - The Group's **inclusion approach is being strengthened** through a **proactive policy to promote diversity** of origins plus a target of employing **15,000 employees with a disability in 2026** (50% more than in 2022),
  - **An employee shareholding plan open to the Group's 335,000 employees** is being launched in 2023, and will be largely used to finance CSR projects.

In support of this new value-creating ambition, the Group is:

- increasing its annual investment rate to 2.0 billion euros (from 1.7 billion euros);
- targeting net free cash flow above 1.7 billion euros by 2026.

(1) Organic, Carrefour Quality Lines, agroecology, sustainable fishing (ASC/MSC), sustainable forest sourcing (FSC).

1.2 Context: global challenges and development opportunities

Societal change, the pressure of environmental emergencies and growing uncertainty 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 been gaining momentum with the collective impact of the spate of crises (health, geopolitical, energy) over the past four years. 2022 marked the year inflation started to rise, accentuated by the conflict in Ukraine and by tension on the food chain caused by climate change. As a result, consumers are concerned about protecting their purchasing power, while continuing to look for food options that are good for their health, for farmers and for the planet. They increasingly prefer to buy local. It is crucial to understand and adapt to their demand for affordable prices and short supply chains, their new eating behaviours, and the accelerated digital transformation of their consumption habits. Worldwide, society is challenging production-oriented agriculture, the industrialisation of harvesting and sourcing 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 limited natural resources, encourage energy efficiency and meet new consumer expectations. A global shift towards healthy diets from sustainable food systems would protect the planet and improve the health of billions of people [1]. The food and climate transitions are interconnected and are both major challenges of the 21st century.

1.2.1 ACCELERATING INFLATION AND IMPACTS ON PURCHASING POWER

Reconciling the duty to provide healthy food with affordability is a global issue. In a survey conducted in 28 countries across all continents, access to healthy food and in adequate amounts for all came out as the third and fourth priorities, respectively [2]. This twofold requirement has become a real challenge with the acceleration of inflation in 2022: up 8.8% worldwide, up 14.1% in Latin America, up 9.2% in the European Union and up 5.8% in France [3]. Globally, 38% of people now cite inflation as currently the most worrying problem [4]. Confirming that concern, the FAO food price index [5] increased by 7.9% between August 2021 and 2022 [6].

In Europe, households are deeply concerned about rising prices. The major trends affecting the food market in 2022 [7] include rising inflation and increased price sensitivity: currently, 52% of low-income consumers and 42% of middle-income consumers look for ways to save money when shopping for food. This situation threatens to deepen the food divide. If inflation remains high, consumption of premium and sustainable products will only continue to rise for high-income earners, while low-income earners will have to put priority on the least expensive offerings.

In France, consumer prices rose by an average of 5.2% in 2022 due to global tensions affecting supplies, raw materials and energy, amplified by the war in Ukraine [8]. Twelve million households became vulnerable in 2022 (7 million more than in 2021), forcing them to keep a tight rein on their spending [9]. 73% of French people feel their purchasing power has decreased (16% more than one year ago) [9]. The increase they fear most is in food prices (88%), followed by energy (83%) and transport (57%) [10]. Food prices rose by 12.6% in the year to December 31, 2022. Increases in the price of fresh produce exceeded 15%, dairy products were 17% more expensive, frozen meat prices jumped 32.2% and grocery prices grew on average by 12.9% [11]. French consumers' income has fallen or will fall, and they are now more careful with their spending. To cope with this situation, they are adapting their behaviour: 35% compare more, 30% buy more products on special offer, 25% try to avoid waste, 22% buy less meat and fish, 19% choose more private-label products and 17% more seasonal products [12]. The average baskets are smaller, as people shop more frequently and opt more for the most economical banners and channels. Sales of fresh, traditional and organic products are declining. The lowest income households are cutting back on these items more quickly, spending 8.9% less on meat, 9.2% less on cheese and 16% less on fish compared to the French average. A full 62% of product categories are seeing own brands gain market shares. Prices have become a key factor in choosing a shopping location for 68% of people (up 8 points), while 88% want to be informed about prices and promotions from banners.

(1) Source: Summary report from the EAT-Lancet Commission, "Healthy Diets from Sustainable Food Systems", 2020.
(2) Source: "The challenge of our resources", Elabe study for Véolia conducted in 2018 of 14,000 people in 28 countries, 2018.
(3) Source: International Monetary Fund, December 2022.
(4) Source: What Worries the World? Survey of 20,000 people conducted in 27 countries, Ipsos Game Changer, July 2022.
(5) Food and Agriculture Organization of the United Nations.
(6) Source: "*Conjoncture : le commerce et son environnement*" (Economy: retail and its environment), French Trade and Retail Federation, September 2022.
(7) Source: The State of Grocery Retail 2022: Europe, McKinsey & Company, EuroCommerce for retail & wholesale, March 2022.
(8) *Un retour sur l'évolution récente de l'inflation* (An overview of recent inflation trends), INSEE blog, January 27, 2023.
(9) Source: "*Les Français et l'inflation*" (The French and inflation), Elabe, November 9, 2022.
(10) Source: "*Les Français, le pouvoir d'achat et les enjeux de l'alimentation*" (The French, purchasing power and food issues), Harris Interactive, June 2022.
(11) Source: Baromètre IRI Vision, *https://www.lineaires.com/la-distribution/inflation-2022-12-6-dans-l-alimentaire#*.
(12) *"Étude GSA : la préparation d'achat et le classement des enseignes alimentaires"* (Study of large food retailers: purchase preparation and ranking of food retailers), Bonial, September 2022.

1.2.2 UNCHANGING MAJOR FOOD TRENDS

At a global level, the dual objective of the food transition is to meet strong growth in demand while providing the whole population with access to a healthy diet. Today, more than 820 million people do not have access to enough food and 2.4 billion over-consume. In total, about half the world's population has a nutrient-deficient diet. Transitioning to the planetary health diet (or a flexitarian diet, i.e., mostly plant-based supplemented with small amounts of fish, meat and dairy foods) could prevent an estimated 11 million premature deaths per year and unsustainable environmental damage [(1)]. Food emerges as the most powerful way to optimise both health and environmental sustainability.

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. 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 also concern for animal welfare.

Global studies [(2)] show that the crises of recent years have not changed these major trends. In fact, amid global uncertainty, 63% of consumers believe food to be a socially conscious act and a means of achieving social goals. For example, 71% have changed their behaviour over the past two years, with the vast majority opting for a healthier diet (67%). Other reasons motivating changes in eating habits are priority on local products (48%), care in choosing ingredients and environmental impact (36%). Seven out of 10 people are looking for healthy products that are all natural or contain no additives, dyes or preservatives. Meanwhile, 68% prefer to buy food from their region or nearby, and 59% favour products with a low carbon footprint. Almost 50% of consumers actively seek information about what they eat and 56% say they cook more. More than 4 out of 10 consumers are concerned about animal welfare; 39% have reduced their consumption of animal protein or adopted a flexitarian diet since 2020.

In France, 45% of consumers say they are committed to the food transition. For 49% of them, eating better is synonymous with a healthy, balanced diet. Home cooking is a growing phenomenon: 75% prepare at least 7 out of 10 dishes eaten in their household. 37% predict that their consumption of home-made products will increase over the next two years. In France, 67% of the population, or 30.5 million people [(3)], grow or make their own food (fruit, vegetables, herbs, preserves, etc.). In addition, 35% are eating less meat (3 points higher than in 2021) [(4)], while sales of environmentally friendly, natural and "free" (preservatives, nitrites) products soared with double digit growth in 2022 [(5)]. On supermarket shelves, the French would like to see more local products (51%), products made in France (49%), products with "free" mentions (30%), fair trade products (22%), organic products (18%) and vegetarian products (9%) [(6)].

(1) Source: Summary report from the EAT-Lancet Commission, "Healthy Diets from Sustainable Food Systems", 2020.
(2) Source: SIAL Insights 2022 White paper, 2022.
(3) Source: *"La France à table – Tensions et mutation autour de notre rapport à l'alimentation"* (The French and Food – Tensions and Changes in our Relationship to our Diet), Fondation Jean Jaurès Éditions, September 2022.
(4) Source: Webinar: *"Quelles perspectives pour la consommation alternative ?"* (What is the outlook for alternative consumption), NielsenIQ, September 2022.
(5) Source: *"L'inflation s'accélère – Les Français s'adaptent pour limiter la facture"* (Accelerating inflation – The French adapt to spend less), Kantar, 2022.
(6) Source: *"L'offre locale en grande distribution"* (The local offering in the retail industry), IRI Shopper Survey, IRI, 2021.

1.2.3 THE RISE OF DIGITAL COMMERCE

After a record surge in 2020 due to the pandemic, the share of e-commerce in the global food retail market continued to grow in 2021, increasing 15%. Worldwide, e-commerce accounts for 7.2% of total food sales, up from 6.3% in 2020 and 4.8% in 2019 [(1)].

In Europe, food e-commerce is projected to exceed a 20% market share by 2030 [(2)]. Online consumers are multi-banner shoppers, with one-third who regularly shop at three or more retailers. As online markets mature, different formats and value propositions are increasingly likely to coexist.

In France, food e-commerce grew 11.3% in 2021 and 2% in 2022 [(3)]. Home delivery, boosted by quick commerce, drove growth in 2022, increasing 8.2% in value [(4)], while the more mature Drive services segment stalled. Currently, 60% of French Internet users buy food products online, mainly via retailer websites and apps (42%) [(5)]. For banners, e-commerce plays an important role in building consumer loyalty.

Customer paths are diversifying. In 2022, 52% of French people took an omni-channel approach to food shopping, combining physical stores (with traditional and/or self-scanning checkout) and online shopping (using Drive and/or delivery services) at least once a year; 34% shopped online once a month, and 10% once a week. Omni-channel consumers use physical stores with traditional checkout when they want to see or touch products or to benefit from a wider selection and human contact. Conversely, they shop online (including with a scan app or scanner) to save time and for more convenience. For their online experience, omni-channel shoppers most often choose Drive services, at 85% (40 percentage points more than the French average), compared with 53% who use scanners, 55% delivery and 54% walk-in Drives. Omni-channel consumers are taking more control over their customer path, choosing the service that best suits their needs when shopping, which 60% of them perceive as an enjoyable experience. Consumers also want transparency in the items they buy: 83% check the Nutri-Score label, 57% use the Yuka app, and 66% read customer reviews on their smartphones. Additionally, 61% say they actively search for promotions, with 78% choosing products and 66% choosing where they shop based on this factor. Moreover, impulse buys increased in online customer paths in 2022 [(6)].

A continuously growing number and wider variety of digital shopping options and services are available online. Today, 10% of French consumers shop via social networks, and 33% have used online credit solutions: 27% paid in instalments and 19% used an online deferred payment service (Buy Now Pay Later) [(7)].

1.2.4 TRANSITION TO SUSTAINABLE AGRICULTURE

The world's food and agricultural systems face three major challenges in this first quarter of the 21st century.

First, demand for food is constantly increasing. The UN has forecast that the global population will reach around 8.5 billion by 2030 and 9.7 billion by 2050, versus 8 billion in 2022. That equates to a rise in population of 1.7 billion people over the next 28 years [(8)]. Due to this population growth and the recent effects of the Covid-19 pandemic, more than 3 billion people cannot afford a healthy diet [(9)].

Second, intensive and industrial farming methods have reached their limits, squeezing the planet's resources. This issue includes freshwater use, soil depletion, chemical fertilisers and greenhouse gas emissions. 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 [(10)]. Therefore using more land to produce food is an impossible solution. In fact, current farming methods deplete soil fertility, and productivity therefore decreases.

Third, farmers and agricultural workers are grappling with economic insecurity and vulnerability worldwide, especially in low- and middle-income countries.

The objective is to provide a growing world population with a healthy diet based on fair and sustainable production systems. To achieve that, a new agricultural revolution is needed, guided by environmental science and systemic innovation, and offering alternative production methods. For example, agroecological practices extend land production potential. Even though their contribution to global production remains relatively limited, these techniques are now becoming increasingly widespread.

(1) Source: "*La part du e-commerce dans le marché mondial de l'alimentaire continue à progresser*" (The share of e-commerce in the global food market continues to grow), Kantar, May 2022.
(2) Source: Navigating the market headwinds, The State of Grocery Retail 2022: Europe, McKinsey & Company, EuroCommerce for retail & wholesale, March 2022.
(3) Source: NielsenIQ, "*Le e-commerce alimentaire, toujours prometteur en 2022*" (Food e-commerce, still going strong in 2022), 9th edition of the FEVAD report, May 2022.
(4) Source: Publicis Commerce Morning 2022, 2022.
(5) Source: *Achats alimentaires au sein du e-commerce*, Médiamétrie, April 2022.
(6) Source: "*Le consommateur omnicanal en grande distribution en 2022*" (The omni-channel consumer in the retail industry in 2022), Harris Interactive report, Budgetbox Sogec, 2022.
(7) Source: "*Commerce physique ou digital à l'ère post-Covid ? Les tendances de consommation passées au crible*" (Physical or digital commerce post-Covid? Consumer trends examined), Access Panel France 2022.
(8) Source: World Population Prospects 2022: Summary of Results.
(9) Source: The State of Food Security and Nutrition in the World, FAO, 2021.
(10) Source: ELABE study, "Which foods in 2049?", November 2019.

For example, in France, 10.3% of useful agricultural land, i.e., 2.78 million hectares, has been dedicated to organic farming, which represents 58,413 farms (13.4% of French farms) and more than 200,000 full-time equivalent jobs [(1)]. Organic farming, at all stages of the production chain, is therefore becoming one of the key sources of new jobs in host communities. The organic market accounts for 13 billion euros and 6.6% of total household food consumption [(2)]. Although it slowed in 2022, the organic industry remains on a strong long-term growth trend. One million more households have started buying organic since 2017. With 98.7% of households now buyers, organic food has become an integral part of French consumption [(3)].

The agricultural transition is supported by the people. The Covid-19 pandemic has helped bring consumers and farmers closer together. Direct sourcing and locally grown food continue to gain popularity, as a portion of food consumption is now shifting towards local products and short supply chains. In France, 72% of consumers buy "farm to table" food products directly from producers, at farmers' markets, at the farm, online or via cooperatives that protect small-scale farming. Local products are also promoted in traditional distribution channels, where consumers pay more attention to where their food comes from, especially fruit and vegetables. Origin, i.e., products made in France, is now the number one factor in food buying decisions [(4)].

1.2.5 CLIMATE CHANGE AND ENERGY EFFICIENCY

Demographics, urbanisation and human activity are causing large-scale climate change that threatens the Earth's natural balance. The latest IPCC (Intergovernmental Panel on Climate Change) report [(5)] states that the climate policies implemented so far remain inadequate. If greenhouse gas emissions are not drastically reduced before 2030, global warming will exceed 1.5°C. To meet the targets of the COP21 climate agreement to limit the temperature rise to 1.5°C, greenhouse gas emissions must peak between 2020 and 2025 at the latest and then decrease until they are carbon neutral by 2050. Changing habits and consuming less could reduce emissions by 40% to 70% by 2050. The IPCC stresses the need to transition from fossil fuels to low-carbon energy, with lower consumption and lifestyle changes being essential levers in supporting this transition.

Fully aware of the urgency of the situation, most citizens across the world agree that we need to act quickly and respond to these environmental and energy challenges. Consumers better understand the impact of human activity on the planet and call for a less wasteful, more resource-efficient and locally focused model. The Covid-19 pandemic and disrupted gas supplies due to the conflict in Ukraine have increased this collective awareness of environmental issues, the benefits of more responsible consumption and, in the longer term, a radical transformation in the way we live. Since the health crisis, short supply chains have been perceived even more positively by consumers for various reasons, notably because they contribute to reducing CO_2 emissions.

In 2021, 10% of European consumers (compared to 6% in 2019) [(6)] 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.

In France, 88% of the population believe that society must be reorganized to be more energy-efficient, and 79% believe that this is compatible with the idea of well-being [(7)]. Meanwhile, 43% of French people say they feel they could do more to protect the environment [(8)]. Furthermore, 83% believe that reducing packaging is important [(9)], and 60% sell or buy second-hand and/or reconditioned products [(10)]. 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%) [(11)]. In the 18-34 age group, 57% have purchased second-hand goods [(12)].

(1) Source: *https://www.agencebio.org/vos-outils/les-chiffres-cles/observatoire-de-la-production-bio/*
(2) Source: *https://www.agencebio.org/vos-outils/les-chiffres-cles/observatoire-de-la-consommation-bio/*
(3) Source: "*Revitaliser le bio*" (Revitalising organic), Kantar, 2022.
(4) Source: "*La France à table – Tensions et mutation autour de notre rapport à l'alimentation*" (The French and Food – Tensions and Changes in our Relationship to our Diet), Fondation Jean Jaurès Éditions, September 2022.
(5) Source: Climate Change 2022, Mitigation of Climate Change, IPCC, 2022.
(6) Source: "Disruption & Uncertainty, The State of Grocery Retail 2021", Europe, McKinsey & Company, EuroCommerce for Retail & Wholesale, 2021.
(7) Source: "*Les Français et la sobriété énergétique*" (The French and energy efficiency), Le Printemps de l'économie, October 2022.
(8) Source: "*Les Français et la sobriété énergétique*" (The French and energy efficiency), Elabe, August 30, 2022.
(9) Source: Webinar: *"Quelles perspectives pour la consommation alternative ?"* (What is the outlook for alternative consumption), NielsenIQ, September 2022.
(10) Source: "*Commerce physique ou digital à l'ère post-Covid ? Les tendances de consommation passées au crible*" (Physical or digital commerce post-Covid? Consumer trends examined), Access Panel France 2022, l'Échangeur BNP Paribas.
(11) Source: "Disruption & Uncertainty, The State of Grocery Retail 2021", Europe, McKinsey & Company, EuroCommerce for Retail & Wholesale, 2021.
(12) 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.

1.2.6 RESPONSIBILITY ON INCLUSION

Diversity and inclusion challenges are key issues of contemporary societies, as evidenced by the power of the #MeToo or #BlackLivesMatter movements. Inclusion, which is the opposite of discrimination, aims to give each individual a place in society, regardless of their characteristics (gender, culture, origin, disability, etc.).

In France, discrimination against people with disabilities is the most salient (83%), followed by discrimination against supposed origin (82%), physical appearance (81%) and sexual orientation and gender identity (80%). Younger generations are the most sensitive to these issues: 49% of under-35s believe that no area of life is spared from discrimination, 15 percentage points higher than the average French person.

French people feel that action should be taken at all levels of society to improve inclusion and believe that the actors in the best position to do so are citizens (86%), public authorities (85%), schools (85%) and companies (82%). Companies have a role to play in combating social discrimination and reducing inequality, but they also benefit from this action. Diversity and inclusion are perceived as a key asset and a vector of innovation and financial performance for any organisation. However, only 56% of French employees feel that their employer is committed to an inclusion policy [(1)].

(1) Source: "*Les Français et l'inclusion*" (The French and inclusion), OpinionWay, March 2021.

1.3 The Carrefour 2026 plan: Renewed ambition, faster trajectory

The next stage in Carrefour's transformation trajectory, following on from the successful Carrefour 2022 plan, is the Carrefour 2026 plan, rooted in the Group's *raison d'être*, the food transition for all, and Carrefour's omni-channel model as a Digital Retail Company.

"In the space of five years, we have deeply transformed Carrefour, placed the customer at the heart of its model and resumed profitable growth, serving our *raison d'être*, the food transition for all. Starting today, we are opening a new chapter in the Group's transformation. Carrefour 2026 is a plan to be on the offensive in markets marked by inflation and climate change. With its new omni-channel model, Carrefour is the best-placed group to address crises and meet consumers' new expectations. With Carrefour 2026, we are accelerating our transformation by committing ourselves to giving all our customers access to the best, building a cutting-edge group and consolidating our sustainable growth model."

Alexandre Bompard, Chairman and Chief Executive Officer.

1.3.1 MAKING THE BEST AVAILABLE TO ALL OUR CUSTOMERS

The Carrefour model revolves around its 80 million customer households worldwide.

Customer satisfaction is the Group's compass. This stands on the three main pillars of trust, service and convenience, which are reflected in and measured by KPIs (Key Performance Indicators) such as the Net Promoter Score® (NPS®). There was a big increase in the NPS® between 2018 and 2022. This result, coupled with the commercial successes of the last few years, confirms the loyal and rapidly expanding customer base that enables Carrefour to push ahead with its transformation, anticipate new market trends, and offer its customers optimum solutions.

Given the context of inflation and climate emergency, consumers in 2022 were concerned with maintaining their purchasing power without giving up on healthy and responsible eating. Through measures such as developing its own brands and discount formats, Carrefour acts to shield its customers against crisis conditions. The Group also seeks to lead the way in responsible retailing, through stronger support for sustainable production and commitments on climate and biodiversity.

It brings concrete responses to present-day challenges, building on the opportunities opened by the digital revolution. Carrefour's commitment on the food transition for all is attuned more closely than ever to its customers' concerns and the changing shape of society.

1.3.1.1 A distinctive and rationalized offer, reflecting our *raison d'être*

Pride of place for own-brand products

Carrefour is stepping up own-brand development under its endeavour to ensure that all its customers have access to the best. Customers appreciate Carrefour own-brand products for their quality, recognized as at least identical to that of national brands, and competitive prices. By providing an effective response to inflation while enabling consumers to continue to eat healthily, Carrefour own-brand products represent a strategic lever for differentiation and competitiveness.

Carrefour has built up a strong range of own brands, under constant expansion to span the full spectrum of its customers' needs. In 2020, it created the least expensive brand on the market, Simpl', whose prices are lower on average than those of hard-discounters. By 2022, this was offering more than 500 essential everyday products. To address steepening inflation, the Group continues to expand this range and extend it to all its European geographies.

From 2018 to 2022, own brands grew from 25% to more than 33% of Carrefour's total sales. Carrefour continues to develop and promote its own-brand products, with a view to them becoming the core of its commercial engine. The aim is to increase their share of total food sales to 40% by 2026, i.e. almost one in two products sold in its shops.

The Group 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. 100 controversial substances impacting human health were withdrawn between 2018 and 2022. Carrefour is committed to removing 2,600 tons of sugar, 250 tons of salt and 20 substances newly considered controversial (making 120 in all since 2018) from its own-brand products by 2026.

Carrefour also runs a programme on animal welfare improvement throughout its supply chains. In 2019, it issued a ten-point animal welfare policy. Carrefour has confirmed that all the fresh eggs sold under its own-brand will be cage-free by 2025. This programme is also being extended to non-food products, as with the commitment on 100% quality traceability guaranteeing animal welfare for products in Carrefour's TEX textiles brand.

Stronger support for sustainable agriculture

Because the activities involved in producing and distributing food have a non-negligible impact on the planet and its ecosystems and climate, a transition is needed towards practices that are more respectful of the environment and biodiversity. Carrefour is stepping up sustainable sourcing by helping its partners transform their production models. Under its Act for Food programme launched in 2018, the Group facilitates the implementation of more responsible farming practices through preferential contractual conditions that safeguard the producers of its Carrefour Quality Lines and organic and agroecological lines.

In 2022, the Group has nearly 38,000 partner producers, including 3,637 that supply organic produce. It updates the Act for Food programme, bringing deeper meaning to keep abreast of customers' changing expectations. In 2018, the offer that best reflected emerging consumer trends was organic produce, and the Group rose to leadership in this segment over a period of five years. Customer expectations for healthy food are evolving, going beyond organic food and extending to short circuits, local sourcing, and produce from agroecological farming and sustainable fishing. Carrefour has set itself the goal of increasing the number of producers it supports to 50,000 by 2026, reasserting its position as the leading partner of the agricultural world.

Through these initiatives, the Group aims to become the European leader in certified sustainable products, with sales of 8 billion euros by 2026 in this category, which includes certified food and non-food organic products, Carrefour Quality Lines committed to an agroecological approach, sustainable fishing (ASC-MSC), paper and wood products with PEFC and FSC certification, and products with environmental certification such as EU Ecolabel.

The food transition for all

The Group is continuing its endeavour on quality food for all, by strengthening its affordable fresh food offer, one of the priorities of the Carrefour 2026 plan. By 2026, it plans to double its supplies of fruit and vegetables from ultra-short circuits (i.e. produced by suppliers located less than 50 km from the shop) in Europe. Another example of this local emphasis is the launch in France of a local fresh produce format under the *Potager City* ("City Vegetable Garden") brand. These new city centre stores carry a true ultra-specialist fresh-food proposition, but with non-specialist prices.

Then addressing the growing dietary preferences for lower meat intake (flexitarian, vegetarian, etc.), Carrefour is continuing roll-out of its own-brand 100% vegetarian offering. With over 100 products, it is the most comprehensive range of private label vegetarian and vegan products. In 2022, the Group's sales of meatless products reached 300 million euros in Europe, and the target is 500 million euros by 2026 (+65%). Carrefour's range of "-free" products (gluten-, lactose-, etc.) is also growing.

Carrefour provides its customers with detailed nutritional information on its products: information per portion, fibre content, consumption frequency, etc. In 2019, it took up product labelling with the Nutri-Score index of product nutritional quality across its product lines. The Nutri-Score label appears on 4,101 Carrefour-branded products available in stores or online in France and the rest of Europe, including the Carrefour Bio and Carrefour Veggie lines.

Support for more responsible consumption trends

60% of consumers believe they can make a difference through their buying decisions [(1)]. In line with its customers' concerns on environmental issues, Carrefour runs a number of measures conducive to sustainable consumer behaviour.

Carrefour was the first European Retailer to use blockchain technology to ensure product traceability through every stage in the production process. In late 2022, this was operational in 69 Carrefour Quality Lines, covering 1,222 different products. It was extended to 14 new lines during the year.

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-two years later, Carrefour and Max Havelaar® have signed a number of international agreements. In 2022, 137 million euros worth of fair trade products were sold in Carrefour stores worldwide, representing an 8% increase from 2021. 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.

1.3.1.2 Omni-channel, a unique service proposition

At the end of 2022, Carrefour was fielding a worldwide network of more than 14,000 stores in more than 40 countries. The Carrefour 2026 plan accelerates the Group's transformation into a full-coverage benchmark-level omni-channel universe, enhancing the appeal of hypermarkets through the Maxi method, opening promising new discount formats, tightening the network of convenience stores, developing e-commerce, filling out the service offer, and developing integration between online and in-store shopping.

The Group's multiple formats, along with its digital developments, form a unique ecosystem capable of offering a personalized customer experience. In addition to their traditional function in off-the-shelf self-service shopping, stores are conceived as keystones of an omni-channel Carrefour universe, as preparation centres and points for picking up goods, or, indeed, returning them for reimbursement, etc. The aim is to offer customers a seamless experience, enabling them to shop in a variety of different but complementary ways, with different store formats, online ordering for pick-up from a Drive location or home delivery, in-store shopping with useful and practical digital services, development of merchant and financial services, etc. By tying together physical stores with digital services, Carrefour develops closer interaction with its customers in all shopping situations, offering an efficient, accessible shopping experience and developing customer loyalty through a unique relationship. If they wish, Carrefour customers can be recognised at every stage of the shopping experience, to benefit from personalised advantages.

(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.

Rollout of e-commerce operations brings an increase in brand loyalty. Customers who take up omni-channel shopping tend to shop more at Carrefour (+22% from the first year [1], +27% after two years[1]) and have a higher retention rate [2] (97%) than customers who only shop in-store. This clearly demonstrates the power of Carrefour's omni-channel model.

Determined to nurture this competitive advantage, Carrefour confirms its target of 30% omni-channel customers by 2026 (vs. 11% in 2021). To achieve this, Carrefour continues to enhance its omni-channel ecosystem (and its applications in particular) through the provision of more personalized offers and consumer advice, and the digitisation of all services, catalogues, receipts, coupons and vouchers.

Accelerated deployment of discount formats

As inflation worsens, Carrefour continues to transform its physical sales network by upgrading hypermarkets and stepping up the development of discount formats to address the growing challenges of purchasing power.

Heightened appeal for hypermarkets in Europe, through the Maxi method

As the Group's leading discount format, the hypermarket stands as a bulwark against inflation. Carrefour intends to strengthen this position by deploying the Maxi competitiveness and productivity method across all its hypermarkets in Europe. This method, which has been successfully tested in France since 2021, is based on improved operational efficiency. The resulting offers are squarely focused on purchasing power capability, with each shop realigned to the key needs of its customers, by catchment area.

The primary feature of the Maxi method is an **adapted and simplified food offer**, with data-driven redefinition of assortments, enhanced visibility and availability for the Carrefour brand and entry-level prices, adapted packaging, and development of a full range of round-the-world products. Along with simplification, there will be a 20% reduction in national-brand food product assortments by 2026, for better on-shelf readability, pooled purchases, and simpler operations (inventory management, logistics flows and shelving in particular).

At the same time, **the non-food offer is being massified and made more legible,** to become a means of attracting new customers. This offer is structured around own-brand products, with the aim of increasing this share to 50% by 2026. To improve readability and boost seasonal products, the assortment of permanent references will be reduced by 40%, and the in-store non-food offer will also appear on the Group's e-commerce sites. The "In & Out" spaces launched in 2020 liven up non-food operations by offering a range of everyday products at very affordable prices (with items at less than 1 euro), in order to attract bargain-hunting customers. In 2022, there were 1,101 "In & Out" spaces across Carrefour's European stores. They will be rolled out across the Group between now and 2026.

The Maxi method will be implemented in all hypermarkets, as well as in supermarkets.

Accelerated expansion for Atacadão in Brazil

The Brazilian cash & carry chain Atacadão is the Group's fastest growing format over the last five years. Atacadão offers a limited range of products at wholesale prices, presented directly on palettes and sold either by the unit or in large packages, a convenient and low-cost model that addresses both trade customers and individuals.

In a context of steep ongoing inflation, Atacadão offers concrete answers to the challenges of purchasing power. The group is therefore pushing ahead with the expansion of Atacadão, raising its target of 20 to 30 new store openings per year in Brazil by 2026. Through this organic growth, plus the conversion of BIG shops, Carrefour aims to have more than 470 Atacadão stores in Brazil by 2026. The Group also plans to pilot the brand in France with the opening of the first store.

Extension of Supeco in Europe

Carrefour is also pushing ahead with other discount formats. In Europe, and Spain in particular, it is expanding the Supeco banner, based on the soft discount supermarket model. From 6 stores in 2020, the banner grew to 120 in the Group by 2022, and Carrefour targets a total of 200 stores by 2026.

Closer reach for the local network

Carrefour's strength also lies in its convenience formats, which give customers access to the best, right around the corner. For example, in France, the Carrefour City and Express in-town banners make for highly convenient everyday shopping, even in outlying urban districts, while in rural areas Carrefour's Market, Proxi and Contact banners give good local reach nationwide.

The Group's convenience formats expanded rapidly during the Carrefour 2022 plan, with more than 3,500 openings from 2018 to 2022 in all geographical areas, exceeding the target initially set. Convenience shopping continues to be one of the Group's major growth drivers. Given the substantial development potential of this format, Carrefour is continuing expansion here, targeting 2,400 new convenience stores by 2026 (600 shops per year), mainly through franchising, with a focus on European countries.

Unique e-retailer offering and ecosystem

In addition to its multi-format shop network, Carrefour also seeks market differentiation by strengthening its e-commerce and services offering. Following on from its initial digital investment plan, from 2018 to 2022, Carrefour stepped up its digital technology spend with a new 3 billion-euro plan for 2022 to 2026, presented at Digital Day.

In 2022, the e-commerce activity stood up well against the tense macroeconomic context. Carrefour continued to win customers, posting a global GMV of 4.2 billion euros in e-commerce (up 26% on 2021). Numbers continue to grow in food (up 23% on 2021), non-food (up 38% on 2021).

(1) Presentation of the Carrefour 2026 strategic plan by Alexandre Bompard, November 2022.
(2) Percentage of active clients retained from one year to the next.

The Group is constantly innovating to strengthen its position in the Drive market and its leadership in home deliveries. Carrefour innovations are also appearing in many other areas: quick commerce, the e-commerce site (which features an anti-inflation button since November 2022), e-catalogues, deliveries straight to customers' refrigerators, deliveries using autonomous vehicles, and an application upgrade that puts all "Carrefour at the customer's fingertip".

Home delivery services also expanded in every Group country in 2022. Carrefour is the French market leader in this segment, with a highly diversified array of services. In **express delivery**, in addition to Carrefour Express delivery service in less than one hour on carrefour.fr, Carrefour is also present on Uber Eats with 1,200 stores, and on Deliveroo with 380 stores for express home grocery delivery in 30 minutes. Outside France, home delivery services continue to grow in all our countries, both in our own-brand services and in our 20 partner marketplaces (Uber Eats, Cornershop, Deliveroo, Glovo, Rappi, etc.). More specifically, in **quick commerce** (i.e., everyday shopping in less than 15 minutes), Carrefour has continued to grow its dedicated Carrefour Sprint service in France which it launched in late 2021, both through its convenience store network and its partners Uber Eats and Flink (which acquired Cajoo in second-quarter 2022 and in which Carrefour is a minority shareholder). By end-2022, this service was offering 15-minute delivery of nearly 2,000 food and non-food product references in 16 cities, making Carrefour Sprint France's most widely-available quick commerce brand. Carrefour Italy launched its own quick commerce service in January 2022, in partnership with Deliveroo and their Carrefour x Deliveroo Hop service, first in Milan and then in Rome. Carrefour Brazil launched its Carrefour Ja quick commerce service in July 2022, in partnership with Cornershop (an Uber Eats subsidiary).

The Group is also continuing expansion in non-food e-commerce segments, chiefly through its marketplaces and live shopping services. The product offering focuses on growth segments such as previously-owned merchandise, drop-shipped leading brand products and own-brand non-food products. In 2022, the carrefour.fr marketplace extended its offering to non-food categories, bringing in partners such as Miliboo and Samsung.

Encouraged by these developments, Carrefour confirms its objective, announced at Digital Day, of 10 billion euros in e-commerce GMV by 2026 and a 200 million euro increase in recurring operating income from e-commerce activities in 2026 versus 2021.

Carrefour's digital strategy is also an integral part of the Group's social responsibility approach. Carrefour targets carbon neutrality for its e-commerce activities by 2030, ten years ahead of its corporate target that sets this for 2040. This means that the entire purchase process, from click to delivery, should be carbon neutral by 2030.

Fuller range of services

Carrefour's services offer enriches its omni-channel model through its capabilities for attracting new customers and building loyalty among existing ones. The Group is extending this offer by digitalising it and improving its integration into the shopping process, using customer data to better target commercial operations and control the cost of risk.

Carrefour also introduced new subscription comparison services (mobile phone plans, Internet boxes, electricity/gas) and partnered with Livecars, a multi-service platform for car dealers and manufacturers. Carrefour Occasion has also launched a new circular economy offer, occasion.carrefour.fr, a platform for buying back second-hand products developed in partnership with Cash Converters.

The Group will be continuing to develop its 30 everyday services to step up growth.

Carrefour is also continuing with diversification and digitalisation of its financial service offers, both B2C and B2B, addressing the needs of all customers. New solutions introduced as early as 2023 will include in-store "buy now pay later" offers and products specifically aimed at seniors.

Despite a more difficult economic environment than in 2021, Carrefour confirms that the digital strategy for financial services should generate additional recurring operating income of 200 million euros in 2026 compared to 2021.

To reach its objective of 30% omni-channel customers, Carrefour will be using powerful personalisation and loyalty mechanisms, along the lines of Carrefour Spain's unique loyalty programme and its attractive subscription offer, whose customers account for almost 70% of sales. Two of the Group's key customer loyalty drivers are customer cards through omni-channel programmes and development of promotions and personalised advertising.

1.3.1.3 Carrefour, a major player in responsible retailing

To address customer concern on the matter and contribute to countering global warming, Carrefour is renewing and stepping up its climate transition commitments. Within the retail sector, the Group has built strong credibility on these matters, as a forerunner in the development and rigorous monitoring of a CSR and Food Transition approach, materialized in its shops by its successful Act for Food programme. Its Engagement Department, formed in 2022, is tasked with concrete pursuit of the Group's ambitions on the environment, diversity, inclusion and solidarity. Carrefour has received some of the best extra-financial ratings in the sector on a global scale, including an "A" score from the Carbon Disclosure Project (CDP) and a 9-point increase in its Moody's rating in 2022 (second in the sector). As climate challenges mount in intensity, the Carrefour 2026 plan brings stronger initiatives, which will extend to involve the Group's ecosystem as a whole, including suppliers.

A stance against waste

The Group contributes to the combat against all forms of waste and innovates to develop all forms of the circular economy.

Carrefour is also committed to reducing food waste from its shops, taking up the Consumer Goods Forum goal of a 50% reduction in food waste by 2025 with respect to 2016. As well as measures on improving 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 fruit and vegetables for a second life, partnering with start-ups to sell products made from unsold foods (Too Good To Go), etc. 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 2022 represented the equivalent of 46 million meals. Unsold foods that cannot be donated are used as biowaste for the production of biomethane.

To lead the way in circular economy endeavours, Carrefour is taking up more resource-efficient practices, such as waste recovery, eco-design and recycling of plastic packaging, which has become a major source of marine pollution. By 2025, the Group is committed to recovering 100% of its in-store waste through recycling or the production of green energy, and to 100% of its own-brand product packaging being reusable, recyclable or compostable. Under its Zero Plastic Challenge, the Group is working to cut out 20,000 tonnes of packaging by 2025. The wide range of innovations here include brown paper and organic cotton bags in the fruit and vegetable section, and brown paper bags at cost price (9 eurocents) at checkouts. The dispensers now appearing in Carrefour shops are appreciated by the growing number of customers who prefer bulk to pre-packaged products. Carrefour saw bulk product sales of 30 million euros in 2022, and targets a fivefold increase to 150 million euros by 2026.

In France, Carrefour is also targeting 80% digital catalogues by 2024 and 100% by 2026. To promote the circular economy, Carrefour is also stepping up responsible sourcing and developing collection, resale and rental offers: Loop returnable and reusable packaging solution in France, glass bottle deposit system in Poland, etc.

Clear commitment on climate

In line with the goals set in 2015 by the Paris Climate Agreement (COP21), Carrefour raised its objectives to limit global warming in 2021, setting itself the goal of achieving carbon-neutral stores by 2040 (Scopes 1 and 2) and achieving carbon-neutral e-commerce activities by 2030. These targets are aligned with a 1.5°C trajectory and they were reaffirmed in 2022.

Carrefour has also committed to cutting its indirect emissions (Scope 3), with a goal of 29% by 2030 (compared to 2019), including a 20-megatonne reduction in its product footprint. This trajectory was approved in 2020 by the Science Based Targets initiative for its alignment on a trajectory below 2°C.

Ecosystem mobilization against climate change

The Group is determined to extend its climate transition responsibility beyond its own perimeter, and involve its entire ecosystem in this endeavour.

The Carrefour 2026 plan invites the Group's 100 largest suppliers to join it in taking up the 1.5°C trajectory for 2026. In what is an unprecedented commitment for the retail sector, Carrefour undertakes to delist suppliers who do not meet this condition by the end of the announced period.

To spotlight suppliers offering healthy, sustainable products in line with its commitments on carbon neutrality and the preservation of biodiversity, Carrefour ran the International Food Transition Awards competition in October and November 2022, rewarding the most virtuous suppliers in terms of CSR from a customer viewpoint. More than 250 Carrefour partners took part in the event, which awarded six international and nine local prizes.

Combating deforestation and preserving biodiversity

Carrefour leads the way in biodiversity protection, and for several years now has been running a wide-reaching programme targeting all sensitive raw materials. It also spearheads the fight against deforestation, as with its 2010 commitment, at the Consumer Goods Forum (CGF), to the goal of zero deforestation.

In March 2022, the Group announced the launch of a system of full traceability for livestock farming in Brazil, and committed to ensuring that Carrefour-branded beef from Brazil would be guaranteed "deforestation free" by 2026. By this date, the Group will have withdrawn from all at-risk areas and will have delisted any livestock farm located in these areas. This commitment will be extended to other brands sold in Carrefour stores by 2030. The Group has also announced the creation of a Forest Committee in Brazil, made up of industry experts and Group executives, to intensify its efforts to combat deforestation at national and international scale. Carrefour is also setting up an anti-deforestation fund, coupled with a 10 million euro investment to finance projects that contribute to the preservation of biodiversity.

The same year, the Group signed up to the Science Based Targets for Nature programme, which guides organisations in setting ambitious science-based targets for climate and nature. As part of this process, an initial mapping of the Group's impacts and dependencies on biodiversity was performed (see Section 2.1.2 *Biodiversity*).

Social responsibility initiatives

Alongside its commitments to the climate transition, Carrefour is also asserting itself as a committed, long-standing partner in responsible retailing, through numerous social responsibility initiatives organised throughout the world.

The Carrefour Foundation has more than 20 years of commitment to solidarity. Its public-interest mission to promote a responsible food transition is currently being pursued through three programmes focused on sustainable, responsible agriculture, inclusive anti-waste initiatives and a food-related societal commitment. With an annual budget of 6.75 million euros over a three-year period, the Foundation supports social responsibility initiatives in France and French overseas departments and territories and the Group's other host countries. It co-manages community-based projects with the Group's local teams and foundations in all of the Group's host countries. In 2022, the Carrefour Foundation sponsored 83 projects through its programmes and 27 calls for projects designed to provide local and regional support to associations.

In 2021, the Carrefour group created a Group & France Solidarity Division, which works closely with the Group's partner associations. Carrefour's commitment to non-profits therefore means getting employees in the stores, warehouses and head offices involved in making philanthropic contributions in the public interest. The Division can report outreach initiatives to give them a wider audience and measure their impact more accurately.

Every year, numerous social responsibility initiatives are organised throughout the countries in many different forms including food collections, product-sharing operations and in-store donations. The initiatives supported by Carrefour include the *Pièces Jaunes* campaign (France), food banks (in all countries), Action Against Hunger (Italy), Red Cross (Spain, Romania and Poland), Pink Ribbon (Italy), *Açao da Cidadania* (Brazil), and Unicef (Argentina).

Emergency aid

Supporting charities providing emergency relief is a key part of part of Carrefour's international activity.

Beginning in February 2022, the Group's European countries began organising multiple donations and food collection initiatives in support of Ukrainian refugees. The Carrefour Foundation supported local associations with emergency purchases of basic necessities in Poland and Romania (Red Cross Poland, FARA Foundation, etc.). It also assisted food aid organisations in all its countries of operation to cope with the influx of people seeking help in the second-half of the year. Since its creation, it has given over 19 million euros worth of emergency humanitarian aid.

1.3.2 BUILDING A CUTTING-EDGE GROUP

Innovation has been a key feature of Carrefour's history and culture since it was founded in 1959. With the Carrefour 2026 plan, the Group is building on this pioneering spirit to launch a number of initiatives that are unprecedented in European Retail: simplifying its organisation, extending franchising, stepping up actions on social inclusion and upward mobility, developing new business lines through the optimisation of its digital and real-estate assets, and materialising its energy production potential.

1.3.2.1 A simpler and more efficient organisation

Working from its two key geographical regions of Europe (including France) and Latin America, Carrefour will be building a simpler and more efficient organisation capable of generating savings to enhance its competitive performance and innovation. Through the in-depth transformation of its geographical organisation, purchasing and processes, the Group aims to achieve savings of 4 billion euros by 2026.

The Group has rebalanced its geographical footprint under excellent conditions over the last four years. In 2022, with the announcement of the sale of Carrefour Taiwan to Uni President and the integration of Grupo BIG in Brazil, Carrefour has boosted the weight of its key markets, Europe (including France) and Latin America, where the Group generates 70% and 30% of its net sales respectively, from around 12,000 and 1,500 shops. This geographical optimisation opens considerable pooling potential, especially in Europe. Carrefour's new organisation, operational from 2023, will boost competitive performance in all of the Group's host countries, especially the smaller ones, which will be reducing their head office costs and benefiting from a much richer Group expertise, yielding considerable advantage over local competitors.

Carrefour began stepping up purchases massification in Europe from the end of 2022. The Group's direct purchasing in Europe is pooled through a single European purchasing centre for major international FMCG (Fast Moving Consumer Goods) suppliers, Eureca. The objective is to bring on board around thirty suppliers by 2025 and to reach more than 50% of bulk purchases by FMCG by 2026. For fresh produce, the target is 30% of bulk purchases (+20 pts) by 2026, by strengthening the capacities of the Somoco central purchasing unit for imported fresh produce. Non-food, own-brand and national/international purchases will also be optimised through a centralised European organisation and business model, targeting 70% by 2026 (+50 pts).

Purchases of goods not for resale will also be pooled at European scale on the basis of common specifications

Under the Carrefour 2026 plan, organisation is to be simplified across the group. In Europe, the Group's expert and support functions will be pooled: the former (tech/data, financial services) to win the talent war and strengthen the Group, and the latter (human resources, finance) to optimise performance. Expertise centres, to centralise talent, will be set up across Europe (such as the Eureca purchasing centre in Madrid), enabling country teams to focus on their core business of commerce. This new organisation, under construction, will bring head-office staff reductions, to which each country will contribute. Head offices will refocus on their core functions: brands, strategy, legal, etc.

Carrefour is also continuing its overhaul of operational processes using digital solutions. In business and support processes, all functions are concerned: assortment, pricing and internal processes. In 2022, 80% of the food range was already determined automatically. Systems using artificial intelligence are in place for adapting the offer to the shop's catchment area and for optimising promotional catalogues. The Group plans to set up a Global Tech Centre to unify the technological base used by Tech teams in its various geographies.

The supply chain and shop operations are also central focuses of the digital transformation. Throughout the supply chain, from supplier to shop shelves, digital technology opens the way to end-to-end management of logistics flows: warehouse mechanisation, control of lorry loading rates, planning of delivery rounds, automated forecasting and management of orders and stocks in shops, etc. Digital technology makes for increased product availability, lower costs and improved working conditions for the Group's employees.

1.3.2.2 A central place for franchising

Encouraged by the contribution made by franchisees and stores under lease-management to the Group's development and performance, especially through the Carrefour 2022 plan, Carrefour wants to develop this model. Franchising has proved to be a relevant solution for all Carrefour formats, including certain hypermarkets, where lease management has proven its effectiveness. Since 2018, 90% of shop openings in Europe have been on a franchise basis. The Group will be sustaining this expansion in Europe, by continuing to transfer stores to franchise and lease-management, based on objective performance criteria and annual assessment. Already present in more than 40 territories via international partners, the Group aims to open ten new markets by 2026, primarily in Africa, the Middle East and Latin America, and to step up the export of Carrefour-branded products.

Carrefour aims to strengthen dialogue, service and quality of assistance to franchisees, whose share is constantly increasing. The Group will be inventing its future with its franchisees, rapidly drawing inspiration from the best practices they develop and involving them more often in its strategic decisions, especially with regard to merchandise, marketing and supply-chain projects.

1.3.2.3 Development of new professions

Inventing the Group of tomorrow also means opening up to new professions, to reap the full value of the Group's assets: data, real estate and energy production potential.

Ambition on European Retail media leadership

Carrefour's valuable proprietary data, spanning 8 billion transactions and 80 million customers worldwide, stands as the best Data & Retail Media offering in Europe. The Group was quick to measure the potential of this activity, and to develop it, launching in autumn 2021, the Carrefour Links platform, which enables Carrefour's partner companies to conduct marketing campaigns throughout the Group's online universe and to measure their real impact from ad to purchase. The Group expects Carrefour Links to generate an additional 200 million euros in recurring operating income by 2026 (vs. 2021).

Following the success of Carrefour Links, which already had more than 450 clients by the end of 2022, Carrefour announced its partnership with an expert in the sector, Publicis, on creation in 2023 of a joint subsidiary under 51% Carrefour ownership, targeting leadership in the European Retail media sector. This new entity will benefit from both Publicis' advanced technologies and Carrefour's knowledge and expertise in retail media. It will cover the entire Retail media value chain, from inventory creation to the complete marketing of solutions to advertisers and shopping sites, and will be active throughout continental Europe, Brazil and Argentina. This joint venture will enable Carrefour to move up the value chain and conquer new geographies in retail media. It will market its solutions to a variety of customers (other retailers in particular, whatever their sector), and to all service sites and e-commerce platforms with customer bases to be developed. The Group will thus become a media solutions platform, an "Audience Hub" capable of operating media services on behalf of other companies. With this alliance, Carrefour's digital transformation takes on a new dimension, opening access to a market with very high growth potential.

Maximising the value of the Group's real estate assets

With its extensive real-estate portfolio, Carrefour has a high profile in the urban fabric of the countries where it operates. As well as seeking to maximise the value of these assets, it also has an important role to play in urban planning.

In France, Carrefour has identified a hundred or so sites that could be transformed into housing, offices, stores or leisure areas. In November 2022, the Group announced the launch of 100 urban mix projects by 2026. It plans to carry out these operations between now and 2030, in partnership with developers currently being selected. Overall, construction operations cover a total surface area of 1.5 million sq.m. and will create 500 million euros in value by 2030.

In Brazil, Carrefour intends to place its real-estate assets (Carrefour, Atacadão and BIG) in a private real estate company, the largest of its kind in South America. Carrefour plans to open its capital to minority real estate partners to support its future development and seize opportunities to create value. At inception, this property company should receive around BRL 1.5bn in annual rents.

An ambitious energy transition policy

Taking the Group into an active role in the energy transition, contributing to solutions in a context of crisis, the Carrefour 2026 plan includes extension of the Group's activities to the energy sector. This ambition is twofold: to reduce the Group's energy consumption and to become a solar energy producer.

With energy sobriety taking on critical importance, Carrefour has announced that it is doubling its investments aimed at reducing its energy consumption, up to 200 million euros per year from 2023 to 2026. This will bring a 20% reduction in energy consumption by 2026 group-wide and by 2024 in France, on track for the 2030 objective of 27.5%

In July 2022, Carrefour became the first retailer to partner with the EcoWatt charter, undertaking to reduce electricity consumption in its shops during periods of high demand on the French grid during the winter of 2022-2023. Carrefour also signed the EcoGaz charter, undertaking to reduce its gas consumption during high demand on the network

With a partner currently being selected, Carrefour will also begin generating photovoltaic energy, the aim being to operate 4.5 million sq.m. of solar panels on carpark canopies in France, Spain and Brazil. By 2027, the theoretical electricity output generated by these panels will total 1 TWh per year, equivalent to the consumption of a city of 400,000 inhabitants. Start-up is scheduled before the end of 2023.

1.3.2.4 A labour relations project on inclusion

To fulfil its ambitions, Carrefour counts on its 335,000 employees worldwide. As one of the largest private employers in each of the countries where it operates, Carrefour bears a considerable social and societal responsibility. Carrefour's Engagement Department, formed in February 2022 to carry through its societal ambitions, includes a Diversity and Inclusion unit. Two communication campaigns addressing the Group's employees were run in 2022: *Chacun sa chance #JeVeuxJepeux* ("It's my chance & I'll take it") and *Ma Rem & moi* ("My pay & me"). The first of these took the form of a series of 15 posters and videos highlighting Carrefour's commitment to diversity, upward mobility, equal opportunity and the combat against discrimination. The second aims to decipher the Group's social model and help its employees understand their remuneration and welfare benefits (health insurance, employee savings, luncheon vouchers, etc.), to ensure everyone reaps full benefit.

Promotion of diversity within the Group

Since its creation, Carrefour has been committed to reflecting and integrating the social diversity of the areas where it operates. "Promoting diversity" is one of the three objectives of "Growing and moving forward together", the first pillar of Carrefour's managerial and cultural programme Act for Change. 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. In June 2022, Carrefour signed the LGBT+ commitment charter with *l'Autre Cercle* (The Other Circle), a leading association working on inclusion of LGBT+ people in the workplace. This reasserts the Group's action on ensuring that differences are respected so that all can advance within the Company without discrimination or prejudice, regardless of sexual orientation or gender identity.

In 2022, Carrefour announced an innovative initiative on photographing its workforce under a proactive policy promoting diversity of origins within its management functions. In March 2023, it will be launching a first-ever survey in France, asking employees about their backgrounds and origins, on a 100% anonymous and voluntary basis, to obtain a picture of diversity within its workforce. On the basis of this survey, to be repeated every two years, the Group will run a wide-reaching action plan to promote diversity of origin within the Group, with the aim of changing the face of the Company by 2026.

Gender equality

At December 31, 2022, the Group employed 184,817 women, together representing 55.2% 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 gives priority attention to support and training for all women employees and managers, through specific leadership programmes (individual coaching, mentorship), with a view to improving gender balance in all Group management positions. This policy has enabled Carrefour to increase the proportion of women in all management positions. At the end of 2022, 26% of the Group's top 200 managers and close to 30% of the Group's Executive Committee were women.

Employees and customers with disabilities

The Group has always taken a leading position on the question of employment for people with disabilities. More than 20 years after signing its first agreement on the employment of people with disabilities in French hypermarkets, Carrefour remains committed to this issue, and included disability as a major cause in its Carrefour 2026 strategic plan. Carrefour has set the goal of increasing the number of employees with disability from 11,000 in 2022 (3.7% of the workforce) to 15,000 by 2026, an increase of 50%. It also plans to bring in specific solutions for eradicating the five main irritants experienced by customers with disabilities: adapted trolleys, priority checkout and full digital accessibility for its websites and mobile application. Partnership with the Paris 2024 Olympic and Paralympic Games will be an opportunity to take these initiatives further, especially in the cities hosting sporting events, and to highlight the values of commitment, team spirit and surpassing oneself that Carrefour shares with the Olympics.

A strong career opportunity focus

In-house talent development

Upward mobility through work is one of the values that has driven Carrefour's development since the outset. In 2022, one in two new managers in the Group started his or her career as an employee before being promoted internally.

The Group's Leaders School, an internal training school for high-potential employees, is a driving force for upward mobility. The scheme was launched in Argentina and Spain in 2018 before being rolled out to many of the Group's countries in 2021: France, Poland, Italy, Romania and Belgium. It promotes diversity and professional equality at Carrefour, enabling employees to progress to management positions, managers to become divisional heads and divisional heads to become directors. To accelerate access to management positions, in 2022, Carrefour announced it would be doubling the number of graduates from the School for Leaders, from which 5,000 new employees will have graduated by 2026.

Training in digital culture

Carrefour is set on a world leading position in Digital Retail, through a strategy based on a data-centric, digital-first approach, presented at Digital Day. In all Group countries, programmes are organised to help employees to understand and embrace digital culture. To support everyone in their transition to the jobs of the future and new ways of working, 100% of the Group's employees will receive digital training by 2024 through the Digital Retail Academy, supported by Google. From October 17 to November 5, 2022, all employees of Carrefour France's shops, warehouses and head offices attended the *Tous Digital* ("All Digital") training module to gain a better understanding of the Company's omni-channel ecosystem. They can also refresh their knowledge in the e-learning area of the Digital Retail Academy.

(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.

The internal social network Workplace, launched in 2022, which promotes Carrefour's community spirit and the sharing of best practices, has been rolled out in France, Belgium, Spain, Romania and Italy. It will be extended to Poland, Argentina and Brazil in 2023.

The new employee share ownership plan

Carrefour has a strong employee relations model, which thrives through a firmly rooted culture of dialogue and the existence of agreements on all relevant matters, from working conditions to pay. To further develop this model and directly involve all employees in the Group's success and value creation, Carrefour announced the launch of the Carrefour Invest employee shareholding plan, which will be offered to its 335,000 employees in the first half of 2023. This popular, attractive, secure and engaged plan will be adapted to the challenges of tomorrow, with the funds raised being allocated to finance the Group's CSR projects primarily.

1.3.3 A STRONGER COMPETITIVE MODEL THAT CREATES MORE VALUE

Continuing gains in market share

Working from its strengthened business model and ambitious development projects, Carrefour has set itself the objective of continuing market share gains in its key geographies throughout the Carrefour 2026 plan, in order to ensure regular growth. To maintain this degree of competitive performance, the Group is continuing with its savings plans. Carrefour has demonstrated its ability to control its business model since 2018 and will be maintaining this degree of discipline, achieving 4 billion euros of savings from 2023 to 2026.

Steady growth in Recurring Operating Income

This growth dynamic, combined with an optimised business model and the synergies expected from the integration of Grupo BIG in Brazil (BRL 2 billion of EBITDA expected in 2025), will contribute to the growth of EBITDA and Recurring Operating Income.

Increase in annual investments

To implement the Carrefour 2026 strategic plan, the Group is increasing its annual investment rate to 2 billion euros per year (from 1.7 billion euros previously). This CAPEX envelope will cover finance for the the acceleration of Atacadão's expansion in Brazil (an additional 150 million euros approximately), to double the envelope allocated to energy transition projects, to 200 million euros (from 100 million euros previously), and to support rollout of the Maxi method in all European shops (with approximately 50 million euros added to the annual shop remodelling budget). It will also include the 600 million euros allocated to the Group's digital transformation announced at the 2021 Digital Day.

A powerful and resilient profile

Carrefour is able to generate EBITDA growth that is structurally higher than the increase in CAPEX, thus contributing to regular growth in net free cash flow with a target of over 1.7 billion euros by 2026. The Group considers its strong balance sheet a key asset given the current macroeconomic context and the changes under way in the industry. It therefore wishes to maintain a Solid Investment Grade credit rating for the duration of the plan.

The cash generated will enable a cash dividend to be paid each year, with annual growth of at least 5%. At the same time, the Group will continue its share buyback policy initiated in 2021 with annual programmes.

The Carrefour 2026 plan therefore stands as a value-creation plan for all the Group's stakeholders, and in particular for its shareholders, including employee shareholders.

On completion of this strategic plan, Carrefour will have a more powerful and resilient model, largely owing to:

- strong growth dynamic across the existing store base, and expansion of discount formats;
- competitive performance boosted by the reach of its digital and omni-channel model;
- a business model built around powerful, recognised and distinctive private label products;
- a leading role in the food transition for all;
- a presence in new adjacent businesses;
- significant advances in terms of inclusion and cohesion;
- a stronger financial profile thanks to strong increases in Recurring Operating Income and Net Free Cash Flow.

1.4 Breakdown 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, Asia, the Middle East and Africa through a network of integrated and franchised stores, and stores that it runs with partner companies.

In 2022, Carrefour opened or acquired 1,490 stores under Group banners, representing some 1,848,000 sq.m. of gross additional sales area. As of the end of 2022, Carrefour had 14,348 stores under its banners in more than 40 countries.

In 2022, Carrefour reported net sales of 81.4 billion euros, a 14.3% increase at constant exchange rates. 2022 sales including VAT (before the impact of IAS 29) amounted to 90.9 billion euros, an increase of 13.5% at constant exchange rates. This increase is attributable to the following:

- an 8.5% increase in like-for-like sales excluding petrol and calendar effects, adjusted for the impact of construction/renovation work;
- a positive contribution of 3.2% for expansion and scope;
- a 1.7% increase in petrol sales;
- a favourable 0.1% calendar effect.

After taking into account a favourable currency effect of 2.6%, mainly due to the appreciation of the Brazilian real, sales at current exchange rates were up by a total of 16.1%. Including the impact of IAS 29, total consolidated gross sales in 2022 amounted to 90.8 billion euros.

Recurring operating income came to 2,377 million euros, representing 2.9% of net sales.

Cash flow from operations stood at 3.8 billion euros in 2022 versus 3.6 billion euros in 2021 (1). Investments amounted to 1.9 billion euros in 2022, against 1.6 billion euros in 2021. Net free cash flow came to 1,262 million euros compared to 1,227 million euros in 2021.

France

In France, Carrefour had 5,945 stores under its banners at end-2022, in four formats: 253 Carrefour hypermarkets, 1,039 Carrefour Market supermarkets, 4,472 convenience stores operating under the Carrefour City, Carrefour Contact, Carrefour Express and So.Bio etc. banners, 148 Promocash cash & carry outlets and 33 Supeco soft discount stores.

The Group's integrated network included a total of 565 stores including 166 hypermarkets, 255 supermarkets, and 144 convenience stores. In Metropolitan France, the proportion of franchised stores within the network represented 29.1% for hypermarkets, 74.3% for supermarkets and 96.7% for convenience stores.

Carrefour operates in Metropolitan France and, through a number of long-standing partnerships, in the French overseas territories. A total of 190 stores are operated under Group banners in the French overseas territories: 19 hypermarkets, 45 supermarkets, 121 convenience stores, and 5 cash & carry stores.

In 2022, Carrefour France opened or acquired 283 stores under Group banners, including 3 supermarkets and 274 convenience stores, 1 cash & carry store and 5 soft discount stores, representing a total of approximately 68,000 sq.m. of gross sales area.

Net sales totalled 37.7 billion euros in France. Like-for-like gross sales excluding petrol and calendar effects were up by 3.4%. Hypermarkets were up 1.8% in like-for-like sales excluding the calendar effect, whereas supermarkets enjoyed a 2.2% increase and other formats (mainly convenience stores) gained 10.2%.

Recurring operating income totalled 834 million euros, an increase of 10.2%, for an operating margin that represented 2.2% of net sales. This increase reflects a strong sales performance and excellent cost-cutting dynamics in a highly inflationary environment.

In France, operational investments amounted to 741 million euros, representing 2% of sales.

Other European countries

In Europe (excluding France), Carrefour had 6,117 stores operating under Group banners at the end of 2022. These included 455 hypermarkets, 2,088 supermarkets, 3,471 convenience stores, 12 cash & carry stores and 91 soft discount (Supeco) stores. Carrefour operates stores in five integrated countries: Spain, Italy, Belgium, Poland and Romania. Carrefour operates a total of 1,498 units on an integrated store basis, of which 415 hypermarkets, 651 supermarkets, 329 convenience stores, 12 cash & carry stores and 91 soft discount stores (Supeco).

Carrefour opened or acquired 664 stores under Group banners during the year. These included 6 hypermarkets, 268 supermarkets, 377 convenience stores and 13 soft discount stores.

Net sales in Europe totalled 22.6 billion euros in 2022, an increase of 6.2% at constant exchange rates. Like-for-like gross sales excluding petrol and calendar effects were up by 4.9%.

Recurring operating income totalled 606 million euros for the year, a decrease of 15.3% at constant exchange rates, for an operating margin of 2.7%. Recurring operating income was held back by Spain and Belgium, whereas the other countries reported good performances. Italy reported improved profitability and its recurring operating income continued its strong recovery.

Present in Spain since 1973, the Group had a local multi-format network of 205 hypermarkets, 160 supermarkets, 1,050 convenience stores and 55 soft discount stores at the end of 2022. In 2022, net sales totalled 10.4 billion euros. Like-for-like gross sales rose by 5.4%, excluding petrol and calendar effects, amid a rapid rise in inflation. Carrefour continued to gain market shares in 2022, up 0.3 points.

(1) Restated for Carrefour Taiwan.

Present in Italy since 1993, Carrefour manages a local store base comprising 42 hypermarkets, 439 supermarkets, 1,024 convenience stores, and 12 cash & carry stores. In 2022, net sales totalled 3.9 billion euros. Like-for-like gross sales rose by 4.2% excluding petrol and calendar effects, driven by improved customer satisfaction, particularly in terms of price competitiveness.

In Belgium, Carrefour is the most multi-format group, with 40 hypermarkets, 441 supermarkets and 313 convenience stores. Net sales totalled 3.9 billion euros. Like-for-like gross sales excluding petrol and calendar effects were down slightly by 0.9% in a fiercely competitive environment.

Carrefour has been operating in Poland since 1997, with 94 hypermarkets, 155 supermarkets, 672 convenience stores and 7 soft discount stores under its banners. Net sales totalled 2.1 billion euros in 2022. Like-for-like gross sales rose by 12.0% excluding petrol and calendar effects. Carrefour maintained very positive momentum in 2022.

In Romania, where Carrefour has been present since 2001, the Group manages 43 hypermarkets, 189 supermarkets, 142 convenience stores and 29 soft discount stores. In 2022, net sales totalled 2.3 billion euros. Like-for-like gross sales rose by 9.0% excluding petrol and calendar effects. Carrefour delivered a very solid performance in highly inflationary environment.

In Europe, the Group also operates through franchise partnerships in Andorra, Armenia, Georgia, Greece and Turkey, with a total of 1,005 stores under its banners: 3 hypermarkets, 704 supermarkets and 270 convenience stores.

Operational investments in Europe (excluding France) totalled 420 million euros in 2022, 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 1,575 units, including 252 hypermarkets, 246 supermarkets, 581 convenience stores, 356 cash & carry stores, 97 soft discount stores (Supeco) and 43 Sam's Club stores.

Carrefour completed the acquisition of Grupo BIG in Brazil, which is included in consolidated financial statements as of June 1, 2022. The 372 Grupo BIG stores comprised 72 hypermarkets, 98 supermarkets, 63 cash & carry stores, 97 soft discount stores and 42 Sam's Club stores.

Net sales in Latin America totalled 21 billion euros, an increase of 44.9% at constant exchange rates. Higher volumes in Brazil were driven by the positive 21.6% contribution from openings and acquisitions. Due to a favourable currency effect over the year, sales increased by 51.4% at current exchange rates. Recurring operating income came to 1,005 million euros in 2022, an increase of 20.4% at constant exchange rates and an increase of 30.8% at current exchange rates. The operating margin therefore stood at 4.8%. In Brazil, recurring operating income increased by 63 million euros at constant exchange rates to 914 million euros. Recurring operating income in Argentina increased significantly to 92 million euros, including a negative impact of 48 million euros due to the application of IAS 29.

In Brazil, Carrefour operated a network of 170 hypermarkets, 151 supermarkets, 149 convenience stores, 343 cash & carry stores, 97 soft discount stores (Supeco) and 43 Sam's Club stores as of end-2022. Net sales in Brazil totalled 18.1 billion euros. Like-for-like gross sales increased by 12.4% excluding petrol and calendar effects. The Group confirmed its position as market leader following the integration of Grupo BIG. ROI increased across all segments. The margin declined due to the impact of the integration of Grupo BIG. Excluding Grupo BIG, Brazil's operating margin remained virtually stable (down 6 bps). The Group continued to deploy Atacadão's aggressive commercial strategy, helping it to gain customers and win market share.

Carrefour has been operating in Argentina since 1982 where it manages a local store base comprising 82 hypermarkets, 95 supermarkets, 432 convenience stores, and 13 cash & carry stores. Net sales totalled 3.0 billion euros in 2022. Like-for-like gross sales rose by 84.3% excluding petrol and calendar effects. ROI continued to improve significantly, thanks to excellent sales momentum and continued cost discipline.

Operational investments in Latin America amounted to 717 million euros in 2022, representing 3.4% of sales.

Asia

In July 2022, Carrefour announced the signing of an agreement to sell its 60% stake in Carrefour Taiwan to the Uni-President group. This transaction values Carrefour Taiwan at an enterprise value of 2 billion euros. Closing of the transaction is subject to approval by Taiwanese competition authorities and other customary conditions, it should be effective by mid-2023.

The Taiwanese operations have been accounted for as discontinued operations in 2022 as from Carrefour's third quarter sales publication, in accordance with the IFRS 5 accounting standard.

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

Other regions

In addition to the French overseas departments and territories, Europe, Asia and Latin America, Carrefour also operates 705 stores with franchisee partners elsewhere in the world (Middle East, Maghreb, West Africa, Dominican Republic, Mauritius, Madagascar, etc.).

Development of franchise partners

In 2022, Carrefour continued to expand its banner base by supporting its partners outside Europe and in the French overseas territories, with a total of 201 new points of sale opened during the year.

Operating primarily in the Middle East, the Majid Al Futtaim group continued its multi-format expansion with the opening of 43 stores in 2022.

The Carrefour banner continued to expand into new countries in 2022, setting up operations in Greece with local partner Retail & More. The Group has also entered into a partnership with the Electra Consumer Products group with a view to opening stores under the Carrefour brand in Israel.

Competitive environment

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

In France, the Group's main market, representing 46% 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 21.2% [(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 at December 31, 2022	Hyper markets	Super markets	Conve -nience stores	Cash & carry stores	Soft discount	Sam's Club	Total number of stores		Total sales area (in thousands of sq.m.)	
							2022	2021	2022	2021
France	234	994	4,351	143	33	0	5,755	5,619	5,450	5,407
French CPI overseas territories and Dominican Republic	19	45	121	5	0	0	190	180	179	179
Total France	**253**	**1,039**	**4,472**	**148**	**33**	**0**	**5,945**	**5,799**	**5,629**	**5,586**
Belgium	40	441	313	0	0	0	794	792	930	930
Spain	205	160	1,050	0	55	0	1,470	1,474	2,163	2,140
Italy	42	439	1,024	12	0	0	1,517	1,489	1,021	1,053
Poland	94	155	672	0	7	0	928	955	706	690
Romania	43	189	142	0	29	0	403	365	518	507
Other	31	704	270	0	0	0	1,005	831	627	588
Total Europe (excl. France)	**455**	**2,088**	**3,471**	**12**	**91**	**0**	**6,117**	**5,906**	**5,965**	**5,908**
Argentina	82	95	432	13	0	0	622	605	649	649
Brazil	170	151	149	343	97	43	953	548	3,360	2,141
Total Latin America	**252**	**246**	**581**	**356**	**97**	**43**	**1,575**	**1,153**	**4,010**	**2,790**
Other	2	4	0	0	0	0	6	6	15	8
Total Asia	**2**	**4**	**0**	**0**	**0**	**0**	**6**	**6**	**15**	**8**
Other (rest of the world)	166	465	49	25	0	0	705	688	1,623	1,543
TOTAL GROUP	**1,128**	**3,842**	**8,573**	**541**	**221**	**43**	**14,348**	**13,552**	**17,241**	**15,835**

Carrefour is developing an omni-channel universe in which its online presence is closely integrated with its 14,348 physical stores, and this universe was expanded in 2022.

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. 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, which plans to step up these activities in its "Carrefour 2026" plan. Carrefour Italy transferred more than 90 stores to franchised status in 2022. In France, the Group transferred 16 hypermarkets and 26 supermarkets to lease management contracts in 2022. A new programme has been announced to transfer 41 stores (16 hypermarkets and 25 supermarkets).

(1) Market share in value – Nielsen Scantrack Panel – fast-moving consumer goods + self-service fresh products over a period of 52 weeks ending January 1, 2023, France scope (HM + SM + SDMP + Proxi + Drive).

Carrefour provides its customers with the full range of retail formats: hypermarkets, supermarkets, convenience stores, soft discount, 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 2022, the Group operated 2,321 Drives throughout the world and had a GMV of 4.2 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) and Quitoque (the French leader in home-delivered 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 33 stores at the end of 2022, 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 popular with its customers.

Carrefour-branded 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-branded products are set to become an ever-greater part of the assortment. The target for 2026 is to have Carrefour brands representing 40% of sales. In view of this, the management team dedicated to Carrefour-branded products has been strengthened at Group level since 2018 with the arrival of agribusiness experts. At the end of 2022, there were 10,334 Carrefour-branded products including 1,300 organic products and 1,200 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.

In 2022, Carrefour greatly expanded this offering, driven by an eagerness to try out new services that reflect social and environmental challenges. Around thirty pilot projects have been conducted in the Group's various geographies: short-term equipment rental, support from a nutritionist in France, digital service hub, etc. Tried and tested services have been replicated in different countries based on their popularity with local people: Carrefour Voyages in Belgium, Italy and Romania, gift cards or vertical leisure offering in all countries.

In addition, 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. It now covers seven European countries and processed a volume of 2.4 billion transactions in 2022, representing 29 billion euros in value, 160,000 terminals and more than 5 million cards.

The Group has built up a strong presence in financial services and insurance, including through its five financing entities (in France, Brazil, Spain, Belgium and Argentina) and commercial agreements. In 2022, these activities represented more than 12 million credit cards and more than 7 million outstanding consumer and revolving loans. They have already been partly digitised, with 31% of cardholders recruited through digital channels and 40% 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. These products and services 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-2022, 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. In France, Carrefour has identified around 100 sites that could be transformed into housing, offices or stores.

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, 2022, the Group operated 17.2 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 the sales area under its banners, with ownership accounting for more than 65% of hypermarket sales area and around 40% for its supermarkets.

In France, Spain and Italy, hypermarket and supermarket real estate is held by Carrefour Property, which manages nearly 1,200 proprietary Carrefour-branded stores. The unit also possesses all of the Group's real estate expertise in areas such as asset management, multi-product property management and design, delegated project management, property management, rental management and multi-format expansion.

The Carrefour Property France teams also provide project support services to other Carrefour group countries. In every host country, the combination of property and retailing expertise is making it possible to design and operate multi-use complexes aligned with shopper needs and aspirations.

Carrefour can also rely on the Carmila property company, in which it owns a 36.02% stake. Carmila was set up in 2014 by Carrefour with a mandate to enhance the appeal of shopping centres adjacent to the Group's hypermarkets in France, Spain and Italy. To do this, Carmila is inventing new types of accessible and evolving retail outlets in phase with current consumption trends by combining the best of physical and digital retailing.

Carmila centres offer solutions that make day-to-day life easier for customers and retailers in all regions. It is asserting the local leadership of shopping centres through a transformation strategy – comprising renovations, restructuring and extensions – and the provision of a balanced retail offering that combines regular brands, restaurants and "enjoyment" shopping.

Carmila's strength resides in the synergies it has unlocked with Carrefour, both in day-to-day retail management and an omni-channel marketing strategy to attract new customers, foster their loyalty and increase their satisfaction by optimising the customer experience.

1.4.7 RETAIL MEDIA

Carrefour is ramping up its activities in the booming retail media market. In 2021, the Group set up the Carrefour Links platform designed to provide partner companies with a detailed understanding of what customers expect, to conduct their marketing campaigns throughout the Group's universe and to measure their real impact from ad to in-store purchase. Carrefour Links combines Carrefour's retail expertise with the best in security, storage and data processing technology co-developed with global industry leaders (i.e., Criteo, Google and LiveRamp). Carrefour Links already had more than 450 clients by the end of 2022. In light of this success, Carrefour has announced plans to launch a joint venture with Publicis in 2023 that will target leadership of the European Retail media sector. It will cover the entire Retail media value chain, from inventory creation to the complete marketing of solutions to advertisers and shopping sites, and will market its solutions to a variety of customers throughout continental Europe, Brazil and Argentina. The Group is aiming to become a media solutions platform capable of operating media services on behalf of other companies.

1.5 The Carrefour group in 2022

1.5.1 SIGNIFICANT EVENTS OF 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.
- **January 20:** An Engagement Department is created, which reflects Carrefour's commitment to raise its ambitions in the areas of the environment, diversity, inclusion and solidarity.
- **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 is getting its suppliers involved in the Food Transition Pact to reduce product-related carbon emissions by 20 megatonnes by 2030.
- **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 8:** Carrefour announces a new franchise agreement in Israel with Electra Consumer Products and its subsidiary Yenot Bitan.
- **March 10:** Carrefour France and the *Syndicat des Jeunes Agriculteurs* (Young Farmers' Union) sign a brand-new charter to promote local products and support new generations of farmers.
- **March 11:** Carrefour opens its first distribution hub dedicated exclusively to dispatching online food orders in Getafe, near Madrid.
- **March 24:** With the *Opération Carburant* (Fuel Initiative), Carrefour cuts 15 euro cents off the price of a litre of petrol before the government measure is scheduled to come into force.
- **March 30:** Success of a Sustainability-Linked Bond issue indexed to the Group's sustainable development goals, for a total amount of 1.5 billion euros.
- **April 13:** Carrefour is the first retailer to use blockchain technology with its own-brand organic products, providing consumers with more transparency.
- **April 14:** In partnership with IDH and CNA, Carrefour Brazil Group launches a protocol for sustainable veal production.
- **May 3:** Carrefour creates a new quality line for UHT cream, ensuring fairer pay for its partner producers.
- **May 6:** Carrefour celebrates the 30th anniversary since the launch of its first organic product.
- **June 7:** Carrefour Brazil completes the acquisition of Grupo BIG, consolidating its strong leadership position across the country.
- **June 22:** The Group becomes a premium partner of the Paris 2024 Olympic and Paralympic Games.
- **June 24:** Carrefour bolsters its commitment to LGBT+ inclusivity and visibility by signing the l'Autre Cercle Charter.
- **July 8:** Carrefour creates 11 new French organic product lines covered by multipartite, multi-year and renewable contracts for grocery products, fruit and vegetables.
- **July 18:** Carrefour, the first retailer to sign up to the EcoWatt Charter, is committed to reducing the electricity consumption of its stores during periods when there is significant strain on the power grid.
- **July 19:** The Group announces the sale of Carrefour Taiwan to Uni-President group for an enterprise value of 2.0 billion euros.
- **August 3:** Carrefour France is contributing 350,000 euros to a plan to revitalise the rural economy by creating new regional organic product lines, within the framework of an agreement with the French government.
- **August 22:** Carrefour France freezes prices on 100 of its own-brand products for 100 days at all Carrefour stores to combat inflation.
- **September 5:** Carrefour Brazil announces the creation of a Forest Committee and invests 10 million euros in a new plan to fight deforestation.
- **September 6:** Carrefour Belgium freezes prices of 100 products for 100 days to shore up its customers' purchasing power.
- **September 9:** Carrefour Spain is offering its customers a basic list of 30 products for 30 euros to protect the purchasing power of Spanish families.
- **October 4:** Carrefour signs an agreement with the French Handisport Federation to support inclusion through sport and bolster its drive to recruit people with disabilities.
- **October 12:** Success of a Sustainability-Linked Bond issue indexed to the Group's sustainable development goals, for a total amount of 500 million euros.
- **October 20:** Carrefour continues to honour its commitment to tackle stresses on the energy networks by signing the EcoGaz Charter.
- **October 24:** The second edition is launched of the International Food Transition Awards to reward the most virtuous suppliers in terms of CSR.
- **October 25:** The unprecedented *"Tous digital!"* (Everybody digital!) event trains all 85,000 of Carrefour's employees in France in the fundamentals of digital technologies.

- **November 8:** The Carrefour 2026 strategic plan is presented and launched, aiming to accelerate the Group's transformation and increase its leadership.
- **November 8:** Carrefour and Publicis join forces to create a leader in retail media in Europe and Latin America.
- **November 28:** Sustainability-Linked Bond issue indexed to the Group's sustainable development goals increased in October 2022 by 350 million euros.
- **November 29:** Carrefour France opens a new warehouse in Rungis to develop its same-day delivery services in the Paris region.
- **December 5:** Carrefour and Goggo Network team up to create the future of autonomous delivery by trialling a mobile drive service using a fully autonomous vehicle.
- **December 7:** Carrefour launches an innovative social commerce experience that lets shoppers purchase their Christmas gifts via WhatsApp.
- **December 8:** Carrefour announces the winners of its International Food Transition Awards, which reward the most virtuous suppliers in terms of CSR in the eyes of customers.
- **December 16:** Carrefour Brazil opens the first part of the Alto da Nações real estate complex in São Paulo.
- **December 20:** Carrefour France reasserts its support for organic product lines by opposing the opening up of organic certification to include salt production regardless of the production method used.

1.5.2 HIGHLIGHTS OF FIRST-QUARTER 2023

- **February 14**: The Group announces the launch of a Carrefour share buyback programme on the publication of its 2022 results, for a maximum amount of 800 million euros. The Group intends to roll out the programme in 2023, subject to market conditions.
- **March 1**: Carrefour announces the opening of its first two Potager City stores in Paris to meet city dwellers' essential food needs with a range of fresh quality products at the right price.
- **March 1**: Carrefour launches Carrefour Invest, an international employee shareholding offer.
- **March 14**: Alexandre Bompard announces the creation of Carrefour's new anti-inflation basket, an "essential and nutritional" selection of 200 products at prices frozen at less than 2 euros. The basket contains 100 low-priced everyday products, as well as 100 products with A and B nutriscore ratings.
- **March 14**: Carrefour announces the opening of a new virtual store on the Rakuten marketplace in April 2023.
- **March 22**: The Board of Directors proposes the renewal, ahead of term, of Alexandre Bompard's appointment to 2026, to coincide with the end of the Carrefour 2026 strategic plan.
- **March 27**: Carrefour becomes the first retailer to obtain France's "anti-food waste" label for its Montesson hypermarket.

1

1.5.3 SUMMARY OF FINANCIAL PERFORMANCE

(in millions of euros)	2022	2021[(1)]	2020[(2)]	2019 restated[(3)]
CONSOLIDATED INCOME STATEMENT				
Gross sales	90,810	78,645	78,609	80,672
Net sales	81,385	70,462	70,719	72,397
Recurring operating income before depreciation and amortisation[(4)]	4,613	4,307	4,465	4,417
Recurring operating income	2,377	2,194	2,173[(5)]	2,099
Recurring operating income after net income/(loss) from equity-accounted companies	2,427	2,206	2,160	2,101
Operating income	2,463	1,840	1,686	1,071
Net income/(loss) from continuing operations	1,564	1,210	853	216
Net income/(loss) from continuing operations, Group share	1,368	1,002	663	29
Total net income/(loss)	1,566	1,301	831	1,308
Net income/(loss), Group share	1,348	1,072	641	1,126
CONSOLIDATED STATEMENT OF CASH FLOWS				
Cash flow from operating activities	3,968	3,796	3,408	3,400
Net cash from operating activities	4,219	3,661	3,395	3,247
Net cash from/(used in) investing activities	(2,134)	(1,334)	(1,841)	(1,013)
Net cash from/(used in) financing activities	(326)	(3,060)	(1,126)	(1,987)
Net change in cash and cash equivalents	1,748	(735)	(27)	166
Net free cash flow	1,262	1,227	1,056	324
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Net debt	3,429	2,633	2,616	2,615
Total equity	13,186	11,830	11,609[(6)]	11,673
Equity – Group share	11,144	10,251	10,103[(6)]	9,937

(1) Carrefour Taiwan is accounted for as discontinued operations, in accordance with the IFRS 5 accounting standard.

(2) 2020 restated for the IFRS IC decision on IAS 19.

(3) 2019 restated for the IFRS IC decision on IFRS 16.

(4) Recurring operating income before amortisation (including supply chain depreciation).

(5) Recurring operating income for 2020 includes income expenses related to Covid-19. Exceptional bonuses and similar benefits awarded to employees (128 million euros at H1 2020) are reported under "Non-recurring income" or "Non-recurring expenses".

(6) 2020 restated for the new IFRS 16.

1.5.4 SUMMARY OF STOCK MARKET PERFORMANCE

SHARE PRICE

	Price High*	Price Low*	Average closing price*	Number of shares traded	Amount of capital traded*
January	18.355	16.12	17.53	86,458,525	1,522,391,528
February	18.18	16.77	17.42	64,506,248	1,127,124,911
March	19.645	16.985	18.25	80,637,933	1,461,839,117
April	20.6	18.965	19.89	60,733,384	1,207,209,538
May	21.17	19.03	20.06	79,725,590	1,597,282,199
June	19.7	16.5	18.27	54,451,072	993,353,414
July	17.19	16.39	16.86	38,984,415	657,926,977
August	17.405	16.22	16.86	40,947,211	688,318,461
September	16.915	14.015	15.85	49,673,062	780,898,230
October	16.285	14.05	15.02	43,558,934	652,712,826
November	16.57	16.115	16.37	42,367,891	693,431,302
December	16.87	15.575	16.12	43,030,561	695,066,983

* In euros.

SUMMARY OF STOCK MARKET INDICATORS

Closing price *(in euros)*[(1)]	2014	2015	2016	2017	2018	2019	2020	2021	2022
High	29.20	32.80	26.74	23.64	19.62	18.14	16.89	17.54	21.17
Low	22.09	23.65	20.90	16.47	13.14	14.62	12.33	13.99	14.02
At December 31	25.30	26.65	22.89	18.04	14.91	14.95	14.03	16.11	15.64
Number of shares at December 31	734,913,909	738,470,794	756,235,154	774,677,811	789,252,839	807,265,504	817,623,840	775,895,892	742,157,461
Market capitalisation at December 31 *(in billions of euros)*	18.6	19.7	17.3	14.0	11.8	12.1	11.5	12.5	11.6
Average daily volume[(1)(2)]	2,985,228	3,064,488	3,167,915	3,310,080	3,723,706	2,394,148	3,218,500	3,253,806	2,655,042
Net dividend *(in euros)*	0.68	0.70	0.70	0.46	0.46	0.23	0.48	0.52	0.56[(3)]

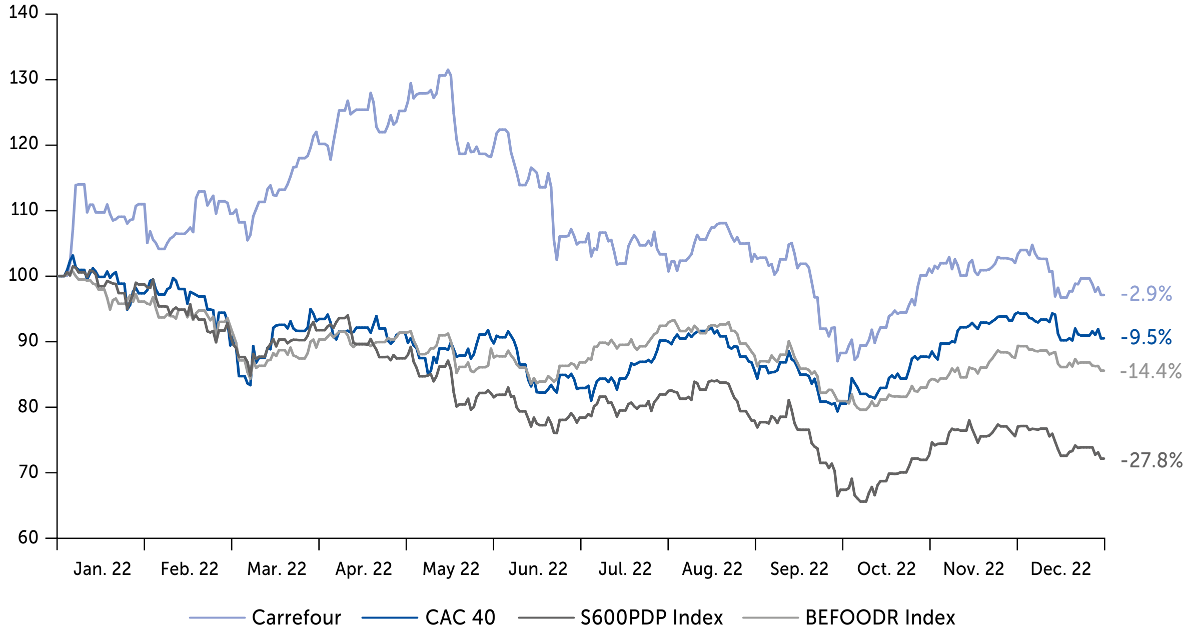
(1) Source: Euronext.

(2) Average daily volume on Euronext.

(3) Subject to approval by the Shareholders' Meeting.

SHARE PRICE IN 2022 (100 BASE)

Carrefour share price in relation to the CAC 40, BEFOODR (1) and STOXX Europe 600 Personal Care Drug and Grocery Stores index (2)

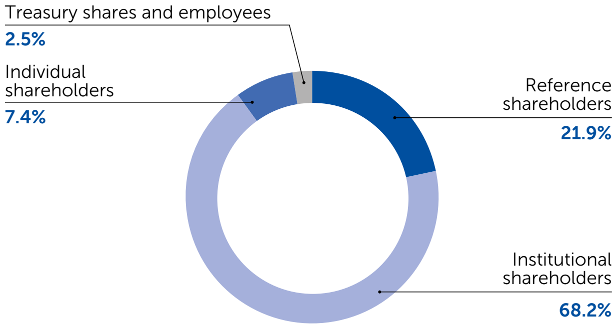


SHARE CAPITAL AND OWNERSHIP STRUCTURE

At December 31, 2022, the share capital amounted to 1,855,393,652.50 euros (one billion, eight hundred fifty-five million, three hundred ninety-three thousand, six hundred fifty-two euros and fifty cents), divided into 742,157,461 shares with a par value of 2.50 euros each.

The number of voting rights at December 31, 2022 was 922,276,998. After deducting the voting rights that cannot be exercised, the total number of voting rights is 910,732,128.

To the Company's knowledge, the breakdown of the capital at December 31, 2022 was as follows:



(1) BEFOODR: Ahold Delhaize, Carrefour, Colruyt, HelloFresh, Jeronimo Martins, Kesko, Ocado, Sainsbury's, Tesco.
(2) S600PDP: Ahold Delhaize, Axfood, Beiersdorf, Carrefour, Dino Polska, Essity, Galenica, Greggs, HelloFresh, Jeronimo Martins, Kesko, Ocado, Reckitt Benckiser, Sainsbury's, Tesco, Unilever.

1.5.5 SUMMARY OF NON-FINANCIAL PERFORMANCE

1.5.5.1 Results of the CSR and Food Transition index for 2022

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 cover a period of several years, the index measures CSR performance every year for each of the 15 indicators. The Index's overall score is a simple average of the score for the 15 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 2022, Carrefour exceeded its non-financial objectives, as measured by its CSR & Food Transition Index with a score of 109%. 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.

Carrefour's 2022 CSR and Food Transition Index = 109%

* 2021 data restated for Carrefour Taiwan. Atacadão is excluded for emissions related to refrigerants.

No.	Status	Category	Objective	2021*	2022	2022 Score
	Products					**103%**
		Sustainable agriculture	15% of fresh food product sales generated by organic or agroecological products by 2025	4.6%	4.8%	91%
		Raw materials	100% of sensitive raw materials must be covered by a risk reduction plan by 2025(1)	55%	61%	96%
		Packaging	20,000 tons of packaging avoided by 2025 (cumulative since 2017)	10,906	16,390	114%
			100% reusable, recyclable or compostable packaging in 2025(2)	46%	56%	
		Animal welfare	100% of our key animal welfare policy objectives implemented in all countries by 2025(3)	54%	59%	101%
		Supplier commitment:	300 suppliers committed to the Food Transition Pact by 2025	114	204	113%
	Stores					**110%**
		Food waste	50% reduction in food waste (vs. 2016)	-28%	-40%	108%
		Waste	Recover 100% of waste by 2025	68%	75%	99%
		CO_2 emissions	50% reduction in GHG emissions (Scopes 1 and 2) by 2030, and 70% reduction by 2040, compared with 2019	-25%	-29%	138%
		Partner producers	45,000 local partner producers in 2025(4)	38,359	37,758	97%

No.	Status	Category	Objective	2021*	2022	2022 Score
	Customers					**103%**
		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 2026(5)	+9	+11	110%
		Act For Food program	77% of our customers believe that Carrefour helps them to eat healthier and more responsible food that remains affordable by 2022(6)	75%	74%	96%
	Employees					**118%**
		Employee engagement	Minimum employer recommendation score of 7.5/10 awarded to Carrefour every year by its employees(7)	8.3	8.2	128%
		Gender equality	Women to account for 35% of the top 200 managers by 2025	24%	26%	99%
		Training	At least 50% of employees undertook training during the year	81%	73%	146%
		Disability	Employees with a disability to represent at least 4% of the total workforce by 2025	3.4%	3.7%	100%

(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. Scope extended in 2022: France, Belgium, Brazil and Romania.

(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) This objective includes organic farming partner producers and regional and local Carrefour Quality Lines.

(5) Target revised following the exit of consolidated entities from Taiwan. 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). 4.4 million respondents in 2022.

(6) Target revised following the exit of consolidated entities from Taiwan. 1.2 million respondents in 2022. This objective includes organic farming partner producers and regional and local Carrefour Quality Lines.

(7) Ipsos, March 2022; 17,000 respondents out of a representative sample of 265,000 employees surveyed.

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 presented in Section 2.2.

Topics	Performance indicator from the CSR index	Average score in 2022
Biodiversity Section 2.1.2	7 associated objectives Nos. 1, 2, 3, 5, 6, 7 and 9	102%
Climate: Section 2.1.3	8 associated objectives Nos. 1, 2, 3, 5, 6, 7, 8 and 9	107%
Health Section 2.1.4	4 associated objectives Nos. 1, 5, 10 and 11	102%
Customer and partner commitments Section 2.1.5	4 associated objectives Nos. 5, 9, 10 and 11	99%
Employees Section 2.1.6	8 associated objectives Nos. 12, 13, 14 and 15	118%

1.5.5.2 Rating agency scores and awards in 2022

Carrefour regularly replies to questionnaires by ratings agencies to assess its performance based on business, social and governance criteria. In 2022, for the second year in a row, 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 283 best performing companies, only 24 of which are in France. Also in 2022, Carrefour was ranked 2nd in the retail sector by Moody's (formerly Vigeo EIRIS). Carrefour's score improved by 9 points, fitting recognition for the Group's commitment to these issues and the effectiveness of the action plans deployed.

Ratings agency	2017	2018	2019	2020	2021	2022
CDP – *Carbon Disclosure Project*	A-	A-	A	A-	A	A
CDP Forest						
■ Palm oil	A-	B-	B	B	B	B
■ Soy	B	B-	B	B	B	B
■ Meat	B	C	B-	B	B	B
■ Wood and paper	A-	B-	B-	B	B	B
CDP Water	-	-	-	A-	A-	A-
Oekom ISS	Prime C+	Prime C+	-	Prime C+	Prime C+	Prime C+
DJSI – ROBECOSAM	68	69	73	73	71	71
MSCI	A	A	AA	AA	A	AA
Moody's	67	-	A1+, 68	67	64	73

In 2022, Carrefour won recognition from a number of organisations:

- since 2018, the SIRIUS awards have recognised the best collaborative practices between industry and retail that meet societal and consumer expectations. At the 5th edition of the SIRIUS Awards, organised by the *Institut du Commerce* on November 15, 2022, Carrefour won the SIRIUS for Sustainable Collaboration along with Danone for the project entitled "*Lundi c'est veggie*" (Monday is veggie), a collaborative in-store and digital initiative to encourage consumption of healthier and more sustainable vegetarian recipes;
- in the second edition of the CSR Index, compiled by Universum, Carrefour was ranked 3rd most committed to CSR out of 61 companies. More than 1,200 students and postgraduates with five years of higher education were surveyed in September and October 2022;
- Carrefour won the ESSEC Responsible Retail 2022 Grand Prize for its overall CSR strategy. The Group also won an award in the "Consumer services and Information" category for its "committed consumers club" which brings together volunteers with a passion for retailing;
- on December 7, 2022, Carrefour picked up several awards at the LSA Innovation Awards evening: the Carrefour interchangeable toothbrush in the hygiene and beauty category, and in the trend category, the organic dark chocolate with coconut flower sugar and the Group's new Bulk experience both picked up awards. In the non-food category, Carrefour's pop-up toys received yet another award.

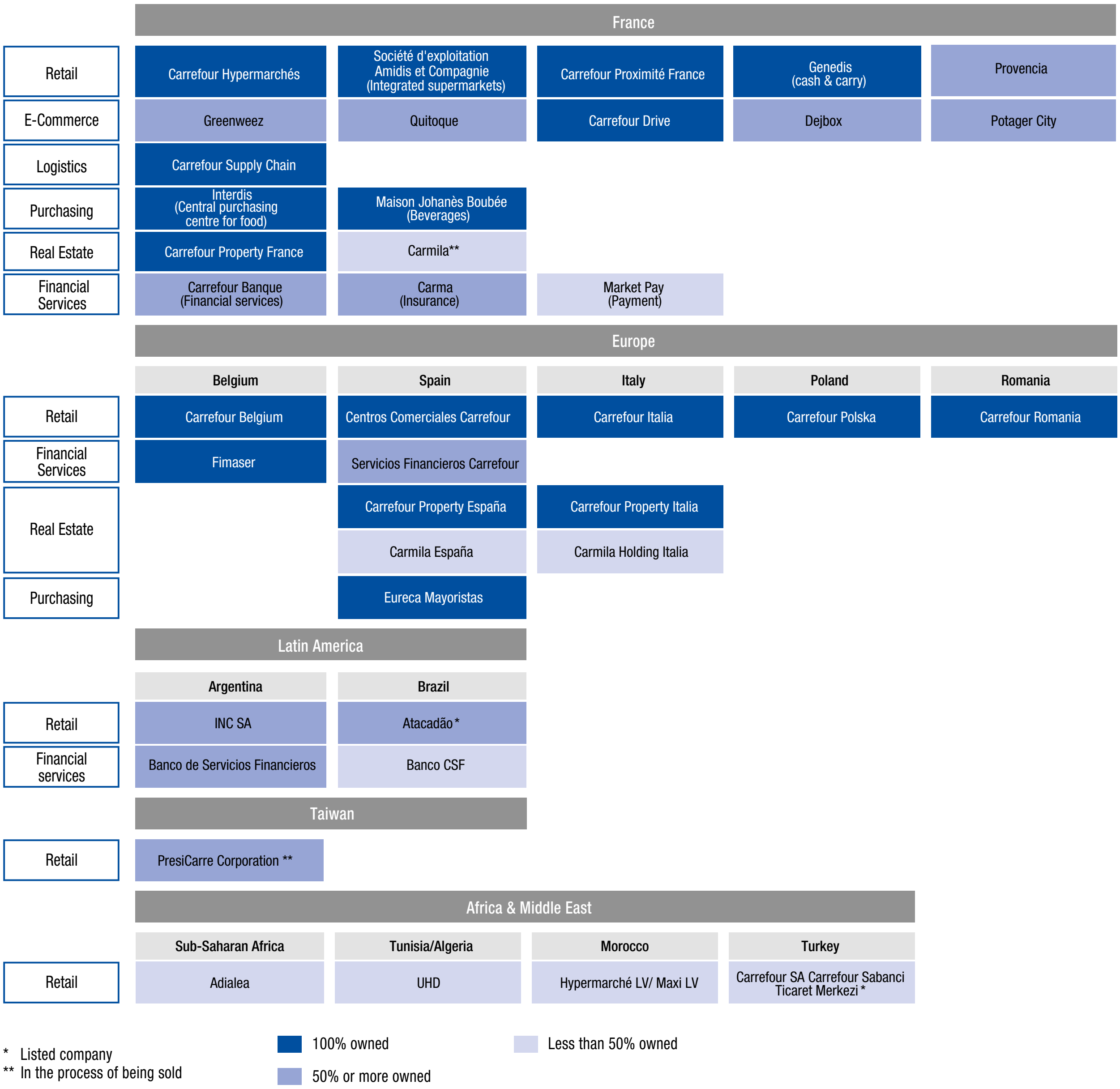
1.5.5.3 The CSR index in 2023

When the Carrefour 2026 strategic plan was unveiled in November 2022, the Group strengthened its commitments to sustainable agriculture, climate action, reduction in packaging, fighting against deforestation in Brazil, nutrition and inclusion. The new commitments will be integrated into the CSR and Food Transition Index from 2023. The CSR index has been adjusted to factor in these new objectives and adapt the Group's aims within the framework of the Carrefour 2026 plan.

The table below presents the new CSR index together with the adjustments made.

Category		Objective	Status
Products	**Food transition**	8 billion euros in sales of certified sustainable products by 2026	**New**
	Food transition	500 million euros in sales of plant-based proteins by 2026	**New**
	Raw materials	100% of sensitive productions for forest, animal welfare, soils, marine resources and human rights are covered by a risk mitigation plan by 2030	**Raised**
	Packaging	Three Carrefour targets on packaging reduction, bulk and reuse, and packaging recyclability implemented by 2026	**Raised**
	Partner producers	50,000 partner producers by 2026	**Raised**
Stores	**Food waste**	50% reduction in food waste (vs. 2016)	**Confirmed**
	Waste	100% of waste recycled by 2025	**Confirmed**
	Climate (Scopes 1 and 2)	50% reduction in GHG emissions (Scopes 1 and 2) by 2030, and 70% reduction by 2040 (vs. 2019)	**Confirmed**
	Climate (Scope 3)	Top 100 suppliers with a 1.5°C trajectory by 2026 and 20 megatonnes saved by 2030	**New**
Customers	**Nutrition and health**	Withdrawal of 2,600 tons of sugar and 250 tons of salt from Carrefour brand products by 2026 (vs. 2022)	**New**
	Customer community	An active community of consumers of healthy and sustainable products in each country	**New**
	Supplier commitments	500 suppliers committed to the Food Transition Pact by 2030	**Raised**
	Food transition in stores	Minimum score of 75/100 for the question Does Carrefour help you eat better?	**Revised**
Employees	**Employee engagement**	Minimum employer recommendation score of 75/100 awarded annually to Carrefour by its employees	**Confirmed**
	Gender equality	Women to account for 35% of Top 200 managers by 2025	**Confirmed**
	Training	At least 50% of employees provided access to training every year	**Confirmed**
	Disability	15,000 employees with a disability by 2026	**Raised**

1.6 Simplified legal chart at December 31, 2022



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.

Chapter 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.

Chapter 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. Chapter 2 also contains information on the Non-Financial Statement (NFS), the EU Green Taxonomy, the duty of care and the main international standards applied, in particular the Sustainability Accounting Standards Board (SASB), the Task Force on Climate Disclosures (TCFD) and the Global Reporting Initiative (GRI). Cross-reference tables specific to the Non-Financial Statement, SASB-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 1.1.6;
- 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 2.1.1.2.1;
- 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 2.2.5);
- the system for monitoring actions taken and measuring their effectiveness (see Section 2.2.6 and Sections 2.2.3.1 and 2.2.3.2);
- the report on the implementation of the duty of care plan covering the previous financial reporting year (see Section 2.2.7).

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

- governance of CSR, the food transition and the duty of care plan is presented in Section 2.2.1;
- 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 2.2.1.2;
- the methodology used to map risks relating to human rights and fundamental freedoms, health and safety, and the environment is presented in Section 2.2.2.1. The main identified risks and their sub-factors are presented in Section 2.2.2.2;
- risk prevention frameworks are presented in Section 2.2.4.1, third-party assessments are described in Section 2.2.3, risk prevention and mitigation measures are presented in Section 2.2.4 and whistleblowing systems covered in the duty of care plan are detailed in Section 2.2.5. The report on actions implemented in 2022 as part of the duty of care plan is available in Section 2.2.7;
- a summary of Carrefour's non-financial reporting, which covers all of the Group's non-financial performance indicators, is presented in Sections 2.2.3.1 and 2.2.3.2.

Green Taxonomy: Section 2.3 complies with Regulation (EU) 2020/852, the EU Green 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 some 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 Governance and 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 1.1.5).

In 2022, Carrefour adopted its new transformation plan "Carrefour 2026" (see Section 1.3), which marks a new stage in the implementation of the food transition for all. Carrefour is strengthening its CSR ambitions, in particular with regard to the fight against climate change; the production of renewable energy; the reduction of packaging and the development of bulk sales; the preservation of biodiversity; the fight against deforestation; healthy food; diversity and inclusion.

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 its *raison d'être*. 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 1.1.7). The Group's objectives associated with CSR and the food transition are measured by a set of performance indicators. The most strategic objectives are integrated into the CSR & Food Transition Index. This index measures an annual achievement rate and is factored into management compensation (see Section 1.5.3);
- **dedicated governance:** In 2022, Carrefour created an Engagement department positioned at the level of the Group's Executive Committee, responsible for embodying the Group's aims in relation to CSR (the environment, climate, fight against food waste, etc.), Diversity and Inclusion (gender equality, disability, diversity of origin, etc.), the Carrefour Foundation and the Group & France Solidarity Unit. Governance bodies for CSR and the food transition have been set up at every level in the organisation (see Section 2.2.1.1). 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;

Focus: The Carrefour group's Engagement department

On February 1, 2022, the Group announced the creation of an Engagement department responsible for CSR strategy and for translating the Group's social commitments into action. Carine Kraus, Director of Engagement, is General Delegate of the Carrefour Foundation and a member of the Group Executive Committee. It coordinates and synchronises the deployment of the CSR and food transition strategy in close collaboration with various Group departments, business lines, countries and external stakeholders.

The Engagement department includes the Carrefour Foundation, the Group & France Solidarity Unit, the CSR department, the Employer Brand department and the Diversity and Inclusion department.

The Group's **CSR department** is responsible for implementing the CSR methodology and contributes to the definition and management of Carrefour's societal objectives. 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 Diversity and Inclusion department is responsible for coordinating the approach at Group level in collaboration with all countries.

The aim of the Employer Brand is to help the Group's employees improve their skills, according to their profiles.

The Carrefour Foundation and the Group & France Solidarity Unit are responsible for supporting and coordinating sponsorship activities in the countries where the Group operates.

- **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 innovations 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:
  - as part of its trade relations, especially with its suppliers of Carrefour-branded products, the Group includes standards in line with CSR and the food transition. In 2020, Carrefour updated its purchasing rules to support the food transition, in particular by including criteria and requirements to respect marine resources, protect forests, integrate ecodesign into packaging and promote agroecology,

- Carrefour sets up collaborations with its suppliers of Carrefour-branded products and national brands to initiate the transformations necessary to bring about the food transition for all. Carrefour also proposes joint projects with its suppliers through innovation platforms and offers technical support for supply 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 boost its suppliers' engagement, 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. Building on the success of the first edition, Carrefour launched the International Food Transition Awards in 2022, allowing suppliers from around the world to present their innovations,
- the announcement of the "Carrefour 2026" strategic plan in 2022 was an opportunity for the Group to confirm its ambitions in the fight against global warming; Carrefour has invited its major suppliers (Top 100) to adopt a 1.5°C trajectory by 2026, and has committed to delisting them if they do not meet this condition;

- **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 26000 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.
- Joins 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 Awards 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.

2022
- Announcement of the Carrefour 2026 strategic plan.
- International Food Transition Awards to reward suppliers for their CSR performance.
- Signing of an LGBT charter in France.
- Announcement of a plan to combat deforestation in Brazil.
- Launch of the "Plant-based contest" to accelerate the development of plant-based food.

■ 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 2022	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 mission ■ Zero plastic challenge
Get suppliers and partners involved	■ Loop ■ (Re)set packaging
Implement exclusive innovative solutions locally and internationally	■ 16,390 tonnes of packaging avoided since 2022 ■ 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 1.1.7 "Stakeholder dialogue");
- 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 1.1.7);
- evaluating non-financial performance (Section 1.5.3).

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, SASB-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 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.

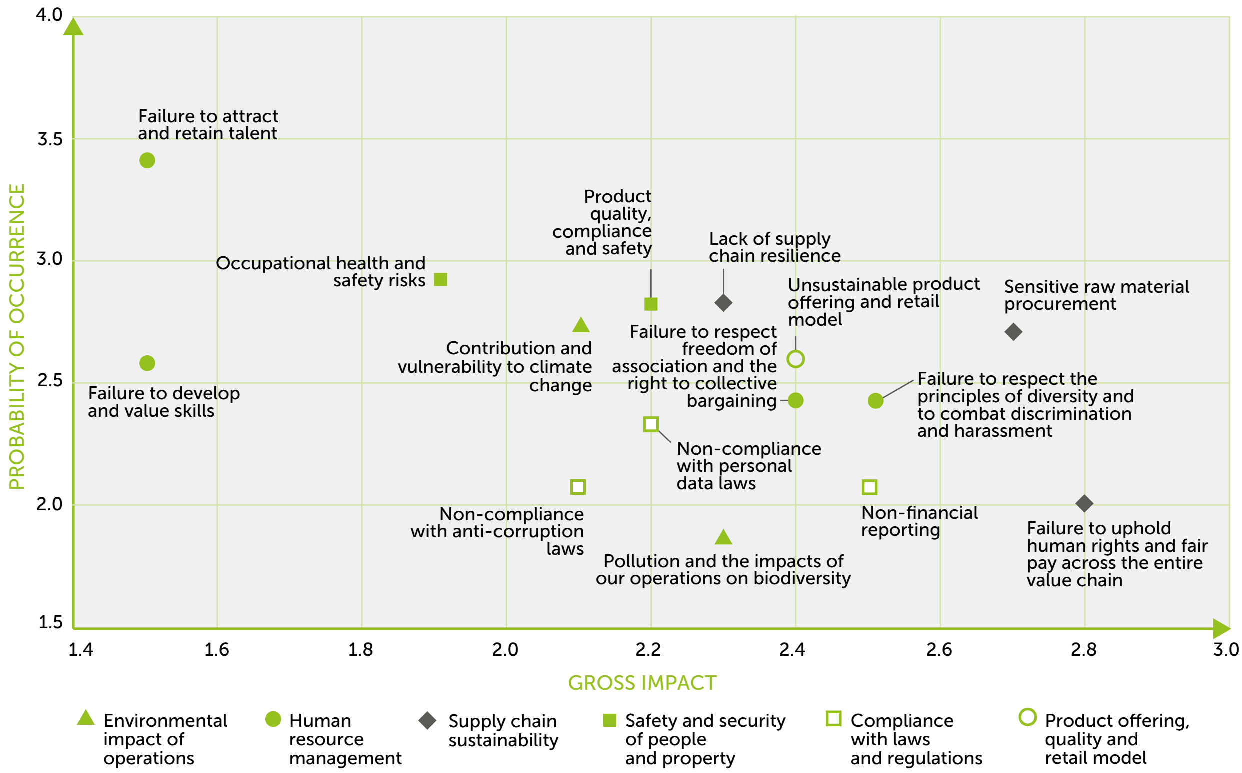
This analysis highlights the main risks that could affect the Group's operations, financial position, reputation, results and social responsibility. The analysis is updated annually, and results are submitted to the Audit Committee, the Group Executive Committee and the Board of Directors.

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 measures the impact on stakeholders (including customers, suppliers, NGOs and civil society). Section 2 details the policies, 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 the 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.


PROBABILITY OF OCCURRENCE
GROSS IMPACT
4.0
3.5
3.0
2.5
2.0
1.5
1.4
1.6
1.8
2.0
2.2
2.4
2.6
2.8
3.0
Failure to attract and retain talent
Product quality, compliance and safety
Lack of supply chain resilience
Occupational health and safety risks
Unsustainable product offering and retail model
Sensitive raw material procurement
Failure to respect freedom of association and the right to collective bargaining
Contribution and vulnerability to climate change
Failure to develop and value skills
Failure to respect the principles of diversity and to combat discrimination and harassment
Non-compliance with personal data laws
Non-compliance with anti-corruption laws
Non-financial reporting
Failure to uphold human rights and fair pay across the entire value chain
Pollution and the impacts of our operations on biodiversity
Environmental impact of operations
Human resource management
Supply chain sustainability
Safety and security of people and property
Compliance with laws and regulations
Product offering, quality and retail model

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

This mapping initiative identifies non-financial 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 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 REPORTING PURPOSES

NFS risks	Group risk	Description of the non-financial reporting risk category	Non-financial reporting policies, action plans and performance
Sensitive raw material procurement	Use of raw materials questioned for their environmental, social 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	Psychosocial risks, workplace accidents or occupational illnesses	Any failure to take effective prevention measures against psychosocial risks could lead to an increase in workplace accidents, particularly in stores and warehouses, or in occupational illnesses among Group employees.	Section 2.1.6.5
Contribution and vulnerability to climate change	Failure to control energy consumption, refrigerants and associated carbon emissions	Carrefour may fail to control 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
	Extreme weather events	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.	
Failure to attract and retain talent	Inability or difficulties 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
Failure to develop and value skills	Failure to assess, develop or 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.	
Quality, compliance and product safety failure	Failure of the removal and recall system	Malfunctions in the recall and withdrawal procedure for batches of food products could have serious health impacts on customers.	Section 2.1.4.2
	Serious breach of quality and hygiene standards in stores, warehouses or at a logistics partner	Serious breaches of quality and hygiene standards in stores, warehouses or at a logistics partner can have serious consequences for the health of our customers.	
	Significant lack of quality control, traceability and product information disclosed to customers	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.	

NFS risks	Group risk	Description of the non-financial reporting risk category	Non-financial reporting policies, action plans and performance
Lack of supply chain resilience	Street demonstrations, strikes or 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
Failure to respect freedom of association and the right to social dialogue	Poor management or degradation 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
Failure to uphold human rights and fair pay across the entire value chain	Carrefour or its suppliers are accused of failing to comply with labour law or human rights	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
Non-compliance with anti-corruption laws	Non-compliance with anti-corruption laws	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-compliance with personal data laws	Non-compliance with laws on the protection of personal data (e.g., GDPR, LGPD)	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.	
Failure to respect the principles of diversity and to battle discrimination and harassment	Failure to comply with the principles of diversity and equality or failures 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
Unsustainable product offering and retail model	Commercial offer (excluding product assortments) not aligned with customers' environmental and societal expectations (e.g., reduction of packaging, food waste)	Carrefour could be held liable for impacts related to 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 impact of our operations on biodiversity	Deterioration of biodiversity linked to real estate assets (e.g., pollution from oil products, deforestation)	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
Non-financial reporting	Increasing non-financial reporting requirements (e.g., Green Taxonomy in Europe)	The poor quality of the data reported could impact the assessment and analysis of the Group's non-financial performance.	Section 2.1 Section 2.4

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.

As a key player in the food industry, Carrefour has a role to play in preserving biodiversity. Consumer behaviour is at a turning point, and their expectations are constantly changing. They want more information, better quality products and greater transparency, and rightly so.

Carrefour has therefore set a goal to provide its customers with food, products and services that respect biodiversity. While actions can be taken at the level of Carrefour's sites and operations, solutions that promote biodiversity must also be developed collectively throughout the supply and production chains with all stakeholders. Carrefour therefore takes action to protect biodiversity in its activities and operations, as well as upstream, in partnership with its suppliers, and downstream with its 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.

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.

As part of its Science Based Targets for Nature engagement programme, which guides organisations in setting ambitious science-based targets for climate and nature protection, the Group mapped its impacts and dependencies on nature in 2022.

The overall approach draws on Science Based Target Network (SBTN) methodology, and its biodiversity footprint is calculated using the Corporate Biodiversity Footprint (CBF) measurement tool. The preliminary macro-analysis showed that Carrefour impacts biodiversity in many diverse ways. The Group's activities contribute to each of the five main drivers of biodiversity loss identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). Most of these impacts occur upstream or downstream from Carrefour's direct operations. As a result, Carrefour's impacts must be assessed at the value chain level, and cover all factors of biodiversity loss.

The figure below breaks down our dependencies and impacts on nature across the entire value chain and by level of associated risk:

Mapping the impacts and dependencies of Carrefour's activities on biodiversity

Level of impact: Very high / High / Medium

	DIRECT IMPACTS - UPSTREAM	DIRECT IMPACTS	INDIRECT IMPACTS - DOWNSTREAM
Habitat destruction	Agricultural production of our products	Land use of our sites	
Pollution	Pollution associated with freight	Solid waste generated on our sites	Solid waste associated with sold products, pollution of aquatic environments associated with some products
Climate change	Emissions associated with agricultural production of our products		Emissions associated with sold products
Resource exploitation	Overexploitation of certain sensitive raw materials	Water consumption of the food-processing industries (distributor brand)	Water consumption associated with sold products
Invasive species and others	Nuisances associated with agricultural production, invasive species associated with long-distance freight	Nuisances associated with our sites (e.g., car parks, etc.)	

The Group's biodiversity footprint measurement confirms that retail operations, especially food retail operations, have the biggest impact on biodiversity out of all of Carrefour's operations (more than 95% of its total biodiversity impact). The main contributor to biodiversity loss from among Carrefour's activities is its occupation and transformation of ecosystems, which also contributes to the loss of water resources and local pollution. Operations in France and Brazil account for two-thirds of the Group's biodiversity footprint.

Within food retail operations, animal products, particularly beef, have the highest impact on biodiversity. The ten product categories with the highest impact at Group level are: beef, pork, vegetable oils, cheese, poultry, ready-made meals, biscuits/confectionery, coffee, pet food and eggs.

Carrefour updated its materiality analysis in 2021 (see Section 1.1.7). 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 plastics" (ranked second by customers).

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:** The Group seeks to limit the impact of its products by reducing the amount of packaging it places on the market, improving the use and ultimate disposal of products, managing the amount of waste produced, etc.;
- **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

- Act For Nature international
- Science Based Targets for Nature engagement program
- *Lab Capital Naturel* (WWF)
- Forest Positive Coalition (Consumer Goods Forum)
- French government programme

Contributions to the Sustainable Development Goals

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
	All Carrefour Quality Lines must be committed to an agroecological approach by 2025	2025
	€8 billion in sales in 2026 via certified sustainable products (40% more than in 2022)	2026
	50,000 partner producers by 2026 (11,000 more than in 2022) of which 7,000 will be organic (up by 2,000 from 2022)	2026
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"*	
	100% Brazilian beef will be zero deforestation for Carrefour brands by 2026, and for other brands by 2030	2026 2030
Limiting the environmental impact of our sites	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 sq.m. 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 on Carrefour-branded items in 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
	500 stores must have a package re-use system by 2025	2025
	€150 million in bulk sales and packaging deposits by 2026 (five times more than in 2022)	2026
	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 supports 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 2022, with 3,637 French organic and in-conversion partner farmers. Since 2018, Carrefour has supported 90 fruit and vegetable producers and 35 producers in the wine-making sector with their conversion. At end-2022, 12 producers were still in the conversion process.

Key Performance Indicators	2022	2021	Change	2022 target
Sales of organic products [1]	€2.6 billion	€2.7 billion	-2.2%	€4.8 billion

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

Indicators	2022	2021	Change
Number of Carrefour-branded organic product references [2]	1,247	1,200	+3.9%
Number of organic farming producers (supported through sector-based contractual arrangements)	3,637	3,538	+2.8%

(2) In France.

Carrefour Quality Lines serve as Carrefour's agroecology laboratories: the objective is for all product lines to feature an Agroecology label by 2025 (e.g., "fed on GMO-free feed", "fed without antibiotics" and "grown without chemical treatment").

Key Performance Indicators	2022	2021	Change	2025 target
Penetration rate of Carrefour's quality channels in fresh products *(as a %)*	6.9%	7.2%	-0.3 pt	10%
Penetration rate of lines featuring an Agroecology label within the Carrefour Quality Lines (in fresh produce) [3]	6.5%	New	-	100%

(3) Indicator measured in France in 2022 and will be extended to all countries in 2023.

Comments on 2022 performance. For the first time this year, Carrefour is tracking the percentage of Carrefour Quality Lines that feature an Agroecology label in France. This measure will be rolled out to all countries categories in 2023.

Indicators	2022	2021	Change
Number of Carrefour Quality Lines products	844	617	+36.8%
Number of Carrefour Quality Lines partner producers	22,176	24,980	-11.2%
Gross sales of Carrefour Quality Lines products *(in billions of euros)*	1.13	1.13	+0.5%

Comments on 2022 performance. Since 2020, Carrefour has been working to streamline livestock chains in France (beef, pork) by applying stricter specifications, specifically those required to meet the criteria of agroecology labels, and by scaling back its number of partners. France as a whole is meanwhile experiencing a decline in its number of farms, which has consequently shrunk Carrefour's pool of partner producers.

More generally, Carrefour is introducing responsible policies for sourcing raw materials that are at risk from a social and environmental perspective (see Section 2.1.5). 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. Since 2021, Carrefour has helped nearly 200 new farmers switch to organic farming. As at end-2022, the Group had 3,637 organic partner producers and had sold 1,247 Carrefour Bio-brand product references (Carrefour Bio, Nextar of Bio, Baby Bio) in France.

In its stores, Carrefour aims to offer a selection of organic products matched to consumer demand. Under Carrefour-branded 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.

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.). As of end-2022, the Group had 170 specialised organic stores in France.

2. Promoting agroecology via Carrefour Quality Lines (CQLs)

Carrefour has a unique tool for developing agroecology: the Carrefour Quality Lines (CQLs). Each Carrefour Quality Line is a partnership between the Group and partner producers. In collaboration with these producers, Carrefour has drafted a rigorous charter specific to each production chain. Since 2014, Carrefour has been working with its producers while supporting research and innovation in an effort to promote agroecology. This approach to farming uses natural processes to protect natural systems, while reducing the use of synthetic pesticides and maintaining a high level of production. Since 2020, the Carrefour Quality Lines specifications for fruit and vegetables have been recognised as equivalent to the French Ministry of Agriculture's level 2 environmental certification.

Through its Carrefour Quality Lines, the Group establishes multi-year partnerships with a view to guaranteeing greater visibility and more opportunities for producers. Under these deals, Carrefour commits to guarantees on volume over several years and fairer compensation through a jointly agreed purchase price that takes into account three key factors: production costs, the fluctuating market prices of agricultural products, and the technical aspects involved in meeting the higher quality standards set out in the specifications of Carrefour Quality Line products. The first contracts were signed in March 2021 with six Carrefour Quality Lines (CQLs). All French CQLs were under contract at end-2022, covering 11,713 producers.

Carrefour also supports its Carrefour Quality Lines suppliers by developing pilot crops and implementing progress plans to extend agroecological practices into various lines. Carrefour provides suppliers with technical assistance and adapts the terms of their agreement. The programme is reflected on the product, which displays an agroecological label [1]. In 2022, 6.5% of the French Carrefour Quality Lines fresh products featured an Agroecology label, and this measure will be rolled out to all Group countries in 2023.

Traceability of food products from field to plate is a fundamental element in the Carrefour Quality Lines approach. To ensure best practices, Carrefour uses:

- strict, monitored specifications: with verification by an independent inspection body that checks compliance with the specifications for each line;
- blockchain technology, which provides information on the product and its journey from farm to shelf.

There are currently 844 CQL products worldwide, involving 22,176 producers and offering market-fresh produce that meets strict traceability, quality and taste criteria. In 2022, CQL product sales surpassed 1 billion euros and represented 7.2% of the Group's fresh product sales.

(1) Note that for a supply chain to be considered agroecological, the supplier must apply at least one agroecologically-aligned practice (limiting the use of antibiotics and pesticides, using local livestock feed, etc.). Similarly, products from a given supply chain are considered agroecological if at least one of the producers in the chain is engaged in agroecological initiatives.

3. Supporting suppliers

Carrefour contributes to local economic development and brings vitality to the ecosystems and regions where the Group operates. Each store has the independence necessary to adapt its product assortment and services portfolio to local needs and build close relationships with its customers. Carrefour has consequently developed an objective to work with 50,000 organic, Carrefour Quality Line, regional or local partner producers by 2026.

Carrefour continuously strengthens its partnerships with local companies in all countries. For example, the Group promotes the development of small- and medium-sized enterprises through the implementation of SME plans. The Group's SME plan in France aims to strengthen cooperation between Carrefour and SMEs across all food and non-food industries. In addition, the Group's financial services company, Finifac, has notably developed credit solutions for SMEs and farmers.

Each country builds close relationships with SMEs and sets up special contracts to develop business with them. In France, the Group has introduced a simplified two-page ultra-local contract template that all stores can use to facilitate these partnerships. One of the guarantees of such contracts is fair pricing practices. Partner producers enjoy a close relationship with Carrefour, governed by a special multi-year contract with commitments on prices and volumes, a simplified 48-hour listing process and accelerated payments within seven days. In 2022, the Group reasserted its commitment in France by signing more than 4,038 contracts with local or regional SMEs (representing 3,264 suppliers). Carrefour chose to extend multi-year agreements, which represented 50% of regional agreements in France by 2022. These three-year commitments bring added security to all categories of suppliers.

Carrefour also provides financial support for various organic and/or agroecological projects. The crowdfunding platform *JeParticipe.carrefour.com* was launched in 2019 in partnership with MiiMOSA to finance agricultural food transition projects. More than 230 projects had been financed as at end-2022. A full 30 projects were listed and around 20 events held at Carrefour stores for Zero Kilometre weeks (June and October 2022). In total, 6.5 million euros was raised through this channel. In 2021, Carrefour invested 5 million euros in the crowdfunding platform to support the food transition. One year later, 29 projects had been financed through MiiMOSA and 52% of these projects were initiated by Group suppliers. Through this platform, Carrefour became the fund's biggest private investor, providing 10% of the funding for all projects.

The Carrefour Foundation, for its part, supports organisations that promote agricultural practices such as agroecology, the transition to organic farming and urban agriculture. In 2022, 24 sustainable and solidarity-based agricultural projects were funded by the Foundation for a total amount of 2,125,140 euros (41% of the overall budget). In Belgium, the Carrefour Foundation, through three organisations (Farming for Climate, Regenacterre and Farm for Good), supports advocacy and training for actors in the Belgian farming industry that promote regenerative agriculture. 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

- Farm for Good, Farming for Climate and Regenacterre
- Cirad (a French agricultural research body focused on international cooperation)
- MiiMOSA
- Open Agri Food

+ Find out more

- *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)

1
2
3
4
5
6
7
8
9

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 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 pushing for this change. In fact, consumers are demanding more information, better quality products and greater transparency.

Carrefour intends to play an active role in responding to this demand. For example, it has categorised certain raw materials, such as soy, palm oil, cotton and fishery products, as "sensitive" and subject to closer scrutiny. Carrefour's objective is to limit the biodiversity impact of its store merchandise by actively helping to improve farming 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 each sensitive raw material and the progress achieved to date. In 2022, the Group renewed and stepped up its commitment to responsible sourcing of raw materials.

Key Performance Indicators [1]	2022	2021	Change	Target
Sensitive raw materials: progress made in rolling out action plans on sensitive raw materials (as a %)	61%	55%	+6 pts	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

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-branded products must be RSPO-certified under the "Segregated" system by 2022;
2. **soy:** 100% of Carrefour Quality Lines and key Carrefour-branded 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:** All Brazilian beef suppliers to be geo-monitored and compliant with the forest policy or committed to ambitious policies to combat deforestation by 2025 (this system aims to ensure that all farms that supply slaughterhouses directly are geo-monitored). Scope: direct suppliers of fresh, frozen and processed meat, distributors and warehouses. In Brazil, Carrefour-branded beef will be zero deforestation by 2026, by moving out of at-risk areas and delisting any farms located in these areas. This commitment will apply in the same way to other brands sold in Carrefour stores by 2030;
5. **cocoa:** 100% of Carrefour-branded 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-based fibres (i.e., viscose, modal and lyocell fibres) used in our TEX products must be deforestation-free by 2023.

Indicator – Palm oil [2]	2022	2021	Change	Target
Proportion of palm oil used in Carrefour-branded products that is certified sustainable and fully traced (RSPO segregated)	83.4%	82.1%	+1.3 pts	100% at end-2022
Percentage of palm oil used in Carrefour-branded products that is certified to RSPO or equivalent standards	99.9%	99.9%	0 pt	-

(2) Calculated based on weight of raw material contained in the products. Scope: 94% of 2022 consolidated gross sales. Non-comparable BUs (IT excl. in 2022).

Comments on 2022 performance. Since 2021, significant work has been done to ensure almost all (99.9%) of the palm oil used in Carrefour-branded products was RSPO-certified (Segregated or Mass Balance). Efforts to certify and trace all palm oil slowed in 2022 due to the crisis in Europe.

Indicator – Wood and paper	2022	2021	Change	Target
Carrefour-branded products in ten priority categories sourced from sustainable forests (in millions of euros)	292	574	-49.4%	
Proportion of Carrefour-branded products in ten priority categories sourced from sustainable forests *(as a %)*	90.7%	80.2%	+10.5 pts	100%

Comments on 2022 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]	2022	2021	Change	Target
% of Brazilian beef suppliers [1] that are geo-monitored and comply with our forest policy or are committed to an ambitious policy to combat deforestation	89.7%	86.9%	+2.8 pts	100% by 2025
Proportion of Carrefour-branded Brazilian beef that is zero deforestation (sourced outside at-risk areas)	New			100% in 2026

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

Comments on 2022 performance. In 2021, Carrefour expanded geo-monitoring of its Brazilian beef supply chain for Atacadão in Brazil. In 2022, Carrefour Brazil and Atacadão used geo-referencing to monitor more than 33,000 farms. This growth is aligned with the target to use geo-monitoring with 100% of Brazilian beef suppliers that comply with our forest policy or are committed to an ambitious policy to combat deforestation by 2025.

Indicator – Soy [6]	2022	2021	Change	Target
Percentage of Carrefour Quality Lines and other key Carrefour-branded products that use zero-deforestation soy as animal feed	19.7%	2.9%	+16.8 pts	100% by 2025

(6) Carrefour Quality Lines products and key Carrefour-branded 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: Non-comparable BUs (IT excl., BR C excl. and AR excl.) 83% of 2022 consolidated gross sales vs. 54% in 2021.

Comments on 2022 performance. In 2021, Carrefour defined sourcing criteria for zero-deforestation soy and for the first time published the percentage of its key products that use zero-deforestation soy for France. In 2022, Carrefour implemented this measure in other countries and published its results for France, Spain, Belgium, Poland and Romania. As part of an improvement policy, Carrefour aims to continue to expand its coverage and include the remaining countries in 2023.

Indicator – Cocoa[7]	2022	2021	Change	Target
Percentage of Carrefour-branded chocolate bars that comply with our Sustainable Cocoa Charter	31.4%	30.8%	+0.6 pts	100% by end-2023

(7) Scope: BE, ES, FR, IT. Comparable BUs. 100% of 2022 consolidated gross sales.

Comments on 2022 performance. After establishing a Sustainable Cocoa Charter for its chocolate bars, for the first time in 2021, the Group reported the proportion of cocoa mass used for chocolate bars sold in Belgium, France, Italy and Spain that complies with the charter. In 2022, the percentage of sustainable cocoa mass was lower than targeted and will be the focus of an action plan in 2023.

Indicator – Traceability and assessment of traders[8]	2022	2021	Target
Traceability and assessment of traders: 100% of key traders assessed by 2025	100%	100%	100% by 2025
Traceability and assessment of traders: 100% of key traders making progress towards complying with our policy by 2025	*Assessed based on 2022 data*	100%	

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

Comments on 2022 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 2022, 36 traders were assessed. Efforts are going into improving the reliability of assessment criteria so that traders' progress can be measured by 2023.

Protecting fishery resources

Targets for end-2025:

Carrefour has set a target to ensure that 50% of all fish sold comes from sustainable sources by 2025 for all store sections (national and private-label products).

Key Performance Indicators	2022	2021	Change	Target
Percentage of sales of fishery and aquaculture products, controlled products, and national brands produced using sustainable practices [1]	34.5%	35.1%	-0.6 pts	50% by 2025
Percentage of sales of controlled fishery and aquaculture products produced using sustainable practices [2]	49.5%	52.8%	-3.3 pts	

(1) Scope: 95% of 2022 consolidated gross sales. Non-comparable BUs (BR C excl. in 2022). 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 and all national brand products across all product categories sourced from fishing or aquaculture (scope extended in 2021).

(2) Scope: 95% of 2022 consolidated gross sales. Non-comparable BUs (BR C excl. in 2022).

Comments on 2022 performance. Since 2021, Carrefour has aimed to raise its targets and measure the share of sustainable fishing for more national-brand products and more product categories. Efforts were made to expand scope coverage. Further efforts are expected in 2023 to increase the percentage of sales of responsibly sourced fishery and aquaculture products, so as to meet the 50% target by 2025.

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	2022	2021	Change	Target
Percentage of natural raw materials for textiles that comply with our TEX sustainability policy	46.4%	41.6%	+4.8 pts	100% by 2025
% of TEX products made with organic cotton	21%	18%	+3 pts	50% by 2025
% of wood-based fibres in our TEX products that are deforestation-free	71%	40%	+31 pts	100% by 2023
Percentage of wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems	25%	New	-	100% by 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%	-	100% in 2021

Comments on 2022 performance. In 2021, Carrefour reported for the first time the proportion of responsible textiles among its cotton, wood-based fibres and cashmere products. In 2022, these disclosures were extended to wool. The percentage of these various natural, textile raw materials that comply with our TEX sustainability policy is increasing.

Action plans

Carrefour has established social and environmental compliance guidelines for its retail and non-retail purchases. 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. The following raw materials were included in the CSR index and were the focus of specific action plans: palm oil, fish and seafood, Brazilian beef, soy, cocoa, cotton, wool, cashmere and wood-based fibres.

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 began co-leading the Consumer Goods Forum's Forest Positive Coalition of Action in 2020, 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 deploying a similar approach for beef.

As part of its Carrefour 2026 strategic plan, the Group aims to take the fight against deforestation further. The Group announced that all Carrefour-branded beef from Brazil would be guaranteed zero deforestation by 2026, by moving out of at-risk areas and delisting any farms located in these areas. This commitment will be extended to brands sold by the Group by 2030.

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 direct suppliers (slaughterhouses) and the farms that supply them directly. 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 veal 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. Creation of a Forest Committee in Brazil made up of experts to guide it in its actions to combat deforestation.
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 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-branded chocolate bars, with a focus on combating deforestation, ensuring no child labour is used and securing better compensation for growers. 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. Work on agroecological banana production in Africa and the French Antilles. Investment in a field project in Peru for Carrefour-branded 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

The Group has set itself the target of 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.

The Carrefour Foundation has also partnered with WWF France in a research project on sharks and rays in the Mediterranean. This initiative aims to identify an aggregation hotspot to learn more and help in designing the future appropriate management measures for pelagic sharks and rays. This project fosters ties between fishermen and scientists in the form of at least one working group to safeguard these species within at least two fleets in the western Mediterranean.

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
- ICare

+ 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

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 competitors to promote the ecodesign innovations of product and packaging suppliers, raising consumer awareness on the matter, and partnering with NGOs in the field.

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. The Group reaffirmed its targets set for 2025: to reduce packaging by 20,000 tonnes, to incorporate recycled plastic into 30% of packaging, and to ensure that all Carrefour-branded packaging is reusable, recyclable or compostable. With the adoption of the new strategic plan, Carrefour 2026, these targets have been confirmed and a new bulk development objective has been announced: sales are set to reach 150 million euros by 2026 (i.e. a fivefold increase compared to 2022). 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.

(1) Surfrider Foundation.

Key Performance Indicators	2022	2021	Change	Target
Cumulative reduction of packaging since 2017 *(in tonnes)*	16,390	10,906	+50%	20,000 tonnes by 2025
Percentage of Carrefour-branded packaging that is reusable, recyclable or compostable (1)	57%	46%	+11 pts	100% by 2025
Percentage of Carrefour-branded packaging that uses recycled plastic (2)	7.7%	New		30% by 2025

(1) Scope: 71% of 2022 consolidated gross sales. Non-comparable BUs (FR only in 2021; ES, IT, PL and AR excl. in 2022).

(2) Scope: 63% of 2022 consolidated gross sales. Non-comparable BUs (FR only in 2021; BE, ES, IT, PL and AR excl. in 2022).

Comments on 2022 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 since 2021. In 2021, Carrefour published, for the first time, the percentage of its packaging that is reusable, recyclable or compostable in France. In 2022, the reporting methodology was applied in Belgium, Romania and Brazil. Carrefour aims to extend its scope to the remaining countries by 2023. Likewise, reporting of the percentage of recycled plastics in packaging was extended from France to cover Romania and Brazil in 2022 and will continue to be rolled out to the other countries in 2023.

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 more than 47 product references at end-2022. 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. By the end of 2022, 23 stores offered the Loop returnable packaging service.

In 2022, four Carrefour stores in Brittany (1) tested the system of reusable packaging. Together with the Distro cooperative, the Brasserie de Bretagne and several beverage companies have joined the returnable container initiative in the region. Customers can find returnable bottles in a specific stand in the store. Some bottles will require a minimum deposit, while others will not be subject to a deposit in the store but a financial incentive in the form of a voucher will reward customers who return their empty bottles to the collection machines available.

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 fruits and vegetables in various French hypermarkets and the Group continues its drive to replace packaging with recyclable alternatives. For example, these changes helped achieve reductions of 1,400 tonnes of plastic for bags in fruit and vegetable stands. In 2022, the introduction of the "Ephiphany bag" to replace plastic packaging on the traditional cake eaten in France at that time for year (*galette des rois*) resulted in a reduction of almost 75 tonnes of plastic.

Priority is given to non-packaged items in all Carrefour organic produce formats and sections. At end-2022, nearly 250 product references were available in non-packaged form in France.

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. In France, Carrefour supports (Re)Set Retail, 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 to collect bottles for recycling.

(1) Two Carrefour hypermarkets, in Plouzané and Saint Renant, as well as the Market in Milizac and the Carrefour Contact in Locmaria Plouzané.

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 2022, 204 suppliers were members of the pact, including 36 international suppliers.

Lastly, the Group is working with other companies to collectively think about how to use less plastic and innovate to develop a circular economy. The companies involved 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.

4. Include more recycled materials in our packaging

In 2021, the Group reaffirmed its commitment to use recycled plastic for 30% of packaging by 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: *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 sites

Context and definition

Carrefour's stores and warehouses can have an impact on the environment through their GHG emissions, water consumption, waste production, food waste, pollution linked in particular to transport to and from sites, soil sealing, and more. Limiting these impacts involves anticipating and attempting to minimise them, first in site design and then during everyday operations.

With 1,128 hypermarkets, 3,842 supermarkets, 8,573 convenience stores, 551 cash & carries, 140 warehouses (including 15 dedicated to serving the online business) and logistics hubs worldwide, Carrefour is committed to limiting the impact of its buildings on the ecosystem at a level greater than what 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

Waste and food waste management. Carrefour is targeting 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	2022	2021	Change	Target
Percentage of food waste recovered *(by weight)* (1)	57.8%	53.2%	+4.6 pts	
Reduction in food waste since 2016 *(in kg/sq.m.)* (1)	-40%	-28%	+12 pts	-50% by 2025

(1) Scope: excluding ES (SM, C&C), IT (CO, C&C), BE (HM, SM) and BRAT (HM, C&C). Non-comparable BUs (70.9% of 2022 consolidated gross sales, vs. 90.2% in 2021).

Indicator	2022	2021	Change	Target
Proportion of hypermarket and supermarket waste recovered (1)	74.5%	68.5%	+6 pts	100% by 2025
Total waste *(in thousands of tonnes)* (2)	587	646	-9%	-

(1) Scope: Non-comparable BUs (BE excl. and IT CO and CC excl.) (95% of 2022 consolidated gross sales vs. 94% in 2021).

(2) Scope: Non-comparable BUs (BE excl. and IT CO and CC excl.) (95% of 2022 consolidated gross sales vs. 94% in 2021).

Comments on 2022 performance. The reduction of food waste is progressing with a reduction in unsold food and an increase in the share of unsold food that is recovered. The development of initiatives such as the sale of anti-waste baskets makes it possible to offer products at low prices while reducing waste. The waste recovery and reuse rate increased to 75% in 2022 from 68% the year before, led by the in-store initiatives.

Water management. 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	2022	2021	Change
Water consumption per sq.m. of sales area *(in cu.m./sq.m.)*	1.3	1.2	+10%
Amount of water consumed *(in millions of cu.m.)*	12.2	11.5	+5.7%

Property management. In France, Spain and Italy, all new shopping centre constructions and expansions larger than 2,000 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 every three years further to an audit. In 2022, 21 new Carmila sites were certified in Spain and France.

Indicators	2022	2021	2020	Change	Target
Projects certified to BREEAM New Construction standards (as a %) [1]	100%	100%	100%	-	100%
Sites certified to BREEAM In-Use standards (as a % by value) [1]	94.2%	90.6%	86%	+3.6 pts	-
■ o/w Very Good (as a % by value)	33%	57%	75%	-24 pts	-
■ o/w Good (as a % by value)	59%	30%	25%	+29 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 potentially being thrown away, is likely causing environmental impacts. 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;
- overexploitation of biological resources;
- 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.

Due to its position at the end of the food value chain and as a retailer, Carrefour has a 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 endeavours to 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: launch in 2022 of work on waste contracts to improve the rate of sorting waste.

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, and 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 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 and Italy: installation of smart water meters to improve the monitoring of water consumption and detect potential water leaks.

(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. 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 line with 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. For 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.

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

- 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 2022

Definition of Carrefour's biodiversity strategy, drawing on the SBTN methodology

A privileged partner of WWF France since 1998, Carrefour joined the Natural Capital Lab when it was created in 2020. By taking part in this group of pioneering companies led by WWF France, Carrefour is supporting economic transition towards a model that respects the planet's finite resources, an approach known as strong sustainability.

In 2022, Carrefour deployed the SBTN (Science Based Targets for Nature) methodology and joined the Corporate Engagement Program of the Science Based Targets Network in order to measure its impact on biodiversity loss and put in place appropriate action plans. This is how Carrefour expresses its commitment to scientifically assess its impacts and dependencies on multiple environmental pressures.

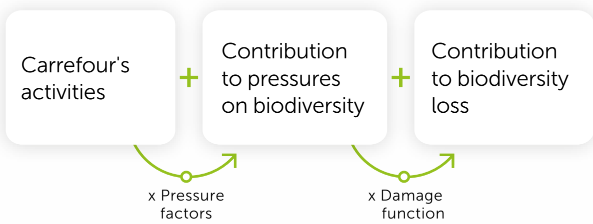
General methodology used by Carrefour

The overall approach draws on Science Based Target Network (SBTN) methodology, and its biodiversity footprint is calculated using the Corporate Biodiversity Footprint (CBF) measurement tool. SBTN defines 5 steps to set SBTs for Nature: (1) assess, (2) interpret and prioritise, (3) measure, set and disclose, (4) act, (5) track.

These five steps make up SBTN's methodological framework to help companies set scientifically robust targets and guide them towards an environmentally sustainable business model.

Calculating the biodiversity footprint involved three consecutive steps as set out in the figure below. This loss of biodiversity is expressed here in sq.km of MSA (Mean Species Abundance).

Representation of the biodiversity footprint calculation



This biodiversity footprint is based on data from Carrefour's activities, life cycle analysis databases (pressure factors) and scientific publications on empirical, experimental and modelling studies (damage functions). In terms of pressures, this biodiversity footprint takes into account factors such as the occupation and transformation of ecosystems, the contribution to environmental pollution (eutrophication and acidification indicators), the contribution to climate change and the contribution to the depletion of water resources.

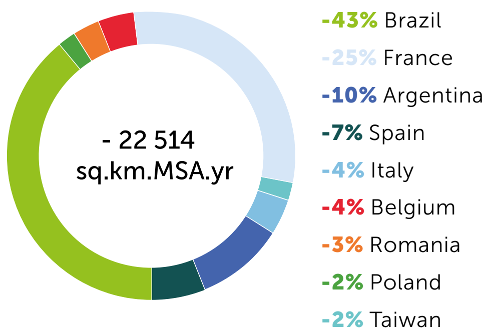
The scope of this diagnosis includes all the Group's operations and its value chain (food and non-food retailing, fuel sales, logistics activities, real estate activities and other services).

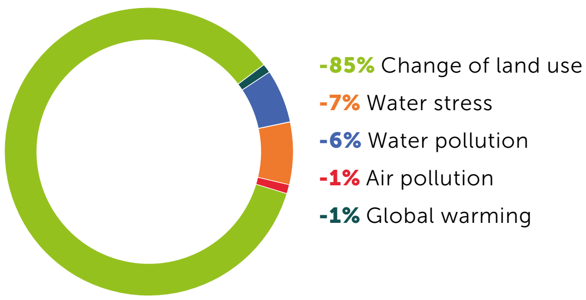
This assessment is supplemented with focus studies on specific products that have a particularly significant impact on biodiversity. These focus studies include an in-depth impact analysis that breaks down the pressures on biodiversity and their location and compares them with indicators on the local condition of nature (general or specific to a given pressure).

Presentation of the initial results

The main results of the preliminary macro-analysis and the Group's biodiversity footprint are presented in Section 2.1.2.1 (see "Impacts and dependencies"). The main contributor to biodiversity loss from among Carrefour's activities is its occupation and transformation of ecosystems, which also contributes to the loss of water resources and local pollution. Operations in France and Brazil account for two-thirds of the Group's biodiversity footprint.

Representation of the Group's biodiversity footprint by country and type of pressure

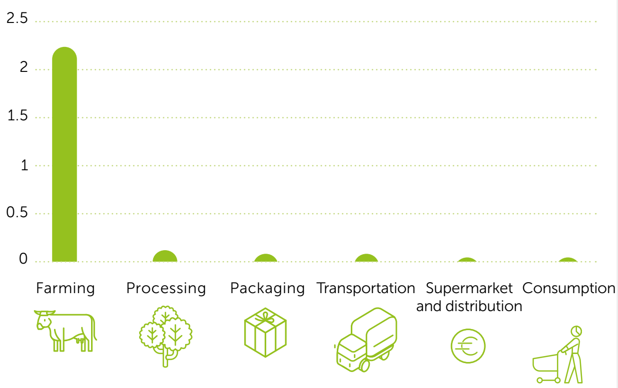




Several focus studies have been conducted or planned to examine those products' impacts on particular locations and the affected biodiversity there. One of these focus studies was carried out, for example, for beef sold by Carrefour France. The main results show that this sector primarily impacts biodiversity through its land use, via agricultural production. These impacts are mainly located in the centre and west of the country, where most cattle farms operate.

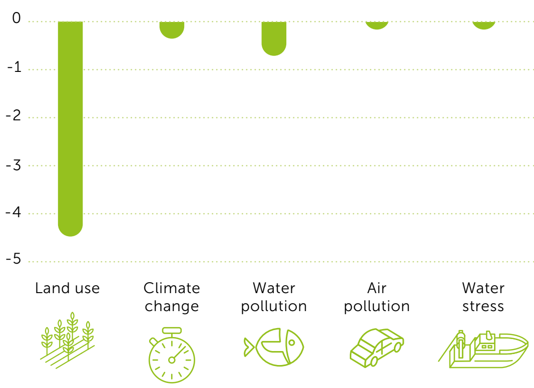
Breakdown of the impact of beef products by life cycle stage

Single EF score (mPt/kg)



Contribution of the different pressures to biodiversity loss

Beef sold by Carrefour France
Impact on biodiversity (sq.km.MSA/kg)



Next steps

In 2022, the SBTN roadmap enabled Carrefour to produce a quantitative estimate of its impacts on nature and to locate the key areas and issues in the Group's business sectors worldwide: real estate, retailing (food, non-food, fuel), logistics and service.

Science-based targets must be set to ensure that the Group's trajectory strictly complies with the renewal and assimilation thresholds of ecosystems and takes into account social expectations for nature conservation.

Ten or so raw materials have been identified and are or will be the subject of a focus study: beef, cotton, fishery products, oil (including palm oil), soy, cane sugar, cocoa, nuts, corn, rice and coffee. Carrefour aims to cover all commodities identified by SBTN with the greatest impact on biodiversity by the end of 2023. This assessment will be used to prioritise biodiversity issues and set specific targets. A dedicated action plan will also be drawn up in 2023 to ensure that these targets are met.

Carrefour signs 11 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. Through multi-party, multi-year, renewable contracts with its French agricultural partners, the Group can offer high-quality, French-produced organic products, while providing producers with long-term visibility. In 2022, the Group supported nearly 3,500 French organic producers through partnerships in a chain linking all production participants, from processing to product distribution. This initiative is designed to help meet consumers' consistently high expectations of French organic products with foods sourced from specialist organic producers in France. For other actors in the French organic lines, these long-term partnerships bring opportunities, including Carrefour's commitment to minimum purchase volumes, and the contracts with these partners guarantee for example fair pricing practices. These 11 new lines include: organic einkorn and organic white beans (Ekibio); organic strawberries (Bio Pays Landais); organic apricots, nectarines and peaches (Fauriel Fruits); organic potatoes (Ferme de la Motte); organic melons (Force Sud); organic vine tomatoes (Rougeline); organic courgettes (SARL Masse); and organic aubergines (Top Légumes). Carrefour's commitment here is twofold: on the one hand, it engages consumers by offering thousands of organic products at its stores and Drive outlets, 1,200 of which fall under the Carrefour Bio brand; on the other hand, it supports farmers, through organic contracts, as well as through project financing solutions that support the food transition, such as the crowdfunding platform *#JeParticipe* and the MiiMOSA Transition #1 fund, in which Carrefour invests in up to 10% of the funding for all financed projects.

Carrefour strengthens its commitment to fight deforestation: Brazil in focus

In partnership with CNA (Brazilian Confederation of Agriculture and Livestock) and IDH (Sustainable Trade Initiative), the Group announced in March 2022 the launch of a protocol for sustainable veal production. Developed in the field, within an incubator that drives innovation and collaborative creation, the protocol aims to transform the reality of Brazilian livestock farming by supporting the inclusion of breeders who need technical and financial assistance. This initiative provides technological solutions to accelerate the adoption of more sustainable models in the livestock chain and ensure that end consumers are informed about the social and environmental performance of products made from beef cattle. The protocol was developed from the sustainable veal production programme, which has developed in Mato Grosso since 2019 with investments of 1.9 million euros from Carrefour Brazil group and the Carrefour Foundation and 1.6 million euros from IDH. The goal for 2022 was to provide technical, financial and environmental assistance to 557 producers and to cover more than 190,000 head of cattle, 210,000 hectares of pasture and nearly 188,000 hectares of protected land in the Amazon, Cerrado and Pantanal biomes in Mato Grosso. To step up its commitment, Carrefour Brazil announced a new plan to combat deforestation in Brazil in 2022. The plan includes strengthened governance with the creation of a Forest Committee, a reduction in the amount of beef from critical areas of 50% by 2026 and 100% by 2030, a 10-million euro investment, the mobilisation of a local and international collective, and the set-up of an open platform to disclose results.

100% local and sustainable Carrefour Quality Lines: Belgium in focus

Various Carrefour Quality Lines are showcased throughout the year in Belgium. Such is the case with Carrefour Quality Line breads in particular. Produced locally and exclusively in Belgium, Carrefour Quality Line traditional breads are made using methods that respect the environment. The delivery vehicles travel a short distance, limiting CO_2 emissions from the production of Carrefour Quality Line traditional bread. Carrefour offers more than 40 types of breads ranging from basic to premium – including classic, organic and CQL – at affordable prices starting at 1.59 euro. Tomatoes were also highlighted, and like all CQL brand references, these vine tomatoes are produced under partnerships that respect the farmer, the product and the environment. Near this tomato farm is the CQL omega bass fish farm. The rainwater harvested from the tomato greenhouses is used to fill the omega bass fish ponds. The heat produced by the tomato greenhouses is used to heat the pond water, and the fish are fed 100% plant-based food.

New solutions to promote recycling and reuse

To celebrate World Recycling Day on March 18, 2022, Carrefour France installed "eco checkouts" at all its hypermarkets and supermarkets so that customers could have the option of leaving their packaging at checkout. Other local measures were also taken. In April 2021, a system was launched in Poland to collect returnable bottles without a receipt. By October 2022, more than 3.2 million bottles had been returned to Carrefour stores, reducing waste production by 900 tonnes in just six months (a 227% increase compared with 2021). In Brazil, actions are implemented to encourage the collection of electronics. Post-consumer collection bins have been installed in stores in Brazil. In Spain, Cash Converters and Carrefour have signed an agreement to open Carrefour Occasion. Tested in Madrid, this pilot project enables the purchase and sale of second-hand goods and promotes the circular economy and sustainable consumption.

Deployment of the Bulk experience at Carrefour stores

For several years, Carrefour has been transforming the role of packaging in its business model. This programme aims to drastically reduce the packaging, especially plastic packaging, used in its product offering. Carrefour wants to provide all consumers with a zero waste experience, for example through products available in returnable packaging or its selection of bulk products. The bulk offering is being developed at all Carrefour store formats. More than 1,100 stores in France offer an assortment of bulk dry goods featuring up to 250 product references. Between 2017 and 2022, Carrefour France tripled its sales in this segment. This prompted the Group to launch a pilot project in Montesson, outside Paris, in 2022, where 90 product references from leading brands are available in bulk format. The strategy is strengthened by the displayed price per kilo, which is lower for bulk goods compared to the shelf price for 90% of the products. Nine categories are represented: rice, oats, pulses, aperitif products, baking ingredients, confectionery, coffee, tea and pet food.

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: 2% of the Group's emissions come from store operations (direct emissions and emissions related to energy consumption, i.e., Scopes 1 and 2) and 98% are indirect emissions (Scope 3). Scope 1 and 2 emissions are related to the stores' energy and refrigerant consumption. Seventy-two percent of the Group's Scope 3 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 Carrefour's customers: automobile use, local produce consumption, energy-efficient products, reduced 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 undermine 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 (ranked third);
- defining a product range favouring goods from the country and regions in which we operate (ranked fourth);
- reducing transport- and e-commerce-related CO_2 emissions (ranked seventh).

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 experience that facilitates 'zero waste' purchases, zero plastic for organic products and healthier products".

Our initiatives

Carrefour has several avenues to reduce its direct and indirect emissions, and they can be implemented in its logistics chains, stores and warehouses, supply chains and relations with its stakeholders in order to transform the market:

- at the plant and transport level, Carrefour strives tirelessly to improve its 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

Contributions to the Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Direct emissions reduction trajectory **(Scopes 1 and 2)** aligned with a 1.5°C SBTi scenario		
2025	**Reduce emissions by 30% by 2025** (vs. 2019)	
2030	**Reduce emissions by 50% by 2030** (vs. 2019)	
	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	**Carbon neutrality of our direct operations by 2040,** with a 70% reduction in emissions by 2040 (vs. 2019)	
	REFRIGERANTS	Reduce refrigerant-related emissions by 80% by 2040 (vs. 2019)

Indirect emissions reduction trajectory **(Scope 3)** aligned with a "below 2°C" SBTi scenario		
2030	**Reduce indirect CO_2 emissions by 29% by 2030** (vs. 2019)	
	PURCHASE OF GOODS AND SERVICES	**Reduce emissions from purchased goods and services by 30%** (vs. 2019), i.e., the equivalent 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%**
	DOWNSTREAM TRANSPORT	**Reduce our transport-related CO_2 emissions** by 20% (vs. 2019)

Detailed list of roadmap targets:

2024	**Catalogues**	80% of catalogues in France will be digital by 2024
2025	**Food waste**	Reduce food waste by 50% (vs. 2016)
	Waste	Recover 100% of waste from stores by 2025
2026	**Energy efficiency**	Reduce energy consumed by 20% by 2026 (vs. 2019), with a 20% reduction in France by 2024
	Plant proteins	Increase sales of plant-based products in Europe to €500 million by 2026 (+65% vs. 2022)
	Packaging	100% of our key packaging policy targets to be implemented by 2026 (see Section 2.1.2.4)
	Deforestation	100% of key targets on sensitive raw materials to be implemented by 2025 (see Section 2.1.2.3)
	Supplier commitment	100% of the 100 biggest suppliers to be committed to a 1.5°C trajectory by 2026 300 suppliers involved in the Food Transition Pact by 2025
2027	**Renewable electricity**	4.5 million sq.m. of solar panels in operation on parking lots in France, Spain and Brazil by 2027 (representing nearly one TWh of theoretical producible electricity per year)
2030	**E-commerce**	Carbon neutrality for the Group's e-commerce activities by 2030

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

Context and targets

Carbon neutrality and the use of renewable energies are strongly-held expectations among citizens and consumers. Aware of its leading 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:

- **use of 100% renewable electricity by 2030**, with priority given to on-site production for self-consumption or grid feeding, followed by the adoption of Power Purchase Agreements. As part of the "Carrefour 2026" plan, the Group will begin producing photovoltaic energy by installing and operating 4.5 million sq.m. of solar panels on car park canopies in France, Spain and Brazil, representing around one TWh of theoretical power generation per year by 2027;
- **a 27.5% reduction in energy consumption by 2030 compared to 2019.** Carrefour is doubling its investments to reduce its energy consumption, to 200 million euros per year from 2023 to 2026. The aim is to cut the Group's consumption by 20% by 2026, including a 20% reduction in France by 2024. 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 operating at 0°C to 8°C, electronic speed controllers (which help in particular to reduce peak power consumption), sub-metering systems and low-consumption LED lighting;
- **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. Each country has drawn up a roadmap for the renewal of its store base.

Performance

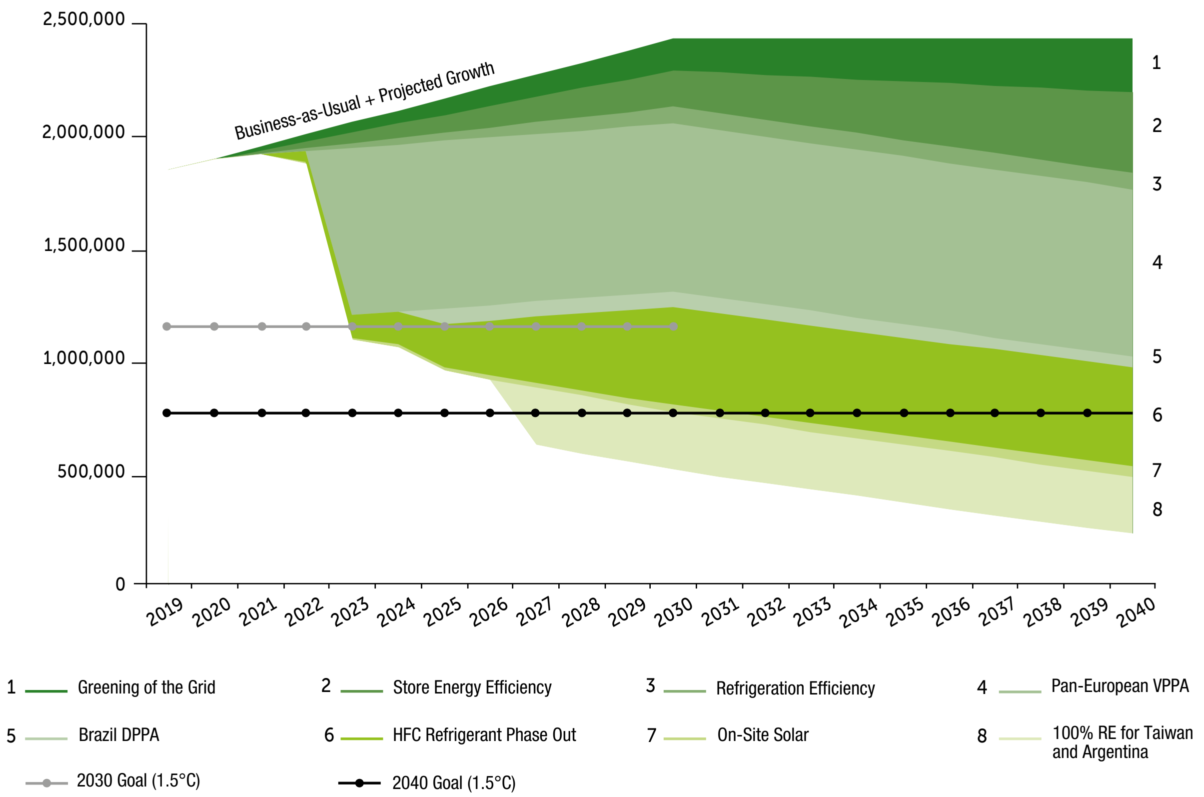
Key Performance Indicators	2022	2021	Change	Target
Scopes 1 and 2				
Scope 1 and 2 GHG emissions *(in $tCO_2eq.$)*	1,212,995	1,276,499.1	-5%	
% reduction in Scopes 1 and 2 GHG emissions (vs. 2019)	-29.1%	-25.4%	-3.6 pts	(30)% by 2025, (50)% by 2030, and (70)% by 2040, (vs. 2019)
Energy [(1)]				
CO_2 emissions related to energy consumption *(in $tCO_2eq.$)*	748,087	828,973	-10%	
Energy consumption per sq.m. of sales area *(kWh/sq.m.)*	457	457	-	
% reduction in energy consumption per sq.m. of sales area vs. 2019	-9%	-9.2%	-0.2 pts	
In-store renewable electricity consumption *(kWh/sq.m. of sales area)*	1.9	1.5	+22%	
Refrigerants [(2)]				
Refrigerant-related CO_2 emissions	464,908	447,527	+4%	
% reduction in refrigerant-related GHG emissions compared with 2019	-31%	-34%	-3 pts	
Other indicator				
CDP Climate rating	A	A-	-	

(1) Scope: non-comparable BUs (BR C SM excl.) (99.5% of 2022 consolidated gross sales).
(2) Scope: Comparable BUs (77% of 2022 consolidated gross sales). – excl. BRAT.
Indicators subject to an audit providing reasonable assurance.

Comments on 2022 performance. Carrefour reduced its Scopes 1 and 2 store emissions by 29% in 2022 versus 2021, and is well on its way to meeting targeted reductions of 50% in 2030 and 70% in 2040.

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 their 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.



Climate plan governance

Carrefour has structured governance for its Climate Plan as follows:

The Group Executive Committee defines strategy, policies and objectives, and measures Group performance. Carrefour's Board of Directors, after a review by the Board's CSR Committee and on the advice of the latter, validates the strategy proposal and assesses its implementation. The Shareholders' Meeting is consulted on the climate change strategy and the implementation of action plans via a "Say on Climate".

The Engagement department coordinates the implementation of the climate strategy at Group level in collaboration with the various departments concerned, namely Asset departments, Indirect Purchasing department and Financial departments.

The Group Investment Committee approves investment projects. To ensure that its climate goals are achieved, the Group has built a CapEx trajectory for the implementation of GHG emission reduction initiatives through to 2030. The committee analyses the climate impact of projects by factoring specific criteria into investment planning.

The Executive Committee in each country is responsible for implementing the climate strategy, which is an integral part of each country's strategic plans and budgets.

CSR performance is monitored quarterly through non-financial reporting and the CSR and Food Transition index. This index, created in 2018, is the management tool that enables the Group to ensure that targets are met. It is a key part of non-financial communication and a compensation criterion for the Chairman and Chief Executive Officer, executives, Country Executive Committee members and top-level Group function managers. The reduction of greenhouse gas emissions from stores is also an indicator used when issuing Sustainability-Linked Bonds.

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 2022, 18 hypermarkets worldwide were equipped with photovoltaic systems. As part of the "Carrefour 2026" plan, the Group is accelerating the production of photovoltaic energy by installing and operating 4.5 million sq.m. of solar panels on car park canopies in France, Spain and Brazil, representing around 1 TWh of theoretical power generation per year by 2027. In Brazil, Atacadão has also embarked on a solar panel development plan, with one store equipped in 2022 and several more set to follow in 2023.

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 actions 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 (Energy Management) 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.

In France, to help ensure that everyone is supplied with electricity, Carrefour has joined the signatories of the EcoWatt Charter, which guides individuals, companies and local authorities in adopting actions to limit electricity consumption during periods of peak demand. A warning system indicates the days and times when French people should reduce or defer their electricity consumption, to avoid power cuts or shorten any that do occur. Carrefour is the first major retailer to join such a scheme. The Company is committed to reducing its energy consumption in the event of spikes. For example, it could dim lighting and reduce heating in its stores, thereby eliminating the consumption of between 2.1 MW and 10 MW of electrical power, or contribute its production capacity of over 60 MW of electrical power. Customers will be informed whenever the system is triggered.

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 of the Group's operating countries has drawn up a roadmap for tackling this issue.

When a CO_2 plant is replaced, an additional energy gain is expected. The new, more modern plants result in 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
- Signatory to the French Business Climate Pledge
- Consumer Goods Forum (CGF) network
- Science Based Target initiative (SBTi)
- Carbon Disclosure Project (CDP)
- Food Transition Pact

+ Find out more

- *Carrefour.com:* Fighting and preparing for climate change/CSR (see the Climate section)
- CDP Climate: see the public response on 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 indirect emission items that together account for nearly 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:** getting 600 suppliers to commit to the Food Transition Pact by 2030; Carrefour's 100 biggest suppliers will be required to adopt a 1.5°C trajectory by 2026 or risk being delisted;
- **local and national products:** partnering with 50,000 producers by 2026; doubling fruit and vegetable supplies in ultra-short circuits (suppliers located less than 50 km from stores) in Europe; launching a local fresh produce format under the "Potager City" banner in France;
- **plant proteins:** increasing plant-based protein sales in Europe to 500 million euros by 2026 (an increase of 65% vs. 2022);

1 2 3 4 5 6 7 8 9

- **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:** saving 20,000 tonnes of packaging, including 15,000 tonnes of plastic packaging by 2025 (cumulative since 2017); 100% reusable, recyclable or compostable packaging for our own brands by 2025; 30% integration of recycled plastic in packaging by 2025; 150 million euros in bulk sales Group-wide by 2026;
- **waste and food waste management:** reducing food waste by 50% by 2025 (compared to 2016); 100% recovery of store waste by 2025;
- **fight against deforestation:** reducing the amount of beef from critical areas by 50% by 2026 and 100% by 2030; Carrefour-branded beef not to pose any threat in terms of deforestation by 2026.

Performance

Indicators	2022	2021	Change	Target
Number of Food Transition Pact partner suppliers	204	114	+79%	300 by 2025
Proportion of SBTi 1.5°C suppliers (France)	34%	New		
Number of suppliers involved in the 20 Megatonnes platform	51	New		
Number of partner producers (1)	37,758	38,359	-2%	50,000 by 2026
Percentage of Carrefour Quality Lines products committed to an agro-ecological approach (fresh produce)	6.5%	New		100% by 2025
Sensitive raw materials – progress made in rolling out action plans on sensitive raw materials (as a %) (2)	61%	55%	+6 pts	100% by 2025
Reduction in packaging since 2017 (in tonnes)	16,390	10,906	+50%	20,000 tonnes by 2025
Percentage of reusable, recyclable or compostable packaging for Carrefour-branded products (3)	57%	46%	+11 pts	100% by 2025
Percentage of integrated recycled plastic in packaging for Carrefour-branded products (4)	7.7%	New		30% by 2025
Percentage of food waste avoided (in kg/sq.m.) compared to 2016 (5)	-40%	-28%	+12 pts	-50% by 2025
Percentage of store waste recovery (6)	74.5%	68.5%	+6 pts	100% by 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 that the Group considers 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, wool and wood-based fibres).
(3) Scope: 71% of 2022 consolidated gross sales. Non-comparable BUs (FR only in 2021; ES, IT, PL and AR excl. in 2022).
(4) Scope: 63% of 2022 consolidated gross sales. Non-comparable BUs (FR only in 2021; BE, ES, IT, PL, and AR excl. in 2022).
(5) Scope: excluding ES (SM, CO, C&C), IT (CO, C&C), BE (HM, SM), BRAT (HM, C&C) and PL (C&C). Non-comparable BUs (70.9% of 2022 consolidated gross sales).
(6) Scope: Non-comparable BUs (IT CO and CC excl. and BE excl.) (95.2% of 2022 consolidated gross sales vs. 94% in 2021).

In presenting its 2026 strategic plan, Carrefour announced an unprecedented new target for getting suppliers involved in reducing its indirect Scope 3 emissions, calling on its top 100 suppliers to commit to a 1.5°C pathway by 2026 or face delisting.

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. Optimising 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 value 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 have 100% of waste recycled by 2025 and to use reusable, recyclable or compostable packaging for 100% of own-brand products 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, since 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, 27 such corners have been opened in hypermarkets with an average surface area of 100 sq.m., i.e., 11 more than in 2021. These corners give a second life to telephone equipment, small electrical appliances, computer equipment, but also books, DVDs, games, jewellery and leather goods.

Develop packaging deposits and recyclability. The Group wishes to reduce the use of packaging through the development of bulk sales, but also packaging deposits. For example, it has introduced the use of returnable packaging in stores through a system called *Loop*, with 23 stores now equipped with the system. When it is impossible to eliminate packaging or reuse it, Carrefour seeks 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 closely with carriers to improve truck loading practices, optimise travel distances and phase in alternative transport modes consistent with Group policy. In France, Carrefour is modernising its fleet. At end-2022, it had 710 PIEK-certified trucks, which run on biomethane and generate less pollution and noise (under 60 dB).

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 to feature an Agroecological label by 2025. The products concerned provide a benefit that is communicated to customers: "GMO-free feed", "antibiotics free", or "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, and 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, 99.5% of trade publications are FSC® (Forest Stewardship Council®), PEFC® (Programme for the Endorsement of Forest Certifications®) certified, or made from recycled fibres.

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 heart 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 115 products, i.e., the widest vegetarian offer in supermarkets and hypermarkets. Since 2021, Carrefour has 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, and in all formats.

As part of its commitment to the food transition for all, Carrefour stepped up the development of plant-based food in 2022. In March, the Group launched a new international "Plant-Based Contest" for the most innovative start-ups in the field of plant-based food. It attracted start-ups from all over the world which showcased their innovations in plant-based food. When the challenge comes to an end, ten innovations will be displayed prominently on the shelves of Carrefour supermarkets and hypermarkets, as well as on e-commerce platforms, after being tested by consumers. To further the development of plant-based food, Carrefour has partnered with Danone and the WWF to co-develop the *"Lundi c'est veggie, mais aussi le mardi, mercredi…"* (Monday is veggie, but so is Tuesday, Wednesday…) promotion. The idea is to promote the consumption of plant-based proteins and increase the number of vegan options on people's plates. It is being carried out as part of the Food Transition Pact, a Carrefour initiative bringing together 38 international suppliers to implement practical projects devoted in large part to the climate. Plant-based food initiatives are also being carried out locally. In Belgium, for example, the range includes 179 vegetarian product references, and customers enjoy a 20% discount on the entire vegetarian range in refrigerated sections on Thursdays.

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 is responsible for 10 times more CO_2 than a tomato produced in season (i.e., not in a heated greenhouse). In line with this, Carrefour offers its consumers a range of seasonal and local products. In Spain, Carrefour promotes seasonal products while contributing to the creation of regional jobs and the reduction of greenhouse gases. Carrefour has business relationships worth 1.5 billion euros with over 1,000 Andalusian suppliers. To develop this product range, the Group is committed to signing contracts with 50,000 local or national partner producers by 2026.

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.

Reducing the impact of packaging. According to ADEME, 1 kg of plastic packaging results in the emission of 1 kg of CO_2. This is why the reduction and elimination of packaging is one of the Group's strategic priorities. Carrefour has undertaken to reduce the weight of packaging of its own-brand products by 20,000 tonnes, including 15,000 tonnes of plastic packaging (cumulatively since 2017) and to have 100% of its own-brand product packaging reusable, recyclable or compostable by 2025 (see Section 2.1.2.4).

3. Involving our partners

Food Transition Pact. Products sold by Carrefour and supplied by major national brands get specific attention. Carrefour favours a partnership approach for these products, with the development of the Food Transition Pact.

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. It 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.

At the end of 2022, nearly 200 suppliers had committed to the international pact and to local pacts. The Group's objective is to have 600 committed suppliers by 2030.

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).

In 2022, Carrefour called on its major suppliers (Top 100) to adopt a 1.5°C trajectory by 2026, and is committed to delisting them if they do not meet this condition.

4. Engaging with customers in their product choices

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 showcase low-carbon vegetarian products in stores and online, Carrefour has modified the display hierarchy (highlighting products with an eco-score of A) on e-commerce sites and promoted such items more prominently 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 a *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. Also in 2020, Carrefour 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

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 accounted for 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. At each step in the farming and food chain, there are measures to be taken on cutting down waste.

Carrefour has 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 and 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 [(3)] 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 safe and nutritious food being wasted, so that it could be given to those most in need. In 2022, community outreach initiatives continued to be carried out.

Policy and performance

Carrefour shares the Consumer Goods Forum (CGF) [(4)] 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	2022	2021	Change	2025 target
Percentage reduction in food waste (vs 2016) [(1)]	-40%	-28%	+12 pts	50%
Percentage of unsold food products recovered	58%	53%	+5 pts	-

(1) Scope: excluding ES (SM, CO, C&C), IT (CO, C&C), BE (HM, SM), BRAT (HM, C&C) and PL (C&C). Non-comparable BUs (70.9% of 2022 consolidated gross sales).

Indicators	2022	2021	Change
Number of meal equivalents of unsold products donated to food aid associations (in thousands of meals) [(1)]	45.6	44.1	+3.4%
Weight of unsold products recovered through sale of food baskets in partnership with Too Good To Go [(2)]	3,437 tonnes	3,440 tonnes	-0.1%

(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 2022 performance. Food waste was down 40% versus 2016 in 2022 (compared with a 28% decline in 2021), against a targeted 50% reduction by 2025. Food waste reduction is making steady progress in Europe and at Carrefour Brazil. As part of a continuous improvement process, a project will be undertaken in 2023 to extend the scope of reporting to all the integrated countries. Lastly, the amount of donations increased slightly from 44.1 million to 45.6 million meal equivalents donated worldwide in 2022.

(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*
(3) Discounts correspond to foodstuffs lost by the Group, mainly due to product expiration dates.
(4) The CGF is an international network bringing together equal numbers of manufacturers and retailers of fast moving consumer goods. Its members include CEOs and senior executives of consumer goods manufacturers and retailers, along with other key stakeholders, who are all committed to promoting practices and standards around the world that drive positive change by meeting consumer expectations.

Action plans

Carrefour's action plan to combat food waste is implemented at every stage of the product life cycle. From the selection and ordering of a product by a store to its end of life, the Group implements solutions to recover foodstuffs.

1. Reduce the number of markdowns in stores

To reduce in-store markdowns, corresponding to products withdrawn from sale, solutions are in place to:

- **improve stock and order management:** to reduce the number of products withdrawn from sale, 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 rely on sale and production forecasts, adjusting them to allow for weather and other factors;
- **promote short dates and sell products up to one month beyond the best-before date:** Carrefour offers markdowns of 30% to 60% on short-dated products. In dedicated and specially-marked endcap displays, Carrefour also markets a list of products past their best-by dates. Internal tools enable us to go further: weekly alerts on items at risk of being wasted are sent to all store directors and managers in order to trigger initiatives to move such products in stores. These alerts exist both for ultra-fresh produce and for grocery and liquid departments. 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;
- **promote products that have been detached or that have shape defects:** 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. In 2022, Carrefour Belgium launched "Zero waste baskets". Sold at a fixed price of 2.50 euros, they comprise slightly damaged or very ripe – but still perfectly edible – fruit and vegetables. In Italy, the Group aims to reduce its food waste by 50% by 2025 through a strategy based on four fundamental pillars: waste prevention, redistribution of excess items, recycling and recovery of waste that is still edible;
- **implement innovative solutions to avoid unsold food:** 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 France, Spain, Italy, Belgium and Poland, in nearly 3,000 stores. In 2022, 2,212,039 baskets were sold in France (total of 7,047,000 baskets since 2018). In France, Carrefour has sought to usher in a new approach to retailing by offering 30 exclusive anti-waste *Nous Anti-Gaspi* [1] brand products in its hypermarkets in Greater Paris. Sold at a discount of up to 20%, the *Nous Anti-Gaspi* range includes many popular fresh products, some of which are organic, and all of which are produced either in France or in their historical region. Through this initiative, Carrefour is playing its part to help ease cost-of-living concerns for its customers, while seeking to revisit standards in the retail industry.

2. Reuse unsold food in stores

When food is left unsold, solutions are in place to recover it:

- optimise donations to charities: the food donated by Carrefour in 2022 represented the equivalent of more than 45 million meals. Our stores work together with charities to facilitate the regular and organised coordination of donations. Internationally, the Group also combats waste through partnerships between its stores and food charities (including *Banques Alimentaires* and *Restos du Coeur* in France, *Azione Contro la Fame* in Italy, the Red Cross in Spain, Romania and Poland, and *Caritas* in Argentina). Depending on the number of products collected, stores sort out products that can safely be donated to charities without interrupting the cold chain. In addition, in late 2022, the Carrefour Foundation responded to the increase in food aid beneficiaries due to inflation in its various countries by facilitating purchases of basic foodstuffs;
- biowaste recovery: when products cannot be donated, they are disposed of as biowaste, which is transformed into biomethane that is then used in our delivery vehicles to transport goods. One tonne of biomethane allows a truck to travel 250 km.

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 sites

(1) An own-brand dedicated to anti-waste products, offered in partnership with 31 producers dedicated to reducing food waste in their production lines by defining flexible specifications, without compromising final product quality.

2.1.3.5 Case studies in 2022

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. In 2022, Carrefour stepped up the installation of electric vehicle charging infrastructure by progressively equipping all of its hypermarket and Carrefour Market supermarket properties. By 2025, 5,000 charging points will be in service to facilitate customer mobility. Having initially announced the gradual installation of 2,000 charging points in all of its hypermarkets by 2023, Carrefour has stepped up the pace and extended the programme to all Carrefour Market supermarkets since the second half of 2022. At least 3,000 additional charging points, powered solely by green energy, will be available by 2025, thereby forming France's most extensive electric charging network, with more than 700 charging stations and 5,000 places, half of which supplied with high-performance power by ENEDIS. The first Carrefour Energies recharging station has been open to customers in the Troyes – La Chapelle Saint-Luc hypermarket parking lot since April 8, 2022. On average, hypermarkets and supermarkets will each have 10 and 5 electrified spaces respectively. The service will be accessible via the Carrefour Energies mobile app. Carrefour is France's first retailer to offer a comprehensive range of electromobility products, from 22 kW to 300 kW, to meet users' differing needs.

Launch of the international Plant-Based Contest

On March 31, 2022, Carrefour announced the launch of its new international Plant-Based Contest, a challenge for the most innovative start-ups in the field of plant-based food. From March 31 to May 8, 2022, start-ups from around the world were able to present their plant-based food innovations by registering on a dedicated platform. The panel, chaired by Carine Kraus, Executive Director, Engagement for the Carrefour group, and Guillaume de Colonges, Executive Director, Merchandise, also featured representatives of suppliers and partners including the BEL group, Unilever via The Vegetarian Butcher, Oatly, Proveg, Daphni, Beyond Animal, Capital V and Unovis. The innovations presented were evaluated based on a set of criteria including the plant-based protein product offer, the marketing concept and the service offer. Over 250 start-ups from several countries took part. Fifteen made it through to the final, from which the panel selected ten innovations to be displayed in Carrefour supermarkets and hypermarkets, as well as on its e-commerce platforms. The following start-ups were awarded prizes: La Vie (France), Lapp (France), Libre Foods (Spain), Novish (Netherlands), Pink Albatross (Spain), Rebl Eats Oy (Finland), Unlimeat (South Korea), Väcka (Spain), Verdify (Netherlands) and VLY Food (Germany). For Carrefour, the Plant-Based Contest is an original initiative that calls on the creativity of innovative start-ups to promote the take-up of a more plant-based and environmentally-friendly diet by a greater number of people.

Carrefour's commitment to its local producers

First placed on shelves several years ago, products from local distribution networks are an integral part of Carrefour's strategy of offering local produce sourced as close as possible to the point of sale. In 2020, the Group announced the acquisition of start-up Potager City, the leading distributor of online subscription-based baskets of extra-fresh and seasonal fruit and vegetables sourced from local producers. In 2022, the Group announced the launch of a local fresh produce format under the "Potager City" banner in France, and several of the Group's countries reaffirmed their support for local producers and their commitment to promoting products from local distribution networks. In Belgium, such products are sourced from small producers located within 40 kilometres of each store. Carrefour Belgium's commitment to producers is based on a charter laying down the rules governing the direct relationship, volumes in line with the pace set by the producer, the fair purchase price and quick payment terms, and no exclusivity clauses. This makes local food companies a key part of Carrefour's business model. In Spain, Carrefour has business relationships with more than 240 suppliers in the Murcia region, representing 262.5 million euros in purchases. These partnerships reward the work of local SMEs in the food market.

Carrefour goes out to meet its producers

As part of the Food Transition Pact, Carrefour organised and facilitated farm meetings between producers and consumers in 2022. Bringing Carrefour, its suppliers, farmers and customers together enabled the Group to raise awareness of responsible farming practices and the role they play in promoting purchases of local products using sustainable practices. Farmers were able to present their initiatives and answer questions. The events took place on three farms. In the Pas-de-Calais department, a potato producer who has been practising no-till farming for more than 20 years shared his profound understanding of regenerative agriculture. The Group also visited a pea, broccoli and butternut squash field, an immersive experience geared towards finding out more about agro-ecological practices in a fun way. The "Field Encounters" ended on a dairy farm, where an end-to-end process from cattle feeding to soil injection reduces the farm's CO_2 emissions by 18%.

2.1.4 HEALTH AND PRODUCT QUALITY

2.1.4.1 Overview of objectives

Context The Group's *raison d'être* is to provide 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. Guided by this goal to align with consumer expectations as closely as possible, the Group launched its five-year "Carrefour 2022" transformation plan in January 2018, at the initiative of Alexandre Bompard. The aim of this transformation is to enable the Group to effectively meet customers' expectations and support them during the food transition, while also helping producers transition to virtuous farming methods and contributing to the preservation of the world's natural resources.

Understanding and adapting to consumers' new behaviour and to their demands for just and fair prices is crucial. That is why Carrefour has identified three major trends that structure its approach:

- new eating behaviours: meeting growing demand and providing the world population with access to a healthy diet;
- accessibility requirements: reconciling the duty to provide healthy food with affordability is a global issue;
- consumption habits transformed by digital technology: implementing new technology to bring about new promises for consumers, saving them time and delivering a smoother, more transparent and more personalised experience. As the ubiquity of digital technology grows, consumers demand more transparency about the products they buy. Blockchain technology is therefore being rolled out to provide stronger guarantees on food safety and traceability.

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 would make 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 could lead 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 (ranked eleventh);
- combatting food insecurity and supporting food aid associations (ranked eighteenth);
- transparency, traceability and guaranteeing product safety (ranked nineteenth), with customers' expectations particularly high on this issue;
- development of accessible and quality products, in particular thanks to the banner's own brand (ranked eleventh).

Our initiatives

The Group uses several initiatives to guarantee consumer health and product quality. Its action plan is based on three pillars:

- Taking action to improve food quality and safety.
- Making quality accessible at a fair price.
- Playing a collective role in the food transition.

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

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our objectives

TOPIC	OBJECTIVE	DEADLINE
Food security	Undertake a quality audit on 100% of the supplier base	Permanent
Traceability/blockchain	Deploy blockchain technology on 100 Carrefour Quality Lines	2023
Nutrition	Eliminate controversial substances from Carrefour-branded products [(1)]: eliminate 20 new controversial substances (120 in total since 2018) from Carrefour-branded products by 2026	2026
	Provide an optimised nutritional profile on the Carrefour product offer: eliminate 2,600 tonnes of sugar and 250 tonnes of salt from Carrefour-branded products by 2026	2026
	Provide clear and transparent nutritional information to the consumer: feature the Nutri-Score on 7,000 products in Europe	2022
Carrefour Quality Lines products	Achieve 10% penetration of CQLs in fresh products	2025
	All Carrefour Quality Lines committed to an agroecological approach by 2025	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 Taking action to improve food quality and safety

Context and definition

Improving food quality and safety is a key issue for the Group. To guarantee the quality and compliance of its products, Carrefour has implemented a set of requirements and procedures, such as certifications and/or food quality/safety audits for all of its suppliers' manufacturing sites. In addition to guaranteeing high quality standards, the Group promotes the transparency and traceability of its products thanks to blockchain technology.

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)	2022	2021	Change
Number of suppliers – sites (1)	2,703	3,040	-11%
Number of inspections performed – analyses	49,723	49,002	+1.47%
Number of inspections performed – panels	4,074	4,084	-0.24%
% of plants certified to IFS or BRC standards (1)	78%	89%	-11 pts
% of plants audited by Carrefour (1), o/w:	8%	11%	-3 pts
■ % of audit ratings ranging between A and B (1)	96%	95%	+1 pt
■ % of audit ratings ranging between C and D (1)	4%	4.3%	-0.3 pts
% of plants audited by Bureau Veritas	11%	0%	
Number of products withdrawn (2)	564	533	+5.8%
% of Carrefour-branded products withdrawn	50.2%	53%	-2.8 pts
Number of products recalled	330	452	-27%
% of Carrefour-branded products recalled	18.5%	18%	+0.5 pt

(1) Scope: suppliers of Carrefour-branded products purchased by the European purchasing centre.
(2) Sales in the food, household and personal care sections.

Comments on 2022 performance. 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 (78% in 2022), or are audited by Carrefour (8% in 2022) or by Bureau Veritas (11% in 2022). Carrefour's control plans also include consumer focus groups and warehouse and in-store checks of product freshness and origin.

Key Performance Indicators	2022	2021	Change
Number of products equipped with blockchain technology and a visible QR code	1,222	478	+155.6%
Number of sectors equipped with blockchain technology	69	55	+25.4%
Sales of organic products *(in billions of euros)* (1)	2.6	2.7	-3.7%
Penetration rate of lines featuring an Agroecology label within the Carrefour Quality Lines (in fresh produce) (2)	6.5%	New	-

(1) Carrefour-branded products and national-brand products.

(2) Indicator measured in France in 2022, to be extended to other countries in 2023.

Comments on 2022 performance. The Group guarantees the transparency and traceability of its Carrefour Quality Lines (CQLs) in France using blockchain technology. The Group continues to develop blockchain as a priority for Carrefour Quality Lines. Carrefour 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 and agroecology.

Action plans

1. 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: 76% in 2022 and 87% with more than two years of seniority. Carrefour also collaborates with civil society organisations (experts, associations, scientists, NGOs, consumer associations, public authorities) in order to take their 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 called 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 been completed within 24 hours.

2. Guaranteeing the transparency and traceability of Carrefour-branded products

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 that 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 France launched the first food blockchain in Europe in 2018 on Carrefour Quality Lines for free-range chickens in Auvergne. As of end-2022, it had been deployed in 69 Carrefour Quality Lines (CQLs). In 2021, all the Group's countries benefited from 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 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.

In 2022, Carrefour extended blockchain technology beyond its Quality Lines to its own-brand organic products. This initiative aims to meet consumers' growing demand for transparency of the origin and production methods employed for organic products. The Carrefour Bio navel orange, sourced in Spain and packaged in a four-piece tray, became the first product reference to feature the technology, before blockchain started being deployed for other Carrefour Bio products.

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 sensitive 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. Whereas 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.

3. Cutting out controversial substances

REMOVING CONTROVERSIAL FOOD ADDITIVES FROM CARREFOUR-BRANDED PRODUCTS

Ahead of legislative and regulatory change, Carrefour has embarked on a global campaign aimed at eliminating controversial substances from its product ingredients. A list of undesirable substances and ingredients (such as flavouring agents and certain additives) that applies stricter standards than regulatory limits has been established. Authorised additives are examined to establish a continually updated classification divided into four categories:

- black: substance already absent from all Carrefour-branded 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 eliminated any controversial substances that could be categorised 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.

A new target was set with the adoption of the new Carrefour 2026 strategic plan. The Group planned to eliminate 20 new substances from its own-brand products by 2022 (1). Until then, each country defined its own list of 100 controversial substances, although the list was relatively similar from one country to the next. From now on, Carrefour wants to apply the same list to all Group countries (G6), adding the 20 new controversial substances.

REDUCE THE USE OF PESTICIDES AND REMOVE GMOS

Carrefour invests in organic farming and enlightened sustainable farming practices through the deployment of agroecological 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 2022, the Group had 3,530 partner producers in organic farming. In France, Carrefour has also decided to eliminate some chemical pesticides by developing agroecology 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 agroecological 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, as well as kiwis, frozen broccoli, pasta and lentils without insecticides.

In 1998, Carrefour brought in a policy of excluding GMOs and their derivatives from its own-brand products and from the feed for livestock used in its Carrefour Quality Lines. All Carrefour-branded 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.

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)

(1) Scope: G6.

2.1.4.3 Providing a quality offer accessible to all

Context and definition

Consumers have high expectations regarding the nutritional quality of the products they buy, even in the current context of purchasing power sensitivity. Today, 77% of French people say they are influenced by the composition of products, 57% by the Nutri-Score and 45% by reviews and scores from nutrition apps [(1)]. As such, Carrefour has a duty to continuously improve its offer by reformulating its existing product lines, by providing additional nutritional information on products, and by offering quality food that is accessible to all, particularly thanks to its own brand.

Policy and performance

Key Performance Indicators	2022	2021	Change	Target
Number of products that display the Nutri-Score	4,101	New	-	7,000 by 2022
Reduction of 2,500 tonnes of sugar in Carrefour-branded products	New	-	-	2,500 by 2026
Reduction of 250 tonnes of salt in Carrefour-branded products	New	-	-	250 in 2026

Comments on 2022 performance. Carrefour continues to enhance transparency to provide consumers with clear and transparent nutritional information. In 2022, more than 4,000 products displayed the Nutri-Score. As part of the Carrefour 2026 plan, the Group pledged to eliminate 2,600 tonnes of sugar and 250 tonnes of salt from Carrefour-branded products by 2026 (from 2022 levels).

Action plan

1. Reformulating existing product lines

Carrefour has redesigned all its own brands to embody the food transition. Since 2018, the Group has taken further strides to reformulate and optimise the nutritional profile of its products, in all countries where it operates. For example, it has worked on reducing sugar levels in sweet beverages and salt levels in tinned vegetables and on eliminating other substances, such as colourants, flavourings and disruptors. Since 2019, almost 400 recipes have been reformulated to improve their nutritional profile or composition.

With the adoption of the Carrefour 2026 strategic plan, quantitative objectives were set for the nutritional value of products. The Group has thus pledged to eliminate 2,600 tonnes of sugar and 250 tonnes of salt from Carrefour-branded products.

2. Providing additional nutritional information on products

Carrefour has made the choice to provide its customers with clear nutritional information. The Nutri-Score label, which has gradually been rolled out on the packaging of Carrefour brand products and the *carrefour.fr* website, reflects this choice. Developed by the French government, this logo shows a product's nutritional value. Its five-letter scale, from A (products with the highest nutritional value) to E (products with the lowest nutritional value), and colour grading from green to red displays, in a glance, the nutritional profile of products.

The algorithm developed to produce the Nutri-Score takes into account more nutritious ingredients (fibre, protein, fruit and vegetables, legumes, nuts, and olive, walnut and rapeseed oils) and factors to avoid (calories, salt, sugar and saturated fats).

As at the end of 2022, the Nutri-Score had been deployed in Belgium, Spain, France and Poland.

3. Providing quality food that is 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. 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 development of Carrefour Quality Lines, which offer consumers affordable, high-quality mid-market products, serves as the foundation for this shift. Carrefour products play a central role in this commitment, as development goes not only into improving product quality, origin, composition and sustainability but also into making products more affordable.

One example of this is the page dedicated to the "Eating better" programme initiated by Carrefour which gives tips for low-cost meals. Organic own brands offer organic quality for competitive prices. With products priced at an average of 20% less than leading organic brands, own brands are helping to democratise organic products, which remain on average 60% more expensive than conventional products.

In its efforts to take a holistic approach in contributing to the solidarity food transition, the Carrefour Foundation supports medical research into the causal links between food and health (AFM Telethon, Foundation for Medical Research, Nantes University Hospital). For instance, the Foundation is backing the application of new therapies to combat insulin resistance and type 2 diabetes at the ICAN University Hospital Institute in France.

(1) Infopro Digital Studies for Imediacenter and LSA. *"Sustainable Brands: les Français et les marques, une relation durable?"* (Sustainable Brands: the French and brands, a sustainable relationship?) 2022.

2.1.4.4 Training employees and guiding consumers towards a balanced diet

Context and definition

Producers, employees, industry players, elected officials, associations, NGOs and consumers all have a role to play in the food transition. In this mindset, Carrefour endeavours to build collaboration with different partners that promotes a shift towards better nutrition. The Group also trains its employees and pledges to help consumers change their habits.

Policy and performance

Key Performance Indicators	2022	2021	Change	Target
Number of employees trained in the food transition and organic products (in-person)	10,040	8,483	+18%	-
Number of employees trained in the food transition and organic products (e-learning)	8,520	2,806	+204%	-

Comments on 2022 performance. In 2022, the number of employees trained in the food transition and organic products increased by 24% for in-person sessions and by 204% for e-learning modules. This reflects the Group's commitment to engage its staff in the food transition by accelerating the use of digital technology and promoting remote learning programmes.

Action plan

1. Communicating and encouraging customers to join the eating better movement

Carrefour is at the centre of the food transformation with its Act For Food programme. In France, Carrefour offers nutritional recipes on its website *carrefour.fr*, which also features a section dedicated to special diets (gluten-free, lactose-free, sugar-free, reduced salt, vegetarian and vegan). In Spain, in 2022, Carrefour became the first company to launch an exclusive edition of Monopoly dedicated to food and eating. Hasbro's iconic board game was revamped to incorporate Carrefour's image, the values of the food transition for all and the "Food for All" campaign created to encourage healthy lifestyles.

In Romania, Carrefour has set up a food education programme where young people can learn about the basic principles of nutrition, good food combinations, where our food comes from, vegetable growing methods, and more. On top of this classroom learning, practical sessions will be available where programme participants can get started on developing healthy habits. Parents were also given the opportunity to learn about healthy eating practices. Currently, 220 students are enrolled in the programme.

2. Communicating and encouraging employees to join the eating better movement

Training is a priority for Carrefour. The key areas covered in training programmes line up with the major themes of the "Carrefour 2022" transformation plan: promoting the food transition and advocating good practices for better eating. In 2022, 10,540 employees were trained face-to-face and 8,520 by e-learning on key topics such as the market for organic products and fresh produce.

In Spain, a Chair of food and nutrition was created as part of the ACT for Food programme. The initiative aims to provide a training programme for the Group's food buyers. The Healthy Nutrition e-learning course was used to teach buyers the basics of a healthy diet, with in-depth content available on nutrition. A total of 72 employees were trained in 2022 thanks to this Chair, which has been place since 2018, and some 35,000 people took the Healthy Nutrition e-learning course.

Carrefour is mobilising its employees around the challenges stemming from its transformation plan and its *raison d'être*. The Group has rolled out the "Act For Food Super Heroes" 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 2022, more than 2,000 food transition "Super Heroes" were identified across the Group.

Joint initiatives and partnerships

- IBM Food Trust
- WWF France
- Consumer Goods Forum
- ICAN University Hospital Institute, Nantes University Hospital, Foundation for Medical Research (FRM), AFM Telethon
- 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 2022

International Food Transition Awards: spotlight on virtuous suppliers in terms of CSR

Launched in 2021, the European Food Transition Awards is an online competition among Carrefour's leading international and local suppliers. The initiative comes under the Food Transition Pact, a mutual commitment established in 2019 between Carrefour and its partners. The first edition of the competition was open to the six European countries where the Group operates (France, Belgium, Spain, Italy, Poland and Romania). Pursuing its ambition to be the leader of the food transition for all, and building on the success of the European Food Transition Awards, in 2022 Carrefour launched a new edition in partnership with RTL, the International Food Transition Awards. This competition rewards the most virtuous suppliers in terms of CSR in the eyes of consumers. The international edition was opened to Argentina, Brazil and Taiwan, for a total of nine participating countries (all the Group's integrated countries). Carrefour launched a call for projects from suppliers in the summer, and those whose products were selected presented their commitments on five key themes of the food transition: health and nutrition, packaging, sustainable and organic agriculture, responsible communication and transparency. One prize was awarded in each of the nine product categories, along with two national awards for each country participating in the competition (one national brand product and one Carrefour private-label product). Customers voted to shortlist three finalists in each category, and the winners were chosen in December 2022 by a jury of ten international CSR experts. Winning products enjoy significant visibility in stores and online for one year. For the 2022 competition, more than 570,000 votes were cast for 250 international and local suppliers and 300 products.

Overview of the Group's lines featuring blockchain technology

Blockchain technology brings numerous benefits to the food industry. It meets consumers' increasing need for transparency; for breeders, it is a means to showcase what they produce and their expertise; and it enables Carrefour to share a secure database with all of its partners and guarantee higher food safety standards for its customers. Carrefour was the first French retailer to apply blockchain technology. In 2019, Carrefour began gradually integrating blockchain technology into the Carrefour Quality Lines (Auvergne chicken, Cauralina tomato, Loué free-range eggs, Rocamadour AOC cheese, Norwegian salmon, etc.). In 2021, blockchain traceability was extended to TEX brand textile products. In 2022, more than 500 products across 69 lines were equipped with the technology. The Group decided to extend blockchain technology beyond its Quality Lines in 2022 and apply it to its own-brand organic products. In April 2022, the Carrefour Bio navel orange, sourced in Spain and packaged in a four-piece tray, became the first product reference to feature the technology, before blockchain started being deployed for other Carrefour Bio products. This means that by scanning the QR code on the label, consumers can access additional product information, i.e., the entire product life cycle (origin, transport, quality and organic certification). Carrefour is the first retailer to apply blockchain technology to its own-brand organic products.

Food transition and purchasing power: providing healthy and affordable food in times of crisis

In June 2022, Carrefour launched the anti-inflation challenge, offering a selection of 30 essential products for under 30 euros throughout July, as well as the "*prix serrés*" (knockdown prices), campaign which is still under way. The initiative covers 200 national-brand products for which Carrefour pledges to reduce its margins. The idea is to avoid passing on price increases to consumers as much as possible, if at all. In France and Spain, Carrefour offered its customers a list of 30 products for 30 euros. In Belgium, Carrefour announced on August 30, 2022 its campaign to offer 1,000 products for less than 1 euro, from both Carrefour brands and national brands (bananas, brie, white bread, and more). Taking an active role in the food transition, Carrefour continues to encourage its customers to eat better, even in times of crisis. Eating fruit and vegetables is essential for good health, which is why Carrefour launched the campaign to promote five fruits and vegetables for less than 1 euro in France and Belgium in 2022. This concrete initiative helps boost its customers' purchasing power while providing them with healthy food options. Carrefour France has taken further steps by offering a selection of organic products for less than 2 euros as part of its anti-inflation challenge.

Promoting better eating at the best price

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.

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 were 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 respect for 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.

Carrefour has been successful in building long-term 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.

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 remuneration". 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 countries at risk in terms of 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. A new mapping exercise was launched in 2022, with results expected during 2023;
- "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 14,348 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. Prominent display 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 breeding:** 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 the specifications of its own-brand products. 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

Contributions to the Sustainable Development Goals

Our objectives

TOPIC	OBJECTIVE	DEADLINE
Suppliers	500 suppliers involved in the Food Transition Pact	2030
Local action	50,000 partner producers in all Group countries by 2026 (organic producers, Carrefour Quality Lines, regional and local)	2026
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
Personal data protection	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; combating child labour, forced labour, slavery and human trafficking; respecting working hours; protecting employee health and safety; ensuring decent pay and employee benefits; fighting against all forms of harassment and discrimination; promoting social dialogue, collective bargaining rights, freedom of expression and association; and respecting privacy and personal data.

Carrefour is also committed to improving its suppliers' working conditions and respect for human rights and it puts in place tools and procedures for monitoring and supporting its suppliers. In accordance with Carrefour's purchasing rules, the Group has 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)	2022	2021	Change
Percentage of audits with alerts (potential production plants)	17%	14%	+3 pts
■ Of which alerts related to working hours	28%	27%	+1 pt
■ Of which alerts related to compensation, working conditions and benefits	24%	22%	+2 pts
■ Of which alerts related to health and safety	30%	38%	-8 pts

Indicators (2)	2022	2021	Change
Number of social audits (potential production plants)	1,418	918	+54.5%
■ Of which Bangladesh	54	51	+5.9%
■ Of which China	907	576	+57.5%
■ Of which India	77	59	+30.5%
■ Of which Turkey	102	63	+61.9%
■ Other	278	169	+64.5%

(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 2022. The number of social audits increased in 2022, reflecting both their frequency and the rescheduling during 2022 of certain audits that had been postponed in 2021 due to Covid-19 travel restrictions.

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, notably 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 Sections 2.2.5, 2.2.7.2 and 2.2.7.3).

Carrefour also provides its employees at Group level and throughout France with e-learning courses on human rights to educate them about these issues.

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 inspect 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

To reinforce the protection of human and labour rights, 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 of the Global Sourcing entity 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 has been deployed since 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).

Carrefour has also drawn up the Good Factory Standard, a practical training document distributed to all factory representatives. Featuring a breakdown by sector and/or by type of product (bazaar, clothing, wood, leather, etc.), the Standard offers a set of basic requirements to follow and lists good and bad practices.

DEVELOP CONTROL PROCEDURES

In accordance with Carrefour's purchasing rules for controlled products, 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 hotline

1 2 3 4 5 6 7 8 9

2.1.5.3 Fair compensation and decent wages

Context and definition

The Group'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 by the International Labour Organization (ILO) as a human right. This basic right is covered by the global framework agreement, which was renewed and strengthened on October 5, 2022 with UNI, to promote social dialogue, diversity and fundamental labour rights within the Group. 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 50,000 organic farmers, Carrefour Quality Lines, regional and local producers by 2026. 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.).

Key Performance Indicators	2022	2021	Change	Target
Number of organic farmers, CQLs, regional and local producers	22,176	24,980	-11%	50,000 by 2026

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	2022	2021	Change
Number of social audits performed	1,418	918	+54.5%
■ Of which alerts related to compensation, working conditions and benefits	24%	22%	+2 pts
Percentage of audits with alerts (potential production plants)	17%	14%	+3 pts

Carrefour also 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	2022	2021	Change
Sales (incl. VAT) of fair trade products (own brand and national brand) *(in thousands of euros)* (1)	137,167	126,855	+8.1%

(1) Scope: BR and ES excl., non-comparable BUs (81% of 2022 consolidated gross sales vs. 100% in 2021).

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. Signed by Carrefour with UNI Global Union in 2001 and strengthened in 2015, 2018 and again in October 2022, the global framework agreement incorporates the UN Guiding Principles and ILO Core Conventions on decent wages and ensures that workers' rights to decent wages are recognised. 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 50,000 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, in 2022, Carrefour implemented multiple local initiatives to support supply lines and reasserted its commitment to SMEs by signing contracts with more than 4,038 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 raise the price paid to milk producers. In 2022, in accordance with France's new EGalim 2 law, passed to protect the income of French farmers, Carrefour and Système U renewed their agreements signed in 2021. The price of milk will be raised by 25 euros per 1,000 litres for 10,000 farms. The new terms have struck a balance with Sodiaal to help producers, in the current context of inflation, cope with higher prices on many items used in the production process. This factor will enable the cooperative to continue supporting farmers, while pursuing its investment strategy.

Mapping tier 2 suppliers in high-risk countries

The Global Sourcing entity began mapping tier 2 suppliers in 2022 to have visibility of the various stakeholders 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 consists of identifying the suppliers of the suppliers involved in the following stages: cloth manufacture (spinning, knitting, dyeing), product assembly, etc.

Tracing supply lines and communicating transparently

As an example, in 2022, Carrefour worked with over 4,000 small cotton producers in the Madhya Pradesh and Maharashtra regions in India on a project aimed at 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. This collection has been 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 in its supply chains to advance on the issue of decent wages: 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

In relation to decent wages, Carrefour's purchasing rules 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" or "working hours".

Social compliance of suppliers with respect to workers' pay

In 2022, 1,418 social audits covered the Group's potential production sites, 54% more than in 2021. This increase is due to the frequency of audits and the impact of the Covid-19 pandemic on audits in previous years. 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 2022, 15% 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, the 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 2022, more than 137 million euros in fair trade products were sold in Carrefour stores worldwide (up 8% from 2021). Carrefour's own-brand organic range, launched in partnership with Max Havelaar® now has many product references in five product categories: bananas, coffee, chocolate, honey and tea. In 2022, 993 fair trade products were available in 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	2022	2021	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 and business development functions, as well as activities 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 and outside third parties 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	2022	2021	Change
Amount paid by all Group entities in respect of their tax obligations	€975 million	€948 million	+2.85%
Social security contributions borne by the Group	€1,608 million	€1,613 million	-0.31%
% of at-risk employees trained on anti-corruption topics (1)	95.6%	98.6%	-3 pts

(1) New indicator in 2020. Scope: excl. e-learning data in France and excl. PO BE.

Action plans

1. Fighting corruption, money laundering and terrorism financing

GOVERNANCE, ETHICS AND COMPLIANCE

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 notably includes:

- a Group Ethics Committee, made up of the Group General Secretary, Group Human Resources Director, Group Legal Director and Group Ethics and Compliance Director. This committee met four times in 2022;
- an Ethics and Compliance department, which reports to the France and Group Legal departments, overseeing compliance for the Carrefour group and coordinating the ethics and compliance network across different countries;

- Ethics and Compliance Officers from each integrated country and BU, who are responsible for ensuring the compliance of their respective entities with industry and local regulations as well as any other special requirements, and for reporting any useful information to the Group about the local deployment of the programme. These members of the ethics and compliance network also lead the local ethics and compliance committees set up in each integrated country and BU, which comprise the CEO, the CFO, the Human Resources Director, the Legal Director and the Head of Ethics and Compliance of the country or BU concerned;
- all employees with key roles in compliance, so that Carrefour group can collectively comply with ethics and compliance regulations.

In addition, Compliance staff work closely with Security and Internal Control staff and with operations teams, to continuously improve reporting and management.

ETHICS AND COMPLIANCE PROGRAMME

The Group's governing bodies are fully committed to ethics and compliance and enforce a zero tolerance policy for any unethical behaviour and practices, such as corruption and influence peddling. In recent years, this commitment was demonstrated by Alexandre Bompard and Laurent Vallée speaking to all Group countries on International Anti-Corruption Day on December 9, 2021. To mark International Anti-Corruption Day in 2022, new videos were released in all countries featuring Group Executive Committee members, along with videos of each country Director addressing viewers in the local language.

To enforce its policy and respect all applicable laws, Carrefour has built its ethics and compliance programme around the following pillars:

- **corruption risk map:** the corruption risk mapping process for the Carrefour group was completely overhauled in 2020 and is updated regularly for each main business sector (retail, Property, Banking and Insurance) and in all of the Group's integrated countries. The scope of the risk map was also expanded in 2022 to cover new Group activities;
- **policies and procedures:** Carrefour has drafted an "Anti-bribery and Corruption Policy", providing practical illustrations of concepts. 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. Other policies and procedures round out this overarching policy, giving employees practical tools to guide them in carrying out their operations and projects. These include the gifts and invitations policy, the Responsible Lobbying Charter, the Carrefour Foundation's rules and principles applicable to sponsorship campaigns and emergency aid operations. In addition, all employees involved in a purchasing or selection process are required to sign a declaration of independence each year, with the aim of informing Carrefour of any conflicts of interest in order to handle them better;
- **training and awareness actions:** a global training and awareness-raising plan was developed and deployed for the functions with the highest exposure (in-person or online meetings), along with an e-learning programme for functions with less exposure. At end-2022, 95.59% of the employees identified in 2022 as most exposed to risks of corruption have received training. The e-learning courses available for employees with a lower risk of corruption were taken by more than 80,000 employees in 2022 (24% of the Group's total employees);
- **third-party assessment procedure:** the Group developed a global third-party assessment solution, which was deployed in 2022 for all activities in France. This solution is also being deployed in the Group's integrated countries. This due diligence is carried out for all third parties with which the Group intends to engage in business activities (suppliers, consultants, franchisees, acquisition targets, etc.). The extent of required verification is determined by the third party's risk profile and any specific risks identified during the assessment of that third party. In some cases, additional information may be requested from third parties, so that further due diligence can be conducted based on the information provided. Carrefour works with an external service provider specialised in third-party assessments to assist operational staff and compliance officers likely to assess third parties. Suppliers also receive the Ethical Standards for Suppliers Charter, which is appended to commercial contracts;
- **whistleblowing system:** an outsourced global whistleblowing system was set up in all countries in 2016, available 24/7 via the Internet *(ethique.carrefour.com)* or by telephone. This system provides all Group employees and external partners (mainly suppliers and customers) with a channel for reporting any suspicion of unethical practices, including discrimination, harassment, health, safety, theft, fraud, corruption, misappropriation of funds, conflicts of interest, and environmental damage. In 2022, 5,909 alerts were received by the Group, the majority of which concerned HR issues (excluding discrimination and harassment).
- **control procedures:** corruption risks are mitigated by a series of accounting control procedures. For example, Internal Control and Internal Audit staff conduct annual verifications and audits on the pillars of the Group's compliance programme in all countries. They then formulate recommendations and action plans to improve Carrefour's ethics and compliance programme.

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 hotline 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

1
2
3
4
5
6
7
8
9

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 genetic 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. insisting on 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 eight integrated countries defined progress plans for these ten priority areas, broken down according to species and product category. Since 2021, 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-branded 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-branded products must be discontinued by 2025;
- chickens: 50% of Carrefour-branded 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-branded products by 2025.

(1) The animal welfare guarantees are in line with the Better Chicken Commitment criteria.

Performance indicators	2022	2021	Change	Target
Shell eggs – Percentage of gross sales of controlled and national-brand products from cage-free production facilities	80.3%	80.1%	0.2 pts	100% by 2025 (2028 depending on the country)
Eggs as ingredients – Percentage of Carrefour-branded products containing cage-free eggs used as ingredients (1)	60.2%	51.2%	9 pts	100% by 2025
Cage-free farming – Percentage of gross sales of animals (rabbits and quails) in certified products raised cage-free	52.7%	*New*	-	100% by 2025
Chickens – Percentage of gross sales of certified products that guarantee compliance with animal welfare criteria	35.9%	36.4%	-0.5 pts	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 (2)	12.2%	*New*	-	100% by 2025
Horse meat – Percentage of gross sales of horse meat in independently audited, certified and national-brand products or from EU producers (3)	68.7%	*New*	-	100% by 2025
Slaughter – Percentage of Carrefour supplier slaughterhouses audited for compliance with animal welfare standards (4)	39.2%	46.8%	-7.6 pts	100% by 2025
Transparency – Percentage of species raised using transparent farming methods, for Carrefour-branded products	20.8%	*New*	-	100% by 2025

(1) Scope: Belgium, Spain, France, Italy, Poland and Romania.
(2) Scope: 31% of 2022 net sales.
(3) Scope: 31% of 2022 net sales.
(4) Scope: Non-comparable BUs. 100% of 2022 net sales vs. 92% of 2021 net sales, excluding BE.

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 on the benchmark, whose tiers run from 1 (best) to 6 (worst).

Indicator	2022	2021	Change
Business Benchmark on Farm Animal Welfare (BBFAW) ranking	(1)	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 2022, Carrefour had more than 185 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-branded 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-branded products sold in Group countries.

Carrefour-branded 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 had been transferred 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 2022

Support for local and national producers

The Group continues to support its local suppliers and partners in implementing the food transition for all. In 2022, the Group reasserted its commitment by signing more than 4,038 contracts with local or regional SMEs (representing 3,264 suppliers). Carrefour chose to extend multi-year agreements, which represented 50% of regional agreements in France by 2022. In Belgium, Carrefour organised walking tours to enable the Group's customers to meet local producers in their region. Carrefour Belgium now works with more than 800 local producers and offers more than 12,000 local products at all Carrefour stores in Belgium. To ensure long-term collaboration with its producers, Carrefour Belgium has established a Local Producers' Charter, which guarantees a direct link between the producer and the store and stipulates a non-negotiable price set by the producer. In Brazil, regional products are recognised for their social and environmental benefits. The production of typical items from Brazilian biomes that are sold by Carrefour Brazil, such as the baru nut, contributes to the development of communities and helps protect the country's ecosystems. The Carrado plant supplies Carrefour with a number of products collected by extractivist farm communities in the Cerrado and Caatinga regions in line with agroecological production methods and solidarity economy principles. In 2022, Carrefour Brazil joined the Local Brands Manifesto and, in doing so, restated its commitment to promote regional and local products.

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 are sustainable and traceable. Since 2019, Carrefour has been working with over 4,500 small cotton producers in the Madhya Pradesh region in central India on a project to combine 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 every three years by qualified independent auditors for all animal species, to ensure adequate 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 2022, Carrefour worked with 110 partner slaughterhouses, of which 59 are equipped with a video surveillance system.

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-branded 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.

Carrefour takes action to promote a fairer deal for its partner producers

In 2022, Carrefour continued its action to support French producers and offer its customers quality products grown and manufactured in France, by creating a new Carrefour Quality Line for UHT cream. This move follows on from the partnership initiated in January 2021 with the Saint-Denis-de-l'Hôtel Dairy (LSDH) and the *Association des Producteurs Laitiers du Bassin Centre* collective (APLBC) to develop the Carrefour Quality Line for UHT milk. The initiative is based on a three-way agreement between Carrefour, LSDH and APLBC. This partnership allows the 326 producers covered by the agreement greater visibility and a more stable outlook, through guarantees on volume over a three-year period and fairer deal thanks to fair milk prices certified by Bureau Veritas. Initially set at 390 euros for 1,000 litres in 2021, the price was raised to 430 euros per 1,000 litres in 2022 for CQL milk and UHT cream. A pioneering approach to supporting farmers in their transition to virtuous farming methods, the Carrefour Quality Lines programme has been working for 30 years to create better conditions for all, while meeting strict standards of traceability, quality and taste. Carrefour and Système U, through the Envergure joint purchasing centre, took action alongside all the entities making up the Sodiaal Cooperative (Yoplait, Candia and Entremont) to increase the price of milk paid to producers in 2022. These agreements set the price of milk at 400 euros per 1,000 litres in 2022 for the three entities of the Sodiaal Cooperative. They aim to continue the efforts over the past three years to provide a fairer deal for French farmers.

2.1.6 EMPLOYEES

2.1.6.1 Overview of objectives

Context A Group with a multi-local, neighbourhood presence, Carrefour employs 334,640 people worldwide, 55.2% 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 eight integrated countries, but also in the 40 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 developing all forms of talent and promoting employees internally while ensuring 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 one of the largest private-sector employers 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 [1] (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).

(1) Updated every two years.

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:

- **raising employee awareness and getting their buy-in:** 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

- Arborus, creator of the Gender Equality European & International Standard (GEEIS)
- CEASE
- 1in3Women
- 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)
- French Handisport Federation (FFH)
- French non-profit *L'Autre Cercle*
- French National Federation for Solidarity with Women *(Fédération Nationale Solidarité Femmes)*
- LEAD Network

Contributions to the Sustainable Development Goals

Our objectives

TOPIC	OBJECTIVE	DEADLINE
Gender equality	35% women executives (top 200) by 2025	2025
Disability	Employees with a disability to represent 4% of the total workforce by 2025	2025
	15,000 employees with a disability in the Group by 2026	2026
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 334,640 people in over 300 job families in its eight integrated countries and the more than 30 countries that are home to international franchises. The Group operates in two key markets: Europe and Latin America. Since the launch of the "Carrefour 2022" plan in 2018, Carrefour has been pursuing its goal of becoming the leader of the food transition for all and making healthy, fresh, organic and local foods available to everyone – a goal enshrined in the Group's *raison d'être* since 2019. By adopting the Digital Retail Company business model, we have made digital technology and data central to our operations and our value creation model, turning our *raison d'être* into the veritable backbone of the Group's operational model. To rise to these changes, the Group rolled out its international Act for Change programme in 2019. Its aim was to align managerial behaviour with these objectives and to give employees a central role in the Group's transformation. 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". The skills associated with these challenges underpin the management model in place across the entire Group. In addition to this management model, a leadership model known as the 4Cs spells out Carrefour's expectations of its senior managers:

- Courage: spur excellence through bold, targeted and forward-looking initiatives;
- Change: facilitate change and transformation through listening, openness and flexibility;
- Customers: cultivate a passion for customers and increase our impact on society;
- Cooperation: grow and nurture cross-sector collaboration, commitment and team spirit.

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. To that end, one of the Group's aims is to create Super Heroes – **ambassadors for the food transition** and diversity and inclusion issues – among its employees. These will be people capable of inspiring their teams to embrace the challenge of inclusiveness for all in the company and raising awareness among customers of what is at stake in the food transition.

Since 2018, the Group has also sought tirelessly to simplify its organisation in a bid to use energy-pooling or digitalisation opportunities arising from Digital Day initiatives or stemming from the Carrefour 2026 plan to achieve even 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 increased from 319,565 in 2021 to 334,640 in 2022.

This reflects both the vitality of Carrefour's operations worldwide and changes to the scope of consolidation. In 2022, Carrefour notably integrated the Grupo BIG workforce in Brazil. The impact was partly offset by the transfer of stores to franchise and lease management arrangements and by the removal of Taiwan, which represented 12,174 employees at end-2021, from the scope of reporting due to the ongoing disposal of local operations.

BREAKDOWN BY STORE FORMAT

The employee breakdown by store format changed slightly during 2022. However, hypermarkets still represent the vast majority of the workforce, with over half of the total (68%) – or 227,768 employees – working in this well-established Carrefour format.

Format	2022	2021	Change
Total hypermarkets	68%	71%	-3 pts
Supermarkets	16%	15%	+1 pt
Total other formats and businesses	16%	14%	+2 pts

Scope: 100% of 2022 consolidated net sales.

Workforce by region

A pioneer in countries like Brazil, Carrefour has operations in both Europe and Latin America. It is one of the largest private employers in several countries, including France, where the Group has its roots, but also Brazil, Argentina, Spain and Romania.

Region	2022	2021	Change	% change
Latin America	159,949	115,310	+44,639	+39%
Europe	174,319	191,707	(17,388)	-9%
Asia	372	12,548	(12,176)	-97%
REGIONS TOTAL	**334,640**	**319,565**	**+15,075**	**+5%**

Scope: 100% of 2022 consolidated net sales.

Type of employment contract

The majority of Carrefour's personnel works full time (78%), on permanent contracts (92%).

Contract	2022	2021	Change
Permanent contracts	92%	91.5%	+0.5 pts
Fixed-term contracts	7.6%	8.5%	-0.9 pts
% of part-time employees	22.0%	26.4%	-4.4 pts

Scope: 100% of 2022 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	2022	2021	Change
Permanent contracts	87,725	68,358	+28%
Fixed-term contracts	74,910	75,425	-1%
TOTAL	**162,635**	**143,783**	**+13%**

Scope: 100% of 2022 consolidated net sales.

Departures

After a big drop in the number of permanent employees leaving Carrefour, amid a stagnant job market resulting from the health situation, things have gradually returned to normal. In 2022, the labour market's marked recovery and the growing weight in the Group's workforce in Brazil, a country where the retail industry has structurally high staff turnover rates (54% of the average number of permanent employees in 2022), were behind a significant increase in the rate of departures of employees on permanent contracts (102,174 departures).

Breakdown of jobs by status

Category	2022	2021	Change
Executive Directors	0.04%	0.04%	-
Senior Directors	0.07%	0.07%	-
Directors	0.5%	0.5%	-
Managers	7.7%	10%	-2.2 pts
Employees	91.6%	89.4%	+2.2 pts
TOTAL	**100.00%**	**100%**	**-**

Scope: 100% of 2022 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 eight host countries. Organised around five questions, one of which is an overall recommendation, the survey assesses the effectiveness of the programme's implementation.

The fifth wave took place between February 28 and March 18, 2022. With 77% of responding employees saying that they feel they have a role to play in the transformation – up from 71% in 2019 in the first survey – the results demonstrate the involvement of employees in the strategic projects being rolled out within the Group.

"I feel part of the ongoing transformation taking place within the Carrefour group"	
Response rate	64%
Number of respondents	16,615
Score achieved by the Group in 2022 (% of employees agreeing)	77%
Don't know	4%
Don't agree	18%

3. A culture of social dialogue

Social dialogue has led to the signing of collective agreements at either host country or entity level.

Performance indicators	2022	2021	Change
% of employees covered by a collective bargaining agreement	99%	91%	+8 pts
Number of agreements signed	369	453	-18.5%

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 2022, 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 "Super Heroes"

Carrefour is mobilising its employees around the challenges stemming from its "Carrefour 2026" transformation plan. In 2018, the Group launched the "Food Transition Super Heroes" programme on an international scale. It has been rolled out in all the Group's host countries to identify "local Super Heroes" among committed store employees, who champion the food transition among colleagues and customers. The programme's aim is to promote local initiatives in the field, in close proximity to customers, and to spread them widely in each of the Group's host countries. In 2023, the programme was extended to cover our commitments as a more inclusive company. Carrefour wishes to give greater visibility to measures taken to foster initiatives aimed at making the company more inclusive for our customers and employees alike. The Super Heroes programme allows teams to bring the food transition into their stores and make it more meaningful for customers. The example set by Super Heroes in the different countries can be an inspiration to everyone.

All over the world, the Super Heroes are devising and deploying their projects in support of the food transition at the local level. The solutions are highly diverse: promoting healthy products, events focusing on healthier eating and cooking, initiatives to reduce and combat waste, the learning of sign language and the implementation of quiet hours in stores.

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 members of Carrefour's top management the opportunity to develop both individually and as a team. In France, 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 operating model. Carrefour's ambition is to be a world leader in digital retail by 2026, with a strategy based on a "data-centric, digital first" approach stemming from the Group's profound transformation dating back to 2018. All countries where Carrefour operates are developing programmes and tools to help employees better understand digital environment and culture. To give each employee the keys to become a stakeholder in this corporate project, the Group's employees will all be trained in digital technology by 2024, or 100,000 people each year between 2022 and 2024. A Digital Retail Academy has been created to help achieve this goal. In each of the Group's host countries, it has helped collate and enrich existing training courses, offering new modules devoted to data, digital commerce, technology, and innovative methods and approaches. The target was met easily in 2022, when more than 160,000 employees received digital technology training across the Group's various geographies.

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. Launched in Argentina and Spain, the system is gradually being rolled out across the Group: after the two founding countries, France, Poland, Italy, Belgium (under the name "Carrefour Académie") and Romania now all have Leaders Schools. This multi-format programme is open to anyone wishing to take part, from non-management employees to Executive Directors, whether they work in hypermarkets and supermarkets or in the Group's head offices. At the end of their curriculum, often conducted in partnership with a higher education institution (Paris Dauphine University in France), trainees have access to jobs with greater responsibility. The scheme is set to take on even greater importance in the years to come. A first edition is due to be launched in Brazil in 2023. To help this powerful internal driver of career development to thrive, the Carrefour 2026 strategic plan commits the company to graduating 5,000 new employees by 2026.

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 2021. The agreement aims to promote and encourage:

- ongoing and constructive social dialogue and Carrefour's recognition of the importance of the role of trade unions and staff representatives in raising or guaranteeing high standards for the Group's employees;
- 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.

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 frequency of ECIC meetings in 2021 and 2022 returned to normal compared with 2020, which was particularly affected by the health crisis. An Employment and Training Monitoring Group was created within the ECIC in 2021; it met six times in 2022.

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 2022, Carrefour France signed two new Group collective bargaining agreements, one on health, prevention and quality of life and working conditions within Carrefour France, and the other addressing cost-of-living concerns.

In Brazil, more than 250 collective bargaining agreements have been signed for both Carrefour Brazil and Atacadão. In Spain, seven collective bargaining agreements were signed or amended in 2022, including an agreement on the right to digital disconnection policy.

RESPONSIBLE REORGANISATION

The Group has been adjusting its workforce since 2018, in particular through reductions at its head offices or the sale and franchising of certain stores in France, Poland and Italy. Workforce reductions were implemented as part of a robust social dialogue process, and came with 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 extended in 2022; one for the agreement on anticipating and supporting social transformation and creating the Jobs, Skills and Social Transformation Monitoring Group; the other for the agreement adapting GPEC tools to the challenges of transforming the Group's headquarters and support functions.

+ 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. Special efforts are being made to intensify the development of digital skills for all employees, a central challenge in Carrefour's transformation into a Digital Retail Company.

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	2022	2021	Change
Number of new hires	162,635	143,783	+13%

2. Retaining talent

EMPLOYEE TURNOVER AND LENGTH OF SERVICE

Performance indicators	2022	2021	Change
Attrition rate among Senior Directors and Executive Directors (1)	4.5%	4.6%	-0.1 pts
Turnover (2)	29.2%	22.9%	+6.3 pts
Voluntary turnover (3)	22.2%	12.7%	+9.5 pts
Average seniority of employees	9	9	-

(1) Number of Director and Senior Director resignations as a percentage of the total 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.

(3) Voluntary turnover of employees on permanent contracts including resignations.

INTERNAL MOBILITY AND PROMOTION

As a result of all the initiatives and programmes in place across the Group, 2,000 employees were promoted in 2022 (2,941 in 2021) and more than half the people appointed to a new management or executive position were promoted from within.

In total, 51% of new managers, 62% of new Directors, 37% of new Senior Directors and 20% of new Executive Directors were promoted internally in 2022.

Indicators	2022	2021	Change
Rate of internal promotion: total	51%	50%	+1 pt
Rate of internal promotion: manager	51%	49%	+2 pts
Rate of internal promotion: Director	62%	60%	+2 pts
Rate of internal promotion: Senior Director	37%	44%	-7 pts
Rate of internal promotion: Executive Director (1)	20%	44%	-24 pts

(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. The Next Gen programmes offer those with high potential the key tools needed to accelerate their promotion to executive positions (C200). The Graduates programmes help to boost the careers of young graduates.

By 2025, Carrefour aims for at least 50% of its employees to receive a minimum of four hours of training each year, regardless of their level or position in the company. This objective has been included in the Group's CSR and Food Transition Index since 2020. After a big effort in 2021 to catch up on training deferred due to the health crisis, 2022 saw training volumes remain at high levels – more than 11 hours of training per employee on average. A total of 73% of employees accordingly received four or more hours' training. The implementation of the Digital Retail Academy training plan resulted in more than 160,000 employees being trained in digital technology and the related challenges.

Indicators	2022	2021	Change
Percentage of employees trained during the year (at least 4 hours of training)	73%	81%	-8 pts
Average number of training hours per employee	11.3	13.3	-15%
Total number of training hours over the year (in millions)	3.5	4.2	-17%

11.3 training hours on average per employee and **264 euros** spent on average per FTE on training and development (Scope: France. Including 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, nearly 27,500 job offers were posted on the websites of institutional partners and associations in 2022, generating more than half a million applications. Recruitment teams have innovated with the launch of the first recruitment drive in the Metaverse to promote Carrefour's digital strategy and hiring goals;
- **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, Twitter and, since 2022, TikTok to promote the Group's professions and relay news about jobs at Carrefour. In 2022, for the second year running, Carrefour ranked in the top three in Universum's CSR index, which asks students and young graduates looking for work to rank the companies they perceive as most committed to CSR issues;
- **forging numerous partnerships with key schools**, such as business, engineering and IT schools. Carrefour pursued this strategy in 2022 with major target schools in France. Three new agreements were signed with prestigious engineering schools (Polytechnique, ENSAE and Centrale Supélec) to attract more applicants for E-Commerce and Data positions and in anticipation of the opening of a new Data Graduates programme planned for 2023;
- **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, sponsored recruitment campaigns have been carried out to enhance the Group's attractiveness to younger generations, focusing on professions where more workers are needed or targeting particularly disadvantaged geographical areas;
- **the implementation of several specific measures to attract digital talent,** such as an exclusive partnership with Albert School, a new business and data school in France, where students put their minds to solving practical problems provided by Carrefour. To reinforce the Group's visibility, a film night was organised with Seekube. Digital talents had the chance to take part in a job-dating event with Carrefour data experts after the film's screening;
- **renewal of the Executive Management, Finance and Hypermarket Graduate Programmes** that for 11 years have served to attract and develop high-level profiles internally, based on a rigorous selection process targeting leading business schools and a two-year programme that includes at least one year's experience in a country where the Group operates (other than France) for Management and Finance graduates. 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 enjoy their first opportunity to acquire international experience at the end of the programme. Lastly, the new *Tremplin* (Springboard) programme, launched at the end of 2021, was extended this year. It dovetails with Carrefour's goal of promoting diversity among its teams and offers graduates a new way into the company. An innovative and inclusive approach, it enables a group of work-study students from disadvantaged areas to complete this specific training. They receive training (with a strong focus on the Carrefour leadership model), immersion sessions and mentoring from former graduates, with a view to allowing them to join a Graduates Programme later on.

1.2. KEY TALENT STRATEGIC PLANNING

In 2022, Carrefour maintained 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 Group-wide HRIS system rolled out in 2022 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.

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. More than 800 talented employees benefited from the plan in 2022, a 16% increase from 700 in 2021. In addition, more than 80% of them were not senior managers.

2.4. LISTENING TO EMPLOYEES

In 2021, Carrefour deployed 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. The platform was used for the second round of the internal "all managers" survey, providing insight into the priorities to be addressed by each team.

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 were introduced in 2022 to develop Carrefour's managers, including:

- **senior executive programmes for high-potential managers**, like the Next Gen programme, which is designed to help future Executive Directors 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.

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.

By 2024, all Group employees will be able to receive dedicated digital training via the Digital Retail Academy, corresponding to around 100,000 employees trained per year. This target was easily met in 2022, with over 150,000 employees trained in digital technology across all Group entities.

To facilitate interaction and encourage innovation, Carrefour also gave all employees access to Workplace in 2022. Workplace is the communication and collaboration tool developed by Meta (formerly Facebook). It will be rolled out across all the Group's host countries in 2023.

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, dedicated training in handling fresh products is provided by experienced employees in each store. The Fresh Goods School – an in-house institute for training food service industry professionals – continued its growth in Argentina in 2022, with two editions to date. Carrefour Spain also has regional training dedicated to fresh products, plus meat cutting training for butchers, which was expanded and improved for greater efficiency in 2022.

Strong emphasis is also placed on strengthening skills that relate to the food transition. For example, training courses and webinars are held on organic food in Poland, while Spain boasts a Chair of Food and Nutrition, a programme established in collaboration with teachers from the University of San Pablo CEU. The next step is to conduct a survey on the nutri-economy commissioned by Spain's Ministry of Equity to determine how best to offer healthy food to customers living on the smallest budgets. In Italy, an academy set up with suppliers enables learners to find out more about products and production processes, specifically for Carrefour brand products and the organic range. In France, numerous e-learning modules are available, particularly on the Carrefour Quality Chain, hygiene and quality, and sustainable fishing.

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 Argentina, a new "customer school" was opened in 2022 to train employees in customer service. It has already provided training to over 13,000 employees.

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 334,640 people worldwide, of whom 184,817 or 55.2% are women and 3.7% 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. In keeping with the ambitions of the Carrefour 2026 strategic plan, a new Commitment department was created in 2022. It is positioned at the level of the Group's Executive Committee, thereby demonstrating our determination to go even further on these challenges, with a division dedicated to Diversity and Inclusion. To make this ambition a practical reality, Carrefour has developed a Diversity, Equity and Inclusion policy for the entire Group. New guidelines will be implemented through an organisation based on effective governance, performance measurement and a listening strategy. Advisors have been specially appointed in each of our host countries to implement the policy there. This "Diversity Column" will meet every quarter through working groups to perform quantitative reporting, exchange best practices and monitor the Group's performance.

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, both internally and within its ecosystem, 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

The Group's gender equality objectives are aimed at helping both its employees and the various players in its ecosystem. They are based on the following priorities:

- encourage an increase in the number of women on its governing bodies, notably by:
  - strengthening internal development programmes, and
  - adding a resolute new commitment to gender equality to the CSR and Food Transition Index;
- adopt a fair compensation policy and ensure its proper implementation;
- strive for a better work-life balance to ensure equal opportunities for men and women;
- promote gender equality within its organisation. To that end, the Group has adopted and maintains the GEEIS (Gender Equality European & International Standard) label for professional equality in all its host countries;
- leverage Carrefour's resources for women exposed to difficult situations, and above all to combat domestic violence.

Indicators	2022	2021	Change
% of women appointed to key positions	28.2%	28.5%	-0.3 pts
% of women on the Board of Directors	46%	46%	-
% of women on the Group Executive Committee (1)	28.6%	21%	+7.6 pts
% of women among Executive Directors (2)	25.7%	24.7%	+1 pt
% of women among Senior Directors	20.2%	19.4%	+0.8 pts
% of women among Directors	25.3%	25.2%	+0.1 pts
% of women among managers	43.7%	43.7%	-
% of women among employees	56.4%	57.1%	-0.7 pts
GROUP TOTAL – % OF WOMEN IN THE WORKFORCE	**55.2%**	**55.6%**	**-0.4 PTS**
% of management positions held by women	42.3%	42.5%	-0.2 pts

(1) At December 31, 2022.
(2) New job category created from among Senior Directors. Indicator incorporated into the CSR and Food Transition Index.

While the workforce is moving towards a 50:50 split at Group level, with a slight decline in the proportion of women at Carrefour overall in 2022, the rate of women in management was virtually unchanged compared with 2021. There has also been a big increase in the proportion of women on the Group Executive Committee, as well as among Directors, Senior Directors and executives, despite the exit of Carrefour Taiwan, which had one of the best rates of women in the Group's management bodies.

2. Employees and customers with disabilities

As part of its policy in favour of equality and diversity, Carrefour has also set itself the goal of promoting the employment of people with disabilities and promoting their uniqueness within its teams. To improve the inclusion of people with disabilities in our society, Carrefour has made disability the "great cause" of the 2023-2026 strategic plan and is committed to two major objectives. The first concerns employees. Carrefour has announced an objective of welcoming 15,000 people with disabilities on to their payroll by 2026. The second concerns our customers. Carrefour is committed to eliminating the five irritants that plague customers with disabilities in stores and on digital formats by opening priority checkouts, improving in-store signage, easing the customer path, promoting digital accessibility and offering products adapted to the specific needs of disabled customers.

The Group has 11,281 employees with disabilities, making up 3.7% of its workforce at end-2022. To help each country make its contribution to the ambitious goal of having 15,000 disabled employees by 2026, country-specific targets and action plans have been laid down.

Both the proportion and the total number of employees with disabilities increased during the year, due in particular to the consolidation of Grupo BIG. In addition, the implementation of a wide variety of measures to hire the disabled spurred an increase in their proportion of the workforce in nearly every host country.

Key Performance Indicators	2022	2021	Change
% of employees recognised as having a disability	3.7%	3.4%	+0.3 pts
Number of employees with a disability	11,281	10,902	+3.5%

3. Inclusion and equal opportunity

In late 2020, a commitment was made in France to hire 15,000 young people, half from disadvantaged neighbourhoods, and to take on 3,000 third-year trainees from schools in priority education zones. Ultimately, nearly 18,000 young people accordingly joined the Group on work-study and permanent contracts, 53% of whom came from disadvantaged urban areas, while more than 3,200 middle school students were able to come and discover working with us. The recruitment drive targeting young people from all backgrounds continued in 2022: by the end of November, more than 15,000 young people aged under 30, 55% of whom came from disadvantaged urban areas, had been hired.

Key Performance Indicators	2022	2021	Change
% of employees under 30	34.5%	34%	+0.5 pts
% of employees between 30 and 50 (as a %)	47%	48%	-1 pts
% of employees over 50 (as a %)	18.5%	18%	+0.5 pts

4. Battling all forms of harassment and discrimination

In 2022, 5,909 alerts were received through the ethics hotline, which is available in all Group countries. Alerts concerning discrimination and harassment accounted for 8% 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

The Group employs 184,817 women, representing 55.2% of the total workforce. Carrefour is actively supporting and training both women employees and women managers through dedicated leadership programmes. The goal is to increase the percentage of women among Executive Directors from 22% in 2020 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:

- the Group has internal programmes, including the Empowering Women Leaders programme, which yielded stellar results when first held in a pilot edition in 2022 and will be held again with eight women Directors in 2023. Based on small group workshops and individual coaching, the programme enables participants to work on their approach to leadership based on their own perceptions and obstacles, as well as within the organisation. Many initiatives have also been implemented at country level to improve gender diversity in management and in certain job families. In Spain, Carrefour has partnered with an innovative coaching programme for high-potential female employees. Every year, the participants compete in an inter-company regatta, to help them get to know each other better and encourage them to seek out new challenges. An inter-company mentoring programme has been set up, with workshops set up for over 100 female managers to discuss the obstacles and limits to their development within the company. They also had the chance to take part in 360º Feedback sessions and complete self-coaching reports;
- the EVE programme initiated by Danone;
- the international Women Leaders programme, which embodies several Group commitments inspired by the signing 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 1 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. The system has given rise to countless initiatives in the various countries, such as the hosting of an event by the France chapter at Carrefour's head office to promote gender equality in the workplace and the launch of a LEAD chapter aimed at overcoming prejudices in Romania. In addition, a selection of employees, including graduates and alumni, also had the chance to take part in inclusive leadership training programmes and inter-company mentoring, and to attend the annual LEAD Network event.

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 2022, with maturity levels maintained in all countries and an extension of the certification scope in Carrefour Italy 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 (C200) by 2025". This has led to targets, by year and by country, which are monitored at Group level. At end-2022, this indicator was 25.7%at Group level, an increase of 3.3 points on 2020.

This policy enabled Carrefour to maintain the proportion of women in management in 2022 despite a slight increase in the proportion of men in the workforce as a whole (42% in 2022). The percentage of women held steady among managers (44%, the same as in 2021), Directors (25%, unchanged from 2021) and Senior Directors (20%, compared with 19% in 2021).

At the end of 2022, the Executive Committee had 14 members, including four women, i.e., 28.6% in 2022, compared with 7% in 2017. 46% of Board members 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.

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, Carrefour joined the Corporate Citizenship programme a few years ago, thereby extending maternity leave (to six months) and paternity leave (to 20 days) and taking them both above the legal minimum. The company also has a special health programme in place for pregnant women and provides breastfeeding rooms in some hypermarkets. 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, including flexible hours.

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. Its most recent renewal was in 2020, with the aim of securing career paths and keeping people with occupational health problems in employment. The agreement also promotes the recruitment of people with disabilities on work-study contracts. Twenty years after this first measure, Carrefour remains very committed on this issue. Carrefour supports its employees with disabilities throughout their careers. Disability Advisors are appointed within each format to provide this support.

At Carrefour France, to facilitate the employability of people with disabilities, an Inclusion Manifesto endorsed by the Ministry of Solidarity and Health was signed in 2019. It contains ten concrete commitments. In terms of recruitment, all positions are open to all, with the promise that selection is systematically based solely on skills, motivation and suitability for the position. Carrefour also renewed its participation in Hello Handicap, a dedicated job fair, in 2022. The role of the Disability Advisors and the Human Resources departments is to support the onboarding process, notably by identifying the employee's needs so as to adapt their work environment accordingly, as well as the administrative recognition of their disability by helping employees draw up their recognition files (RQTH). Employees also benefit from specific measures provided for in collective bargaining agreements, such as authorised days of absence or financial assistance.

Additionally, the Group works to maintain employment when a person becomes disabled during their working life. Jobs can be adapted in organisational, material or human terms to help preserve the skills and improve the working conditions of the employees concerned. Measures are also taken to train and raise the awareness of all stakeholders in the company on this subject. For example, recruiters are trained in non-discrimination, disability advisors have access to a dedicated programme and managers receive training to combat preconceptions. In 2022, Carrefour made a commitment to the French Handisport Federation. Our partnership aims to promote the employment of people with disabilities and to raise the awareness of our employees on the subject. Special arrangements for deaf and hearing-impaired employees are also in place.

2.2. CHANGING THE WAY PEOPLE VIEW DISABILITIES

In its efforts to change the way people view disability, Carrefour supports and takes part in several events to raise awareness about disability and embrace difference within its teams.

Carrefour is a partner of the Paris 2024 Olympic and Paralympic Games and wishes to use the Paralympic Games to promote inclusion. These games are an opportunity to make our services more accessible to customers with disabilities, to showcase the performance of our employees with disabilities and to raise awareness of disability among our employees and customers.

In October 2022, Carrefour held its first *#PARAmourdusport* week in France. It was a week devoted to raising awareness among our employees and customers about disability through sports. A total of 245 employees participated in events during the week, eight stores and three head offices took awareness-raising initiatives, and internal and external communication on disability reached 32 million people over the week.

In November 2022, Carrefour continued its awareness-raising initiatives by once again taking an active part in European Disability Employment Week, which has been organised for the past 24 years by ADAPT, a French organisation that promotes the social and professional integration of people with disabilities. Carrefour France and Carrefour Belgium renewed their commitment to Duo Day, a European operation in which France has been taking part since 2018. The idea is to pair up employees in the public or private sector and people with disabilities. The "duos" spend a work day together, either in person or online.

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 2022, 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.

Another Group initiative taken in 2021 was the roll-out and widespread take-up of a "quiet hour for all" adapted to people with autism spectrum disorders. In France, for instance, the lights in more than 1,240 stores are dimmed, and music and announcements are muted for four hours every day. Similar initiatives also exist in Group countries including Poland, Spain and Argentina. In addition, to mark the International Day of Awareness of French Sign Language (LSF), Alexandre Bompard launched an initiative together with the Ministry of Solidarity and Health to teach store employees ten signs to give a proper welcome to deaf or hearing-impaired people. In partnership with the Red Cross, Carrefour Argentina aired a sign language training video for checkout staff in its stores.

In Spain, Carrefour has also been working for several years to improve accessibility for deaf or hearing-impaired people in some of its hypermarkets through "SVIsual", a video-interpretation service for people using sign language.

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 most recent survey, carried out in 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 FOR ALL

Measures for young people

With a commitment to an active approach to recruiting and training young people going back years, the Group undertook at the end of 2020 to hire 15,000 young people in 2021, 50% of whom from disadvantaged urban areas, and to take on 3,000 third-year trainees from schools in priority education zones. Ultimately, nearly 18,000 young people joined us on work-study programmes and permanent contracts, 53% of whom from disadvantaged areas, and more than 3,200 secondary school students were able to come and learn about a job with us. This dynamic recruitment of young people from all backgrounds continued in 2022: by the end of November 2022, more than 15,000 young people aged under 30, 55% of whom from disadvantaged neighbourhoods, had been hired.

Significant resources have been invested to offer them high-quality courses earning them certificates or diplomas. As a result, Carrefour was awarded the Employer Brand and Recruitment Trophy at the eighth edition of France's Human Capital Leaders Awards in 2021. 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.

In addition, the new *Tremplin* (Springboard) programme launched at the end of 2021 was extended this year. It reflects Carrefour's aim of promoting diversity in its teams, and opens up a new way to join Graduate Programmes. An innovative, inclusive approach, it enables a group of work-study students from disadvantaged neighbourhoods to follow a dedicated curriculum. They benefit from training (with a strong focus on the Carrefour leadership model), immersion sessions and mentoring from former graduates, with the aim of joining a Graduates Programme later on.

Measures promoting diversity at Carrefour

As part of its 2026 strategic plan, Carrefour has reaffirmed the importance of equal opportunity, diversity and upward mobility. These objectives form the core of our recruitment, skills development and internal promotion policies. To promote access to job opportunities for all types of talent, Carrefour has formed numerous national and regional partnerships with non-profits and institutions involved in employment and integration.

In 2022, Carrefour strengthened its commitment to diversity and inclusion by becoming one of the signatories of the charter of *L'Autre Cercle*, a non-profit that seeks to promote the inclusion of LGBTQ+ people in the workplace. In order to address the difficulties that transgender people can face in their professional integration, 2022 saw Carrefour Brazil organise a webinar to mark Trans Day of Visibility in January, take part in a fair dedicated to the employment of transgender people and confirm the "Transforma" skills development programme specifically targeting this demographic. 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. In Spain, Carrefour partnered with the Red Cross and signed an agreement on employment and social integration.

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. International Diversity Day 2022 was marked by the production of an educational video created and distributed internally to highlight work aimed at promoting diversity and inclusion at Carrefour in all of our host countries. It included a spotlight on stereotypes and was designed to raise awareness among employees in all our host countries and encourage them to think about what they can do to contribute to a more inclusive working environment.

Lastly, an extensive communication campaign entitled *Chacun sa chance #jeveuxjepeux* (Give everyone a chance #yesIcan) was rolled out in 2022 to highlight the full range of HR measures supporting equal opportunity at Carrefour France. It is embodied by committed and active employees who talk about their career paths and the HR measures that have helped them along the way. The campaign's posters and videos were organised around five main themes: gender equality in the workplace, disability, profiles from priority urban areas, the LGBTQ+ community and educational level.

3.2. 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 and by the inclusion of specific modules dedicated to diversity and equal opportunity. To accelerate internal promotion, Carrefour announced in its strategic plan that the number of graduates from the Leaders School programme would be doubled, so that a total of 5,000 employees will graduate by 2026.

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 October 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. The Carrefour Brazil group has a plan against racism. It features eight public commitments, which break down into more than 70 actions including ones focused on the internship and apprenticeship programme, plus awareness-raising on the fight against racism for all employees. In 2022, a documentary was also made to highlight the main thrusts of this plan and show some of its practical impacts. 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 seven years
- International agreement between Carrefour and UNI Global Union renewed in 2021
- AFMD (French Association of Diversity Managers)
- ARBORUS (GEEIS)
- Quality of Life at Work Observatory (formerly OPE)
- French Handisport Federation (FFH)
- *L'Autre Cercle*

+ 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 334,640 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.

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. These teams are required to structure an action plan covering 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	2022	2021	Change
Workplace accident frequency rate (number of accidents/millions of hours worked)	25.7	25.3	+0.36 pts
Workplace accident severity rate (number of days absent due to workplace accident/1,000 work hours)	1.01	0.90	+0.11 pts

(1) Scope: excluding AT and BR.

(2) Scope: 100% of 2022 consolidated net sales.

Indicators (1)	2022	2021	Change
Rate of absence due to workplace and travel-related accidents	0.43%	0.66%	-0.23
Absenteeism rate: illness	6.34%	5.17%	+1.17
Absenteeism rate: workplace accident	0.38%	0.61%	-0.23
Absenteeism rate: travel-related accident	0.05%	0.05%	-

(1) Hours absent (depending on the reason) as percentage of hours worked. Scope: excluding Carrefour Brazil and AT.

2. Listening to employees to ensure quality of life in the workplace

See Section 2.1.6.3.

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 a unit dedicated to preventing occupational risks. At the end of 2021, a dedicated Risk Prevention and Health department was created. In recent years, the network has pooled its efforts to address a key issue, musculoskeletal disorders, or MSDs.

To reduce the risk of MSDs, Carrefour has invested in handling assistance equipment. The company is involved in an in-depth study of workstation ergonomics. Analysis of workstation studies allows for developing new store furniture designs, thereby addressing issues at their source, so as to sustainably reduce employee exposure to musculoskeletal disorders.

In Poland, an extensive two-year work programme on personal protective equipment got under way in 2021. The process began with thorough testing of a wide range of safety shoe models and suppliers among in-store employees, taking quality and comfort into account. A new supplier was selected based on the findings of the test phase, with the possibility of ordering the new equipment from 2022.

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. The aim is to make managers aware of the risks and signs of stress, helping them monitor and support their teams. The Wittyfit tool has been tested in all formats in order to help identify risk factors and enable employees to suggest initiatives to be included in the Group's action plans.

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 in 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 quality 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.

1.6. 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 dedicated crisis unit. Franchisees in France receive all the Group's procedures and communications relating to the health crisis, for example. 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 in 2021, 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, in 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 and Romania have all established exercise programmes, in partnership with professionals. Programmes to discourage smoking, excess weight and sun exposure are also available to employees.

In 2022, the Carrefour group became a premium partner of the Paris 2024 Olympic and Paralympic Games. Central to this partnership are Carrefour's *raison d'être*, the food transition for all, the Group's unique ability to involve all French people in this formidable celebration of sport through its 5,000 stores and e-commerce sites, as well as the Group's deep commitment to the values of Paris 2024 and the quest to deliver energy-efficient, sustainable and inclusive Olympic and Paralympic Games. Under the slogan *Nourrir tous les espoirs* (Feeding all hopes), the partnership features a corporate project involving all our employees and franchisees through measures including awareness-raising programmes on disability, nutrition, and health at work through sport. Above all, Carrefour was able to offer more than 500 employees the opportunity to be selected as "volunteers" for the Paris 2024 Games. Events and challenges have been organised with top sportspeople within the company to promote sport and healthy practices. An employee community has been created on Workplace to bring together the employees most excited about this global event. Since January 2023, a solution has offered every employee in France access to 4,000 sports facilities around the country.

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 2022

Facilitating access to our stores for highly sensitive people

In France, around one in seven adults, or 4.3 million people, live with a functional disorder and/or a perceived disability. Carrefour celebrated the second year of its "quiet hour" in 2022, developed in collaboration with Autisme France and launched to coincide with International Autism Awareness Day in April 2021. More than 270,000 quiet hours were organised in the Group's various host countries. Quiet hours are designed to limit the noise and visual disturbances that can disrupt the experience for autistic shoppers: the store's lighting is dimmed, and music and radio announcements are muted. Cleaning equipment is not used during quiet hours. Initially held weekly, quiet hours were gradually expanded to become a daily event, and then twice-daily in March 2022.

Raising employees' awareness about inclusion for people with disabilities

As a supportive and responsible employer, Carrefour has reaffirmed its commitment to inclusion by signing an agreement with the French Handisport Federation to support inclusion through sport and increase recruitment and employment for people with disabilities. As a premium partner of the Paris 2024 Olympic and Paralympic Games, Carrefour played a role in the first Paralympic Day on October 8, 2022. During the week, Carrefour organised several events to promote the Paralympic Games and raise awareness of disability through sport.

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 took up the cause to mark European Disability Employment Week (November 2022). On November 17, 2022, they participated in Duo Day, an initiative that gives employees the opportunity to pair up with someone with a disability to share and explain their work day. In Brazil, from March 21 to 25, 2022, the Group organised an initiative aimed at hiring people with disabilities. Carrefour Brazil then went on to partner with the Institute of Social Opportunity (ISO) to open vocational training courses for people with disabilities in São Paulo, Rio de Janeiro and Porto Alegre.

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. This year, Carrefour Belgium once again gave its support to Pink Ribbon, notably through the charity rounding-up scheme. From October 3 to 6, 2022, Carrefour customers could opt to round their docket up to the next euro to help fund the fight against breast cancer. A total of over 120,000 euros was raised. In Italy, the initiative promoted by Procter & Gamble in support of the Prevention Caravan resulted in over 1,250 breast cancer screenings. On the strength of this, Carrefour reiterated the event in March 2022. In France, a collaborative inter-company challenge ran from October 10 to 21, 2022. Over two weeks, the Carrefour France teams took on countless challenges and travelled no fewer than 32,500 kilometres, propelling Carrefour to the top spot in the community ranking. This is a compelling demonstration of Carrefour's resolute commitment to breast cancer prevention.

Carrefour's digitalisation

Carrefour aims to be a world leader in Digital Retail. This vision, which was set out at Digital Day 2021, grew from the belief that a Digital Retail company is one where all employees and all functions seek to promote the digital transformation at their respective level, and to make it a part of their day-to-day work. This means that digital aspects cannot be confined to a specific business line, but that they are truly part of Carrefour's DNA and the core business of each team. Two commitments were announced with that in mind at Digital Day:

- bring digital technology into the daily lives of all employees by rolling out Workplace, Meta's digital platform; it was launched in France and Belgium in the first half, and in Italy, Spain and Romania in the second half. To date, 175,000 employees and guests have access to Workplace, and half of them are already active users. The roll-out will be extended to the rest of the Group in 2023. 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;
- train all employees in digital technology by 2024, i.e., 100,000 people per year, with the creation of a Digital Retail Academy. 152,000 Group employees received digital training during this first year.

Several programmes were developed and rolled out during the year. Together with HEC, Carrefour University trained all of the Group's Top 200 executives in data. Tech profiles took part in a global competition hosted by Google, receiving training on GCP. Head office employees received training in data and AI.

As a pilot for the Group in France, the Digital Retail Academy has launched *Tous Digital !*, a cross-functional and fast-track training course aimed at bringing all Carrefour employees up to speed with digital technology. Held over a three-week period from mid-October, *Tous Digital !* was unprecedented in terms of its breadth, form and ambition. A year after the Digital Day announcements, it allowed each employee to gain an understanding of how the digital transformation is key for Carrefour's future and how everyone has a role to play. *Tous Digital !* is not a classic training course. It is actually more like a digital serious game, offering a fun and innovative experience in a virtual world. This 45' experience was designed to offer our employees a striking and engaging experience.

Over 60,000 employees completed the training during the three weeks. Similar courses are under development in the Group's other countries.

In April 2022, Carrefour and Albert School, a school of excellence in the field of data, embarked on a unique partnership. To train people capable of grasping, exploiting and enhancing the value of data, Albert School builds its teaching around what it terms "Business Deep Dives". The "Dives" are three-week sequences devoted to analysis of business models and challenges ranging from economics and finance to marketing, retail and data. Carrefour launched the first Business Deep Dive, sharing practical cases of data use and calling on its employees to give courses. The partnership also includes funding by Carrefour of three scholarships for students who entered the Albert School's Bachelor's programme at the start of the 2022 academic year.

Carrefour's commitment for refugees

2022 was indelibly marked by the crisis that had been sweeping over Eastern Europe for several months. Our commitment for refugees was illustrated by the Group's partnership with national and European humanitarian aid bodies including the European Food Banks Federation and *Médecins sans Frontières*. The Group's various host countries expressed their solidarity in their individual ways. For example, Carrefour Belgium gave its customers the chance to come to the aid of Ukrainian refugees by rounding up their dockets from March 4 to 20, 2022. A total of 270,440 euros was raised and passed on to the Belgian Red Cross. A similar initiative was organised in Italy. To support NGO *Terres des Hommes*, customers could donate 2, 6 or 10 euros (or more) at the checkout. The money raised was combined with donations from staff to help distribute the supplies needed to ensure the continuity of emergency and paediatric services in Ukrainian hospitals. To go further, three lorries from Italy containing more than 25 tonnes of food and basic necessities were donated by Carrefour to meet the urgent needs of reception centres in Poland. Poland and Romania, which both neighbour Ukraine, have also taken countless measures to support the refugees arriving on their soil, including collection drives, food distributions and even recruitment in stores. In both countries, the Carrefour Foundation also contributed to the purchase of basic necessities for refugees by partnering with FARA Foundation, Ocalenie Foundation and the Polish and Romanian Red Cross.

More broadly, the Group is committed to inclusion and the promotion of diversity. In Brazil, an initiative focused exclusively on the hiring of refugees took place on February 15, 2022. With several editions throughout the year, the "D-Days", held by Carrefour Brazil since 2018, consist of special dates aimed at hiring professionals from minority groups. Over 250 refugees are currently working at Carrefour, 150 of whom were hired in 2021.

2.2 Carrefour's duty of care plan

2.2.1 GOVERNANCE OF THE DUTY OF CARE PLAN

2.2.1.1 Governance organisation and structure

Governance of the duty of care plan is shared between the different departments involved in the process, from risk definition to implementing action plans to measuring their effectiveness and performance. Within the Carrefour group, shared governance is in place for the duty of care plan, CSR and the food transition. This means that the same bodies, departments and entities are all involved in the various stages of implementing CSR and duty of care. Duty of care and CSR objectives are integral to the operations of the various departments, business lines and stores, at all levels.

Governing bodies. Governance of duty of care and CSR is exercised jointly by the Group Executive Committee, the Board of Directors and the Shareholders' Meeting (see Figure 1). In 2022, the Board of Directors' **CSR Committee** (Section 3.2.3.4) issued opinions on the creation of the Engagement department, the food transition and cost-of-living concerns, the monitoring of supply chain-related alerts, the action plan to combat deforestation, the responsible e-commerce strategy and the Carrefour 2026 strategic plan. The committee annually reviews the Group's performance with respect to the Non-Financial Statement and the duty of care plan.

Defining the duty of care plan and the CSR strategy. The Engagement department oversees the Group's CSR strategy and translates social and environmental commitments into practical initiatives. It coordinates the preparation of the CSR and duty of care strategies in close collaboration with the various Group departments (see Figure 1), especially the Strategy, Finance, General Secretariat and Human Resources departments.

The governance bodies described below play a key role in defining the duty of care plan:

- **the Committee on Purchasing Rules for the Food Transition** 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, Engagement, 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);
- **the alert management task force.** A task force has been set up to identify and address the various alerts related to the Carrefour group's operations. It comprises representatives from the Commitment, CSR, Purchasing, Quality, Risk, Safety, Human Resources, Communication and Compliance departments. The task force is in charge of investigating reported alerts and ensuring that appropriate corrective action plans are implemented when necessary;
- **the International European Consultation Committee.** 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). In 2022, the duty of care was addressed in five specific agenda items. All alerts identified by the Group in relation to health and safety, the environment and human rights are systematically presented.

Roll-out of the duty of care plan and the CSR strategy. All Carrefour departments and employees play a role in implementing the food transition for all within their scope of responsibility. The business lines are in charge of implementing CSR targets and the duty of care plan, which are defined collectively with the teams involved, along with the drive and support of the Engagement department. Committees covering several departments are tasked with monitoring progress towards Group and country targets on CSR issues and the duty of care.

In each country, the Group's policies are implemented by the local CSR departments. Each country has its own correspondents responsible for coordinating and implementing CSR projects and contacts within the various professions (human resources, quality, goods, assets, etc.).

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.

FIGURE 1: GOVERNANCE OF THE DUTY OF CARE PLAN AND CSR

Governing bodies

BOARD OF DIRECTORS

→ Validates the strategy established by the Executive Committee.
→ Evaluates the implementation of action plans.
→ The various committees deal with ESG policies, e.g., the CSR Committee, the Audit Committee, etc.

SHAREHOLDERS' MEETING

→ Gives an opinion on the Group's strategy to combat climate change (Say on Climate).
→ Validates the compensation of corporate officers (Say on Pay).

GROUP EXECUTIVE COMMITTEE AND COUNTRY EXECUTIVE COMMITTEES

→ The Group Executive Committee defines the strategy, policies and objectives and evaluates performance.
→ The Country Executive Committees implement the food transition for all strategy.

Decision

Proposition

Definition of the duty of care plan and the CSR strategy

THE GROUP ENGAGEMENT DEPARTMENT

→ Defines the Group's CSR strategy in collaboration with the key departments.
→ Monitors the alerts raised through the various channels.
→ Coordinates the definition of the duty of care plan.
→ Ensures dialogue with the various stakeholders.

In collaboration with

The Strategy Department

→ Ensures that CSR objectives are integrated into the Group's strategy.
→ Reviews the annual strategic plans at country level.
→ Carries out regular performance reviews on the objectives of Carrefour's 2026 strategic plan.

The Financial Department

→ Makes decisions on capital allocation.
→ Annually validates budgets for all countries.
→ Integrates CSR criteria into the financial strategy (e.g., Sustainability-Linked Bond) and investor communication.

The General Secretary

→ Produces the Group's annual risk map.
→ Audits the proper implementation of action plans in the countries.
→ Works to ensure the Group's compliance with the main regulations.

The Human Resources Department

→ Integrates diversity and inclusion objectives into the Group's HR strategy and agreements.
→ Manages social dialogue at the Group level.
→ Leads and steers performance in the countries.

Food Transition Rules Committee

→ Monitors alerts in relation to products and supplies.
→ Defines action plans, monitors the implementation of the duty of care plan and evaluates performance.
→ Ensures crisis management in the event of an alert.

Deployment of the CSR strategy and the duty of care plan: the departments responsible for store formats (hypermarkets, supermarkets, etc.) and business lines (merchandise, assets, quality, etc.) at Group level and in the countries implement the food transition for all, the CSR action plans and the duty of care plan.

CSR AND FOOD TRANSITION INDEX: Guarantors of the implementation of the CSR index and food transition (Chapter 1, Section 1.5.3.), including the objectives of the climate plan.

⚠ Guarantors of the implementation of the duty of care and alerts follow-up.

Dark green: Committees and bodies

Light green: Divisions and departments

Deployment of the duty of care plan and the CSR strategy

THE ENGAGEMENT DEPARTMENT

→ Supports the business lines in the implementation of policies and action plans.
→ Innovates in CSR to transform the business lines.
→ Monitors and evaluates non-financial performance.
→ Assesses risks and monitors alerts.

Organisation:

→ A team of approximately 20 people at Group level.
→ Correspondents in all integrated and franchised countries.

In collaboration with

BUSINESS LINES AND STORES

Product merchandise and quality

→ Implements the rules for the food transition and monitors them.
→ Tracks alerts in supply chains, implements corrective action plans and risk mitigation.
→ Collaborates with suppliers.

Assets and real estate

→ Implements the transition plan towards stores' carbon neutrality.

Human resources

→ Implements diversity and inclusion policies.
→ Ensures the development of skills, health and well-being at work, payment of a living wage in all countries.
→ Guarantees quality social dialogue.
→ Promotes employee engagement through the Act For Change programme.

Marketing and communication

→ Increases visibility of our food transition actions through the Act For Food programme in stores.
→ Measures customer satisfaction on CSR actions.
→ Disseminates the objectives and good practices internally.

Formats and stores

→ Deploy concrete actions in stores.
→ Highlight and communicate actions to customers.

Management control and internal control

→ Supports the reporting of non-financial data.
→ Promotes the reconciliation of financial and non-financial processes.

COUNTRIES

The Country Executive Committees

→ Define the food transition for all strategy
→ Define the action plans and budgets for the implementation of the CSR and food transition.
→ Guarantee the monitoring of the non-financial performance.

CSR

→ Coordinates the CSR approach and supports the business lines in implementing the action plans.
→ Ensures alert follow-up and the implementation of corrective action plans.
→ Ensures the monitoring of non-financial performance.

Business lines and stores

Deploy the CSR strategy and ensure performance monitoring.

In collaboration with

EMPLOYEES

NETWORKS OF COMMITTED AMBASSADORS ON THE GROUND

Roles and responsibilities:

→ Carrying the values of food transition into the field.
→ Implementing concrete actions in stores.

Organisation and bodies:

→ "Clubs" of ambassadors in all countries.
→ Annual international meetings.

EMPLOYEE REPRESENTATIVES

Roles and responsibilities:

→ Ensure continuous social dialogue.
→ Identify alerts on the ground.

Organisation and bodies:

→ Regular local social dialogue.
→ Meeting of the European Information and Consultation Committee every two months.

2.2.1.2 Co-construction of the duty of care plan with stakeholders

Carrefour works closely with its stakeholders to co-construct all stages of its duty of care plan, from risk mapping to assessing the effectiveness of measures (see Figure 2). The dialogue processes contribute to the continuous improvement of the Group's duty of care plan.

Carrefour has established a range of dialogue mechanisms to enable this co-construction of its duty of care plan. They include:

- **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;
- **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 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;
- stakeholder panels and themed committees. 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. The Group also forms committees of experts dedicated to topics when this is necessary. One such topic is the fight against deforestation: Carrefour has created a group of experts dedicated to assisting it with constructing its action plans.

FIGURE 2: STAKEHOLDER MAPPING OF THE CARREFOUR GROUP'S DUTY OF CARE PLAN

Type of stakeholders	Role	Example of stakeholders
RISK MAPPING		
→ Scientific organisations and reference standards	Definition of methodologies and frameworks for risk analysis	Science Based Targets, Task Force For Climate Disclosure
→ Social dialogue	Prioritisation and risk assessment	UNI Global Union
→ Service providers and experts	Prioritisation and risk assessment	Expert Committee on Deforestation in Brazil
REGULAR EVALUATION PROCEDURES		
→ Social audit standards	Audit of suppliers at risk	Initiative for Compliance and Sustainability, Business Social Compliance Program (BSCI)
→ Quality audit standards	Audit of stores and warehouses, audit of specifications	International Featured Standard, British Retail Consortium
→ Certifiers	Evaluation of the implementation of action plans and progress plans	GEEIS Diversity
→ Stakeholder coalitions	Shared assessments (e.g., traders)	Consumer Goods Forum
ACTIONS TO PREVENT RISKS AND MITIGATE SERIOUS HARM		
→ NGOs and associations	Definition of action plans, implementation of concrete projects	WWF
→ Stakeholder coalitions	Collective work to align with market expectations	Consumer Goods Forum, Lab Capital Naturel, Act For Nature International, Race To Zero
→ Stakeholders and local partners	Implementation of local projects, consultation with players on the ground	The Sustainable Trade Initiative in Brazil
→ Suppliers and value chain	Construction of value chains, transformation of production methods	Partner producers
→ Governments	Stakeholder meeting around common objectives	Soy Manifesto (France), SNDI (France), Cacao Manifesto (France)
→ Regulators and certifiers	Definition of common requirements, verification, traceability and transparency	RTRS, RSPO, PEFC, FSC, MSC, Max Havelaar
→ Stakeholders panel	Co-construction of policies and action plans	Multi-stakeholder meetings (customers, suppliers, governments, investors, experts, etc.)
→ Trade unions	Information, consultation and dialogue	Social and Economic Committee (SCE), European Consultation and Information Committee (ECIC)
ALERT AND REPORTING MECHANISM		
→ NGOs	Identification of alerts and public appeals	Mighty Earth, Canopée
→ Rating agencies	Identification of controversies	Moody's ESG, Sustainalytics, ISS
→ Suppliers and local partners	Daily dialogue and alerts from Carrefour's teams	Worker Voice, Elevate
→ Employees and trade unions	Process for managing alerts from employees via social dialogue, the ethics alert line or through the hierarchy	UNI Global Union, employee representatives
PLAN FOR MONITORING MEASURES AND EVALUATING THEIR EFFECTIVENESS		
→ NGOs	Answering questionnaires and regular dialogue on progress	Réseau Action Climat, Greenpeace
→ Rating agencies	Performance measuring and identification of best practices	Carbon Disclosure Project
→ Individual investors and coalitions	Performance evaluation and dialogue around measure monitoring	Forum for Responsible Investment (FRI), FAIRR, Platform Living Wage Financials
→ Regulators and auditors	Publishing and verification of performance indicators	French financial markets authority (AMF), Independant Third-Party Verification Body
→ Social dialogue	Information and concertation	UNI Global Union, employee representatives
→ Certifiers	Progress evaluation	GEEIS Diversity

2.2.2 RISK MAP

2.2.2.1 Risk mapping methodology

2.2.2.1.1 Identification of the main risk factors associated with the environment, human rights, and health and safety

Carrefour applies a step-by-step risk analysis methodology drawing on mechanisms already in place within the Group. By combining different internal procedures, Carrefour identifies and assesses risks adapted to the Group's activity and size. The following three steps shown in Figure 3 are implemented:

1. **definition of the Group's risk universe:** 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 Group's risk universe is updated annually to take into account any changes in international ESG norms and standards;
2. Group risk analysis campaign (see Section 4.1): these general risk factors 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, corporate social responsibility and results. The analysis is updated annually, and results are submitted to the Audit Committee, the Group Executive Committee and the Board of Directors;
3. **selection of risks analysed as part of the duty of care:** 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.

FIGURE 3: PROCESS FOR IDENTIFYING THE MAIN RISK FACTORS ASSOCIATED WITH THE ENVIRONMENT, HUMAN RIGHTS, AND HEALTH AND SAFETY

Risk identification methodology

RISK IDENTIFICATION FRAMEWORK

Based in particular on:
- → International standards and guidelines
- → Expectations expressed in ESG questionnaires from ratings agencies
- → Materiality analysis conducted with both internal and external stakeholders

GROUP'S ANNUAL RISK ANALYSIS CAMPAIGN

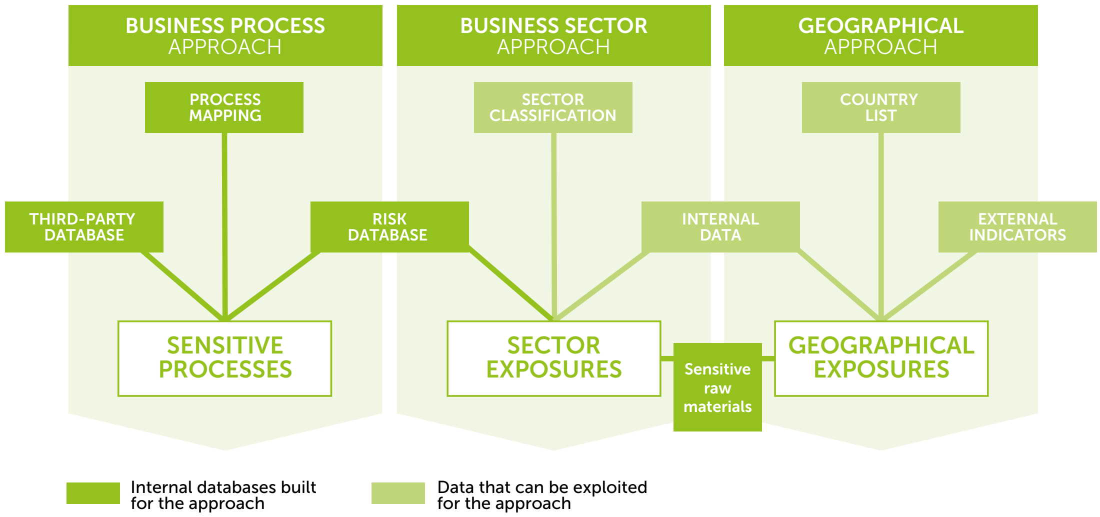
Risk analysis with all relevant departments in all countries.
This enables the identification of priority risks that may affect:
- → The business
- → The financial situation
- → The reputation
- → The Group's results

SELECTION OF RISKS THAT MAY INCREASE VIOLATIONS TO HUMAN RIGHTS, HEALTH AND SAFETY AND THE ENVIRONMENT.
The selection takes into account the impact on stakeholders.

2.2.2.1.2 Detailed analysis of risks associated with the environment, human rights, and health and safety

After putting together a list of risks relating to health and safety, human rights, and the environment, Carrefour deepens the detail and granularity of its analyses by combining several approaches summarised in the diagram below:

- breakdown of risks for the different professions at Carrefour;
- breakdown of risks for the different business segments at Carrefour and the third parties with which a business relationship is in place;
- breakdown of risks for the geographical areas where Carrefour operates and where third parties with which a business relationship is in place operate;
- risk analysis specific to the materials used by Carrefour or contained in the products sold by Carrefour.



In order to analyse the risks related to the duty of care plan by business line, segment and geography, the Group uses its own or shared standards and benchmarks, for example:

- ILO conventions, the amfori-BSCI Country Risk Classification and the ITUC Global Rights Index;
- internationally recognised standards defining human rights, including the Universal Declaration of Human Rights, the guiding principles of the OECD, the United Nations Global Compact and the global framework agreement with UNI Global Union;
- 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.

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.

As part of a continuous improvement process aligned with its ongoing stakeholder dialogue, the Group has begun to rework its risk map to prioritise the identified risk sub-factors.

TABLE 1: 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
Failure to uphold labour laws, human rights and/or fair pay standards	Mapping of geographical areas at risk in relation to human rights issues. Example of an identified risk: forced labour in Xinjiang Mapping of high-risk sectors and production phases. Example of an identified risk: failure to pay fair wages in textile spinning mills
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) Example of an identified risk: contribution of Brazilian beef farming to deforestation
Damage to biodiversity caused by business operations	Mapping of sectors and production stages at risk. Example of an identified risk: chemical pollution from dyeing factories Development of the Science Based Targets for Nature methodology in order to identify the Group's impact and dependency on biodiversity. An example of the footprint measurement tools used: The Corporate Biodiversity Footprint, ENCORE

2.2.2.2 Risk mapping results

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.

Risk factors	Risk sub-factor[1]
Risks to the health and safety of people	
Occupational health and safety risks	■ Workplace accidents and occupational illnesses ■ Musculoskeletal disorders ■ Psychosocial risks
Physical and mental harm	■ Violent, racist or discriminatory behaviour towards third parties (customers, service providers, suppliers)
Quality, compliance and product safety failure	■ Significant lack of product control and traceability ■ Failure to develop or comply with the specifications for Carrefour own-brand products ■ Public health impact of products sold by Carrefour (e.g., forms of pollution, such as pesticides, that have health consequences) ■ Serious breach of hygiene standards in stores or warehouses ■ Failure to remove or recall
Pandemic	■ Rapid and massive spread of a deadly virus threatening the health of Carrefour customers and employees
Risk of human rights violations	
Sourcing sensitive raw materials	■ Use of raw materials whose value chain is questioned for its social and/or ethical impact
Lack of supply chain resilience	■ Riots, street demonstrations, strikes, social movements and agricultural crises
Failure to respect the principles of diversity and to battle discrimination and harassment	■ Breach of the Group's diversity and equality principles ■ Breach of anti-discrimination and anti-harassment principles
Failure to respect freedom of association and the right to social dialogue	■ Poor management or degradation of the social climate within Carrefour
Failure to uphold human rights and fair pay across the entire value chain	■ Failure by the Group and its suppliers to comply with the regulations and principles defined by Carrefour in terms of human rights and/or fair compensation
Risks of environmental damage	
Sourcing sensitive raw materials	■ Use of raw materials whose value chain is questioned for its environmental impact (e.g., deforestation)

Risk factors	Risk sub-factor[1]
Contribution and vulnerability to climate change	■ Failure to control energy and refrigerant consumption and contribution to climate change ■ Inefficient use of resources, especially food waste ■ Natural disasters and climate change
Pollution and the impact of our operations on biodiversity	■ Soil contamination by petroleum products from our service stations ■ Non-efficient management of store waste ■ Production of solid waste, especially from packaging and plastics ■ Plastic pollution[2]

(1) The list of sub-factors is not exhaustive. Major risk sub-factors are mentioned. For the purposes of clarity, the risk sub-factors are broken down into three categories: health and safety risks, human rights risks and environmental risks. It should be noted that some sub-factors fall into several categories.

(2) For details on the risk of plastic pollution, see Section 2.2.7.3.2.

2.2.3 ASSESSMENT MEASURES

After identifying the risks to health and safety, human rights and the environment, Carrefour regularly assesses the management of such risks in its subsidiaries and at subcontractors and suppliers with which it has established business relationships.

2.2.3.1 Assessment measures in place for our own operations

Risk assessment measures	Actions taken	Frequency
Measures for assessing risks to the health and safety of people		
Human 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.	Store audits: two per year
	Health and safety risks are assessed in each work unit, in particular through the analyses conducted with prevention teams in recent years, which have identified safety hazards and related preventive measures. They have also shown that workplace accidents at Carrefour are most likely to occur in the stores and warehouses.	Annual
Measures for assessing risks of human rights violations		
Social certifications	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; Brazil and Romania improved their overall performance. Campaigns to audit entities continued during 2022, with maturity levels maintained in all countries and an extension of the certification scope in Carrefour Italy to GEEIS Diversity.	Every two years
Measures for assessing risks of environmental damage		
HR reporting	Quarterly reporting is carried out to assess the impact of the Group's sites on climate (emissions linked to refrigerants, energy consumption) and waste (monitoring of markdowns that may generate food waste, the waste recovery rate, etc.). Audits are performed annually by an independent third party to verify the true and fair nature of the consolidated Group data.	Quarterly
Regular impact and dependency assessments	In 2022, the Group launched the SBTN Corporate Engagement Programme, which enabled it to perform initial mapping of its biodiversity impacts and dependencies, based on its activities. This mapping helped us hone in on certain commodities that have a greater impact on biodiversity than others. It should eventually serve as a basis for drafting an action plan based on science-based targets. Going forward, biodiversity impacts and dependencies will be assessed on a regular basis.	-
Certifications	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.	Renewed every three years with an audit
	All new Carrefour group shopping centre constructions and expansions are certified to BREEAM standards and BREEAM In-Use certification will be earned by every French site by 2025.	Renewed every three years with an audit

2.2.3.2 Assessment measures in place among our suppliers

Risk assessment measures	Actions taken	Frequency
Measures for assessing risks to the health and safety of people		
Quality and safety audits of non-food suppliers	For suppliers of non-food products in at-risk countries, Global Sourcing's quality teams visit sites according to an inspection schedule set out by Carrefour in order to check product quality compliance and provide on-site surveillance during production. All textile plants are systematically inspected to ensure that quality procedures and the factory standard comply with Carrefour's proprietary Good Factory Standard, which lays out a set of basic requirements a facility must meet to be in compliance. Adapted to different industries and products, the Standard illustrates good and bad practices simply, with illustrations, to facilitate understanding and support more effective supplier training. See also the detailed action plan on the Group's textile sourcing, with a regional focus on Tamil Nadu and Xinjiang, in Section 2.2.7.3.3 Prevention of forced labour in the textile supply chain.	At least once a year
Quality and safety audits of food production sites	Every factory producing Carrefour own-brand food products is audited in line with either International Featured Standards (IFS) or British Retail Consortium Global Standards (78% in 2022) or is audited by Bureau Veritas (11% in 2022) or by Carrefour (8% in 2022). After suppliers are listed, regular audits are performed on their premises. If any non-compliance is detected, corrective action plans are implemented, failing which the supplier may be delisted (depending on the type of non-compliance and its seriousness).	Annual

Risk assessment measures	Actions taken	Frequency
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; ■ 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; ■ 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. 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.	Annual

Risk assessment measures	Actions taken	Frequency
Measures for assessing risks of environmental damage		
Textile supplier audits	The **Clean Water Project** is a programme primarily aimed at water-consuming textile industries that use water and chemicals in their production processes. Designed by Carrefour Global Sourcing's sustainable development teams, it seeks to raise awareness, train and audit suppliers in the management and efficiency of water and chemical consuming processes. The Project includes a training and audit programme in chemical management, an environmental programme in China in collaboration with the Institute of Public & Environmental Affairs (IPE) and a tannery certification programme. It has already been carried out in India and Bangladesh, with support from chemical audits, and in China with support from the IPE.	Annual
	In Bangladesh and India, Carrefour Global Sourcing has issued the **Carrefour Chemical Guidebook**, which sets out guidelines for purchasing, storing, using and disposing of chemicals in factories. Compliance is encouraged with training and annual unannounced inspections of treatment plant water quality, chemicals management and the proper application of the Business for Social Responsibility (BSR) standard. Suppliers are monitored on the basis of a third-party chemical audit covering chemicals management, chemicals handling, wastewater treatment, sediment management and efficient water use management. The monitored suppliers are the integrated suppliers involved in dyeing and washing operations.	Annual
CSR ratings of suppliers in the clothing sector	Since 2019, clothing supplier assessments have incorporated 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.	Frequency
Environmental audits and certifications	Regular on-site environmental audits are commissioned at suppliers manufacturing labelled or certified Carrefour-brand products and where certain key facilities or processes may present environmental risks (raw material certifications such as RSPO, FSC, MSC, PEFC, ASC and organic labels; audits of the specifications of Carrefour Quality Lines products).	Annual
	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).	Annual
	The annual Retailer Cocoa Collaboration assessment programme: ■ measures the progress of cocoa traders with respect to the eight core principles of the Cocoa and Forests Initiative (CFI); ■ ensures that retailers all use the same assessment method; ■ enables retailers to make more informed decisions about cocoa sourcing.	Annual
	The Group sells an increasing number of sustainable products that require environmental and social certification. Examples include (i) organic cotton, whose supply chain must be certified by the Global Organic Textile Standard (GOTS), which is renewable only after an audit report, or by the OEKO TEX Standard 100 label; and (ii) tanneries, which must be certified by the Leather Working group (LWG).	GOTS certification: Annual OEKO TEX label: Annual

2.2.4 PRESENTATION OF PREVENTION AND MITIGATION MEASURES FOR IDENTIFIED RISKS

2.2.4.1 General framework

The Carrefour group, works with thousands of suppliers around the world, 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. For this purpose, the Group has put in place a set of purchasing rules, tools and procedures for monitoring its suppliers and helping them achieve compliance.

Carrefour's 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/fr/gui/102586/code.pdf*

Purchasing Rules

To better reflect its CSR policy and its *raison d'être* in its purchasing, Carrefour has drafted and rolled out purchasing rules for the food transition in all countries where it operates. These rules form a set of preventive measures on certain raw materials to limit social and environmental risks through certifications or support for its value chain.

The purchasing rules provide a framework for the social and environmental compliance of purchases of controlled products. A total of 11 CSR and food transition purchasing rules applied at Group level incorporate social, environmental and ethical criteria as well as CSR objectives. They supplement the various initiatives already in place in each country and specifically include:

- the signature by suppliers of a Commitment Charter (see next section);
- the process and compliance rules for social audits;
- that the Group's purchasing entities must appoint a person in charge of social and environmental compliance;
- an action plan to bring production phases into compliance with specific purchasing rules; and
- sensitive raw materials.

In 2021, the purchasing rules for the food transition were updated. The purchasing rules are subject to internal controls. The Internal Audit department verifies the quality of the overall system implemented by Carrefour to achieve its objectives, notably through the existence of dedicated rules, good knowledge and management by the merchandise teams, or the existence of control procedures for the quality teams. In 2022, training on this issue was given in various countries.

The Supplier and Service Provider Commitment Charter

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.

2.2.4.2 Prevention and mitigation measures implemented in our own operations

Risk	Prevention and mitigation measures implemented by the Group	Results
Risks to the health and safety of people		
Occupational health and safety risks	**Prevention of workplace accidents and occupational illnesses:** compliance with existing regulations, anticipation of changes in regulatory requirements, implementation of strict procedures, roll-out of preventive training in subjects such as in-store safety and in movements and posture, awareness campaigns, etc. In France, a dedicated body for occupational 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.	Workplace accident frequency rate (number of accidents/millions of hours worked) (1): **2022: 25.69** **2021: 25.33** **Change: +0.36 pts** Workplace accident severity rate (number of days absent due to workplace accident/1,000 work hours) (2): **2022: 0.71%** **2021: 0.90%** **Change: -21 pts**
	Prevention of musculoskeletal disorders: massive investment in handling assistance equipment (automatic pallet wrapping machines, stocking carts, etc.), in-depth studies on workstation ergonomics, alterations to furniture, and gym sessions to prepare employees before they start work.	
	Prevention of stress and psychosocial risks: stress management training and free hotlines and remote psychological support, etc. In France, employees have had toll-free access to a support line since 2015.	
Physical and mental harm	**Violent, racist and/or discriminatory behaviour towards others:** Organisation of awareness-raising activities such as the Diversity Day or unconscious bias workshops. Organisation of country-led initiatives (e.g., Trans Visibility Day in Brazil). Intensified action plans are being deployed in Brazil, where the 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.	

(1) Scope: Excluding BRAT + BR.
(2) Scope: Excluding BRAT + BR.

Risk	Prevention and mitigation measures implemented by the Group	Results
Quality, compliance and product safety failure	**Significant lack of product control and traceability:** 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. All data is recorded, processed and tracked using business apps (TraceOne, the TBQ quality dashboard, sales tracking, supply chain tracking, etc.).	Number of quality lines equipped with blockchain: **2022: 69** **2021: 55** **Change: +25.4%**
	Failure to develop or comply with the specifications for Carrefour own-brand products: the substances contained in the 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.).	-
	Public health: 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. Improving communication flows about product withdrawal and recall procedures, particularly through messaging apps. Implementing a blocking system for withdrawn or recalled products at checkout. 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. Roll-out in 2022 of the DEAVA project to detect short-dated products and optimise their end-of-life.	-
	Hygiene standards in stores and/or warehouses: training is offered in food safety and Carrefour quality procedures. A Hygiene and Quality Charter, distributed in the stores, presents guidelines for food quality (cold chain management, training in hygiene and quality best practices, etc.) and food safety (implementation of remedial actions following standards compliance inspections).	-
	Withdrawals and recalls: 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. Implementing a blocking system for withdrawn or recalled products at checkout.	Number of products withdrawn[1]: **2022: 564** **2021: 533** **Change: +5.8%** % of Carrefour-brand products withdrawn: **2022: 50.2%** **2021: 53%** **Change: -5.3 pts** Number products recalled: **2022: 330** **2021: 452** **Change: -27%** % of Carrefour-brand products recalled: **2022: 18.5%** **2021: 18%** **Change: +2.8 pts**

Risk	Prevention and mitigation measures implemented by the Group	Results
Pandemic	Ratification of the joint declaration on preventive measures to protect workers and consumers in the food retail industry during the Covid-19 pandemic. 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.	-
Risk of human rights violations		
Failure to respect the principles of diversity and to battle discrimination and harassment	Signature in 2020 by Carrefour management and the trade unions of a new gender equality in the workplace agreement covering operations in France, in a commitment to facilitating the career development of women. Undertaking by Carrefour to foster diversity and inclusion by upholding the charter of *L'Autre Cercle*, a non-profit that advocates for the inclusion of LGBT+ people in the workplace. Deployment of the dedicated Empowering Women Leaders programme aimed at increasing the percentage of women among Executive Directors, which was renewed in 2023 with eight women executives. Creation of an Engagement department in February 2022 to execute the Group's social responsibility vision, including a Diversity and Inclusion section. Preparation of a Diversity Policy in 2022, for deployment in all the Group's integrated countries in 2023.	Percentage of women among Executive Directors (top 200): **2022: 25%** **2021: 24.7%** **Change: +1 pt** % of management positions held by women: **2022: 42.3%** **2021: 42.5%** **Change: -0.2 pts** Percentage of employees recognised as having a disability: **2022: 3.7%** **2021: 3.4%** **Change: +0.3 pts**
Failure to respect freedom of association and the right to social dialogue	Negotiations and collective bargaining agreements: ■ at the international level: agreement with international union federation UNI Global Union guaranteeing basic rights in the workplace renewed for three years in 2022; ■ 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). On October 14, 2020, Carrefour presented its non-financial information at a meeting held by videoconference and attended by 50 representatives worldwide; ■ 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. In 2022, the ECIC met six times.	Number of agreements signed: **2022: 369** **2021: 453** **Change: -18.5%** % of employees covered by a collective bargaining agreement: **2022: 99%** **2021: 91%** **Change: +8 pts**
Failure to uphold human rights and fair pay	Carrefour has formally defined its commitments with regard to responsible compensation policies, taking into account each host country's specific issues and conditions. The Group has defined the following compensation goals applicable to all its host countries, which aim to guarantee decent wages for all its employees and temporary workers, as well as for all employees and temporary workers of its franchisees: Launch in 2022 of: **1.** human rights mapping; **2.** a study on the living wages of employees across the Group's nine integrated countries.	-

Risk	Prevention and mitigation measures implemented by the Group	Results
Risks of environmental damage		
Contribution and vulnerability to climate change	**Combating food waste:** Implementation of a variety of solutions to: ■ improve stock and order management, with a top-40 ranking of products by value or breakage rate. Use forecast sales and production schedules adjustable for weather and other external events; ■ promote short-dated products, with 30% to 60% markdowns, and sell products up to one month beyond the best-before date. Internal tools are put in place to enable us to go further: weekly alerts on items at risk of being wasted are sent to all store directors and managers in order to prevent the risk and trigger initiatives to move such products in stores; ■ donate or sell at a discount unsold products to food banks, partnership with Too Good To Go, etc.; ■ recover products that cannot be sold or donated and reuse them as biowaste.	Percentage reduction in food waste (vs. 2016): **2022: -39.9%** **2021: -28%** **Change: +11.9 pts** Percentage of food waste recovered: **2022: 57.8%** **2021: 53.2%** **Change: +4.6 pts** Number of meal equivalents of unsold products donated to food aid associations *(in millions of meals)*: **2022: 45.6** **2021: 44.1** **Change: +3.4%** Number of baskets sold with TGTG: **2022: 3,437.8** **2021: 3,449.5** **Change: -0.3%**
	Helping stores become carbon neutral: **1. energy efficiency:** teams in Group host countries were issued a list of five priority actions 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 France, Carrefour has joined the signatories of the EcoWatt Charter, which offers actionable ways to lower electricity use during peak demand; **2. reducing refrigerant emissions:** 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; **3. using electricity from renewable sources:** 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.	Change in Scope 1 and Scope 2 CO_2 emissions since 2019: **2022: -29%** **2021: -25.4%** **Change: +3.6 pts** Total GHG emissions by source *(in thousands of tonnes of CO_2 equivalent)*: **2022: 1,507** **2021: 1,583** **Change: +4.1%** Scope 1 (refrigerants, gas and heating oil) *(in thousands of tonnes of CO_2 equivalent)*: **2022: 582** **2021: 575** **Change: +1%** Scope 2 (electricity) *(in thousands of tonnes of CO_2 equivalent)*: **2022: 631** **2021: 701** **Change: -10%** In-store renewable electricity consumption *(kWh per sq.m. of sales area)*: **2022: 1.9** **2021: 1.5** **Change: +22%**
	Goods transport: Optimising logistics arrangements, distribution activities and non-retail activities to limit their environmental impact. In France, Carrefour is modernising its fleet and developing PIEK-certified trucks running on biomethane that generate less pollution and noise (under 60 dB).	Number of trucks running on biomethane: **2022: 710** **2021: 600** **Change: +18.3%**

Risk	Prevention and mitigation measures implemented by the Group	Results
Pollution and the impact of our operations on biodiversity	**Water consumption:** In-store water consumption is monitored and optimised in order to limit the impact of activities on water resources. 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.	Amount of water consumed *(in millions of cu.m.)*: **2022: 12.2** **2021: 11.5** **Change: +6%**(2)
	Managing store waste: Carrefour is targeting minimum waste production and the recovery of 100% of store waste by 2025. To reach this goal, in-depth work is being carried out with the store teams to identify and instil best practices, and to analyse and resolve shortcomings. Carrefour is also working with waste management service providers to develop and improve recovery and reuse processes for each type of material. For more information on the Group's plastics action plan, see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.	Proportion of hypermarket and supermarket waste recovered: **2022: 74.5%** **2021: 68.4%** **Change: +6 pts**
	Reducing the impact of packaging: To reduce the impact of packaging, Carrefour is implementing an action plan with the following areas of focus: ■ eliminating and reducing the use of packaging at source; ■ developing reuse and transforming the customer experience, with bulk sales and packaging deposits; ■ improving packaging recyclability in accordance with national recycling capabilities (e.g., the availability of sorting processes) and developing substitutes for hard-to-recycle plastics. To find out more about our plastics risk action plan, see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.	Cumulative reduction of packaging since 2017 *(in tonnes)*: **2022: 16,390** **2021: 10,906** **Change: +50%** Number of stores offering the Loop service: **2022: 23** **2021: -** Number of Loop-compatible SKUs: **2022: 47** **2021: 43** **Change: +9.30%** Percentage of Carrefour-brand packaging that is reusable, recyclable or compostable(3): **2022: 57%** **2021: 46%** **Change: +11 pts**
	Biodiversity strategy. In 2022, the Group launched the SBTN Corporate Engagement Programme, which enabled it to perform initial mapping of its biodiversity impacts and dependencies, based on its activities. This mapping helped us hone in on certain commodities that have a greater impact on biodiversity than others. It should eventually serve as a basis for drafting an action plan based on science-based targets. In the case of Carrefour Property's real estate business, the Group has introduced a sustainable construction and operation policy in France, Italy and Spain that provides a framework for applying environmental best practices at each stage in a building's lifecycle. The policy is aligned with BREEAM Construction certification standards, to ensure that buildings are designed and built to safeguard the environment and protect occupant health and safety.	Biodiversity footprint measurement currently under development. Proportion of projects certified to BREEAM New Construction standards(4): **2022: 100%** **2021: 100%** % of sites certified to BREEAM In-Use standards: **2022: 94.2%** **2021: 90.6%** **Change: +3.6 pts**

(1) Sales in the food, household and personal care sections.
(2) Increase stemming from the Group's expansion in Brazil (particularly at Atacadão).
(3) Scope: 71% of 2022 consolidated gross sales. Non-comparable BUs (FR only in 2021; ES, IT, PL and AR excl. in 2022).
(4) Scope: sites managed by Carmila in France, Italy and Spain.

2.2.4.3 Prevention and mitigation measures in place among our suppliers

Risk	Prevention and mitigation measures implemented by the Group	Results
Risks to the health and safety of people		
Occupational health and safety risks	Social audit for plants located in high-risk or at-risk countries. This audit is compliant with ICS or BSCI standards. The audit must be performed by an external service provider in accordance with one of the above-mentioned standards, with a required rating of A or B grade (C, D and E ratings do not qualify). See Section 2.2.3 Assessment measures. Special requirements for Bangladesh: suppliers must be part of the Accord group to be listed. The Accord group brings together brands and organises the additional safety inspections that are mandatory for any supplier seeking to be listed.	Percentage of audits with alerts (potential production plants): **2022: 17%** **2021: 14%** **Change: +3 pts** Of which alerts related to health and safety **2022: 30%** **2021: 38%** **Change: -8 pts** Number of social audits (active and potential production plants): **2022: 1,418** **2021: 918** **Change: +54.5%**
Quality, compliance and product safety failure	Guarantee the quality and safety of Carrefour-brand products: ■ inclusion on Carrefour's suppliers list requires a full assessment of compliance with quality, health and safety standards (IFS, BRC), and Carrefour requirements. 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); ■ Carrefour-brand products are made to specifications drawn up by its Quality department. Product specifications are shared with the suppliers and provide details such as the origin of the raw material, the recipe, etc. The substances contained in the 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.); ■ for non-food products, Global Sourcing's quality teams visit sites according to an inspection schedule set out by Carrefour in order to check product quality compliance and provide on-site surveillance during production.	% of plants certified to IFS or BRC standards(1): **2022: 78%** **2021: 89%** **Change: -11 pts** % of plants audited by Carrefour: **2022: 8%** **2021: 11%** **Change: -3 pts** % of plants audited by Carrefour and graded A or B: **2022: 96%** **2021: 95%** **Change: +1 pt** % of plants audited by Carrefour and graded C or D: **2022: 4%** **2021: 4.3%** **Change: -0.3 pts**

(1) Scope: suppliers of Carrefour-brand products purchased by the European purchasing centre.

1 2 3 4 5 6 7 8 9

Risk	Prevention and mitigation measures implemented by the Group	Results
Risk of human rights violations		
Sourcing sensitive raw materials	See in this table actions relating to: ■ risk of failure to uphold human rights and fair pay across the entire value chain; ■ sourcing of sensitive raw materials in the environmental risks section.	
Lack of supply chain resilience	Long-term (three to five years) contracts that support capital improvements by setting prices midway between conventional and organic prices to offset the impact of lower productivity on producer income. These contracts are offered in France, Romania and Taiwan. Through its Carrefour Quality Lines, the Group established a new three-year partnership to guarantee greater visibility and more opportunities for suppliers. Under these deals, Carrefour commits to guarantees on volume over several years and fairer compensation through a jointly agreed purchase price that takes into account three key factors: production costs, the fluctuating market prices of agricultural products, and the technical aspects involved in meeting the higher quality standards set out in the specifications of Carrefour Quality Line products. Carrefour is also developing business with SMEs with a simplified, highly localised agreement, which in particular guarantees fair pricing. Partner producers enjoy a close relationship with Carrefour, governed by a special multi-year contract with commitments on prices and volumes, a simplified 48-hour listing process and accelerated payments within seven days. Signature of "0 kilometre" agreements with small local producers and creation of local food transition pacts in five Group host countries.	Number of local partner producers: **2022: 3,716** **2021: 2,840** **Change: +30.8%** Number of partner organic producers: **2022: 3,637** **2021: 3,538** Number of Carrefour Quality Lines partner producers: **2022: 22,176** **2021: 24,980** **Change: -11.2%** Penetration rate of lines featuring an Agroecology label within the Carrefour Quality Lines (in fresh produce): **2022: 6.5%** **2021: New** Number of contracts signed with local or regional SMEs and VSEs: **2022: 4,038** **2021: 3,400** **Change: +18.8%**
Failure to respect the principles of diversity and to battle discrimination and harassment	Social audit for plants located in high-risk or at-risk countries. This audit is compliant with ICS or BSCI standards. See Section 2.2.3 Assessment measures.	Percentage of audits with alerts (potential production plants): **2022: 17%** **2021: 14%** **Change: +3 pts** Of which alerts related to working hours: **2022: 28%** **2021: 27%** **Change: +1 pt** Of which alerts related to compensation, working conditions and benefits: **2022: 24%** **2021: 22%** **Change: +2 pts**
Failure to respect freedom of association and the right to social dialogue	Social audit for plants located in high-risk or at-risk countries. This audit is compliant with ICS or BSCI standards. See Section 2.2.3 Assessment measures.	Number of social audits (active and potential production plants): **2022: 1,418** **2021: 918** **Change: +54.5%**

Risk	Prevention and mitigation measures implemented by the Group	Results
Failure to uphold human rights and fair pay across the entire value chain	Human Rights Charter appended to Franchise agreements. 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, Etam, Bureau Veritas and Tesco. **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 the Madhya Pradesh region 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. See also Section 2.2.7.3.3 Prevention of forced labour in the textile supply chain (Xinjiang, Tamil Nadu) **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. **Human rights violations caused by textile production:** 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. In 2022, the Group tested the Worker Voice system (an ethics, or whistleblowing hotline, dedicated to the problem of forced labour) directly with workers at Carrefour's main spinners in the Tamil Nadu region of India.	Percentage of audits with alerts (potential production plants): **2022: 17%** **2021: 14%** **Change: +3 pts** Of which alerts related to working hours: **2022: 28%** **2021: 27%** **Change: +1 pt** Of which alerts related to compensation, working conditions and benefits: **2022: 24%** **2021: 22%** **Change: +2 pts** Number of social audits (active and potential production plants): **2022: 1,418** **2021: 918** **Change: +54.5%**

Risk	Prevention and mitigation measures implemented by the Group	Results
Risks of environmental damage		
Sourcing sensitive raw materials	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 concertation with the stakeholders (i.e., experts, NGOs, customers, suppliers, public authorities, etc.). Known as "CSR and Food Transition Procurement Rules", they are regularly updated. Carrefour takes action in its supply chains 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. See also Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil. **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:** see the detailed action plans in Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil. **Soy:** See detailed action plans in Section 2.2.7.3.1. A process initiated in Brazil, France, Italy and Romania in 2021 to raise supplier awareness on soy-related deforestation and conversion challenges was continued in 2022. Training seminars and webinars with local NGOs have been carried out in these countries, with the commodities and suppliers concerned, by type of product (milk, egg, pork, etc.)	Sensitive raw materials: Percent progress made in rolling out action plans on sensitive raw materials: **2022: 61%** **2021: 55%** **Change: +6 pts** Sustainable forests: Percentage of priority raw materials committed to a risk reduction plan: **2022: 55%** **2021: 50%** **Change: +5 pts** Palm oil: Percentage of palm oil used in Carrefour-brand products that is fully traced (RSPO Segregated certified): **2022: 83.4%** **2021: 82.1%** **Change: +1.3 pts** Percentage of palm oil used in Carrefour-brand products certified RSPO or equivalent: **2022: 99.9%** **2021: 99.9%** **Change: 0 pts** Wood and paper: Percentage of Carrefour-brand products in ten priority categories sourced from sustainable forests: **2022: 90.7%** **2021: 80.2%** **Change: +10.5 pts** Brazilian beef: Percentage of Brazilian beef suppliers that are geo-monitored (system used to monitor farms that supply slaughterhouses directly) and comply with the Group's forest policy or are committed to an ambitious anti-deforestation policy: **2022: 89.7%** **2021: 86.9%** **Change: +2.8 pts** Soy: Percentage of Carrefour Quality Lines and other key Carrefour-brand products that use zero-deforestation soy as animal feed: **2022: 19.7%** **2021: 2.9%** **Change: +16.8 pts**

Risk	Prevention and mitigation measures implemented by the Group	Results
	Cocoa: Carrefour supports all its suppliers in meeting its objectives with a Cocoa Commitment Charter describing its standards, in particular with regards to deforestation prevention, traceability and transparency. The Group is also a founding partner of the CEMOI Transparence Cacao programme, which is helping to fight against deforestation while improving the living and working conditions of cocoa farmers. **Biodiversity damage caused by the use of ocean 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. **Textiles:** the Group has set several targets to ensure that the textile fabrics and fibres used in its own-brand products (e.g., lyocell, viscose) do not contribute to deforestation and harm animal welfare. In addition, in 2019, the Group joined the Fashion Pact, whose objectives, based on scientific criteria, focus on three areas of action: halting global warming, restoring ecosystems and protecting key species, and protecting the oceans.	Cocoa: Percentage of Carrefour-brand chocolate bars that comply with our Sustainable Cocoa Charter: **2022: 31.4%** **2021: 30.8%** **Change: +0.6 pts** Traceability and assessment of traders: Percentage of key traders assessed and making progress towards complying with our policy: **2022: 50%** **2021: 50%** **Change: 0 pts** Sustainable fishing: Percentage of controlled and national-brand products sourced from sustainable fishing practices: **2022: 34.5%** **2021: 35.1%** **Change: -0.6 pts** Textiles: Percentage of natural raw materials for textiles that comply with our TEX sustainability policy: **2022: 46.4%** **2021: 41.6%** **Change: +4.8 pts** Percentage of TEX products made with organic cotton: **2022: 21%** **2021: 18%** **Change: +3 pts** Percentage of wood-based fibres in our TEX products that are deforestation-free: **2022: 70.9%** **2021: 40%** **Change: +30.9 pts** Percentage of wool in our TEX products that guarantees sheep welfare and protects soils and ecosystems: **2022: 25.1%** **2021: New** Percentage of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification: **2022: 100%** **2021: 100%** **Change: -**

Risk	Prevention and mitigation measures implemented by the Group	Results
Contribution and vulnerability to climate change	**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 aim is for its 100 biggest suppliers to adopt a 1.5°C trajectory consistent with the Science Based Targets initiative by 2026. Carrefour has committed to delisting suppliers that fail to comply with this condition; ■ 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. Extension of the 20 Megatonnes project to European countries in 2022. This project encourages suppliers to make commitments, measure CO_2, engage consumers and develop low-carbon consumer habits. **Tackling deforestation:** See the section on the supply of sensitive raw materials in this table and Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil.	Number of suppliers involved in the 20 Megatonnes project: **2022: 51** **2021: -** Number of suppliers committed to the Food Transition Pact: **2022: 204** **2021: 114** **Change: +79%**
Pollution and biodiversity impacts of operations with suppliers	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. See also Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.	Number of suppliers committed to the Food Transition Pact: **2022: 204** **2021: 114** **Change: +79%**

2.2.5 WHISTLEBLOWING FACILITIES

2.2.5.1 Description of whistleblowing facilities

In 2022, 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:

- trade union dialogue;
- the ethics hotline, accessible to all employees and partners;
- stakeholder dialogue and publications mentioning Carrefour;
- alerts raised within the Food Transition Committee.

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. 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 ethics hotline, accessible to all employees and partners. In line with France's Duty of Care law, Carrefour has deployed whistleblowing and warning systems for reporting ethics risks or suspected violations, designed in cooperation with its representative trade unions. In this way, any Group employee, supplier or service provider can confidentially report situations or behaviour that contravene Carrefour's ethical principles. The whistleblowing system is therefore one of the tools promoted under the agreement between Carrefour and UNI Global Union.

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.

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 or 1 201 0288	855 409 0182

Stakeholder dialogue, publications mentioning the Carrefour group and alerts handled by the Food Transition Committee. The Group has set up a task force to identify and deal with the different alerts associated with Carrefour's operations. 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.

The alerts are identified by the task force through stakeholder dialogue, publications mentioning the Carrefour group (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 Governance of the duty of care plan).

2.2.5.2 Types of alerts

Alerts reported through the ethics hotline. In 2022, 5,909 alerts were received, most of which were reported through the local alert channels (82.3%). The remaining alerts were reported via hierarchical channels, e-mail or post.

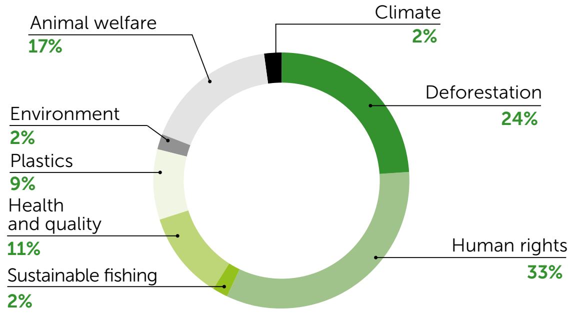
Alerts by category in 2022	Percentage of alerts received
Human resources (other than discrimination and harassment)	62.9%(1)
Other	13.6%(2)
Theft, fraud and misappropriation of funds	13.1%
Discrimination or harassment	7.9%
Corruption and conflict of interest	1.2%
Health and safety	1.1%
Antitrust and unfair trade practices	0.1%
Environmental issues	0.1%
TOTAL	**100%**

(1) Do not represent breaches of the Group's Principles of Ethics.

(2) Alerts not within the scope of the categories in the table above, and which do not concern human rights or accountability, for which the percentage of alerts received is 0%. Do not concern the consolidated scope or referred to customer services.

Alerts raised through stakeholder dialogue, publications mentioning the Carrefour group and alerts handled by the Food Transition Committee. 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 2022, some 50 alerts on various matters related to products sold or supply chains were handled by the committee on Purchasing Rules for the Food Transition.

FIGURE 5: BREAKDOWN BY CATEGORY OF ALERTS HANDLED BY THE COMMITTEE ON PURCHASING RULES FOR THE FOOD TRANSITION



In 2022, as in 2021, the alert categories most often handled by the committee on Purchasing Rules for the Food Transition concerned deforestation and human rights. Our action plans addressing these issues are presented in detail in Section 2.2.7.3 Specific action plans related to recurring alerts in 2022.

For the other issues shown in the above chart for 2022, the alerts that were handled are described in Section 2.2.7.2 Review of alerts received in 2022.

2.2.6 MONITORING SYSTEM FOR MEASURES IMPLEMENTED

The Duty of Care law requires companies to set up a system to track the measures undertaken and assess their effectiveness. Carrefour has indicators in place to gauge the appropriateness and effectiveness of measures designed to prevent and mitigate risks of harm to human health and safety, human rights and the environment. These indicators are described in Section 2.2.4 Presentation of prevention and mitigation measures for identified risks.

2.2.7 REPORT ON THE 2022 DUTY OF CARE PLAN

2.2.7.1 Main measures implemented in 2022

Types of risks	Measures implemented in 2022
Risks to the health and safety of people	
Quality, compliance and product safety failure	■ Roll-out of the DEAVA project to detect short-dated products and optimise their end-of-life
Risk of human rights violations	
Failure to respect the principles of diversity and to battle discrimination and harassment	■ Publication of a Group Diversity Policy ■ Creation of an Engagement department for the Group
Failure to respect freedom of association and the right to social dialogue	■ Renewal of the agreement between Carrefour and UNI Global Union
Failure to uphold human rights and fair pay across the entire value chain	■ Launch of human rights mapping ■ Launch of the Group's Living Wage Assessment ■ Implementation of the Worker Voice ethics whistleblowing system in spinning mills in India's Tamil Nadu region.
Risks of environmental damage	
Sourcing sensitive raw materials	■ New policy to combat deforestation in Brazil. ■ In 2022, Carrefour Brazil, IDH (Sustainable Trade Initiative) and CNA (Brazilian Confederation of Agriculture and Livestock) have developed a project, deployed in one store to date, ensuring complete traceability of Brazilian livestock production, from the birth of the calf to the end consumer, taking account of inclusion, transparency and data protection. Based on this pilot, a protocol was devised to enable other stakeholders to implement the same practices.
Contribution and vulnerability to climate change	■ Commitment of the Group's largest suppliers to a 1.5°C trajectory by 2026 under penalty of delisting ■ Extension of the 20 Megatonnes project to Europe
Pollution and the impact of our operations on biodiversity	■ Launch of the Science Based Targets for Nature programme ■ Mapping of risks specific to plastic processing in the Group (see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains).

2.2.7.2 Review of alerts received in 2022

Risks covered	Manifestation of risk or alerts identified in 2022	Additional measures in 2022 and development of existing action plans
Human rights	Working condition requirements for tomato production in Italy (January 2022)	Alert issued by the Coop Nordics Group, which comprises four Northern European distribution cooperatives, concerning the working conditions observed in Italian tomato production. A report by the CBL Dutch Food Retail Association revealed serious human rights abuses in the Italian supply chain (the world's third-largest producer of tomatoes for processing). All contracts between Carrefour and its suppliers include an Ethics Charter that, among other things, addresses working conditions for staff. The Group is committed to helping its suppliers with the implementation of the charter and the associated corrective action plans. However, if one of the Group's suppliers is found to be in breach of the law and the principles of the charter, the business relationship may be terminated.
Human rights	Condemnation of the working conditions of workers in the Tamil Nadu region of India (March 2022)	Alert issued by the Business & Human Rights Resource Centre (BHRRC) following the publication of a research report drawn up on the basis of the testimonies of female clothing-industry workers employed in 31 Indian factories. These factories reportedly supply international brands including Carrefour. In 2021 and 2022, the Carrefour group strengthened its measures in sensitive supply regions through more extensive mapping. These measures cover the entire value chain and are reinforced locally in the highest-risk areas, such as the Tamil Nadu region. The Group has rolled out ambitious targets in these regions, for example, to ensure that all tier 1 suppliers receive frequent visits from Carrefour's local teams and are subject to unannounced audits by interdependent bodies of their compliance with labour standards. Also, all sourcing plants located in high-risk or at-risk countries must undergo a social audit compliant with ICS or BSCI standards. In 2022, a new whistleblowing channel was developed to help workers report their alerts anonymously through the Worker Voice system in the Tamil Nadu region. This practice goes further than the auditing of labour standards and allows alerts made directly by workers in the mills to be identified. In addition, anonymous surveys are now conducted with a view to improving our understanding of concerns about forced labour, working hours and pay. For more information on Carrefour's action plans addressing issues in its textile supply chains, see Section 2.2.7.3.3 Prevention of forced labour in the textile supply chain.
Health and safety	Withdrawal of Buitoni, Ferrero and Kinder brand products from Carrefour's shelves (April 2022)	In early 2022, the presence of E-Coli bacteria was detected in frozen pizza dough from Buitoni's Fraich'Up range. Buitoni subsequently recalled all pizzas in its Fraich'Up range. A few months later, Kinder brand products manufactured by Ferrero were withdrawn after cases of salmonella were detected in Europe. Whenever there is a product recall, Carrefour's prime concern is to withdraw the products in question from the market so that they can no longer be purchased by consumers in its stores or online. Notices are displayed in stores and information on all recalls is made available on the *Carrefour.fr* website. In the event of major crises that could put consumer health or safety at serious risk, text messages and/or emails are sent to Carrefour loyalty card holders. This approach was taken for the Buitoni and Ferrero/Kinder crises in April 2022. To verify the proper application of withdrawal/recall procedures, including the display of notices at the customer service desk and in the relevant departments, independent bodies audit the Group's stores at least twice each year. If discrepancies are identified, the stores in question must implement action plans to be monitored by the Quality department and line management. The staff also receive regular training on the withdrawal/recall process. The Quality department regularly conducts awareness-raising in stores. E-commerce customers are automatically notified by e-mail in the event of a product withdrawal/recall. Lastly, if there is a major crisis, an alert banner is activated on the *Carrefour.fr* website. In addition to these measures, Carrefour ensures the quality and safety of its own-brand products throughout the production and distribution chain by means of a comprehensive action plan: checking Carrefour-brand product specifications, auditing all Carrefour-brand product manufacturing sites (IFS, BRC or audited certification carried out by Carrefour), implementing in-store quality processes and alert and withdrawal systems.

Risks covered	Manifestation of risk or alerts identified in 2022	Additional measures in 2022 and development of existing action plans
Environment	Publication of two reports by NGO Mighty Earth linking Carrefour to deforestation in Brazil (September and November 2022)	Publication of "Carrefour is smoking us out", a report by NGO Mighty Earth concerning the links between Carrefour and supplier JBS, frequently targeted for cases of illegal deforestation in its supply chain. Following release of the first report, the Group activated an internal whistleblowing procedure. After the second report appeared, an investigation was launched to assess the compliance of the accused suppliers. In addition, merchandise flows are being examined to assess the functioning of the Group's blocking procedures. Carrefour Brazil has adopted a new Forest Plan including the establishment of measures for areas at risk of deforestation, defined with stakeholders and experts on deforestation in Brazil. For more information on Carrefour's action plans addressing cattle-related deforestation in Brazil, see Section 2.2.7.3.1 Beef and soy-related deforestation in Brazil.
Environment	Formal notice issued to the Group on plastic pollution (September 2022)	The Group has been issued with formal notice by the NGOs ClientEarth, Surfrider Foundation Europe and Zero Waste France and France Nature Environnement, which are calling for more ambitious action plans to identify risks and prevent plastic-related damage. Carrefour has been committed to reducing plastic packaging for several years. It has already eliminated more than 16,000 tonnes of plastic since 2017 and aims to increase that volume to a total of 20,000 tonnes by 2025. By signing the National Pact on Plastic Packaging, Carrefour has pledged to implement measures to reduce plastic and promote a more circular economy. In 2022, as part of the Group's new strategic plan, Carrefour announced its goal of switching to reusable, recyclable or compostable packaging for its entire own-brand product range by 2025. To achieve its goals the Group can leverage several measures including reuse, reduction of plastic packaging, facilitation of collection and recycling, and incorporation of more recycled material. To find out more about the Group's plastics action plans, see Section 2.2.7.3.2 Plastic pollution in the Group's supply chains.
Health and safety	Labelling of products associated with the crisis in Ukraine (March 2022)	The crisis in Ukraine has highlighted the difficulty of sourcing certain products used to manufacture foodstuffs. With that in mind, France's Directorate-General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) has introduced a scheme to promote transparency in product labelling to ensure the best possible information is available to consumers. Shortages of certain commodities (oil, lecithin, etc.) have made recipe changes necessary, but it was not possible to print new packaging in time. As a result, the DGCCRF has allowed several temporary exemptions for a maximum period of six months. By the end of 2022, more than 250 exemptions had been granted for Carrefour-brand products (i.e., 5% of the total exemptions granted). The granting of these temporary exemptions has now been extended for the avian influenza crisis in France, where a measure of flexibility is now allowed in order to meet labelling requirements.

2.2.7.3 Specific action plans related to recurring alerts in 2022

2.2.7.3.1 Beef and soy-related deforestation in Brazil

1 Background

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 have been designated as priority raw materials as part of the Group's policy to combat deforestation and the conversion of ecosystems:

- 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;
- 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.

2 Group objectives

2.1 THE CARREFOUR GROUP'S COMMITMENTS AND OBJECTIVES ON BRAZILIAN BEEF

The Group's objectives are as follows:

- all direct beef suppliers in Brazil are to be geo-monitored by 2025. The scope of this objective covers suppliers of fresh, frozen and processed meat, distributors, and Carrefour Brazil and Atacadão warehouses. This system is designed to ensure that all the ranches that directly supply Carrefour supplier slaughterhouses are geo-monitored;
- all key traders are to be assessed and on track to be compliant with the forest policy or committed to other ambitious anti-deforestation policies by 2025;
- in Brazil, Carrefour-branded beef will be zero deforestation by 2026, by moving out of at-risk areas and delisting any farms located in these areas. This commitment will apply in the same way to other brands sold in Carrefour stores by 2030.

Through these objectives, Carrefour is committed to reducing the risk of deforestation linked to "direct" ranches (i.e., that directly supply the Group's supplier slaughterhouses) and, in the longer run, the risk of deforestation linked to "indirect" ranches, in particular by phasing out the most at-risk volumes.

2.2 THE CARREFOUR GROUP'S COMMITMENTS ON SOY

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. In 2021, the Group stepped up its ambition by setting the following objectives:

- all 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;
- all 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;
- to offer an alternative to animal proteins, Carrefour is also developing vegetarian and vegan ranges in every country. It hopes to Increase sales of plant-based products in Europe to 500 million euros by 2026, (65% more than in 2022).

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 PLAN FOR BRAZILIAN BEEF

The Forest Committee and investing to combat deforestation

To support deployment of its anti-deforestation policy, in 2022, Carrefour Brazil set up a Forest Committee and pledged to invest 10 million euros to combat deforestation. The Forest Committee brings together a variety of experts in the field of combatting deforestation in Brazil, whose role is to support Carrefour in defining its anti-deforestation strategy, by identifying priorities for action and assessing the Group's progress in meeting its objectives. The committee is also helping to define funding priorities for the investment in fighting against deforestation.

Geo-monitoring of Carrefour Brazil and Atacadão suppliers

To assess the compliance of ranches directly supplying its supplier slaughterhouses in Brazil, Carrefour is deploying its geo-monitoring system to ensure that five priority procurement criteria are met. 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.

In practical terms, the Group's purchasing data are cross-checked in the tool 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 and ensures the compliance of products sold in stores. Carrefour works with its suppliers to identify any cases of cattle rancher non-compliance and can take appropriate business decisions as needed.

In addition to geo-monitoring, Carrefour conducts investigations when alerts are received by stakeholders. In the event of non-compliance by a supplier, Carrefour has defined a series of measures that include suspending supplies that do not offer the requisite guarantees and transparency.

As part of a continuous improvement process, merchandise flows are being examined to assess the functioning of the Group's banning procedures.

Securing the engagement of large meat producers and reducing risks from indirect ranches

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, in 2022 the Carrefour Foundation initiated a field project with the IDH Foundation – Sustainable Trade Initiative and the Brazilian Agriculture and Livestock Confederation (CNA) to support 450 calf-supplier ranches in the state of Mato Grosso in Amazonia. The project is aimed at changing practices in the early stages of cattle production (i.e., the indirect ranches) by improving the productivity of a group of ranchers to combat deforestation. 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. Today, a portion of the calves produced by these ranches is completely traceable right to a given Carrefour store. The pilot 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 in Brazil was designed to demonstrate the feasibility of this type of supply chain. Based on the pilot, a protocol was devised to enable other stakeholders to implement the same practices.

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. Thanks to this engagement, 22% of the own-brand products covered by our action plan in France now come with a guarantee of non-deforestation. These volumes include Carrefour Quality Lines and key Carrefour-brands of unprocessed frozen and fresh chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat (excluding deli meats) from animals fed with local soy, certified soy or soy with full traceability guaranteeing deforestation-free origin. 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.

2.2.7.3.2 Plastic pollution

1/ Context and recurring alerts

Plastics are at the crossroads of environmental and health issues. Plastic pollution impacts both aquatic and terrestrial ecosystems. In addition, some plastics can have an impact on human health, particularly due to their additives content. The health impact of plastic pollution, particularly microplastics, is being researched.

Plastics are used in many aspects of the business operations of both the Group and its suppliers, for example, in products, packaging (cups, trays, films), shipping packaging and sales displays. To mitigate plastic pollution, Carrefour has prioritised the actions to reduce, recover and reuse store waste and to reduce, reuse and recycle plastic and other own-brand product packaging.

In 2019, the Carrefour group was a 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 avoid 20,000 tonnes of packaging, to incorporate 30% recycled plastic into its packaging, and to ensure that all 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.

In 2022, 6% of alerts handled by the committee on CSR Purchasing Rules for the Food Transition concerned plastic packaging. In September, four NGOs issued the Group with formal notice under its duty of care plan on the risk linked to the use of plastic. These NGOs argue that the Group's size and market influence give Carrefour the capacity to positively influence the food retail sector.

In 2022, Carrefour conducted a macro-analysis of the impacts of plastic directly related to Carrefour's operations in key stages of the supply chain, taking into account the treatment capacity in countries where the Group operates. The results of the analysis are presented in the figure below.

Plastic risk mapping

Carrefour's value chain

Visual representation of the amount of plastic present at each stage of the value chain

Upstream	Transport and logistics	Stores and visitors	Products
e.g., fishing nets, garden tarps	*e.g., plastic foil, bubble wrap*	*e.g., POS, plastic bags, gloves, bins*	*e.g., primary/secondary products and packaging*

IDENTIFIED PLASTIC RISKS

Plastic manufacturing

Products sold make up for an estimated 90% of the plastic manufactured and used as part of the Group's activities, and 80% of this plastic comes from packaging.

The main impacts linked to the manufacture of plastics include soil and water pollution during oil extraction and energy consumption and GHG emissions during its transformation into plastic as well as polluting emissions in the air.

End-of-life plastics

When it comes to end-of-life plastics, processing and recycling capacities in the countries in which the Group operates and the quantity of plastic involved in each country determine the risks. An estimated 20% of the plastic manufactured and used throughout the value chain is recycled, 38% is incinerated, 56% is sent to landfills, and 6% is uncollected. Indeed, the recycling rate of plastic, especially plastic not derived from household waste, varies from country to country, from 1% in Brazil to 26% in France and 47% in Spain. These three priority countries for the Group together represent more than 3/4 of the volume of plastics produced.

The main impacts related to end-of-life plastics include air pollution and GHG emissions when the end-of-life plastic is incinerated at the end of its life or soil and water pollution in case of burial or discharge into nature.

Released microplastics

Microplastics can be released at different stages of the value chain. They can be released into the air, by the use of vehicles for the transport of goods or the movement of visitors. They can also be released into the water, for example through the washing of clothes.

The main impacts linked to the release of microplastics include air, soil, and water pollution.

Migration of toxic substances

Prolonged interaction of plastics with liquid or moist food products may result in the migration of sensitive substances into the food, particularly in connection with the presence of additives. Rare non-food products may present the same risk of transfer.

The main impacts related to migration of toxic substances include adverse effects on human health through the migration of toxic substances from plastic packaging into food.

2/ The Group's commitments and objectives

In 2021, when the first progress report of France's National Pact on Plastic Packaging was published, the Group reaffirmed its commitment to achieve the targets set:

- 100% of Carrefour-brand packaging that is reusable, recyclable or compostable by 2025;
- 20,000 tonnes of packaging avoided, including 15,000 tonnes of plastic packaging by 2025;
- 30% of packaging using recycled plastic by 2025;
- 150 million euros in bulk and returnable sales in 2026 (five-fold increase vs. 2022);
- 1,000 reusable packaging solutions available in-store by 2025;
- 500 stores equipped with a reusable packaging system by 2025;
- 50 new "bulk" experiences by 2025.

3/ Action plans

To achieve the abovementioned targets, Carrefour is implementing its commitments in each country through action plans with the following focuses:

- reducing plastic packaging in every store aisle. In addition, the Group has analysed irritants encountered during the shopper experience in France and Spain. Based on the findings, priorities have been set to eliminate the use of plastics, such as organic product packaging, plastic fruit and vegetable wrapping, bakery and pastry packaging, and individual packaging;
- encouraging reuse: the Group has been a pioneer in deploying reusable packaging solutions, with several dozen stores already equipped in every format;

- facilitating collection and recycling: ecodesign initiatives are being rolled out in all countries to make packaging more easily recyclable;
- incorporating more recycled materials: Carrefour aims to use recycled plastic for 30% of its packaging by 2025;
- improving the collection of packaging data in collaboration with suppliers: in 2022, the system developed and implemented in France for reporting data on the recyclability of own-brand packaging was extended to Belgium, Romania and Brazil. In addition, a diagnosis was performed on a sample portion of the packaging used for Carrefour-branded products marketed in France, which represented 45% of own-brand sales in 2021. It estimated that by weight, plastic accounted for 40% of the sampled packaging, with glass, cellulose and metal making up the rest. The resins used included mainly PET, PE/PEBD/HDPE and PP, PS, laminates and PVC.

To meet these targets, Carrefour has also entered into several collaborations and partnerships. In December 2018, Carrefour signed the Global Declaration on Plastics, an initiative led by the Ellen MacArthur Foundation, alongside international competitors, major brands and NGOs, in order to make its goal a market standard. This process has provided a forum for knowledge-sharing on the use of plastics. In 2019, Carrefour became a signatory of the National Pact on Plastic Packaging for 2025. The practical actions undertaken as part of this initiative will lead to more than 140 tonnes of plastic being avoided each year. Carrefour is also a member of the "RE(SET)" innovation accelerator in partnership with retailers and suppliers which works to find substitutes for problematic packaging standards (non-recyclable plastics, nomad packaging, etc.).

Carrefour is stepping up the roll-out of its action plans to combat plastic pollution. The Group is progressively extending its reporting in all integrated countries, notably as regards the proportion of reusable, recyclable or compostable packaging used for Carrefour-brand products. The Group is pursuing its initiatives aimed at massively reducing single-use plastics, in particular by working with suppliers to reduce shipping packaging. Discussions are now also under way on the importance of better addressing the risk of plastic pollution in the Group's supply chain.

2.2.7.3.3 Prevention of forced labour in the textile supply chain (Xinjiang, Tamil Nadu)

1/ Context and recurring alerts

Since 1995, Carrefour has been committed to promoting, respecting, enforcing and protecting human rights in its business sector and within its sphere of influence. Carrefour's policies draw on universally recognised international human rights instruments, the main international standards and benchmarks in the field of human rights, such as the Universal Declaration of Human Rights, the United Nations Global Compact, the OECD guidelines and the ILO conventions.

In 2022, 33% of alerts dealt with by the committee on CSR Purchasing Rules for the Food Transition concerned the human rights protection in our value chain. The main issues concerned cotton production in the Xinjiang region and human rights abuses in production units in Tamil Nadu.

2/ The Group's commitments and objectives

Carrefour pledges to promote, respect, enforce and protect human rights in its sector of activity and within its sphere of influence. The Group 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 the Group's TEX products by 2030.

Teams dedicated to monitoring (quality, CSR) production units are therefore present in various Carrefour Sourcing offices. Over 18,000 non-food items are sourced by Sourcing teams in 32 sourcing countries and 900 factories.

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 Initiative (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.

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.

Lastly, since 2021 the Group has published a list of textile suppliers that is available on its website (see the "CSR Library" on the carrefour.com website).

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;
- developing alert systems through active monitoring of social and environmental violations, implemented in early 2022 (see example of Tamil Nadu below).

3.3 ACTION PLANS FOR ALERTS IN THE XINJIANG REGION

The Carrefour group does not source any products directly in the Xinjiang region. Carrefour nevertheless monitors its sourcing to ensure compliant working conditions for all materials that may be produced in this region.

In view of the risk of forced labour in the cotton supply chain, Carrefour requires all of its suppliers to be transparent about their supply chain and to be able to trace cotton back to its origin. Any dubious reports are investigated by asking the supplier for:

- supporting documents for the transaction;
- contracts;
- certificates of origin to prove that the origin of the cotton is not prohibited.

Mapping of the Group's supply chain and alerts received from various channels have enabled the identification of eight additional sources with suspicious links to Xinjiang Province. Alternatives have been found to replace them.

In November 2021, the Laundering Cotton report issued by Sheffield Hallam University cited four suppliers with which the Group had relationships. In 2022, a third party was hired to carry out "on-site" checks of these suppliers' warehouses and spinning mills. These checks continued until the end of December 2022 to confirm the suppliers' declarations and ensure follow-up. Carrefour has also launched spinning mill inspections with its local teams, starting with key integrated suppliers (18 have been completed with no alerts, 9 are still to be completed).

3.4 ACTION PLANS FOR ALERTS IN THE TAMIL NADU REGION

The NGO Transparentem published a report 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;
- implementation of a Worker Voice ethics hotline to ensure a whistleblowing system at the local level. In 2022, the Group rolled out an additional whistleblowing channel to give workers an opportunity to make reports anonymously. This new whistleblowing line was initially made available in the mills of our main suppliers and it may be extended to tier 1 suppliers if necessary. This practice, which goes beyond the scope of a social audit, is intended to identify risks upstream and to implement systematic corrective measures.

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.

2.3 Green taxonomy

2.3.1 CONTEXT

2.3.1.1 Overview of the regulatory context

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 the following six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- 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.

In this context, since 2021, companies must report the portion of their sales, capital expenditure and operating expenditure associated with economic activities that are considered "eligible", i.e., classified in the EU Taxonomy. Since 2022, reporting must also include the portion of sales, capital expenditure and operating expenditure considered to be "sustainable" or "aligned", i.e., meets the sustainability criteria defined in the Taxonomy for the first two objectives of climate change mitigation and adaptation.

To meet these reporting obligations, a detailed assessment of all the Group's activities within the different consolidated entities was carried out jointly by the Group and country finance, CSR, Real Estate, Legal and Tax departments, together with the operational teams. The identification of eligible activities and the assessment of their degree of alignment with the Taxonomy was carried out in accordance with the instructions and criteria of the delegated acts. In particular, a verification was performed to avoid double counting of eligible sales and CapEx.

An activity is deemed to be "aligned" when it complies with all the relevant technical assessment criteria (substantial contribution and DNSH) and the Group meets the minimum safeguard requirements.

2.3.1.2 Connection to the Carrefour group's CSR strategy

Carrefour's retail business, the Group's main activity, is not included in the list of activities defined to date by the EU Taxonomy. The European Commission has prioritised the highest emitting Scope 1 and 2 activities that have a strong potential to transform and contribute to climate change mitigation and adaptation and has not covered all sectors of the economy in the first set of delegated regulations. Only the Group's waste collection, construction, real estate and vehicle rental activities are included in this scope. At this stage, the Commission's classification system for economic activities only covers the first two environmental objectives of the regulation: climate change mitigation and adaptation. The same classifications and criteria for the other four environmental objectives are being developed, and reporting on their alignment is scheduled to begin in 2024.

As a result, the portion of the Group's eligible sales and OpEx is very small. The portion of eligible CapEx, on the other hand, is significant, mainly due to the Group's property investments. Based on the Regulation's current architecture, low overall Taxonomy alignment is something that affects the entire retail industry.

The Taxonomy Regulation does not currently allow for full reporting on the initiatives implemented by the Group 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. At present, outsourced Taxonomy-eligible activities only concern transport (vehicle fleet, installation of charging stations for electric vehicles) or energy (installation of solar photovoltaic panels at retail sites).

2.3.2 RESULTS

2.3.2.1 Taxonomy-eligible and non-eligible activities

The scope of eligible activities to date is relatively limited and not material. The eligibility guidelines for 2021 were updated and now include the following:

- 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. 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. In 2022, the Group therefore included in its assessment the acquisition of Grupo BIG in Brazil – fully consolidated since June 1, 2022 – and the sale agreement for Carrefour Taiwan announced on July 19, 2022. Because Carrefour Taiwan was classified as a discontinued operation in accordance with IFRS 5 at December 31, 2022, its sales were not included in the Group's consolidated sales. Hence the decision to exclude Taiwan's sales from the Taxonomy assessment. Taiwan's CapEx, on the other hand, was included in the denominator, as specified by the Article 8 FAQs published by the EU Commission on December 19, 2022. Because the CapEx is insignificant in terms of the Group's materiality thresholds, it was excluded from the denominator and the Taxonomy assessment;

- the financial data is taken from the consolidated financial statements for the year ended December 31, 2022; the reconciliation and breakdown of the denominators of sales and capital expenditure are presented below.

The assessment of eligible activities in 2022 did not bring about any activity change concerning the Group's eligibility guidelines compared to 2021, as the identified activities contribute solely to the objective of mitigating and adapting to climate change.

Scope of eligible activities

7 — Construction and real estate activities

7.1 — Construction of new buildings
Real estate and commercial development activities.

7.2 — Renovation of existing buildings

7.3 — Installation, maintenance and repair of energy efficiency equipment
LED, lighting installations.

7.5 — Installation, maintenance and repair of charging stations for electric vehicles in buildings
BMS systems, CTM, remote site control.

7.6 — Installation, maintenance and repair of renewable energy technologies
Solar panels, heat pumps.

7.7 — Acquisition and ownership of buildings
Acquisition of buildings during the year.
Income from the ownership of a building: rents received from the rental of shops, spaces, buildings.

6 — Transport

6.5 — Transport by motorbikes, private cars and light commercial vehicles
Rental of vans and utility vehicles (Carrefour lessee).
Rental of vehicles (all types) to customers (Carrefour lessor).

5 — Waste management

5.5 — Collection and transport of non-hazardous waste in source segregated fractions
Recovery of cardboard streams.

1
2
3
4
5
6
7
8
9

2.3.2.2 Eligibility and alignment results in 2022

Carrefour's eligibility and alignment results in 2022 are presented below. As a reminder, given that OpEx aligned with the Taxonomy is not material for the Group, Carrefour used the exemption allowing it not to publish the OpEx indicator.

BREAKDOWN OF ELIGIBLE AND ALIGNED ACTIVITIES

Economic activity	Sales *(in millions of euros)*	Share of sales	CapEx *(in millions of euros)*	Share of CapEx
2022				
Aligned activities	43	0.1%	51	1.0%
Eligible activities	211	0.3%	1,689	31.6%
TOTAL	**83,089**	**100%**	**5,345**	**100%**
2021				
Eligible activities	137	0.2%	1,286	44.5%
TOTAL	**74,286***	**100%**	**2,891**	**100%**

** As published in the consolidated financial statements for the year ended December 31, 2021.*

The Group's alignment rates in 2022 were low. In terms of sales, the few identified opportunities for alignment mainly concerned the waste collection activity (5.5). Taxonomy-aligned CapEx also concerned the waste collection activity (5.5), as well as the energy efficiency equipment (7.3), instruments and devices for controlling building energy performance (7.5) and renewable energy equipment (7.6) activities.

The low overall rate of alignment is mainly related to the leasing, construction and building renovation activities (7.1, 7.2 and 7.7). They accounted for the bulk of CapEx in 2022, but none of them achieved alignment. There are several reasons for this zero alignment:

- the Taxonomy criteria require dealing with new types of information that can be difficult to collect. Firstly, the very nature of the data to be collected and the criteria to be assessed poses a difficulty. In addition, generally, the required information cannot be readily retrieved from the information systems;
- the Taxonomy criteria are strict and cumulative; if sales and CapEx do not meet a set of cumulative criteria, they cannot be considered aligned. This is particularly the case for activities 7.1 and 7.2, which are subject to a multitude of criteria.

Efforts will be undertaken in 2023 to better pinpoint the technical criteria necessary for alignment. There are also certain action levers that should help to reinforce and improve the Taxonomy results in the coming years, particularly in terms of alignment:

- in the area of waste collection, Carrefour's goal is to recover 100% of store waste by 2025, an objective included in the Group's CSR and food transition index, which would make it possible to increase the Taxonomy-aligned sales and CapEx for activity 5.5 in the future;
- the Group has made it a priority to reduce energy consumption in the years ahead, which should bring about an increase in the amounts of CapEx associated with activities 7.3 and 7.5;
- Carrefour's goal of using 100% renewable electricity by 2030 means that the amount of CapEx associated with activity 7.6 is expected to increase in the coming years.

2.3.2.3 Changes from the previous year

The eligibility results in 2022 are in line with those of 2021, with eligible sales and CapEx both up in absolute terms. The percentage of eligible sales rose very slightly, which was not the case for CapEx since the integration of BIG in 2022 contributed to an increase in the CapEx denominator. Excluding the BIG acquisition, the percentage of eligible CapEx would have been 42%, versus 45% in 2021.

2.3.3 ASSESSMENT AND METHODOLOGY

2.3.3.1 A reminder of the indicators and reconciliation with the financial statements

2.3.3.1.1 Net sales

Carrefour is actively engaged in a food and ecological transition. 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 the climate delegated act.

As a result, the portion of the Group's eligible sales for 2022 amounts to only 0.3% of the total consolidated sales figure of 83.1 billion euros (see the consolidated income statement), and mainly covers the property development and leasing, waste collection and vehicle rental activities. The aligned portion of sales amounts to 0.1% and solely concerns the collection of waste for reuse and recycling activity.

DEFINITIONS

The proportion of sales referred to in Article 8 of Regulation (EU) 2020/852 is calculated by dividing the share of the net sales derived from products or services associated with Taxonomy-eligible and -aligned economic activities (numerator) by the net sales (denominator) as defined in Article 2, point (5) of Directive 2013/34/EU. The sales cover the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82 (a), as adopted by Commission Regulation (EC) No. 1126/2008.

RECONCILIATION

Consolidated sales are presented in the consolidated income statement under "Total revenue" (see Chapter 6 of this Universal Registration Document).

2.3.3.1.2 Eligible capital expenditure and operating expenditure reported on individual measures

2.3.3.1.2.1 CapEx

The Group defers capital expenditure that can be associated with eligible sales (turnover) of the activity or represents 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 expenditure represents individual measures, as described under paragraph (c).

The Carrefour group's eligible capital expenditure mainly concerns real estate activities, such as the construction, renovation and purchase of buildings, as well as expenses related to energy efficiency equipment and renewable energy products (solar panels, heat pumps, green roofs, re-lamping, etc.). Capital expenditure also includes an increase in right-of-use assets related to property leasing and vehicle rental (from renewals and new IFRS 16 contracts).

As a result, the proportion of the Group's eligible capital expenditure for 2022 amounts to 31.6% out of a total of 5,345.42 million euros (see reconciliation below). These expenses primarily refer to acquisitions and an increase in right-of-use buildings under IFRS 16, as well as spending for the construction of new buildings. The aligned portion of capital expenditure amounts to 1.0% and chiefly concerns the collection of waste for re-use and recycling, energy efficiency equipment, instruments and devices for controlling building energy performance and renewable energy equipment.

DEFINITIONS

Eligible and aligned numerators are equal to the part of the capital expenditure included in the denominator that is any of the following:

- related to assets or processes that are associated with Taxonomy-eligible economic activities;
- part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
- related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts).

The denominator covers the current year's additions to tangible and intangible assets, before depreciation and amortisation and before remeasurement, including remeasurement resulting from revaluation and impairment, for the year in question, excluding changes in fair value. It also includes additions to tangible and intangible assets resulting from business combinations.

RECONCILIATION

The CapEx denominator may be reconciled with the consolidated financial statements as follows:

(in millions of euros)	2021	2022	Reconciliation with the financial statements
Intangible assets, property and equipment, investment property	**1,826**	**3,954**	**Statement of changes in intangible assets (Note 7.1), property and equipment (Note 7.2) and investment property (Note 7.4)**
Acquisitions	1,653	1,882	Under "Increases"
Business combinations	173	2,072	Included under "Changes in scope"
Right-of-use assets (IFRS 16)	**1,065**	**1,391**	**Statement of changes in right-of-use assets (Note 8.1)**
New contracts and renewals	880	906	Under "Increases"
Business combinations	184	485	Under "Changes in scope"
TOTAL	**2,891**	**5,345**	

2.3.3.1.2.2 OpEx

The operating expenditure exemption ratio, which corresponds to the OpEx eligible for the Taxonomy (numerator) divided by Group consolidated OpEx (denominator), came to 6.0% in the 2022 financial year.

Compared to total Group OpEx of 13.4 billion euros, the share of Taxonomy-aligned OpEx is insignificant (see notes to the consolidated accounts). Consequently, it was decided to apply the exemption from publishing the OpEx ratio in 2022.

DEFINITIONS

The operating expenditure items covered by the Taxonomy 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 research and development costs. Employee benefit expenses related to the maintenance and repair of assets are included in the denominator but not in the numerator. These specific types of employee benefit expenses are not tracked separately in the Group's reporting.

Group consolidated OpEx is defined as all expenses included in the operating result that are not financial or non-recurring expenses.

RECONCILIATION

The calculation of the OpEx exemption ratio is presented below:

(in millions of euros)	2022
Taxonomy OpEx denominator(1)	810
Total Group OpEx(2)	13,395
OPEX KPI	**6.0%**

(1) Includes maintenance and repair expenses and short-term lease expenses (non-IFRS 16). Employee benefits expense corresponding to employee maintenance costs could not be separated out and was therefore not taken into account in determining the amount of Taxonomy-eligible OpEx.

(2) Includes all operating expenses except non-current expenses.

2.3.3.2 Methodology for assessing activities against the technical review criteria

2.3.3.2.1 Methodology for assessing eligibility

In 2022, the eligible activity guidelines were updated based on interviews with the different countries and an analysis of the possibility of adding or removing certain activities, developing new operations and discontinuing others.

2.3.3.2.2 Methodology for assessing alignment: substantial contribution, DNSH criteria and minimum guarantees

2.3.3.2.2.1 Methodology for checking if the substantial contribution and specific DNSH criteria are met

A workshop was held in each country to present the technical review criteria. Each country then filled in a personalised collection matrix for reporting eligibility data and analysing the different criteria identified for alignment – project by project or CapEx line by CapEx line. These matrices were then critically reviewed. Lastly, the Group conducted three progress reviews with the Statutory Auditors in order to validate the approach and the results achieved.

Concerning activity *5.5 Collection and transport of non-hazardous waste in source segregated fractions*, for which it reported aligned sales and CapEx, the Group checked whether the activity made a substantial contribution to the environmental objectives and complied with specific DNSH criteria regarding:

- the nature of the waste (in the case of Carrefour, only paper, cardboard and plastic);
- the separate collection of the waste and no mixing with other types of waste;
- the preparation of the waste for reuse or recycling.

CapEx associated with activity 7.3 was deemed to be aligned when one of the following two conditions was met:

- it was linked to the installation of LED lamps, which are considered to be very energy efficient;
- it was linked to equipment (lighting, heating, ventilation) with proven energy efficiency.

The pollution screening criterion for building materials was not deemed material for these types of CapEx. The CapEx related to activities *7.4 Installation, maintenance and repair of charging stations for electric vehicles inside buildings (and in car parks attached to buildings)*, *7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings* and *7.6 Installation, maintenance and repair of renewable energy technologies* was deemed to be automatically aligned since the criterion of substantial contribution is explicitly referred to in the description of each activity. As a result, Carrefour only focused on verifying compliance with the DNSH adaptation criterion (detailed below).

2.3.3.2.2.2 Methodology for checking if the generic DNSH and minimum safeguard criteria are met

Determining whether Carrefour's eligible activities are aligned also requires the carrying out of Group-level assessments. To establish the eligibility and alignment of activities, the Group must meet the generic criteria for DNSH to climate change adaptation presented in the appendices to Annex 1 of the Taxonomy delegated act relating to the objective of climate change mitigation. It must also comply with the minimum safeguards (MS) described in the Platform on Sustainable Finance (PSF) report published in October 2022. The Group has assessed its business model for compliance with these two requirements.

2.3.3.2.2.3 Generic DNSH criteria

The generic DNSH criteria are mentioned in appendices A, B, C and D to Annex 1 of the Taxonomy Regulation relative to the climate change mitigation objective. They require a holistic assessment at the Group level rather than an economic activity-led approach.

The Group complies with the Taxonomy generic criteria set out in Appendix A, which is the only generic DNSH criteria applicable to the Group's aligned activities in 2022.

APPENDIX A: GENERIC CRITERIA OF THE 'DO NO SIGNIFICANT HARM' PRINCIPLE FOR CLIMATE CHANGE ADAPTATION

To meet the DNSH criterion for the climate adaptation objective, the Group conducted a physical climate risk assessment. It evaluated the exposure of the Group's real estate asset portfolio to future climate change impacts (2030, 2050, 2100), and according to different peak scenarios adopted by the IPPC (RCP2.6, 4.5 and 8.5).

The assessment included a review of the Carrefour group's asset exposure to significant physical climate risks. Certain risks were deemed to be irrelevant – either due to Carrefour's business or the geographical location of the sites analysed – and were excluded from the assessment. The following risks were included in the climate model: drought, fire (weather conditions particularly conducive to fires), heat stress (heat waves), precipitation, river flooding (with defence systems), river flooding (without defence systems), sea level rise, tropical cyclones.

Based on this assessment, adaptation plans will be developed for the assets identified as most at risk and for the risks deemed to be the most significant.

In conclusion, for this first year of disclosure, Carrefour meets all of the criteria listed in Appendix A for its eligible activities to be considered aligned.

2.3.3.2.3 Methodology for checking if minimum safeguards are met

The scope of topics covered by the Minimum Safeguards (MS) was clarified in the October 2022 report of the European Platform on Sustainable Finance called *Final Report on Minimum Safeguards*, which references a body of international human rights regulations. Non-alignment criteria need to be validated, and the report has introduced reasonable due diligence steps in the areas of human rights, corruption, taxation and competition law.

The review of the minimum safeguards took place according to a two-stage process. First, the Group verified its compliance with the non-alignment criteria related to the four main topics identified in the minimum safeguard report, an assessment that included controversy screening. Second, the Group checked that its human rights processes applied the six key steps to reasonable human rights due diligence, in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These assessments show that the Carrefour group was aligned with these requirements in 2022.

Non-alignment criteria

Controversy screening validated Carrefour's alignment. There were no cases of human rights violations, corruption charges or tax crimes. With regard to human rights, none of the OECD National Contact Points (NCP) received a referral, and the Group responded to the two allegations published on the Business and Human Rights Resource Centre (BHRRC) website. In the course of its business, the Group can be sanctioned for restrictive practices deemed to be anti-competitive. However, as Carrefour has already paid the penalties that have been imposed on it in relation to this issue, this does not prevent the Group from considering its activities to be compliant with the minimum safeguards,

Procedures and reasonable diligence

The Group implements the necessary processes to ensure compliance with the remaining non-alignment criteria, summarised below:

- to meet the minimum **human rights** safeguards, the Group relies on a dedicated policy for managing human rights issues, which may be found on the *carrefour.com* website in the Non-Financial Statement (see Section 2.1) and the Duty of Care Plan (see Section 2.2);
- in the area of **corruption,** and in accordance with the requirements of the Sapin II law, Carrefour relies on a comprehensive system for identifying corruption risks, prevention policies and whistleblowing processes, which is deployed across all of the Group's activities in France and abroad and described in section 2.1.5.5 of this document;
- in the area of **taxation**, the Group has notably introduced special training in every Group country and implemented corrective mechanisms where required (see section 2.1.5.5);
- in the area of **competition law**:
  - the Group relies on several means to ensure compliance: compulsory training, including a course on competition law; the preparation of contract models, which are drafted and distributed by the Legal departments and contain clauses on competition law compliance, and a system for monitoring legal issues in every Legal department (see section 2.1.5.5);
  - Carrefour was not found guilty in 2021 or 2022 of any illegal conduct for concerted practices, infringement of merger control rules or abuse of a dominant position.

2.3.3.2.4 Main trade-offs and proxies

Given the breadth of the eligibility and alignment assessment conducted across the Group and its entities, it was inevitable to use several trade-offs and certain proxies. Carrefour made it a point, however, to apply a principle of prudence when making choices and selecting alternatives.

Concerning the eligibility of the activities:

- Taxonomy-eligible real estate activities include air-conditioning equipment but not refrigeration. As Carrefour's retail activities have not yet been provided for by the Regulation, CapEx related to cooling systems such as central refrigeration units, cold cabinets and doors has not been included in the eligibility analysis;
- in terms of materiality, the alignment assessment of eligible projects has been done in such a way as to cover a minimum of 70% of the amount of eligible turnover or CapEx. The remaining eligible projects that were not assessed were considered to be non-aligned as a matter of prudence.

Concerning alignment assessment:

- for buildings leased under IFRS 16 that do not have an energy performance certificate or a real estate label, calculations were carried out to determine their primary energy demand (PED) based on 2022 final energy consumption and conversion factors. The calculations were not conclusive and could not be used to assess alignment;
- on the occasion of the first-time consolidation of Grupo BIG in 2022, eligible CapEx resulting from the application of IFRS 16 was identified. However, the alignment of this CapEx was not assessed given the recent integration of the entity.

2.3.4 OUTLOOK

2.3.4.1 Improvement of KPIs

In the coming years, CapEx will be incurred in connection with the roadmaps to achieve various climate strategy goals: carbon neutral stores by 2040; carbon neutral e-commerce sites by 2030; a 1.5°C pathway for the Group's direct emissions; a reduction of the Group's energy consumption by up to 200 million euros per year from 2023 to 2026, and the launch of one or more ambitious photovoltaic energy production partnership(s). This climate-related CapEx should help to improve the eligibility and alignment indicators in the years ahead, following an in-depth assessment of the CapEx against the Taxonomy criteria.

2.3.4.2 Integrating the Taxonomy into the Carrefour group's strategy and performance

Although the retail operations are excluded from the list of eligible activities for the time being, the ambition of the Regulation is in line with the philosophy of the new Carrefour 2026 strategic plan, notably through the plan's following initiatives:

- first, increased support for sustainable agriculture with 8 billion euros of sales in 2026 via certified sustainable products (+40% vs. 2022);
- second, an obligation for the Group's top 100 suppliers to adopt a 1.5°C trajectory by 2026, failing which they will be delisted;
- third, an ambitious energy policy, embodied by a sharp reduction in energy consumption (-20% by 2026 and in France by 2024) and the use of car parks for the production of photovoltaic energy (4.5 million sq.m. of solar panels by 2026).

CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE
Green taxonomy

APPENDIX: REGULATORY TEMPLATES

TURNOVER

In millions of euros

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum guarantees (17)**	**Taxonomy-aligned proportion of turnover, year Y (18)**	**Taxonomy-aligned proportion of turnover, year Y-1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
5.5 Collection and transport of source-separated non-hazardous waste	5.5	43.49	0.1%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	YES	N/A	N/A	YES	0.1%	N/A	N/A	N/A
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	**N/A**	**43.49**	**0.1%**	**100%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**YES**	**0.1%**	**N/A**	**N/A**	**N/A**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
5.5 Collection and transport of source-separated non-hazardous waste	5.5	0.02	0.0%																	
6.5 Transport by motorbikes, passenger cars and commercial vehicles	6.5	60.06	0.1%																	
7.1 New building construction	7.1	9.15	0.0%																	
7.7 Building acquisition and ownership	7.7	98.52	0.1%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	**N/A**	**167.75**	**0.2%**																	
TOTAL (A.1. + A.2.)	**N/A**	**211.24**	**0.3%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B.)	**N/A**	**82,877.52**	**99.7%**																	
TOTAL (A. + B.)	**N/A**	**83,088.75**	**100.0%**																	

CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE
Green taxonomy

CAPEX

In millions of euros				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum guarantees (17)**	**Taxonomy -aligned proportion of turnover, year Y (18)**	**Taxonomy -aligned proportion of turnover, year Y-1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
5.5 Collection and transport of source-separated non-hazardous waste	5.5	4.55	0.1%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	YES	N/A	N/A	YES	0.1%	N/A	N/A	N/A
7.3 Installation maintenance and repair of energy efficiency equipment	7.3	30.71	0.6%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	N/A	N/A	YES	0.6%	N/A	H	N/A
7.4 Installation, maintenance and repair of charging stations for electric vehicles inside buildings (and in parking lots attached to buildings)	7.4	0.13	0.0%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	N/A	N/A	YES	0.0%	N/A	H	N/A
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	7.5	7.71	0.1%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	N/A	N/A	YES	0.1%	N/A	H	N/A
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	8.22	0.2%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	N/A	N/A	YES	0.2%	N/A	H	N/A
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	**N/A**	**51.32**	**1.0%**	**100%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**YES**	**1.0%**	**N/A**	**N/A**	**N/A**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
6.5 Transport by motorbikes, passenger cars and commercial vehicles	6.5	22.24	0.4%																	
7.1 New building construction		195.17	3.7%																	
7.2 Renovation of existing buildings	7.2	0.32	0.0%																	
7.3 Installation maintenance and repair of energy efficiency equipment	7.3	59.52	1.1%																	
7.7 Building acquisition and ownership	7.7	1,360.69	25.5%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	**N/A**	**1,637.93**	**30.6%**																	
TOTAL (A.1. + A.2.)	**N/A**	**1,689.26**	**31.6%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-aligned-eligible activities (B)	**N/A**	**3,656.16**	**68.4%**																	
TOTAL (A. + B.)	**N/A**	**5,345.42**	**100.0%**																	

OPEX

In millions of euros				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Taxonomy -aligned proportion of turnover, year N (18)	Taxonomy -aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	N/A	0.00	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	N/A	0.00	0.0%																	
TOTAL (A.1. + A.2.)	**N/A**	**0.00**	**0.0%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B.)	N/A	809.52	100.0%																	
TOTAL (A. + B.)	**N/A**	**809.52**	**100.0%**																	

2.4 Reporting methodology and verification of information

2.4.1 DETAILED REPORTING METHODOLOGY FOR CSR INDICATORS

For the preparation of the 2022 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 exercise, the Group identifies the most significant non-financial risks for its business and the Company, which are reviewed every year and validated by the governance bodies. 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: the 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

Continuous improvement of transparency. Thirty-five categories of indicators were published in 2022, with indicators grouped together by stores and operations, products and employees. As part of an ongoing effort to improve its reporting quality, Carrefour is increasing the number of indicators it reports on from year to year. The goal is to (i) provide information on new strategic priorities, (ii) meet stakeholder expectations and standards and (iii) ensure a high level of transparency to anticipate potential regulatory changes. The new indicators added to this document each year are subject to a three-year performance review to ensure that the information provided is reliable and complete.

Comprehensiveness. The Group strives to be as comprehensive as possible. Its CSR reporting process covers implementation of its policies in the eight integrated countries, but excludes franchised operations. All the objectives announced by the Group concern the eight integrated countries, except in certain cases whose the scope is explained in this document. The published performance indicators aim for 100% coverage of the integrated countries concerned. With this in mind, we apply a three-year threshold:

- indicators that have been published for three years or more should be published with a 100% coverage rate. Lower coverage rates are an irregularity and are subject to an immediate corrective action plan with the country in question;
- the new indicators are published starting from the first year to ensure transparency. A performance review is implemented to achieve 100% coverage within three years. Since the action plans are rolled out across the countries on a gradual basis, the new indicators can be published on a limited scale during the first two years.

Indicators published less than three years ago are marked with the symbol ** in the tables below.

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 and social indicators

Change of scope

In 2022, following the disposal of the Taiwanese activities, the Business Unit was removed from the reporting scope, which now consists of eight integrated countries. In order to have a comparable scope between 2022 and 2021, the 2021 data and objectives have been restated with the exclusion of Taiwan. This principle was also applied to past years that were used as reference years for some indicators. For example, for the climate indicator "Percentage reduction in Scope 1 and Scope 2 GHG emissions since 2019", the 2019 data was recalculated excluding Taiwan.

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 during the entire 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	Scope 2022 *(% of gross sales)*	2022 exclusions	Scope 2021 *(% of gross sales)*	Scope 2020 *(% of gross sales)*
Energy	99.5%	BR (SM)	100%	99.9%
Water	100%	-	100%	98.9%
Food waste	70.9%	ES (SM, CC), IT (CO, CC), BE (HM, SM), BRAT (HM, CC)	88.4%	93.8%
Waste	95.2%	IT (CO, CC), BE (HM, SM)	94%	81.3%
Refrigerants	77%	BRAT (HM, CC)	82.9%	84.1%
Downstream transport	77%	BRAT (HM, CC)	82.5%	84.3%

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). 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	Scope 2022 (% of gross sales)	2022 exclusions	Scope 2021 (% of gross sales)	Scope 2020 (% of gross sales)
Organic products	100%		100%	100%
Responsible Products – fair trade	81%	BR, ES	100%	100%
Responsible Products – FSC	100%		89.5%	96.8%
Responsible Products – PEFC	77%	BR, ES, RO	100%	100%
Responsible Products – ecolabels	81%	BR, ES	100%	96.8%
Carrefour Quality Lines	100%		100%	100%
*Carrefour Quality Lines committed to an agroecological approach***	100%	Only FR	100%	100%
*Partner producers***	100%		100%	100%
Deforestation – palm oil	94%	IT	100%	96.9%
Deforestation – beef	100.0% (BR & BRAT)		100.0% (BR & BRAT)	31% (BR)
Deforestation – wood/paper/pulp	100%		100%	96.8%
*Deforestation – soy***	83%	IT, BR C, AR.	54.3%	*New*
*Deforestation – cocoa***	100%	Includes FR, BE, IT, ES only	100%	*New*
Sustainable fishing	95%	BR C	100%	96.9%
*Responsible textile***	100%		100%	
*Animal welfare – shell eggs***	100%		100%	84%
*Animal welfare – egg ingredients***	100%	Includes Europe only	100%	*New*
*Animal welfare – chickens***	100%		100%	*New*
*Animal welfare – slaughterhouses***	100%		91.7%	*New*
Packaging – tonnes	100%		100%	100%
*Packaging – recyclable, reusable and compostable***	71%	ES, IT, PL, AR	54.3%	New

** Indicators published for less than three years.

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	2022 scope (% of gross sales)	2022 exclusions	Scope 2021 (% of gross sales)	Scope 2020 (% of gross sales)
Headcount	100%		100%	100%
Part-time employees	100%		100%	100%
Hires (fixed-term/permanent)	100%		100%	100%
Permanent employee turnover	100%		100%	100%
Accidents	86%	BRAT	89.6%	90.3%
Women managers	100%		100%	100%
Disabled workers	100%		100%	100%
Training	100%		100%	100%

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 2022 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 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 (market-based method). 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.

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: 2022 = 0.18397 $kgCO_2e/kWh$ (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: 2022 = 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: 2022 = 2.7586 $kgCO_2e$/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 (2022 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: 0.61 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

In calculating the logistics KPI, CO_2 emissions from the Group's logistics activity includes emissions from outbound road transport. 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 (case of Italy). In the absence of an approved methodology, the stores concerned have been excluded.

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. In 2022, the KPI was manually recalculated.

Food donations KPI: the ratio used to calculate the number of meal equivalents donated to food aid associations in all Group countries is 1 meal = 500 g.

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.

Carrefour Quality Lines committed to an agroecological approach: this indicator was reported for the first time in 2022 for France only. Reporting methodology being rolled out in other countries. A Carrefour Quality Line is considered to be committed to an agroecological approach if all of the suppliers in the line are committed. A Carrefour Quality Line supplier is considered to be committed to an agroecological approach if at least one pilot producer using an agroecological approach is included. An agroecological line features a specific message for customers, "cultivated without -ides". It commits suppliers not only to eliminating all or part of the synthetic pesticides used in cultivation, but also to working on soil conservation and biodiversity.

Soy: This indicator concerns soy contained in unprocessed fresh and frozen products (excluding deli meats) in the following categories: chicken, turkey, pork, beef, veal, lamb, salmon, eggs, milk and minced meat. It is a means indicator, based on a contractual commitment made by the supplier.

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. National pacts were launched in France, Spain, Belgium, Poland and Romania in 2021 and in Italy in 2022.

Animal welfare – slaughterhouse audits: animal welfare audits are performed in the case of lambs, cattle, hogs, calves and poultry. Slaughterhouse audits can be performed either (i) by Carrefour quality managers trained in animal welfare issues, based on a Group checklist of animal welfare criteria, or (ii) by a third-party organisation, based on animal welfare certification standards or the Group checklist.

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 Y and Y-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 conducted on a quarterly basis. 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), 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.

From a quantitative point of view, the reporting and consolidation of Key Performance Indicators has been carried out since 2014 using the BFC application. In 2022, the Group implemented a new EPM Cloud application for reporting environmental indicators. This application is used in conjunction with the one used by the Group for financial consolidation and reporting 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 EPM Cloud 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 checklist 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 agroecological Carrefour Quality Lines products in fresh produce	Percentage of sales (including VAT)	Scope: certified products and national-brand products, eight integrated countries, excluding Atacadão. Scope of organic sales: Group. Scope of agroecological sales: France only, reporting methodology now being rolled out across the Group.
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 eight 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), eight 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, eight integrated countries, excluding Atacadão. Reporting methodology currently under development. First results in 2022.
	% 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: 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 sales	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.
Raw materials at risk – deforestation	Percentage of sustainable cocoa mass in Carrefour-brand chocolate bars by 2023	Percentage of tonnes	Scope: 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	Traders assessed in 2022. The reliability of assessment criteria is being improved so that traders' progress can be measured by 2023.

Topic	Indicators	Unit	Scope of the objectives
Raw materials at risk – textiles	% of TEX products made with organic cotton	Percentage of units purchased	TEX is Carrefour's textile brand. Cotton is the main raw material for our clothes. This indicator accounts for 80% of the final textiles score.
	% of wood-based fibres in our TEX products that are deforestation-free	Percentage of units purchased	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 units purchased	TEX is Carrefour's textile brand. Cashmere accounts for 5% of the indicator.
	% of cashmere used in our TEX products that guarantees goat welfare and comes from land that incorporates strategies to reduce desertification	Percentage of units purchased	TEX is Carrefour's textile brand. Cashmere accounts for 3% of the indicator.
Packaging	Cumulative reduction of packaging since 2017 (in tonnes)	Tonnes	Scope: eight 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 for France only, then for Belgium, Romania and Brazil in 2022. The reporting methodology will be rolled out in the remaining countries in 2023.
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), eight 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), eight 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. Eight integrated countries, excluding Atacadão.
Suppliers – Pact	Number of suppliers committed to the food transition pact	Number	Scope: eight integrated countries, excluding Atacadão.

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: eight integrated countries.
Store waste	Percentage of waste recovered (including food donations)	Percentage of tonnes	Scope: eight integrated countries.
Climate	% 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: Scope: eight integrated countries.
Partner producers	Number of partner producers (Carrefour Bio partners, regional and local Carrefour Quality Lines)	Number	Scope: eight integrated countries, excluding Atacadão.
CUSTOMERS – Customer involvement and satisfaction with the food transition			
Food transition in stores	Number of improvement points (vs. 2020) in the in-store customer survey on organic and local products, quality of Carrefour-brand products, packaging and food waste reduction	Number	Scope: eight integrated countries, excluding Atacadão. 4.4 million survey respondents in 2022.
Act for Food	Proportion of consumers who think that Carrefour helps them eat healthy and responsible food that remains affordable	Percentage of consumers	Scope: eight integrated countries, excluding Atacadão. 1.2 million survey respondents in 2022.
EMPLOYEES – Human resource management and employee engagement			
Employer recommendation	Employer recommendation score awarded annually to Carrefour by its employees	Percentage (score/100)	Scope: eight 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 who have access to training every year	Percentage of employees	Scope: eight integrated countries.
Disability	Percentage of employees recognised as having a disability	Percentage of employees	Scope: eight integrated countries.

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, 2022

This is a free translation into English of the Independent third-party organization'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,

As Independent third-party organization, member of Mazars Group and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we have performed work to provide a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2022 (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.

Comment

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment:

The key performance indicators relating to absenteeism rates, frequency rates and severity rates are published on a limited scope, i.e., 63% of the Group's average workforce due to the fact that the Group's activities in Brazil are not taken into account. The reporting perimeters, which vary according to the indicators, are set out in the Non-financial performance statement in the tables presenting the data for the year.

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 66% and 85% of the environmental information identified by the sign √.

We are convinced that this work allows 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 lack of a commonly used framework or established practice on which to base the assessment and evaluation of information allows for the use of alternative accepted methodologies that may affect comparability between entities and over time.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Restrictions due to the preparation of the Information

As mentioned in the Statement, the Information may contain inherent uncertainty about the state of scientific or economic knowledge and the quality of external data used. Some of the Information is dependent on the methodological choices, assumptions and/or estimates made in preparing the information 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 Company's Guidelines as referred to above.

Responsibility of the Independent third-party organization

Based on 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 the Information 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").

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, where applicable, 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.

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 2022 and February 2023 and took a total of 18 weeks.

We called on our sustainable development and social responsibility specialists to assist us in our work. 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 labour 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;

- 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 if applicable: 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 and covers between 28% 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 moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the *Compagnie nationale des commissaires aux comptes*. Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

Paris La Défense, February 21, 2023

The Independent third-party organization,

MAZARS SAS

Edwige REY

CSR & Sustainable Development Partner

Appendix 1: list of qualitative and quantitative information, including key performance indicators and contributing entities

Quantitative information (actions and results) relating to the main risks

- Percentage of food waste avoided (vs. 2016) [(9)]
- Total waste [(1) (2) (7)]
- Share of waste from hypermarkets and supermarkets recovered (including food donations) [(1) (2) (7)]
- Cumulative reduction of packaging since 2017 (in tonnes) [(1)]
- Percentage of packaging in Carrefour-branded products that is reusable, recyclable or compostable [(1)]
- Percentage of integration of recycled plastic in packaging [(1)]
- Sales of organic products [(1)]
- Market penetration rate of Carrefour Quality Lines in fresh produce [(1)]
- Number of partner producers (Carrefour Bio partners, regional and local Carrefour Quality Lines) [(1)]
- Percentage of palm oil used in controlled products that is fully traced (RSPO Segregated certified) [(1) (2) (5) (7)]
- Percentage of Carrefour own-brand products in ten priority categories sourced from sustainable forests [(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 seafood products sold come from responsible fishing [(2) (5)]
- Eggs – Percentage of sales of certified national-brand products from cage-free production facilities [(1) (2) (5) (7)]
- Eggs as ingredients – Percentage of Carrefour-brand products containing cage-free eggs used as ingredients [(1) (2) (5) (7)]
- Chickens – Percentage of gross sales of certified products that guarantee compliance with animal welfare criteria [(1) (2) (5) (7)]
- Agroecology [(1)]
- Slaughterhouses – Percentage of Carrefour supplier slaughterhouses audited for compliance with animal welfare standards [(1) (2) (5) (7)]
- Percentage of Carrefour's quality channels and key Carrefour branded products use non-deforested soy for animal feed [(1) (3) (4) (5) (8)]
- Percentage of sustainable cocoa mass in Carrefour-brand chocolate bars [(1)]
- Percentage of natural textile raw materials comply with our responsible TEX policy (cotton, wood fibers, wool, cashmere) [(9)]
- Percentage of key traders (intermediaries trading in agricultural commodities near the beginning of the supply chain) assessed and making progress towards complying with Group policy [(9)]
- Percentage of social audits with alerts [(9)]
- Number of suppliers committed to the Food Transition Pact [(5)]
- Proportion of consumers who think that Carrefour helps them eat healthy and responsible food that remains affordable [(9)]
- Share of customers who identified in-store food transition [(9)]
- Percentage of IFS or BRC certified suppliers [(9)]
- Percentage of sites audited by Carrefour [(9)] of which:
  - Percentage of audit scores between A and B
  - Percentage of audit scores between C and D
- Number of improvement points in the in-store customer survey on organic and local products, nutrition, packaging and food waste reduction [(9)]
- Headcount [(4)]
- Frequency rate [(4)]
- Severity rate [(4)]
- Percentage of women appointed to key positions [(9)]
- Percentage of persons with disabilities [(4)]
- Average number of training hours per employee [(4)]
- Employer recommendation [(9)]
- Number of agreements signed [(9)]
- Key Talent Attraction Rate [(4)]
- Percentage of at-risk personnel trained on anti-corruption topics [(9)]
- Percentage of countries/entities with a DPO [(9)]

We have selected a list of Business Units on which we performed our tests of details. These Business Units are:

(1) France HM and SM

(2) Belgium HM and SM

(3) Brazil HM et SM

(4) Brazil Atacadão

(5) Spain HM and SM

(6) Argentina HM and SM

(7) Italy HM and SM

(8) Poland HM and SM

(9) Group

2.5 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 (2022 update) with the CSR report.

SASB – Sustainability disclosure URD	URD	Website	Other sources
Fleet Fuel Management	2.1.3 Climate 2.1.3.1 Overview of objectives and performance	https://www.carrefour.com/en/csr/climat-commitments	CDP Climate: C4.1a, C12.1d
Air Emissions from refrigeration	2.1.3 Climate 2.1.3.1 Overview of objectives and performance		CDP Climate: C2.2a, C2.3
Energy Management	2.1.3 Climate 2.1.3.1 Overview of objectives and performance		CDP Climate: C8.2a
Food Waste Management	2.1.3.4 Combatting food waste		CDP Climate: C12.1b
Data Security	2.1.5.4 Personal data protection 4.1.1.1 Strategy, governance and business environment - Personal data protection	-	-
Food Safety	2.1.4.3 Providing a quality offer accessible to all	https://www.carrefour.com/en/health-quality-and-nutrition	-
Product Health & Nutrition	2.1.4.3 Providing a quality offer accessible to all		-
Product Labelling &Marketing	2.2.2.1 Risk mapping methodology	-	-
Labor Practices	2.1.6.3 Attracting, supporting and developing talent 2.1.6.5 Protecting employee health, safety and quality of life	https://www.carrefour.com/en/employees-commitments	
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 2.1.2.4 Developing ecodesign and a circular economy for packaging 2.1.5.2 Respect for human rights and labour rights	https://www.carrefour.com/en/biodiversity-commitments	CDP Forests: F2, F4
SASB - Activity Metric			
Number of (1) retail locations and (2) distribution centres	1.1.3 Operating regions 1.4 Breakdown of the Group's businesses	https://www.carrefour.com/en/carrefour-group-locations	-
Total area of (1) retail space and (2) distribution centres	1.1.2 Business overview 1.3.1.1 A distinctive and rationalized offer, reflecting our raison d'être 1.4 Breakdown 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 Breakdown 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 Breakdown of the Group's businesses	
102-5	Ownership and legal form	1.5.3 Summary of stock market performance 8.3 Shareholders	
102-6	Markets served	1.4 Breakdown of the Group's businesses	
102-7	Scale of the organization	1.1.1 Facts and figures 1.1.2 Business overview 1.4 Breakdown 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	1.1.6 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 2022	
102-11	Precautionary principle or approach	4. Risk management and internal control 2.2 The Carrefour group's duty of care plan	
102-12	External initiatives	2.1 Non-financial policies, action plans and performance 2.2 The Carrefour group's duty of care plan	
102-13	Membership of associations	1.3 The Carrefour 2026 plan: Renewed ambition, faster trajectory 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	1.1.5 Our *raison d'être* 2.1.5.5 Fair practices 2.2 The Carrefour group's duty of care plan	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
102-17	Mechanisms for advice and concerns about ethics	2.1.5.5 Fair practices 2.2 The Carrefour group's duty of care plan 4.1.1.1 Strategy, governance and business environment – Corruption/Sapin II law	
Governance			
102-18	Governance structure	3.2 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work	https://www.carrefour.com/en/group/governance
102-19	Delegating authority	3.2 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 3.3 Executive Management and Group Executive Committee	–

No.	GRI disclosure	URD	*Website*
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
102-21	Consulting stakeholders on economic, environmental, and social topics	1.1.7 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 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 3.3 Executive Management and Group Executive Committee	–
102-23	Chair of the highest governance body	3.2 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 3.3 Executive Management and Group Executive Committee	–
102-24	Nominating and selecting the highest governance body	3.2 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 3.3 Executive Management and Group Executive Committee	–
102-25	Conflicts of interest	2.1.5.5 Fair practices	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
102-26	Role of highest governance body	3.2 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 3.3 Executive Management and Group Executive Committee	–
102-27	Collective knowledge of highest governance body	3.2 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 3.3 Executive Management and Group Executive Committee	–
102-28	Evaluating the highest governance body's performance	3.2 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 3.3 Executive Management and Group Executive Committee	–
102-29	Identifying and managing economic, environmental, and social impacts	2.1.1 CSR methodology and non-financial risks and performance	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
102-31	Review of economic, environmental, and social topics	2.2.1 Governance of the duty of care plan	https://www.carrefour.com/en/csr/policy
102-32	Highest governance body's role in sustainability reporting	2.2.1 Governance of the duty of care plan	https://www.carrefour.com/en/csr/policy
102-33	Communicating critical concerns	2.2.1 Governance of the duty of care plan	–
102-34	Nature and total number of critical concerns	2.2.1 Governance of the duty of care plan	–
102-35	Remuneration policies	3.4 Compensation and benefits granted to Company Officers	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
102-36	Process for determining remuneration	3.4 Compensation and benefits granted to Company Officers	
102-37	Stakeholders' involvement in remuneration	3.4 Compensation and benefits granted to Company Officers	–

No.	GRI disclosure	URD	*Website*
102-38	Annual total compensation ratio	3.4 Compensation and benefits granted to Company Officers	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
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	1.1.7 Stakeholder dialogue 1.3 The Carrefour 2026 plan: Renewed ambition, faster trajectory 2.2.1 Governance of the duty of care plan	https://www.carrefour.com/en/csr/
102-41	Collective bargaining agreements	2.2.4 Measures for preventing and mitigating identified risks	
102-42	Identifying and selecting stakeholders	1.1.7 Stakeholder dialogue 2.2.1 Governance of the duty of care plan and CSR 4.1.1 Principal risk factors	
102-43	Approach to stakeholder engagement	1.1.7 Stakeholder dialogue 2.2.1 Governance of the duty of care plan	
102-44	Key topics and concerns raised	1.1.7 Stakeholder dialogue 2.2.1 Governance of the duty of care plan	
Reporting practice			
102-45	Entities included in the consolidated financial statements	6.6 List of consolidated companies	-
102-46	Defining reporting content and topic boudaries	2.1 Non-financial policies, action plans and performance	-
102-47	List of material topics	2.1 Non-financial policies, action plans and performance	-
102-48	Restatements of information	N/A	-
102-49	Changes in reporting	2.4.1 Detailed reporting methodology for CSR indicators	-
102-51	Reporting period	2.4.1 Detailed reporting methodology for CSR indicators	-
102-52	Date of the most recent report	April 2022	-
102-53	Contact point for questions regarding the report	investisseurs@carrefour.com	-
102-54	Claims of the reporting in accordance with CRI standards	Core	-
102-55	GRI content index	2.5 Concordance tables	-
102-56	External 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	-
GRI 200			
GRI 201 - Economic performance			
201-1	Direct economic value generated and distributed	5. Business review as of December 31, 2022	-
201-2	Financial implications and other risks and opportunities due to climate change	Unavailable	-
201-3	Defined benefit plan obligations and other retirement plans	1.2.6. Responsibilities on inclusion 3.4 Compensation and benefits granted to Company Officers	-
201-4	Financial assistance received from government	N/A	-

No.	GRI disclosure	URD	*Website*
GRI 202 - Market presence			
202-1	Ratios of standard entry level by gender compared to local minimum wage	Unavailable	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
202-2	Proportion of senior management hired from the local community	Unavailable	https://www.carrefour.com/en/employees-commitments
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 local supplier	1.3.1.1 A differentiated and streamlined offer, reflecting our *raison d'être*	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
GRI 205 - Anti-corruption			
205-1	Operation assessed for risks related to corruption	2.1.5.5 Fair practices 4.1.1.1 Strategy, governance and business environment – Corruption/Sapin II law	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
205-2	Communication and training about anti-corruption policies and procedures	2.1.5.5 Fair practices 4.1.1.1 Strategy, governance and business environment – Corruption/Sapin II law	
205-3	Confirmed incidents of corruption and actions taken	2.1.5.5 Fair practices	
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/buisness-ethics-and-supply-chain
GRI 207 - Tax			
207-1	Approach to tax	2.1.5.5 Fair practices 4.1.1.1 Strategy, governance and business environment 6.6 Income tax expense 7.4.5 Tax receivables and payables	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
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		
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	https://www.carrefour.com/en/biodiversity-commitments
301-2	Recycled input material used	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 2.1.2.5 Limiting the environmental impact of our plants	
301-3	Reclaimed products and their packaging materials	2.1.2.4 Developing ecodesign and a circular economy for packaging	

No.	GRI disclosure	URD	*Website*
GRI 302 - Energy			
302-1	Energy consumption within the organization	2.1.3.2 Helping stores become carbon neutral	https://www.carrefour.com/en/csr/commitment/reducing-ghg-emissions
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	https://www.carrefour.com/en /csr/commitment/responsible-water-consumption
303-2	Management of water discharge-related impacts	Unavailable	
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	https://www.carrefour.com/en/biodiversity-commitments https://www.carrefour.com/en/buisness-ethics-and-supply-chain
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	https://www.carrefour.com/en/csr/commitment/protect-forests
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	https://www.carrefour.com/en/csr/climat-commitments
305-2	Energy indirect (Scope 3à 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), sulfur oxides (SOX), and other significant air emissions	Unavailable	Unavailable

No.	GRI disclosure	URD	Website
GRI 306 - Waste			
306-1	Waste generation and significant waste-related impacts	2.1.3.4 Combating food waste 2.1.2.5 Limiting the environmental impact of our plants	https://www.carrefour.com/en/biodiversity-commitments https://www.carrefour.com/en/csr/climat-commitments
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 policies			
307-1	Non-compliance with environmental laws and regulations	2.1.2.5 Limiting the environmental impact of our plants	https://www.carrefour.com/en/biodiversity-commitments
GRI 308 - Supplier environment assessment			
308-1	New suppliers that were screened using environmental criteria	2.2.3 Assessment measures 2.2.4 Presentation of prevention and mitigation measures for identified risks	-
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	https://www.carrefour.com/en/biodiversity-commitments
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	https://www.carrefour.com/en/employees-commitments
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 - Labour/management relations			
402-1	Minimum notice periods regarding operational changes	Unavailable	Unavailable

No.	GRI disclosure	URD	*Website*
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	https://www.carrefour.com/en/employees-commitments
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		
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	https://www.carrefour.com/en/employees-commitments
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 Composition of the Board of Directors, conditions of preparation and organisation of the Board of Directors' work 2.1.6.4 Encouraging diversity and inclusion and battling all forms of harassment and discrimination	https://www.carrefour.com/en/employees-commitments
405-2	Ratio of basic salary and remuneration of women to men	Unavailable	-
GRI 406 - Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	2.2.4 Presentation of prevention and mitigation measures for identified risks 2.2.5 Whistleblowing facilities	-
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	2.1.5.2 Respect for human rights and labour rights 2.2.3 Assessment measures 2.2.4 Presentation of prevention and mitigation measures for identified risks 2.2 The Carrefour group's duty of care plan	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
GRI 408 - Child labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.5.2 Respect for human rights and labour rights 2.1.5.3 Fair compensation and decent wages 2.2 The Carrefour group's duty of care plan	https://www.carrefour.com/en/buisness-ethics-and-supply-chain

No.	GRI disclosure	URD	*Website*
GRI 409 - Forced or compulsory labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2.1.2.3 Protecting biodiversity for the supply of sensitive raw materials 2.1.5.2 Respect for human rights and labour rights 2.1.5.3 Fair compensation and decent wages 2.2 The Carrefour group's duty of care plan	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
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 The Carrefour group's duty of care plan	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
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 The Carrefour group's duty of care plan	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
412-2	Employee training on human rights policies or procedures	2.1.5.2 Respect for human rights and labour rights 2.1.5.5 Fair practices 2.2 The Carrefour group'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	2.1.5.2 Respect for human rights and labour rights 2.2.3 Assessment measures 2.2.4 Presentation of prevention and mitigation measures for identified risks	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
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 screening using social criteria	2.1.5.2 Respect for human rights and labour rights 2.2.3 Assessment measures 2.2.4 Presentation of prevention and mitigation measures for identified risks	https://www.carrefour.com/en/buisness-ethics-and-supply-chain
414-2	Negative social impacts in the supply chain and action 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 The Carrefour group's duty of care plan	https://www.carrefour.com/en/buisness-ethics-and-supply-chain https://www.carrefour.com/en/biodiversity-commitments
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 4.1.1.3 Operations – Product quality, compliance and safety	https://www.carrefour.com/en/health-quality-and-nutrition
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2.5 Whistleblowing facilities	–

No.	GRI disclosure	URD	*Website*
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 4.1.1.3 Operations – Product quality, compliance and safety	https://www.carrefour.com/en/health-quality-and-nutrition
417-2	Incidents of non-compliance concerning product and service information and labelling	2.2.3 Assessment measures 2.2.4 Presentation of prevention and mitigation measures for identified risks	-
417-3	Incidents of non-compliance concerning marketing communications		-
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	-
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	-

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 Governance of the duty of care plan 2.1.3.1 Overview of objectives	https://www.carrefour.com/en/csr/climat-commitments	CDP – Climate: C1.1a, C1.1.b
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	1.1.7 Stakeholder dialogue 2.2.1 Governance of the duty of care plan		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.	1.1.7 Stakeholder dialogue 2.1.1.2 Content of the Group's map of CSR risks 1.2.5 Climate change and energy efficiency	https://www.carrefour.com/en/csr/climat-commitments	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.	1.2 Context: global challenges and development opportunities 2.1.3 Climate		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		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.	1.1.7 Stakeholder dialogue 2.1.1 CSR methodology and non-financial risks and performance 2.1.3.1 Overview of objectives 2.2.2 Risk map		CDP – Climate: C2.1a, C2.1b, C2.2
	b) Describe the organization's processes for managing climate-related risks.	2.1.1 CSR methodology and non-financial risks and performance 2.1.1.2.2 Map of the Group's CSR risks 2.1.3 Climate 2.2.3 Assessment measures 2.2.4 Presentation of prevention and mitigation measures for identified risks	https://www.carrefour.com/en/csr/climat-commitments	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 Assessment measures 2.2.4 Presentation of prevention and mitigation measures for identified risks		CDP – Climate: 2.2

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.	1.1.8 Carrefour 2022 Plan – Review and results, see section Corporate social responsibility – stronger commitments and results 1.5.3 Summary of non-financial performance 2.1.3 Climate	https://www.carrefour.com/en/csr/climat-commitments https://www.carrefour.com/en/biodiversity-commitments	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 Presentation of prevention and mitigation measures for identified risks 2.4 Reporting methodology and verification of information	https://www.carrefour.com/en/csr/climat-commitments	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.	1.5.3 Summary of non-financial performance 2.1.3 Climate 2.2.4 Measures for preventing and mitigating identified risks	https://www.carrefour.com/en/csr/climat-commitments https://www.carrefour.com/en/biodiversity-commitments	CDP – Climate: C4.1a, C4.1b CDP – Water: W8

3

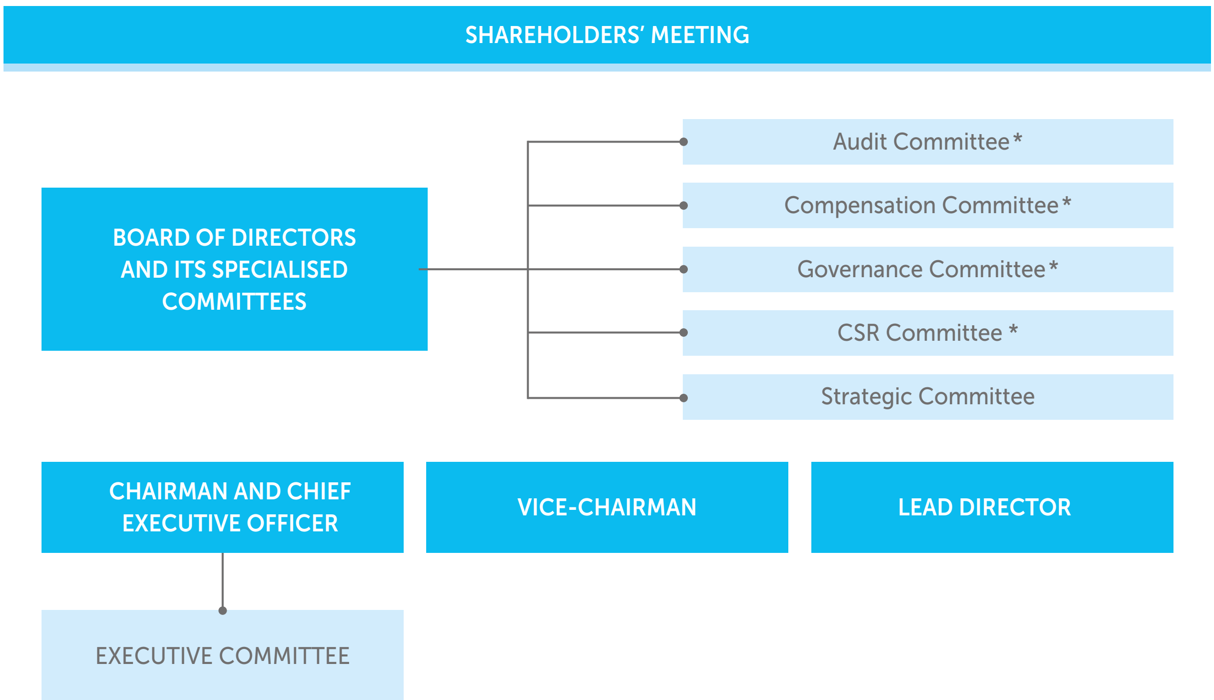
CORPORATE GOVERNANCE

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 December 2022, 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 non-financial rating agencies.

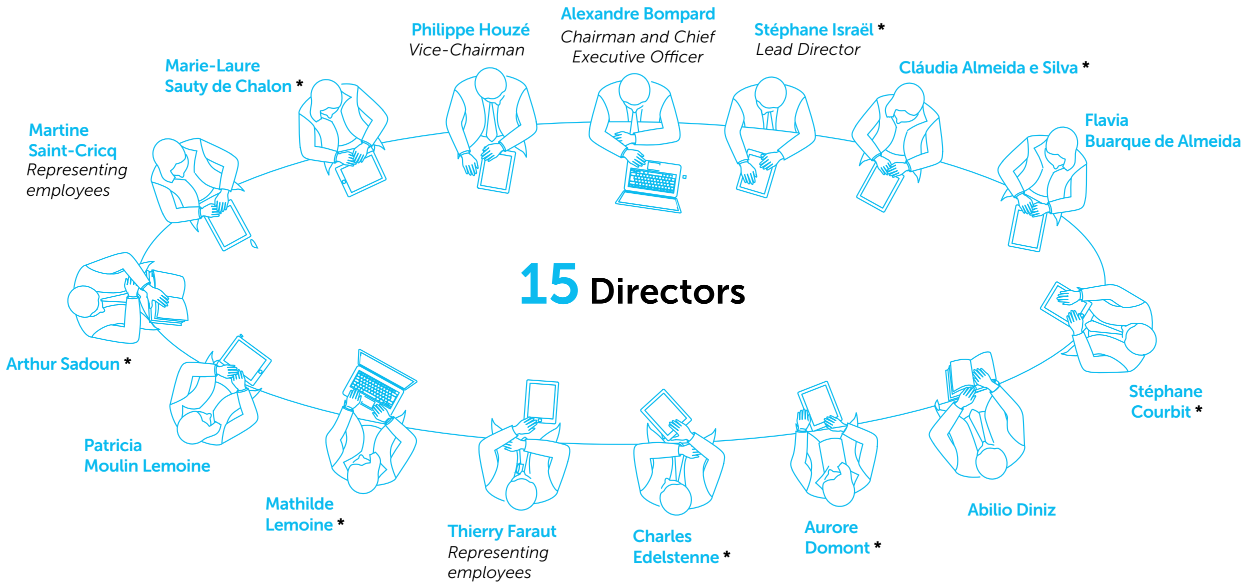
Governance summary

PARTICIPANTS IN THE GOVERNANCE SYSTEM



* 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 recommendation of the Governance Committee, in 2022, the Board of Directors decided to appoint Thierry Faraut, a Director representing employees, as a member of the Compensation Committee with effect from April 20, 2022, in line with AFEP-MEDEF recommendations. The Board of Directors also decided to make the following recommendations to the Shareholders' Meeting held on June 3, 2022, which were approved:

- ratification of the appointment of Arthur Sadoun as Director; and
- renewal of the terms of office of three Directors: Flavia Buarque de Almeida, Abilio Diniz and Charles Edelstenne.

At its meeting on March 22, 2023, the Board of Directors, on the recommendation of the Governance Committee, decided to change the composition of the Committees as follows:

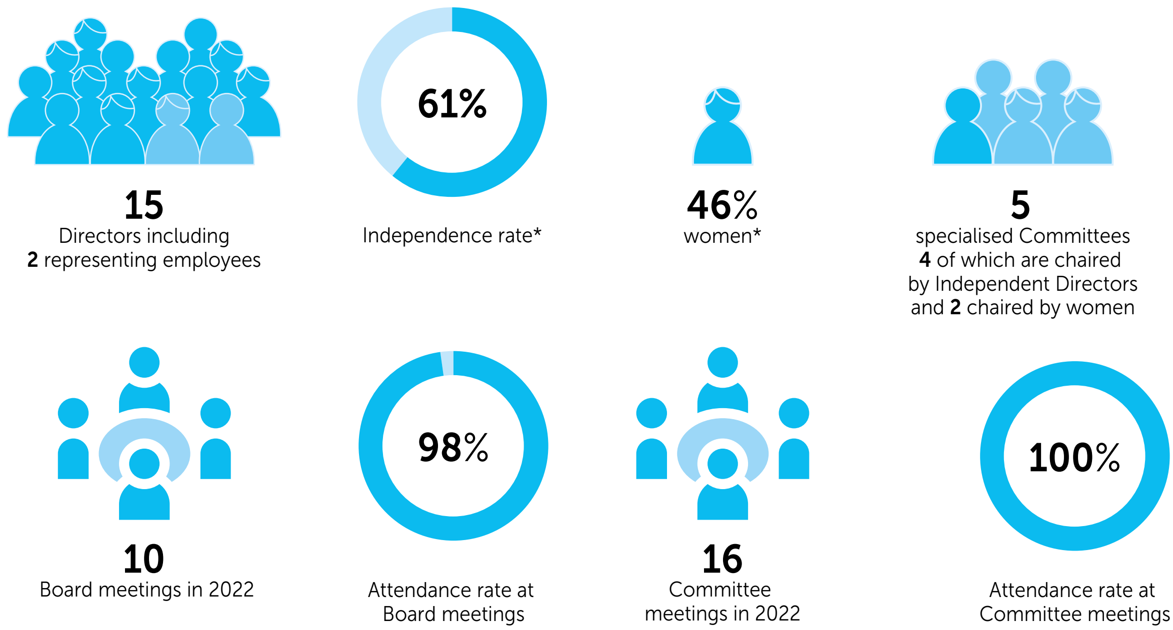
- Audit Committee: Stéphane Israël (Chairman, Independent Director), Claudia Almeida e Silva (Independent Director), Philippe Houzé and Marie-Laure Sauty de Chalon (Independent Director);
- Governance Committee: Charles Edelstenne (Chairman, Independent Director), Flavia Buarque de Almeida, Aurore Domont (Independent Director), Philippe Houzé, Arthur Sadoun (Independent Director) and Thierry Faraut (Director representing employees);
- Compensation Committee: Stéphane Courbit (Chairman, Independent Director), Charles Edelstenne (Independent Director), Stéphane Israël (Independent Director) and Thierry Faraut (Director representing employees);
- CSR Committee: Aurore Domont (Chair, Independent director), Claudia Almeida e Silva (Independent Director), Patricia Moulin Lemoine and Martine Saint-Cricq (Director representing employees); and
- Strategic Committee: Alexandre Bompard (Chairman), Abilio Diniz (Vice-Chairman), Philippe Houzé, Stéphane Courbit (Independent Director) and Stéphane Israël (Independent Director).

Accordingly, as of the date of this Universal Registration Document:

- the independence rate of the Audit Committee is 75%;
- the independence rate of the Governance Committee is 60% (1);
- the independence rate of the Compensation Committee is 100%(1); and
- the independence rate of the CSR Committee is 67%(1).

(1) In accordance with the AFEP-MEDEF Code and the law, the Director representing employees is not included in this calculation.

CARREFOUR GOVERNANCE – KEY FIGURES (DECEMBER 31, 2022)



* In accordance with the AFEP-MEDEF Code and the law, Directors representing employees are not included in the calculation of the above percentages.

1
2
3
4
5
6
7
8
9

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.

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, conducted at the end of 2022, 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 2026" 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.

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

At its meeting on June 21, 2011, the Board of Directors decided to combine the duties of Chairman and Chief Executive Officer and create the role of Lead Director.

The external assessment, 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 and March 22, 2023, 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 approves the agenda for Board meetings, can propose specific items for inclusion in the agenda and may be consulted on the schedule of Board meetings. The Lead Director is also responsible for organising two meetings per year without the Executive Officers in attendance (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.

2022 principal activities

In 2022, 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;
- supervised the external assessment of the Board of Directors and met individually with each of the Directors;
- ensured that the governance rules were applied within the Board and its committees;
- was involved in the work of the Strategic Committee;
- was not required to deal with any conflicts of interest within the Board of Directors;
- discussed the agendas of the Board meetings with the Chairman of the Board of Directors; and
- analysed the potential conflict of interest within the Board of Directors in the context of the partnership project with Publicis, given that Arthur Sadoun is Chairman of the Management Board of Publicis.

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 supervised by the Lead Director. The Board of Directors must devote one agenda item each year to discussing the conclusions of this 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 2022, 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.

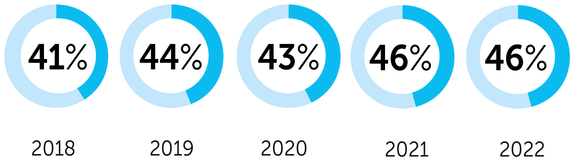
The addition in 2017 of two new, younger Directors of different nationalities and with different skills and experience has made the Board more international and expanded its entrepreneurial and digital expertise. Since 2020, on the recommendation of the Governance Committee, and in accordance with the requests of the Company's shareholders, the Board of Directors has also decided to reduce its size.

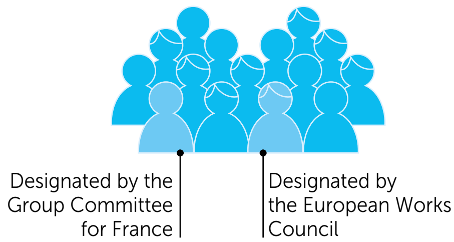
The appointment of Arthur Sadoun as an Independent Director also strengthened the independence of the Board, and added an international profile, experience in business transformation and digital expertise.

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.

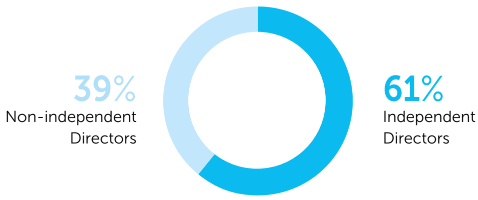
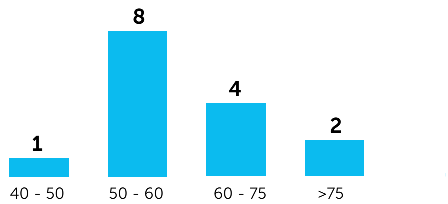
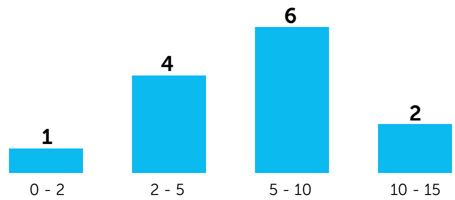
At December 31, 2022, the Board of Directors had 13 members in total, six or 46% of whom were women and 61% of whom were independent (these percentages do not include the two Directors representing employees). Three of the Directors were non-French. In addition, four committees are chaired by Independent 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 2022</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>2
Directors representing employees


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>

Criteria	Targets	Implementation and results obtained in 2022
Directors' independence	50% of Independent Directors, in compliance with the AFEP-MEDEF Code for widely-held corporations without controlling shareholders	 In accordance with AFEP-MEDEF Code recommendations, the above percentages do not include Directors representing employees.
Age of Directors	No more than one-third of Directors over the age of 75	 **Average age:** **61 years** 2018 59 years · 2019 58 years · 2020 58 years · 2021 60 years · 2022 61 years
Average tenure of Board members		 **Average tenure** **6 years**

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*).

At its October 4, 2017 meeting, the European Consultation and Information Committee (ECIC) appointed Martine Saint-Cricq as a Director representing employees and 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.

At its November 23, 2017 meeting, the Group Committee appointed Thierry Faraut in the same capacity and 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 2022 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 March 22, 2023. 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.

In July 2020, Charles Edelstenne exceeded the maximum 12 years of service 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.

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 compromise his independence.

CORPORATE GOVERNANCE
The Board of Directors

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, 2022

On December 31, 2022, 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				Board of Directors' specialised Committees				
Director	Nationality	Age	Gender	Independent	Appointment	Most recent appointment	End of term[1]	Other corporate offices[2]	Audit Committee	Compensation Committee	Governance Committee	CSR Committee	Strategic Committee
Alexandre Bompard *Chairman and Chief Executive Officer*	French	50	M		07/18/2017	05/21/2021	2024 AGM	1					◆
Philippe Houzé *Vice-Chairman*	French	75	M		06/11/2015	05/21/2021	2024 AGM	-	●		●		●
Stéphane Israël *Lead Director*	French	52	M	X	06/15/2018	05/21/2021	2024 AGM	-	◆				
Cláudia Almeida e Silva	Portuguese	49	F	X	01/22/2019[3]	05/21/2021	2024 AGM	-	●			●	
Flavia Buarque de Almeida	Brazilian	55	F		04/12/2017	06/03/2022	2025 AGM	2			●		
Stéphane Courbit	French	57	M	X	06/15/2018	05/21/2021	2024 AGM	-		●			●
Abilio Diniz	Brazilian	86	M		05/17/2016	06/03/2022	2025 AGM	1					■
Aurore Domont	French	54	F	X	06/15/2018	05/21/2021	2024 AGM	-			●	◆	
Charles Edelstenne	French	84	M	X	07/28/2008	06/03/2022	2025 AGM	3		●	◆		
Thierry Faraut [4]	French	52	M		11/23/2017	12/08/2020	12/08/2023	-		●	●		
Mathilde Lemoine	French	53	F	X	05/20/2011	05/21/2021	2024 AGM	-	●	◆			
Patricia Moulin-Lemoine	French	73	F		06/11/2015	05/21/2021	2024 AGM	-				●	
Arthur Sadoun	French	51	H	X	09/07/2021[5]	-	2024 AGM	1					
Martine Saint-Cricq [4]	French	64	F		10/04/2017	10/07/2020	10/07/2023	-				●	
Marie-Laure Sauty de Chalon	French	60	F	X	06/15/2017	05/29/2020	2023 AGM	2				●	

(1) Date of the Annual Shareholders' Meeting called 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; ratified by the 2022 Shareholders' Meeting.

◆ 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 2022 are summarised in the following table:

	Departures	Appointments	Renewals
Board of Directors	-	-	Flavia Buarque de Almeida Abilio Diniz Charles Edelstenne[1]

(1) Independent Director.

The Shareholders' Meeting of June 3, 2022 renewed the terms of office of Flavia Buarque de Almeida, Abilio Diniz and Charles Edelstenne as Directors. It also ratified the appointment of Arthur Sadoun as Director, 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, 2023.

In addition, recent changes in the composition of the Board of Directors are detailed in the section "Recent changes in corporate governance" at the beginning of Chapter 3 of this Universal Registration Document.

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: 713,488

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 convened to approve the Financial Statements for the year ending December 31, 2023

YEARS IN OFFICE: 5 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 also 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, 2022

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)
- Member of the *Fondation Nationale des Sciences Politiques*

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: **2,250**

DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS: **June 11, 2015**

DATE OF LAST RENEWAL:

May 21, 2021

TERM OF OFFICE EXPIRES:

Shareholders' Meeting convened to approve the Financial Statements for the year ending December 31, 2023

YEARS IN OFFICE: 7 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, Governance 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, a member of the INSEAD Board of Directors and Director of the *Alliance Française*. 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, 2022

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 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
- Member of the Board of Directors of the Alliance Française

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In France:

- 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)
- Director, Chairman of the Appointments Committee and Chairman of the Compensation Committee of HSBC France* (Expiry of term: 2022)

Abroad:

- None.

** Listed company.*

Stéphane Israël

INDEPENDENT DIRECTOR AND LEAD DIRECTOR / *Chairman of the Audit Committee and member of the Compensation Committee and the Strategic 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 convened to approve the Financial Statements for the year ending December 31, 2023**

YEARS IN OFFICE: 4 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, 2022

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)

* *Listed company.*

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 convened to approve the Financial Statements for the year ending December 31, 2023

YEARS IN OFFICE: 4 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 2026".

OTHER POSITIONS HELD AS OF DECEMBER 31, 2022

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 3, 2022

TERM OF OFFICE EXPIRES: Shareholders' Meeting convened to approve the Financial Statements for the year ending December 31, 2024

YEARS IN OFFICE: 5 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. She was a director of BRF SA from 2018 to 2022.

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. In June 2019, she became CEO of Península Capital.

She has also been a Director of W2W e-Commerce de Vinhos SA since August 2016 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, 2022

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 Ultrapar Participações SA*
- Member of the Deliberating Council of Instituto Península

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

In Brazil:

- 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)
- Director of BRF SA* (Expiry of term : 2022)
- Director of Vitamina Chile SPA (Expiry of term: 2022)

** Listed company.*

Stéphane Courbit

INDEPENDENT DIRECTOR / *Chairman of the Compensation Committee and member of the Strategic 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 convened to approve the Financial Statements for the year ending December 31, 2023

YEARS IN OFFICE: 4 YEARS

ATTENDANCE RATE: 95%

Stéphane Courbit is the Chief Executive Officer of Lov Group, a company whose main activities include audiovisual production (Banijay, world leader), online betting (Betclic), luxury hotels (Airelles) and gastronomy (Ladurée).

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, 2022

In France:

- Chairman of Lov Group Invest (and member of the Supervisory Board)
- 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
- Legal manager of SCI ClemSC

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 and Chief Executive Officer of Lovestate
- 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 Venise

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: 2018)
- Chairman of ILR (Expiry of term: 2018)
- Chairman of Chalet de Pierres SAS (Expiry of term: 2018)
- Chairman of Betclic Group (Expiry of term: 2021)
- Chairman of Mangas Lov (Expiry of term: 2022)
- Chairman of LDH (Expiry of term: 2022) and member of the Supervisory Committee
- Chairman of Lov Banijay (Expiry of term: 2022)

* *Listed company.*

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 3, 2022

TERM OF OFFICE EXPIRES: Shareholders' Meeting convened to approve the Financial Statements for the year ending December 31, 2024

YEARS IN OFFICE: 6 YEARS | **ATTENDANCE RATE: 100%**

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, 2022

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 and Plenae Comércio e Serviços Para o Bem-Estar EIRELI

POSITIONS HELD IN THE LAST FIVE YEARS THAT EXPIRED

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), Orca SARL, Peninsula Europe SARL (Expiry of term: 2022)
- 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 convened to approve the Financial Statements for the year ending December 31, 2023

YEARS IN OFFICE: 4 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, 2022

In France:

- President of FigaroMedias
- 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)
- President of Social & Stories (Expiry of term: 2022)

** Listed company.*

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 3, 2022

TERM OF OFFICE EXPIRES: Shareholders' Meeting convened to approve the Financial Statements for the year ending December 31, 2024

YEARS IN OFFICE: 14 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 role he held until January 8, 2013.

Founder, Chief Executive Officer and current Honorary 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, 2022

In France:

- Director and Honorary President of Dassault Aviation SA*
- Director and Honorary 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 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 of the Board of Directors of Dassault Systèmes SE (Expiry of term: 2023)
- 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: 5 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, 2022

In France:

- 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

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 convened to approve the Financial Statements for the year ending December 31, 2023**

YEARS IN OFFICE: 11 YEARS | **ATTENDANCE RATE: 95%**

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, 2022

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 convened to approve the Financial Statements for the year ending December 31, 2023

YEARS IN OFFICE: 7 YEARS

ATTENDANCE RATE: 95%

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, 2022

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
- Chair of Grands Magasins Galeries Lafayette 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)
- Vice-Chair of the Supervisory Committee of BHV Exploitation (SAS) (Expiry of term: 2022)
- President of Immobilière du Marais (SAS) (Expiry of term: 2022)

Arthur Sadoun

INDEPENDENT MEMBER / *Member of the Governance Committee*

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 convened to approve the Financial Statements for the year ending December 31, 2021

TERM OF OFFICE EXPIRES: Shareholders' Meeting convened to approve the Financial Statements for the year ending December 31, 2023

YEARS IN OFFICE: 1 YEAR | **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, 2022

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: 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: 5 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. She was a member of the UNI Europa and the UNI Global Union women's committees from 2007 to 2021. 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, 2022

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 Audit 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 convened to approve the Financial Statements for the year ending December 31, 2022

YEARS IN OFFICE: 5 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, 2022

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 2022, 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 note of Regulation (EU) no. 596/2014 of July 3, 2016 on market abuse, replacing the January 28, 2003 European directive, which establishes new rules and measures applicable to listed companies and their Executive Officers and 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. In 2022, the Lead Director, the Governance Committee and the Board of Directors were informed of a potential conflict of interest concerning a planned partnership between the Carrefour and Publicis groups. Arthur Sadoun abstained from participating in any discussions on the project.

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 to declare. In addition, 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 2022

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:

Area	Work
Financial management	■ review of the work of the Audit Committee; ■ approval of the annual and half-yearly company and consolidated financial statements and the related reports and draft of press releases; ■ review of quarterly gross sales and draft of related press releases; ■ authorisation to implement a share buyback programme for a total amount of 750 million euros; ■ decision to cancel the shares bought back via two capital reductions; ■ approval of forecast management documents; ■ renewal of the annual authorisations granted to the Chairman and Chief Executive Officer with regard to bond issues and guarantees; ■ review of the Group's financing policy and commitments; ■ approval of the 2023 budget.

Area	Work
Follow-up on the Group's strategy, its activities and its operations	■ regular updates on the progress of various projects relating to the Group's transformation; ■ discussions about the partnership with the Paris 2024 Olympic Games; ■ approval of the acquisition of Grupo BIG in Brazil; ■ approval of the sale of Carrefour Taiwan; ■ validation of the new Carrefour 2026 strategic plan, after several meetings about the strategic review of the Group's assets; ■ information on the state of the economy (in particular the repercussions of the war in Ukraine on the Group) and the competition, Carrefour's stock market performance and financial ratings issues.
Governance	■ approval of the corporate governance report; ■ discussions about possible changes to the Company's governance and proposal to renew the terms of office of three Directors, Flavia Buarque de Almeida, Abilio Diniz and Charles Edelstenne, and to appoint Arthur Sadoun as Director; ■ annual assessment of the independence of the Directors; ■ external assessment of the Board of Directors. ■ analysis of a potential conflict of interest concerning a partnership project between the Carrefour and Publicis groups.
Compensation	■ decision on the components of compensation and the compensation policy for the Chairman and Chief Executive Officer for the 2022 financial year; ■ implementation of a new long-term incentive plan for Alexandre Bompard comprising performance share awards; ■ approval of the amount of the supplementary defined benefit pension plan for the 2021 financial year; ■ approval of the 2022 compensation policy for Directors; ■ implementation of an employee plan.
CSR	■ monitoring the work of the CSR Committee; ■ information on the 2022 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; ■ review of the Group's gender equality policy; ■ approval of the Company's ambition and targets in relation to the fight against global warming in the context of the "Say on Climate" resolution approved by the Shareholders' Meeting of June 3, 2022; ■ raising of the Group's CSR objectives; and ■ adoption of the new CSR and Food Transition Index.
Shareholders' Meeting of June 3, 2022	■ Notice of Meeting, agenda, draft resolutions and the Board of Directors' report to the Shareholders' Meeting; ■ setting of the dividend distribution policy; ■ annual review of the related-party agreements entered into during the year; ■ submission 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 of the French Commercial Code, the components of compensation due or awarded for the 2021 financial year to Alexandre Bompard, Chairman and Chief Executive Officer, the 2022 compensation policy for the Chairman and Chief Executive Officer and the 2022 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 2022 financial year, the Board of Directors commissioned a consultant to carry out a formal external assessment of the Board's procedures. This external assessment was conducted during the second half of 2022 by means of questionnaires and interviews with each of the Directors. A summary of the external assessment results was presented to the Lead Director and the Governance Committee, and then presented by the Chairman of the Governance Committee to the Board of Directors.

The external assessment shows that the Directors are very satisfied with the overall procedures of the Board of Directors and its Committees, as well as their involvement in the Group's strategy. The Board members' main observations related to the proper execution of the Company's strategic guidelines by the management team, the complementary skills of the members of the Board of Directors, the quality of interaction and dialogue within the Board, as well as the efficiency of the Board of Directors' meetings (freedom of speech, transparency, relevance of the subjects presented). These observations were taken into account in 2022, notably with the organisation of ad hoc sessions with operational executives during the year, particularly as part of the process of preparing the "Carrefour 2026" strategic plan, and in 2023 a seminar will be organized in Brazil as well as an executive session.

3.2.2.5 Frequency of and attendance at Board of Directors and specialised Committee meetings in 2022

The Board of Directors and its specialised committees met 26 times in 2022, with an average attendance rate of 99%.

The Board of Directors met ten times in 2022, with an average attendance rate of 98%.

26 meetings **99%** attendance rate

15 members **10** meetings **98%** attendance rate

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	90%	-	100%	-	-	100%
Abilio Diniz	100%	-	-	-	-	100%
Aurore Domont	100%	-	-	100%	100%	-
Charles Edelstenne	100%	-	100%	100%	-	-
Thierry Faraut	100%	-	-	100%	-	-
Mathilde Lemoine	90%	100%	100%	-	-	-
Patricia Moulin Lemoine	90%	-	-	-	100%	-
Arthur Sadoun	100%	-	-	-	-	-
Martine Saint-Cricq	100%	-	-	-	100%	-
Marie-Laure Sauty de Chalon	100%	-	-	-	100%	-

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. 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. The composition of the specialised Committees did not change following the Shareholders' Meeting of June 3, 2022.

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 2022 are summarised in the following table:

	Departures	Appointments
Audit Committee	-	-
Compensation Committee	-	Thierry Faraut
Governance Committee	-	-
CSR Committee	-	-
Strategic Committee	-	-

3.2.3.1 The Audit Committee

The Audit Committee meets at least four times a year.

Composition

On December 31, 2022, 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 **5 meetings** **100% attendance rate**

At December 31, 2022, the composition of the Appointments 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.

As of March 22, 2023, the composition of the Audit Committee is as follows: Stéphane Israël (Chairman, Independent Director), Claudia Almeida e Silva (Independent Director), Philippe Houzé and Marie-Laure Sauty de Chalon (Independent Director), i.e., a 75% independence rate.

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.
  - the Statutory Auditors 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.

2022 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, 2021 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,
  - activity and results of the Group in 2021,
  - dividend recommendation for 2021,
  - hard-close procedures,
  - consolidation of Grupo BIG,
  - 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, 2021;
- **in respect of internal control:**
  - follow-up on the Group Internal Audit department's tasks,
  - the Group's 2022-2023 financing policy and credit rating,
  - review of risk mapping,
  - review of cyber security risks;
- **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,
  - selection of a Statutory Auditor, via a tendering procedure, for recommendation to serve for the 2023-2028 term.

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.

4 members **3 meetings** **100% attendance rate**

At December 31, 2022, the composition of the Compensation Committee was as follows:

Chairman: **Mathilde Lemoine[(1)];**
Members: **Charles Edelstenne[(1)], Stéphane Courbit[(1)] and Thierry Faraut (Director representing employees).**

(1) Independent Director.

At March 22, 2023, the composition of the Compensation Committee was as follows: Stéphane Courbit (Chairman, Independent Director), Charles Edelstenne (Independent Director), Stéphane Israël (Independent Director) and Thierry Faraut (Director representing employees), i.e., a 100% independence rate.

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.

2022 principal activities

Over the course of the Compensation Committee's meetings, the following main topics were reviewed:

- **compensation of Executive Officers:**
  - definition of the 2022 compensation policy for Alexandre Bompard,
  - setting of Alexandre Bompard's 2021 variable compensation; setting of Alexandre Bompard's long-term compensation,
  - setting the amount of the supplementary defined benefit pension plan for the year 2021,
  - definition of the 2022 compensation policy for Directors,
  - grant of performance shares to key managers,
- **employee share ownership plan;**
- **Shareholders' Meeting of June 3, 2022:**
  - review of the compensation policy for Alexandre Bompard,
  - review of the presentation of compensation components for Alexandre Bompard in the 2021 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, 2022, 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 **1 meeting** **100% attendance rate**

At December 31, 2022, the composition of the Governance Committee was as follows:

Chairman: **Charles Edelstenne[1];**
Members: **Flavia Buarque de Almeida, Philippe Houzé, Aurore Domont[1] and Thierry Faraut (Director representing employees).**

(1) Independent Director.

At March 22, 2023, the composition of the Governance Committee was as follows: Charles Edelstenne (Chairman, Independent Director), Flavia Buarque de Almeida, Aurore Domont (Independent Director), Philippe Houzé, Arthur Sadoun (Independent Director) and Thierry Faraut (Director representing employees), i.e., a 60% independence rate.

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.

2022 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,
  - oversight, with the Lead Director, of the Board of Directors' annual assessment;
  - analysis of a potential conflict of interest concerning a partnership project between the Carrefour and Publicis groups;
- **Shareholders' Meeting of June 3, 2022:**
  - 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:**
  - changes in the composition of the Board of Directors' specialised committees.

3.2.3.4 The CSR Committee

The CSR Committee meets as often as necessary.

Composition

As at December 31, 2022, a majority of the members of the CSR Committee qualify as Independent Directors within the meaning of the AFEP-MEDEF code.

5 members **4** meetings **100%** attendance rate

At December 31, 2022, 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.

At March 22, 2023, the composition of the CSR Committee was as follows: Aurore Domont (Chair, Independent Director), Claudia Almeida e Silva (Independent Director), Patricia Moulin Lemoine and Martine Saint-Cricq (Director representing employees), i.e., a 67% independence rate.

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.

2022 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 2021 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;
- discussions about the "Say on Climate" commitment and the Company's ambition and targets in relation to the fight against global warming;
- discussions about the links between CSR and digital;
- setting of the CSR recommendations for the "Carrefour 2026" strategic plan;
- energy savings plan;
- recommendation to include disability as an important cause under the 2023-2026 strategic plan;
- initiative relating to the diversity of backgrounds;
- action plan to tackle deforestation in Brazil.

3.2.3.5 The Strategic Committee

The Strategic Committee meets as often as necessary.

Composition

4 members **3 meetings** **100% attendance rate**

At December 31, 2022, 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 2022, the Lead Director participated in all Strategic Committee meetings.

At March 22, 2023, the composition of the Strategic Committee was as follows: Alexandre Bompard (Chairman), Abilio Diniz (Vice-Chairman), Philippe Houzé, Stéphane Courbit (Independent Director) and Stéphane Israël (Independent Director).

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.

2022 principal activities

The members of the Strategic Committee were primarily called upon to carry out a strategic review of the Group's assets, in particular with regard to the sale of Carrefour Taiwan the partnership project with Publicis, and contributed to drawing up the "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 14 members:

	Main position held within the Group
Alexandre Bompard	Chairman and Chief Executive Officer
Rami Baitiéh	Executive Director, France
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
Stéphane Maquaire	Executive Director, Latin America (Brazil and Argentina)
Jérôme Nanty	Executive Director, Human Resources and Assets for the Group and France
Alexandre de Palmas	Executive Director, Spain
Elodie Perthuisot	Executive Director, E-Commerce, Data and Digital Transformation
Christophe Rabatel	Executive Director, Italy
Alice Rault	Director, Strategy & Transformation
Laurent Vallée	Secretary General and Executive Director, Northern Europe

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%. At the date of this Universal Registration Document, the Board of Directors has 14 members including four women, i.e., 28%. These changes broadly reflect the policy encouraging women's access to positions of responsibility. While the workforce is moving towards a 50:50 split at Group level, with a slight decline in the proportion of women at Carrefour overall in 2022, the rate of women in management was virtually unchanged compared with 2021. There has also been a big increase in the proportion of women on the Group Executive Committee, as well as among directors, Senior Directors and executives, despite the exit of Carrefour Taiwan, which had one of the best rates of women in the Group's management bodies. From within the broader category of Senior Directors, a new job category was created in 2021 for Executive Directors (who make up the Group's top 200). Among these positions, the percentage occupied by women has increased from 22.3% to 25.7% since year-end 2020. 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. The Group has also put in place development, individual coaching and mentorship programmes for women, as well as partnerships dedicated to gender equality in order to promote gender parity at Carrefour and help women build their knowledge and networks.

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.

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.

On October 2, 2017, he became 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 Fnac Darty.

On October 16, 2017, Matthieu Malige took up the position of Chief Financial Officer of the Carrefour group.

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.

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.

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.

ÉLODIE PERTHUISOT

Élodie Perthuisot joined Carrefour as Chief Marketing Officer 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, Élodie Perthuisot was Commercial Director at Fnac then Fnac Darty for some six years.

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.

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.

He is also in charge of Carrefour Partenariats International (CPI).

On July 4, 2022, he was appointed Executive Director of Northern Europe.

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 2021 was paid in 2022 and the compensation due in respect of 2022 will be paid in 2023.

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 2021 and 2022, the Directors received the following amounts:

	Amount of compensation received[1]			
	2022		2021	
(in euros)	Amount allocated[2]	Amount paid[3]	Amount allocated[4]	Amount paid[5]
Alexandre Bompard	75,000	75,000	75,000	56,250
Philippe Houzé	115,000	115,000	115,000	86,250
Stéphane Israël	135,000	135,000	135,000	74,659
Cláudia Almeida e Silva	65,000	65,000	65,000	48,750
Alexandre Arnault[6]	N/A	35,833	35,833	32,045
Nicolas Bazire[6]	N/A	70,000	70,000	56,250
Jean-Laurent Bonnafé[7]	N/A	N/A	N/A	22,689
Flavia Buarque de Almeida	55,000	55,000	55,000	41,250
Stéphane Courbit	62,500	61,875	61,875	43,636
Abilio Diniz	55,000	55,000	55,000	39,545
Aurore Domont	75,000	75,000	75,000	56,250
Charles Edelstenne	75,000	75,000	75,000	56,250
Thierry Faraut	65,000	55,000	55,000	41,250
Mathilde Lemoine	72,500	75,000	75,000	56,250
Patricia Moulin-Lemoine	52,500	55,000	55,000	41,250
Arthur Sadoun[8]	45,000	27,500	27,500	N/A
Martine Saint-Cricq	55,000	55,000	55,000	41,250
Marie-Laure Sauty de Chalon	55,000	55,000	55,000	41,250
Lan Yan[7]	N/A	N/A	N/A	38,523
TOTAL	**1,057,500**	**1,140,208**	**1,140,208**	**873,598**

(1) Gross amounts before withholding tax for non-French residents and payroll tax for French residents.
(2) Amounts due based on actual attendance in 2022, i.e., from January 1 to December 31, 2022.
(3) Amounts paid in 2022 for the period from January 1 to December 31, 2021.
(4) Amounts due based on actual attendance in 2021, i.e., from January 1 to December 31, 2021.
(5) Amounts paid in 2021 for the period from January 1 to December 31, 2020.
(6) Directors until September 6, 2021.
(7) Directors until May 21, 2020.
(8) 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. At its meeting on March 22, 2023, the Board of Directors decided to propose to the Shareholders' Meeting of May 26, 2023 the renewal, ahead of term, of his office as Director, to align it with the Carrefour 2026 strategic plan. If the shareholders approve this renewal, the Board of Directors also intends to re-appoint Alexandre Bompard as Chairman and Chief Executive Officer.

The Board of Directors can revoke this term of office at any time in accordance with the applicable legal provisions.

At its meeting on March 22, 2023, 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 2023 (detailed in Section 3.4.3.2 of this Universal Registration Document). The compensation policy is submitted for approval to the Shareholders' Meeting of May 26, 2023.

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

The annual fixed compensation of the Chairman and Chief Executive Officer was set at 1,500,000 euros upon his appointment in 2017 and has not changed since. Under the particular circumstances of the renewal, ahead of term, of his appointment, in accordance with the compensation policy, which stipulates that fixed compensation is reviewed at relatively long intervals, and specifically in the context of a renewal of a term of office, given current inflation levels, the Board of Directors decided to increase his fixed compensation to 1,600,000 euros for 2023.

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 2023, 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 2023 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 called to approve the financial statements for the year ending December 31, 2023.

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 and voluntary job loss insurance.

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 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 called 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 713,488 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.

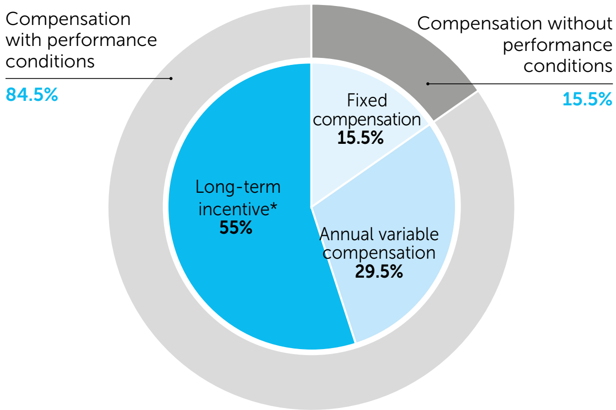
3.4.3.2 Components of compensation allocated to the Chairman and Chief Executive Officer, Alexandre Bompard, in respect of 2023

The Board of Directors set the structure of Chairman and Chief Executive Officer, Alexandre Bompard's, 2023 compensation as follows:

		Presentation
Fixed compensation	1,600,000 euros	At its meeting on March 22, 2023, the Board of Directors decided to increase the annual fixed compensation of the Chairman and Chief Executive Officer to 1,600,000 euros, on the renewal of his term of office. His annual fixed compensation had not changed since he was appointed in 2017. This comes out to a 6.6% increase in six years.
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)		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 March 22, 2023. 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.
Sales	15%	
Recurring operating income	20%	
Net free cash flow	15%	
NPS®	10%	
CSR	20%	
Qualitative criteria	20%	
Quality of corporate governance		
TOTAL	**100%**	
Long-term incentive plan (performance shares)	Value representing 55% of the gross maximum compensation (fixed annual, maximum annual variable and long-term variable)	On February 14, 2023, the Board of Directors decided to award this compensation in the form of performance shares. This award was set at a value representing 55% of his gross maximum compensation to give the Chairman and Chief Executive Officer an even more important stake in the Company's earnings and share price performance, creating a stronger relationship with shareholders. 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 14, 2026 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, Jeronimo Martins, Marks & Spencer, Metro, Tesco and Sainsbury's) 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 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 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 and voluntary job loss insurance.
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.

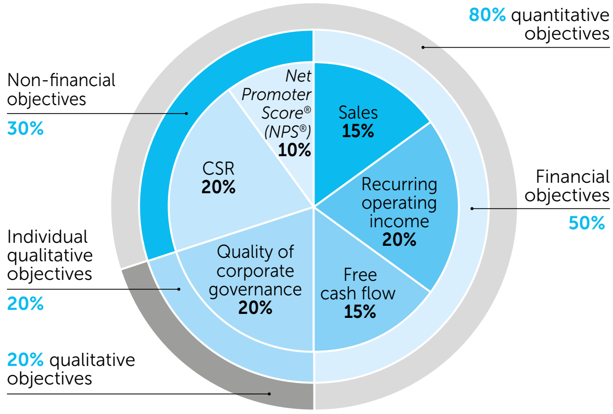
(1) As set by the Board of Directors on March 22, 2023.

2023 COMPENSATION STRUCTURE



* Based on the long-term incentive plan granted on February 14, 2023.

2023 ANNUAL VARIABLE COMPENSATION



3.4.3.3 Compensation allocated or paid to the Chairman and Chief Executive Officer, Alexandre Bompard, in respect of 2022

The Shareholders' Meeting of June 3, 2022 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 2022 in his capacity as Chairman and Chief Executive Officer.

The payment of the variable and exceptional components of compensation due in respect of the 2022 financial year is subject to the approval of the Shareholders' Meeting of May 26, 2023, in accordance with Article L. 22-10-34 II of the French Commercial Code.

	2021		2022	
(in euros)	**Amount allocated**	**Amount paid**	**Amount allocated**	**Amount paid**
Alexandre Bompard Chairman and Chief Executive Officer				
Fixed compensation	1,500,000	1,500,000	1,500,000	1,500,000
Variable compensation	2,850,000	2,475,000	2,850,000	2,850,000
Long-term incentive plan	N/A	N/A	N/A	N/A
Termination payment	N/A	N/A	N/A	N/A
Compensation paid in respect of his directorship(1)	75,000	56,250	75,000	75,000
Benefits in kind(2)	3,822	3,822	9,052	9,052
TOTAL	**4,428,822**	**4,035,072**	**4,434,052**	**4,434,052**

(1) See section 3.4.2.2 of this Universal Registration Document.
(2) Company car and voluntary unemployment insurance.

The components of compensation allocated or paid to the Chairman and Chief Executive Officer, Alexandre Bompard, in 2022 are as follows:

Annual compensation

Alexandre Bompard received annual compensation comprising a fixed portion and a variable portion.

Annual fixed compensation

In 2022, 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 March 22, 2023, 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 a sharp increase in like-for-like sales in 2022, up 8.5%, with market share gains in all key countries. The performance level for the criterion stood at 200%, with 8% growth versus a target of 3%.

Net free cash flow continued to grow rapidly in 2022, leading to performance level for the criterion of 165%, with cash generation of 1,235 million euros versus a target of 1,040 million euros.

The performance level for the recurring operating income criterion, at constant exchange rates in 2022, represented 76%, with recurring operating income of 2,304 million euros versus a target of 2,400 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. This index is comprehensive and aligned with the Group's strategic priorities. The achievement rate stood at 109% in 2022. See Section 1.5.5 of this Universal Registration Document for details on the composition of and change in this index.

Carrefour has maintained its leading position in non-financial ratings. Carrefour is recognised on CDP's 'A-list' for its commitment to fighting global warming (as in 2021). Carrefour is ranked second in the retail sector by Moody's, with a rating of 73/100 (up 9 points from 2021).

The performance level for the CSR criterion came to 145% versus a target of 100%.

The score for the NPS® criterion came to 47. The performance level for this criterion was 62.5% given a target of 50.

- **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 logistical, retail and inflationary challenges.

The overall performance on all criteria therefore comes to 145.2%, capped at 140%. The annual variable compensation of the Chairman and Chief Executive Officer, Alexandre Bompard, is 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, 2022.

Long-term incentive plan (performance shares)

On February 16, 2022, 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 52.50% of his gross maximum compensation (i.e., 4,807,894 euros) (1). These shares will vest on February 16, 2025 if the performance conditions are met and if Alexandre Bompard is with the Company at that date.

The shares are all subject to performance conditions to be assessed on February 16, 2025.

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 acquisition rates per criterion are 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%.

Furthermore, Alexandre Bompard has taken the decision not to use hedging instruments.

Benefits in kind

Alexandre Bompard has a company car and voluntary job loss insurance. The corresponding financial benefit represents 9,052 euros.

Compensation or benefits due or likely to be due upon taking office

None.

(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 2023 long-term incentive plan (performance shares).

Compensation paid in respect of his directorship

The amount of compensation paid in 2022 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 75,000 euros for the period January 1 to December 31, 2021.

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 2022 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 March 22, 2023 noted an average performance level of 147%, i.e., more than 125%, thus entitling the Chairman and Chief Executive Officer to a vesting rate of 2.75% for 2022.

The gross annual annuity accrued by the Chairman and Chief Executive Officer for 2022 therefore came to 67,874 euros, or a cumulative annuity of 203,622 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 2022.

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 2022 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 June 3, 2022 approved the fixed, variable and exceptional components of total compensation and benefits in kind due or paid during the year ended December 31, 2021 to Alexandre Bompard, Chairman and Chief Executive Officer.

(1) The respective performances of these criteria for the 2022 annual variable compensation are presented in Section 3.4.3.3.

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 has been widened to include Carrefour Management's employees working at the Group's head office in France.

	2018	2019	2020	2021	2022
Average compensation ratio	45	42	42	47	49
Median compensation ratio	74	72	76	80	87
Change in the compensation of the Chairman and Chief Executive Officer	+4%	+5%	+4%	+6%	7.7%
Change in the average compensation of employees	+9%	+12%	+4%	-6%	3%
Net free cash flow (in millions of euros)	363	324	1,056	1,228	1,262
Carrefour CSR and Food Transition Index	104%	114%	115%	111%	109%

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

Information presented in Section 8.2 of this Universal Registration Document.

Historical information on stock option plans

None.

Multi-annual variable compensation of each Executive Officer

Name and position of the Executive Officer	Plan	2021	2022
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
Monsieur 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 2022.

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 was renewed at the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2022, 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 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.

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 2022 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)*
01/11/2022	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
01/14/2022	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
01/17/2022	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
02/21/2022	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
02/28/2022	Alexandre Bompard	Director and Chairman and Chief Executive Officer	Delivery of the 2019 performance share plan (2019 LTI Plan)	Shares	N/A	N/A
02/28/2022	Matthieu Malige	Chief Financial Officer	Delivery of the 2019 performance share plan (2019 LTI Plan)	Shares	N/A	N/A
11/22/2022	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A
11/22/2022	Peninsula Europe SARL	A legal entity linked to Abilio Dos Santos Diniz, Director	Amendment to structured financing	Equities	N/A	N/A

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, 2022.

In addition, no agreements entered into and authorised in previous years were continued in the year 2022.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2022

This is a free 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 shareholder's 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 authorized in previous years by the Shareholders' Meeting and having continuing effect during the year.

The Statutory Auditors

Courbevoie and Paris-La Défense, April 5, 2023

French original signed by

MAZARS	DELOITTE & ASSOCIÉS
Jérôme de PASTORS Marc BIASIBETTI	Bertrand BOISSELIER Olivier BROISSAND

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 14 key risks in 2022 are described in this Universal Registration Document in accordance with the requirements of Regulation (EU) No. 2017/1129 of the European Parliament (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 Carrefour's assets and reputation 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 Executive Management teams of the main operating entities (including countries):

- 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 business units 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 management of the main business units to measure the net criticality level and consolidate the associated action plans. It also reviews certain risks and assists the Group's functional departments in their risk mapping process.

4.1.2 MAIN RISKS

Methodology

In association with the management of the main business units 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. The evaluation is performed on a dedicated digital platform, launched in 2022.

For each risk, it is necessary to:

- describe related 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.),
  - frequency of occurrence,
  - ability to control the risk and measures taken to detect, prevent and mitigate its impact and frequency of occurrence;
- identify the action plans that exist or need to be implemented.

After review of the evaluations by the business units' management, the mapping of the Group's main risks was presented to the Group Executive Committee, as well as to the new Group Risk Committee (internal body) set up at the end of 2022 and to the Audit Committee.

This led to the identification of 14 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 14 key risks are divided into three categories:

- economic, political 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 three net scores (i.e., gross score, less the effectiveness of the related control):

- net financial impact;
- net reputational impact;
- net frequency.

The net score is calculated on the same basis as in previous years to ensure comparability of results.

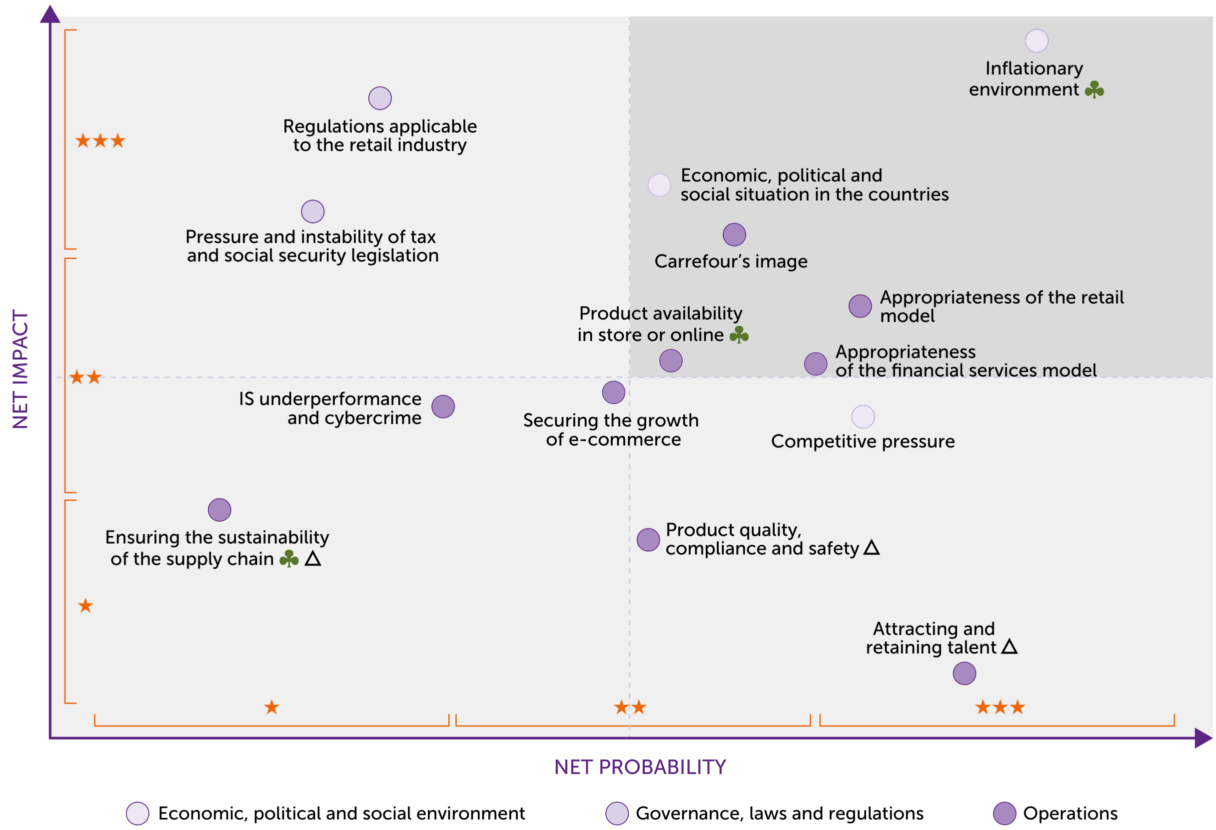
The impacts of climate change on the Group and its activities are included within different risks in the map, some of which are included in this chapter. They are indicated by the ♣ symbol in the table below. Others impacts such as extreme weather events and deterioration of movable and immovable assets 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 (2.1.1.2) and 6 (Note 14.7 to the 2022 consolidated financial statements), respectively, of this Universal Registration Document.

The table and risk map below summarise the 14 key risks identified and their historical trend since the 2021 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.

Category	Risk	Change vs. 2021	Financial impact	Reputational impact	Net probability
Economic, political and social environment	Inflationary environment ♣	↗	★★★	★★	★★★
	Economic, political and social situation in the countries	~	★★★	★★	★★
	Competitive pressure	↘	★★	★	★★★
Governance, laws and regulations	Regulations applicable to the retail industry	↘	★★★	★★★	★
	Pressure and instability of tax and social security legislation	~	★★	★★	★
Operations	Appropriateness of the retail model	~	★★	★★	★★★
	Carrefour's image	↘	★	★★★	★★
	Product availability in store or online ♣	↗	★★	★★	★★★
	Appropriateness of the financial services model	↗	★★	★★	★★
	Securing the growth of e-commerce	↗	★	★★	★★
	IS underperformance and cybercrime	~	★★	★★	★
	Attracting and retaining talent Δ	~	★	★	★★★
	Product quality, compliance and safety Δ	~	★	★	★★
	Ensuring the sustainability of the supply chain Δ ♣	~	★	★★	★

Moderate ★ High ★★ Very High ★★★ ↗ Increase ~ Stable ↘ Decrease


NET IMPACT
★★★
★★
★
Inflationary environment ♣
Regulations applicable to the retail industry
Economic, political and social situation in the countries
Pressure and instability of tax and social security legislation
Carrefour's image
Appropriateness of the retail model
Product availability in store or online ♣
Appropriateness of the financial services model
IS underperformance and cybercrime
Securing the growth of e-commerce
Competitive pressure
Ensuring the sustainability of the supply chain ♣ △
Product quality, compliance and safety △
Attracting and retaining talent △
★
★★
★★★
NET PROBABILITY
Economic, political and social environment
Governance, laws and regulations
Operations

4.1.2.1 Economic, political and social environment

Inflationary environment ♣

Description of the risk

2022 was shaped by the return of global inflation, reaching levels not seen for several decades. At the end of the year, inflation was running at 8.8%(1) globally and 8.4%(2) in the eurozone and was even higher for food. Among the Group's geographies, Argentina had an inflation rate of 95%(3) in December 2022, but the country has faced an inflationary climate for several years.

Triggered mainly by the post-Covid recovery in 2021 and the impact of bad weather on crops, inflationary pressure was exacerbated by the Ukrainian conflict from March 2022, with a major impact mainly on energy prices. It could persist for years to come, depending on global economic, geopolitical and health trends and developments.

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 depends on the economic situation and the competitive environment.

Inflationary pressure could also impact Carrefour Financial Services, due to the combined increase in customer insolvency (unpaid bills) and in the cost of financing for the Company (the increase in key rates not offset by an increase in the usury rate).
However, inflation can also represent an opportunity for the Group to adapt and provide innovative solutions to gain efficiency and encourage more virtuous behaviour (e.g., switching paper catalogues to digital, developing energy savings plans), with a positive long-term impact. Expertise in anticipating and controlling inflation (e.g., Argentina) can be a competitive advantage.

Potential impacts of the risk

- 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.

Key mitigation measures

- sharing best practices from Argentina and Brazil;
- monitoring the change in costs of direct and indirect purchases;
- (re)negotiation with suppliers;
- pooling purchases, particularly at the European level;
- seeking alternative sources and opportunity buying;
- monitoring the reactions of the competition;
- anticipating inflation in the preparation of budgets;
- savings plans (including energy savings);
- adjusting the price-promotion-loyalty equation;
- a range of measures to promote purchasing power (e.g., "prices of 100 products frozen for 100 days" in France);
- adapting the conditions for granting consumer credit.

(1) IMF, World Economic Outlook, October 25, 2022.
(2) Eurostat publication, February 7, 2023.
(3) Trading Economics, February 7, 2023.

Economic, political 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 in the macroeconomic environment (recession, unemployment, inflation, currency devaluation, etc.) in which the Group operates could have a negative impact on its operations and results.

The slowdown in the economic environment in 2022 could continue in 2023, according to IMF projections(1). A combination of different factors contributed to the slowdown, in particular the war in Ukraine, the energy crisis, widespread hikes in key rates to contain inflation and further lockdowns in China.

Coupled with high inflation, the economic slowdown is leading to a decrease in consumers' purchasing power, forcing the retail industry to adapt gradually to the new landscape.
It could also lead to a deterioration in the political and social climate in certain countries, with the possible emergence of political and social unrest that could affect the business climate.

Potential impacts of the risk

- increased consumer price sensitivity in a climate of declining purchasing power;
- a decline in the average consumer basket causing a fall in sales;
- unfavourable developments in the legislative and regulatory framework, such as price freezes on basic necessities (e.g., Argentina);
- risk in respect of the translation of financial statements into euros in some countries, mainly related to a depreciation of the functional currency in those countries, and in particular Brazil.

Key mitigation measures

- a range of measures to promote purchasing power (e.g., "prices of 100 products frozen for 100 days" in France);
- working on the price-promotion-loyalty equation, mainly by optimising the promotional strategy and focusing on Carrefour-branded and value products;
- stepping up the roll-out of the Supeco format in Europe and continuing to expand the Atacadão cash & carry format in Brazil and in France (with the launch of a pilot scheme scheduled for 2023);
- monitoring the changing economic climate and future outlook in the countries where it operates, specifically through performance reviews;
- tracking key economic indicators in host countries on a monthly basis with a view to defining and updating strategic plans;
- 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.

(1) IMF, World Economic Outlook, October 25, 2022.

Competitive pressure

Description of the risk

Retailers are subject to intense competitive pressure. The sector is highly exposed to changing consumer behaviour in a climate of technological disruption and high inflation that is increasing pressure on purchasing power worldwide. It 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 from the physical retail world (including specialists in fresh or organic products) are broadening their footprint in e-commerce (via Drive, home delivery and click & collect solutions), with some players like Carrefour developing an omni-channel strategy in order to differentiate themselves;
- digital-only banners competing with historical operators by offering an innovative range of products and services (e.g., quick commerce) and increasingly establishing a physical presence, particularly through partnerships or acquisitions.

Franchising is a key area of development for the Group. The challenge is to build a profitable franchise model with an appropriately balanced relationship between the players. The banners may find themselves in competition to recruit the best franchisee candidates.

Potential impacts of the risk

- a deterioration in the price image in the face of aggressive competition;
- a decline in the proportion of customer spending captured by the Group's stores (i.e., the banner's market share of total customer spending);
- a deterioration in Carrefour's image in terms of the adequacy of its product and service offer;
- a decline in the attractiveness of the Carrefour banner for existing or potential franchisees;
- a fall in market share;
- a fall in sales.

Key mitigation measures

- 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, especially Carrefour-branded products, and more effective promotions, driven by better cost control;
- stepping up the roll-out of the Supeco and Atacadão formats;
- deploying the Maxi method in hypermarkets and supermarkets, which refocuses shops on the key needs of their customers according to each catchment area, with an adapted and simplified food offer and a massive and more readable non-food offer;
- 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 the global Act for Food programme;
- further accelerating the development of e-commerce and omni-channel retailing;
- improving franchisee recruitment processes (e.g., digitalisation, financial guarantees).

4.1.2.2 Governance, laws and regulations

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).

The framework is extremely restrictive in European countries where the Group operates (France, Belgium, Spain, Italy, Poland and Romania). It also applies to pooled bargaining structures. Such commercial practices are increasingly regulated, in particular by the European directive on unfair trading practices (2019) in business-to-business relationships in the agri-food sector. The transposition and implementation of the directive required the existing regulatory framework in each country to be adapted.

This relates in particular to the "EGalim" (2018) and "EGalim 2" (2021) laws in France, which aim to promote balanced trade relations with the agricultural sector and healthy and sustainable food. Reinforcing the initial "EGalim" law, "EGalim 2" mainly focuses on taking better account of farmers' production costs. In the future, we may see a "EGalim 3".

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.

Potential impacts of the risk

- financial sanctions for anti-competitive practices;
- financial sanctions for restrictive competitive practices;
- criminal and financial sanctions for unfair or misleading commercial practices;
- a reduction in the negotiation margin with suppliers;
- harm to the Group's image.

Key mitigation measures

- 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).

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.

In practice, the worsening economic situation could prompt governments to seek new tax and social security revenues to cover public deficits.

More specifically, risks related to tax regulations could occur in particular as a result of:
- increased tax pressure and reporting obligations (e.g., mandatory SAF-T reporting from 2022 in Romania and e-invoicing and e-reporting in France from July 2024);
- the complexity of and changes in tax systems, particularly in Brazil (in the context of the integration of Grupo BIG).

Increased pressure from social security regulations on Carrefour could result in an increase in:
- the minimum wage;
- social charges.

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:
- a deterioration in attractiveness and competitiveness, mainly due to price image if the cost increase is passed on in selling prices;
- a deterioration in profitability due to the increase in tax and social security costs, if not sufficiently passed on in selling prices;
- harm to the Group's image;
- business continuity potentially in jeopardy in some countries;
- sanctions for poor application or interpretation of the applicable legislation.

Key mitigation measures

To mitigate this risk, regulatory change is monitored and taken into account by the relevant functional departments, including:
- the 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 implemented:
- 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;
- a plan for the digitalisation of tools (e.g., processes, databases);
- an integration plan for Grupo BIG in Brazil;
- promotion and defence of the Group's interests with the competent authorities (e.g., Chamber of Commerce, Government);
- 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.

4.1.2.3 Operations

Appropriateness of the retail model

Description of the risk

The macroeconomic environment is impacting customers' purchasing power and competition, accentuating the challenges faced by the Group in defining and adapting its business model and its offer could be inadequate in the following areas:

- the price-promotion-loyalty equation: price levels, promotions and the generosity of the loyalty programme to recruit and build customers' loyalty while preserving their purchasing power, in particular through the development of Carrefour-branded products – the main lever for the price image;
- the extent to which the commercial offer (products and services offered) meets customers' expectations, with CSR as a differentiating factor in a very competitive environment;
- the 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.

Potential impacts of the risk

- difficulties in winning customers or retaining their loyalty;
- a deterioration in the price image;
- a decline in footfall in the Group's stores;
- a decline in the proportion of customer spending captured by the Group's stores (i.e., the banner's market share of total customer spending);
- a loss of market share;
- a deterioration in profitability.

Key mitigation measures

- tracking and analysing market share by format, price indexes, competition and changes in consumer preferences;
- adapting the offer to the catchment area in a more targeted way;
- deploying the Maxi method in hypermarkets and supermarkets, which refocuses shops on the key needs of their customers according to each catchment area, with an adapted and simplified food offer, and a pooled and more legible non-food offer;
- stepping up the roll-out of the Supeco format in Europe and continuing to expand the Atacadão cash & carry format in Brazil and in France (with the launch of a pilot scheme scheduled for 2023);
- accelerating measures to reduce plastic packaging and combat food waste;
- monitoring external growth opportunities to improve the format mix and gain market share;
- expanding the convenience format through franchising in countries where there is demand;
- continued cost cutting to provide the headroom to invest in the marketing drive;
- continued roll-out of the SIMPL value line and measures to promote purchasing power;
- optimising the promotional strategy for Carrefour-branded products in conjunction with national brands;
- launching subscription packages (e.g., "Mi abono Carrefour +" in Spain) giving access to additional discounts.

Carrefour's image

Description of the risk

Just as with financial and human capital, the Group'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 of severe pressure on purchasing power and increased market pressure 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.).

Potential impacts of the risk

- 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 employees.

Key mitigation measures

- a crisis management policy at the Group, country and business unit levels;
- 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).

Product availability in shop or online ♣

Description of the risk

Carrefour may be faced with unavailability or shortages of food or non-food products, in its shops or on its e-commerce sites, which can be a major irritant for customers.

Unavailability or shortages are caused by disruptions in the supply chain, of varying duration, occurring at different stages and originating from different sources.

2022 was shaped by a combination of events, such as: the post-Covid recovery in demand, further lockdowns in China, the impact of bad weather on crops and the war in Ukraine. Such events created tension in supply chains, including:

- global short-term food shortages (e.g., mustard, wheat, sunflower oil), with a direct impact on store shelves;
- a deterioration in service rates due to driver shortages (especially in Europe);
- tensions – aggravated by inflation – in commercial relations with suppliers and logistics providers.

The challenge for the Group is to minimise the impact of the disruptions on product availability across all its distribution channels, both physical and digital, through the following actions:

- anticipating fluctuations in supply in terms of price and available volumes;
- anticipating fluctuations in consumer demand (precautionary buying);
- continuously adapting the entire supply chain to maximise service rates (in warehouses and in stores).

On a more structural level, Carrefour's aim is to ensure the operational efficiency of all its supply chain management processes, from sales forecasting to the placement of products on shop shelves.

Potential impacts of the risk

- harm to Carrefour's image;
- a decline in customer satisfaction;
- a drop in the number of visits to Carrefour stores and e-commerce sites;
- a fall in market share;
- a fall in sales.

Key mitigation measures

- continuous monitoring of service rates and on-shelf availability rates;
- performance monitoring of logistics providers;
- supply chain optimisation (costs and productivity);
- automation through digitalisation of forecasting and ordering processes;
- active communication with suppliers to anticipate shortages;
- seeking alternative ingredients, products and suppliers;
- opportunity purchases and buffer stocks (especially for certain sensitive products);
- preparing and implementing business continuity plans in the event of partial or total failure of one or more warehouses;
- setting up sourcing crisis units.

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).

In an economic context shaped by inflation and slowing growth, the challenge for Financial Services is to diversify its offer to effectively meet the full range of customer needs and reduce dependency on certain products. An insufficient or delayed increase in the usury rate in relation to changes in key rates could also weigh on the profitability of Financial Services.

A poorly diversified offer could, moreover, be undermined by new regulations which could make it more difficult to market and negatively affect its profitability. 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.

In order to meet the challenges of a market driven by customer expectations for digital solutions and the growth of digital players (e.g., online banks), Financial Services must also invest and innovate to digitalise its offering and operations.

The challenge will also be to adapt its Financial Services organisation to optimise coordination between the different distribution channels: Carrefour stores, bank branches, website and dedicated applications.

Potential impacts of the risk

- 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;
- a loss of competitiveness;
- a loss of market share;
- a narrowing of margins;
- a decrease in net banking income.

Key mitigation measures

- a significant increase in digital investments (organisation and commercial offer);
- the development of new growth opportunities (e.g., new products or services);
- continued development of synergies between the financial services and retail activities (e.g., Atacadão);
- monitoring at the Group level 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

Exacerbated by the health crisis, the strong growth in e-commerce (particularly in food) has pushed players from the physical retail sector, such as Carrefour, to accelerate the development of their digital offer (home delivery, drive, click & collect). Against this backdrop, the Group has put the development of e-commerce and omni-channel retailing at the heart of its digital strategy, with a target for 10 billion euros in e-commerce GMV in 2026.

Historical operators are competing with digital-only banners who offer an innovative product and service range and who could establish a physical presence, particularly through partnerships or acquisitions.

To achieve its objectives, the Group must continue to adjust its supply chain and its store and warehouse operations, in order to guarantee a high quality of service and the best possible customer experience for all online shoppers. In addition, the Group must continuously adapt to market demand by optimising its business model and production facilities in response to changing needs.

Customers could find that the range of products and their availability 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.

Potential impacts of the risk

- mismatch between demand and online order picking and preparation and delivery capacities;
- harm to Carrefour's image;
- a decline in customer satisfaction;
- a loss of market share and capture of growth in e-commerce sales;
- a deterioration in profitability of online operations;
- a correlated decline in physical sales to omni-channel customers.

Key mitigation measures

- monitoring and analysis of customer satisfaction with the e-commerce offer;
- digital upskilling of employees;
- adapting the e-commerce product and service offer to market developments (e.g., competitors, customers);
- sustaining partnerships with food e-commerce operators (e.g., Uber Eats, Stuart, Glovo, Rappi);
- 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;
- developing the non-food e-commerce offer;
- sharing best practices between countries to improve the customer experience and pathway (e.g., the 5/5/5 order picking method).

Information systems (IS) underperformance and 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 or external resources.

In this context, Carrefour needs to take regular stock of its tools and applications to prevent any obsolescence or underperformance. The achievement of the Group's strategic objectives, many of which are linked to digital technology, depends on the level of performance of various information systems (e.g., procurement, HR, e-commerce).

The Group must therefore identify the right partner, the right solution and combine the right investments to address these issues, which are at the heart of the Company's development.

The Company's growing dependence on digital tools also places increasing demands on the management of the threat of cybercrime. 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.

Potential impacts of the risk

- 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.

Key mitigation measures

- monitoring of the performance of critical information systems (e.g., e-commerce sites, logistics systems);
- an obsolescence and renewal management plan (IT roadmap);
- migration of information systems to the Cloud to improve security, accessibility and scalability;
- management of the system by the Group Information Security Committee, supported by a local country network;
- a software vulnerability identification and mitigation programme;
- a programme to strengthen critical IT infrastructure;
- a global or country Security Operation Centre (SOC) to detect security incidents and a programme to standardise cyber security incident management;
- 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.

Attracting and retaining talent Δ

Description of the risk

With more than 320,000 employees, the Group is one of the world's top 50 private employers. In a highly competitive talent market – where the image of the sector is a key factor – attracting and retaining the best candidates is a constant challenge in achieving the Group's strategic objectives. The quality of the services delivered to customers depends on the competence, commitment and motivation of the employees.

The Group is undergoing a profound digital transformation, which is at the heart of its strategy. It is investing heavily in digital innovation. Attracting digital-savvy talent – who are in high demand in the market – is a real challenge. Tensions in recruitment are also visible in some of the Group's key operational functions.

The talent attraction and retention policy must balance the components of a complex equation: corporate culture, competitive compensation, skills development, flexibility in work organisation and work-life balance.

These challenges are being exacerbated in a tight labour market, where unemployment is low (4.9% in the OECD at the end of 2022, the lowest level since 2001) and pressure on wages is being accentuated by the inflationary context.

Potential impacts of the risk

- a delay in achieving the Group's strategic objectives (particularly in terms of digital transformation);
- a lack of operational efficiency and competitiveness;
- demotivated employees;
- a talent drain;
- a loss of experience in and know-how of key processes;
- salary inflation in order to be able to recruit certain rare skills.

Key mitigation measures

- developing the employer brand (e.g., communication campaigns, presence in target schools and at professional events, graduate programmes for promising recent graduates, Institut du Management Marcel Fournier leadership programme);
- a talent retention programme (e.g., building career plans, skills development, Act for Change programme aimed at enhancing corporate culture);
- increasing flexibility in working methods, with remote working available to employees at all head offices;
- digital recruitment tools that simplify the process for candidates and reach more candidates (e.g., Romania);
- defining succession plans to better anticipate departures/mobility;
- strengthening training programmes for shop employees and central functions, in particular on digital acclimatisation (e.g., e-learning modules, schools/internal workshops offered by specialists in the relevant fields);
- improving the way annual interviews are conducted (e.g., mid-year interview);
- setting up an employee share ownership programme.

Product quality, compliance and safety Δ

Description of the risk

Guaranteeing the quality and safety of Carrefour-branded 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.

Non-compliance with specifications, purchasing rules, a labelling problem or failure in logistics tracking (e.g., respect for the cold chain) could lead to Carrefour selling non-compliant products.

This risk could occur due to:
- a problem in defining the specifications for Carrefour-branded products (in particular with regard to compliance with Carrefour's commitments to the food transition for all);
- a defect in the manufacture of Carrefour-branded products;
- a failure to comply with safety requirements for imported products (excluding Carrefour-branded products);
- a breach of quality and health standards in the stores or warehouses (Carrefour-branded products or national brands);
- significant shortcomings in product controls and traceability (Carrefour-branded products or national brands);
- failings in the withdrawal and recall procedure for non-compliant products (Carrefour-branded products or national brands).

Potential impacts of the risk

- a partial or total site closure due to non-compliance with health standards in stores or warehouses;
- financial and even criminal sanctions, especially in the case of incidents involving Carrefour-branded products;
- financial losses linked to withdrawal and recall procedures for Carrefour-branded products;
- harm to Carrefour's image;
- a decline in customer satisfaction;
- a fall in market share;
- a fall in sales.

Key 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 and strengthening 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, especially concerning product withdrawal and recall procedures;
- 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;
- regular monitoring of indicators, site audits and laboratory analysis of products;
- digitalising procedures and withdrawal and recall tools (e.g., Alertnet) for non-compliant products to warn store managers of non-compliant products and block those products at checkout;
- improving communication flows about product withdrawal and recall procedures, particularly through messaging apps;
- defining and implementing a crisis management policy.

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 our products and 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 compensation 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).

Potential impacts of the risk

- 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, campaigns led by NGOs 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, especially concerning respect for the law on the duty of vigilance.

Key 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.

Since 2018, a CSR and Food Transition Index has been calculated and tracked 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 and all employees in country head offices and Group functions who receive annual variable compensation.

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-branded 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 2022. 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 applicable Group-wide;
- instructions and directional guidelines established by the Group's Executive Management for accounting and financial matters are applied;
- internal processes are working correctly, particularly those contributing to the security of assets; and
- published accounting and financial information is reliable.

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 as part of efforts to build a corporate culture focused on integrity, ethics and awareness of risk control and management.

The Group has set up a formal control environment through a Group internal control system comprising:

- internal control framework;
- Sapin II controls framework;
- a definition of the powers, responsibilities and objectives assigned at each level of the organisation, according to the principle of the separation of duties;
- procedures containing guidelines for managing critical financial processes; and
- various control activities, procedures and measures implemented by the countries under the Group's supervision.

The internal control and Sapin II controls frameworks are developed within the Group Internal Control department and are the main tools with which each country conducts its internal controls, which are themselves audited by the Group. Containing around 250 rules that are mandatory for all countries, the frameworks are 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 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.

The Group internal control system described above is reflected in the countries by precise operational procedures, defined control activities and periodic control assessment and testing exercises. Furthermore, 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 the guidelines for managing critical financial processes are circulated, and 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.

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.

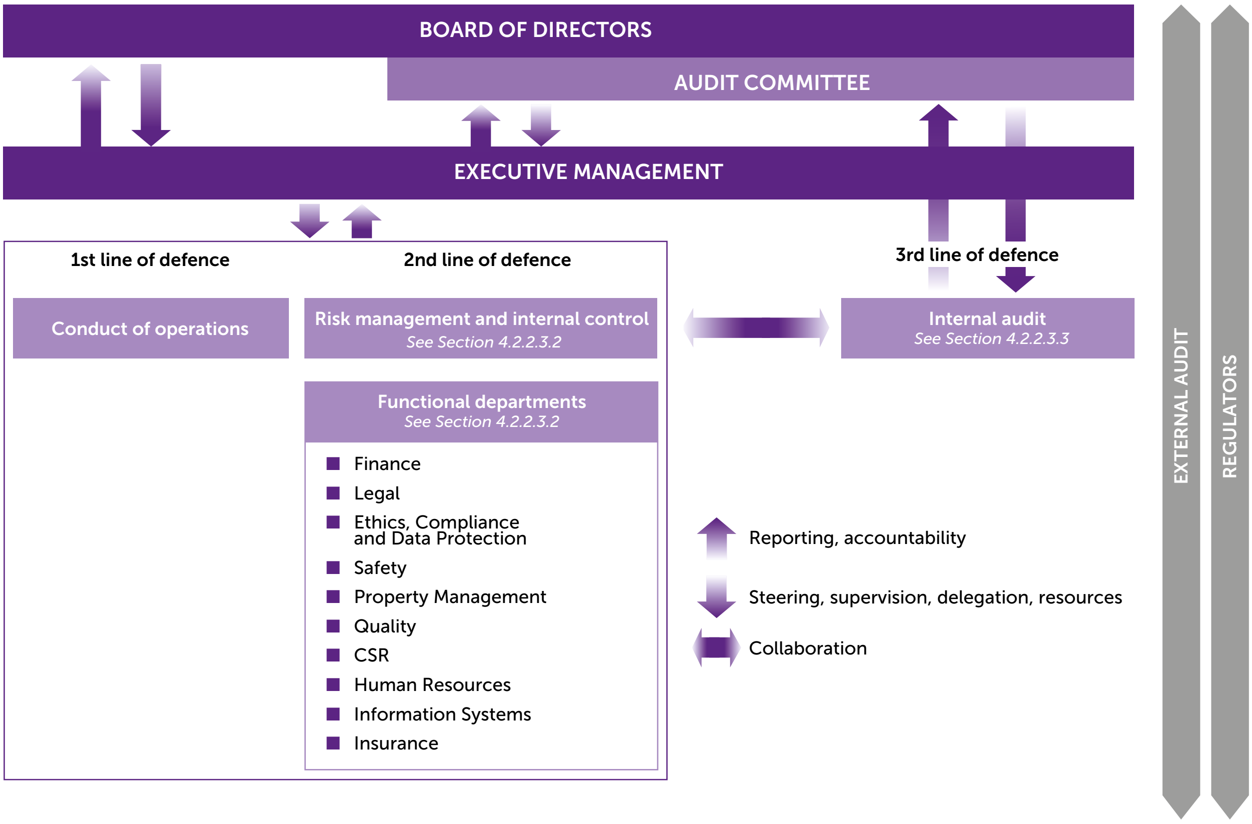
Local internal controllers support the Country Executive Director by:

- helping to define the country internal control system, particularly by ensuring that the Group internal control system 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, by assessing the main features of internal controls.

Through its supervisory role, the Board is also involved in internal control. 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, by consolidating the control environment. 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.

Moreover, Executive Management is responsible for the internal control systems. As such, it is 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

As part of the management of the internal control system, the Group's Executive Management has set up the following organisation:

Second line of defence	Main role
Group Internal Control department	■ designing and maintaining the internal control and Sapin II frameworks 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 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 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 the 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, by identifying weak points and making recommendations for improvements.

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; and
- 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 control tests 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 Country 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 Executive Management

The Group's Executive Management supervises the internal control system by reviewing, in particular, the work and the minutes of meetings of the following bodies:

- Group and Country Ethics Committees;
- Group Investment Committee;
- Group Data Security Committee;
- Group Risk Committee;
- CSR and Food Transition Committee; and
- any other ad hoc committee convened according to the needs identified by the Group's Executive Management.

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 November 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.

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 as well as additional control tests. In this respect, 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

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 (*Autorité de la concurrence*) 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 Argentina

On October 1, 2019, INC SA (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 SA'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 SA and its former Chairman on October 1, 2019 and referred the case to the court of first instance.

On December 5, 2022, INC SA and its former Chairman were acquitted. An appeal was lodged by Argentina's Central Bank on December 13, 2022.

4.3.2.3 In Brazil

On June 27, 2020 and May 25, 2021, the municipality of São Paolo initiated two civil liability proceedings against Atacadão SA 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 SA is not party.

4.3.2.4 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, 2022

5.1 Business review and consolidated income analysis

5.1.1 MAIN INCOME STATEMENT INDICATORS

The comparative consolidated income and cash flow statement information presented in this document has been restated to reflect the classification of Carrefour Taiwan in discontinued operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (see Note 4.3).

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, 2022. Comparative data for 2021 have also been adjusted for inflation.

(in millions of euros)	2022	2021 restated IFRS 5	% change	% change at constant exchange rates
Net sales	**81,385**	**70,462**	**15.5%**	**14.3%**
Gross margin from recurring operations	**16,313**	**14,896**	**9.5%**	**9.1%**
in % of net sales	*20.0%*	*21.1%*		
Sales, general and administrative expenses, depreciation and amortisation	(13,936)	(12,701)	9.7%	9.8%
Recurring operating income	**2,377**	**2,194**	**8.3%**	**4.6%**
Recurring operating income before depreciation and amortisation	*4,613*	*4,307*	*7.1%*	*4.9%*
Recurring operating income after net income from equity-accounted companies	**2,427**	**2,206**	**10.0%**	**6.3%**
Non-recurring income and expenses, net	36	(366)	109.8%	106.7%
Operating income	**2,463**	**1,840**	**33.8%**	**28.8%**
Finance costs and other financial income and expenses, net	(490)	(270)	81.3%	48.8%
Income tax expense	(408)	(360)	13.3%	15.0%
Net income/(loss) from continuing operations – Group share	**1,368**	**1,002**	**36.6%**	**38.1%**
Net income/(loss) from discontinued operations – Group share	(21)	70	(129.6)%	(131.9)%
NET INCOME/(LOSS) – GROUP SHARE	**1,348**	**1,072**	**25.7%**	**27.0%**
FREE CASH FLOW(1)	**2,756**	**2,435**		
NET FREE CASH FLOW(2)	**1,262**	**1,227**		
NET DEBT (INCLUDING DISCONTINUED OPERATIONS)(3)	**3,429**	**2,633**		

(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 81.4 billion euros in 2022, an increase of 14.3% at constant exchange rates.

Recurring operating income before depreciation and amortisation came in at 4,613 million euros, an improvement of 4.9% at constant exchange rates.

Recurring operating income increased by 4.6% at constant exchange rates, to 2,377 million euros.

Non-recurring operating income and expenses represented a net income of 36 million euros, an improvement of 402 million euros on the prior year as restated. The net non-recurring income for the year chiefly reflects capital gains and losses on various asset disposals (mainly in France, Italy and Spain) and gains on disposals of equity-accounted investments in Mestdagh in Belgium and Ploiesti Shopping City in Romania, together with asset impairment (mainly store assets in France and Italy and Showroomprivé shares due to the alignment with the stock market share price at December 31, 2022).

Finance costs and other financial income and expenses represented a net expense of 490 million euros, an increase of 220 million euros on the 2021 figure as restated, primarily reflecting a rise in the cost of net debt and, to a lesser extent, in net interest expense on leases.

The income tax expense for 2022 amounts to 408 million euros (compared with 360 million euros for 2021 as restated).

Net income from continuing operations – Group share totalled 1,368 million euros, a 366-million-euro improvement on 2021 as restated.

Discontinued operations represented a net loss – Group share of 21 million euros in 2022, versus net income of 70 million euros in 2021 as restated.

The Group ended 2022 with net income – Group share of 1,348 million euros, versus net income of 1,072 million euros in 2021 as restated.

Free cash flow came to 2,756 million euros, versus 2,435 million euros in 2021. Net free cash flow came to 1,262 million euros, versus 1,227 million euros in 2021 as restated.

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)	2022	2021 restated IFRS 5	% change	% change at constant exchange rates
France	37,706	35,283	6.9%	6.9%
Europe (excluding France)	22,643	21,283	6.4%	6.7%
Latin America	21,036	13,895	51.4%	44.9%
TOTAL	**81,385**	**70,462**	**15.5%**	**14.3%**

The Carrefour group reported net sales of 81.4 billion euros in 2022, up 14.3% at constant exchange rates and up 13.3% restated for the application of IAS 29.

- In France, net sales rose by 6.9% in 2022. Like-for-like growth [(1)] was 3.4%, including a 4.4% LFL improvement in food and a 3.5% LFL decline in non-food. Once again, the Group outperformed in all of its reference channels: hypermarkets, supermarkets and convenience stores. E-commerce in France grew by 13% in 2022.
- In Europe (excluding France), net sales increased by 6.7% at constant exchange rates and by 4.9% like-for-like. Spain reported like-for-like growth of 5.4% over the year, amid a rapid rise in inflation to particularly high levels, impacting household purchasing power. Carrefour benefited from its competitive offering and made further market share gains in 2022. Italy confirmed its recovery in 2022, with like-for-like growth of 4.2% driven by improved customer satisfaction, particularly in terms of price competitiveness. In Belgium, net sales declined slightly (down 0.9% LFL) in a very competitive environment. In Poland and Romania, the Group maintained very positive momentum, with like-for-like growth of 12.0% and 9.0% respectively.
- Latin America delivered another year of strong sales growth in 2022, up 44.9% at constant exchange rates and 24.6% like-for-like. In Brazil, net sales rose by 12.4% like-for-like and 32.3% at constant exchange rates, lifted by store openings and acquisitions. Foreign exchange had a favourable effect of 23.7%. 2022 saw a return to growth in non-food sales (up 7.0% LFL) and further strong growth in food sales (up 13.2% LFL). Progress on Grupo BIG store conversions was faster than initially planned, with 59 stores converted to Group banners by end-December (38 to Atacadão, 20 to Carrefour hypermarkets and one to Sam's Club), versus 35 as initially planned. Synergies are being realised in accordance with the initial trajectory. In Argentina, net sales rose by 84.3% like-for-like (pre-IAS 29), on the back of 50.0% like-for-like growth (pre-IAS 29) in 2021. This excellent performance reflects increasing volumes and continued market share gains in a highly inflationary environment.

(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 %)	2022[1]	2021 restated IFRS 5
France	46.8%	50.1%
Europe (excluding France)	28.2%	30.2%
Latin America	25.0%	19.7%
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 53.2%, compared with 49.9% in 2021 as restated.

RECURRING OPERATING INCOME BY REGION

(in millions of euros)	2022	2021 restated IFRS 5	% change	% change at constant exchange rates
France	834	757	10.2%	10.2%
Europe (excluding France)	606	718	(15.6)%	(15.3)%
Latin America	1,005	768	30.8%	20.4%
Global functions	(69)	(49)	41.0%	46.9%
TOTAL	**2,377**	**2,194**	**8.3%**	**4.6%**

Recurring operating income represented 2,377 million euros in 2022, an increase of 182 million euros (up 4.6% at constant exchange rates).

In France, recurring operating income was 834 million euros in 2022, up 10.2% on 2021. In a context of high inflation (particularly in distribution costs), operating margin increased by 7 bps to 2.2% (versus 2.1% in 2021), led by a good sales performance and strong cost-cutting dynamic. 2022 marks the fourth consecutive year that operating margin has improved in France.

In Europe (excluding France), recurring operating income stood at 606 million euros, versus 718 million euros in 2021, a decrease of 15.3% at constant exchange rates. It was penalised by two countries, Spain and Belgium. In Spain, Carrefour was notably affected during the second half-year by a particularly sharp increase in energy costs and by an increase in cost of risk in financial services amid pressure on purchasing power. In Belgium, recurring operating income was impacted by the persistently difficult competitive environment and logistic issues during the first half-year. The other countries are performing well. In particular, Italy continued its strong recovery.

In Latin America, recurring operating income rose by 20.4% at constant exchange rates to 1,005 million euros in 2022. In Brazil, recurring operating income rose by 28.0% at current exchange rates (or 200 million euros) to 914 million euros, an increase of 8.8% at constant exchange rates. All segments contributed to the growth. Operating margin in Brazil fell by 111 bps at current exchange rates, notably due to the integration of Grupo BIG. Excluding Grupo BIG, operating margin was roughly stabled (-6 bps), reflecting customer and market share wins at Atacadão driven by an aggressive commercial strategy. In Argentina, recurring operating income continued to improve significantly, rising to 92 million euros thanks to excellent sales momentum and continued cost discipline. Operating margin improved by 72 bps to 3.1%, despite the 48-million-euro negative impact of adjustments relating to the application of IAS 29.

Depreciation and amortisation

Depreciation and amortisation of property and equipment, intangible assets and investment property amounted to 1,284 million euros in 2022 compared with 1,200 million euros in 2021 as restated.

Depreciation of right-of-use assets (IFRS 16) relating to property and equipment and investment property totalled 694 million euros in 2022 compared with 664 million euros in 2021 as restated.

Including depreciation of logistics equipment and of the related IFRS 16 right-of-use assets included in the cost of sales, a total depreciation and amortisation expense of 2,236 million euros was recognised in the consolidated income statement for 2022, compared with an expense of 2,112 million euros for 2021 as restated.

Net income/(loss) from equity-accounted companies

Net income from equity-accounted companies totalled 50 million euros in 2022, versus 12 million euros in 2021, notably reflecting the improved operational performance of Carmila over the year.

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 of non-current assets, gains and losses on disposals 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 income of 36 million euros in 2022, and the detailed breakdown is as follows:

(in millions of euros)	**2022**	**2021 restated IFRS 5**
Gains and losses on disposals of assets	212	271
Restructuring costs	(13)	(383)
Other non-recurring income and expenses	(16)	(40)
Non-recurring income and expenses, net before asset impairments and write-offs	**183**	**(151)**
Asset impairments and write-offs	(147)	(215)
of which impairments and write-offs of goodwill	*(1)*	*(84)*
of which impairments and write-offs of property and equipment, intangible assets and others	*(146)*	*(131)*
NON-RECURRING INCOME AND EXPENSES, NET	**36**	**(366)**
of which:		
Non-recurring income	*440*	*514*
Non-recurring expense	*(404)*	*(880)*

Gains and losses on disposals of assets

Gains and losses on disposals of non-current assets comprise gains and losses arising on various asset disposals (store premises, lands and businesses), notably in France and Italy. It also includes the gain on the disposal of the nine hypermarkets and five supermarkets in Spain through sale and leaseback transactions (see Note 4.2.1). It also includes the gains on the disposals of the equity-accounted investments in Mestdagh in Belgium (see Note 4.2.1) and Ploiesti Shopping City in Romania (see Note 3.2.1 to the consolidated financial statements).

Other non-recurring income and expenses

Other non-recurring income and expenses recorded in 2022 mainly included revised estimates of historical risks, mostly tax-related, as well as the costs related to the acquisition of Grupo BIG in Brazil (see Note 4.2.1).

Asset impairments and write-offs

Impairment and write-offs of non-current assets other than goodwill recorded in 2022 include impairment losses of 68 million euros, reflecting the difficulties experienced by certain stores, particularly in France and Italy, as well as the retirement of a variety of assets, in particular relating to IT in France for 15 million euros. In addition, the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at December 31, 2022 represented a non-recurring expense of 5 million euros (see Note 9.2 to the consolidated financial statements).

Main non-recurring items in 2021

Gains and losses on disposals of assets in 2021 mainly included 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 the 2021 consolidated financial statements). To a lesser extent, this item also included the disposal of ten hypermarket properties in Spain through sale and leaseback transactions (see Note 8 to the 2021 consolidated financial statements).

Restructuring costs in 2021 resulted from continued work towards objectives to improve operating performance and organisational efficiency. The expense included in non-recurring items related 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 income and expenses in 2021 resulted primarily from the following items in Brazil:

- the impact of the Pinheiros real estate transaction, which generated income of 81 million euros following an exchange of assets in the city of São Paulo (see Note 2.3 to the 2021 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 were 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 2021 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 2021 consolidated financial statements).

In 2021, an impairment loss of 80 million euros was recognised on goodwill in Italy (see Note 7.3 to the 2021 consolidated financial statements).

Impairment of assets other than goodwill and write-offs in 2021 included 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 included 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 to the 2021 consolidated financial statements), 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 to the 2021 consolidated financial statements).

Operating income

Operating income amounted to 2,463 million euros in 2022, versus 1,840 million euros in 2021 as restated.

Finance costs and other financial income and expenses

Finance costs and other financial income and expenses represented a net expense of 490 million euros in 2022, corresponding to a negative 0.6% of sales versus a negative 0.4% in 2021 as restated.

(in millions of euros)	2022	2021 restated IFRS 5
Finance costs, net	(336)	(173)
Net interests, related to lease commitments	(167)	(97)
Other financial income and expenses, net	13	(1)
TOTAL	**(490)**	**(270)**

Finance costs, net increased compared with 2021 as restated, up 164 million euros to 336 million euros. The change is mainly due to the increase in bank borrowings relating to the acquisition of Grupo BIG, the increase in CDI (*Certificado de Deposito Interbancário*) interest rates in Brazil, and the increase in the value of the Brazilian real against the euro.

From 2019, in accordance with IFRS 16, finance costs and other financial income and expenses also include interest expenses on leases along with interest income on finance sub-leasing arrangements. The year-on-year increase in finance costs reflects an increase in the number of leased stores and higher discount rates.

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 2022 in line with the rising inflation seen during the year.

Income tax expense

The income tax expense for 2022 amounted to 408 million euros, i.e., an effective tax rate of 20.7%, compared with the 360 million-euro expense recorded in 2021 as restated, which corresponded to an effective tax rate of 23.0%.

The effective tax rates for 2022 and 2021 (restated) were impacted by the recognition of the CVAE (local business tax) in France and the absence of deferred tax assets in Italy.

Apart from those factors, the 2022 effective tax rate was favourably impacted by the geographical breakdown of income before tax, with an increased contribution from France due to a lower statutory tax rate, the recognition of deferred tax assets and tax credits in respect of prior years and reversals of tax-related provisions following expiry of the limitation period for tax claims, despite the impairment of deferred tax assets at Grupo BIG and in Italy.

As a reminder, the effective tax rate for 2021 combined several factors which:

- decreased the rate, such as the low tax rates applied to capital gains arising on disposal of 60% of Market Pay in France and on the Pinheiros asset exchange in Brazil;
- increased the rate, such as the rise in deferred tax liabilities relating to the remeasurement of non-current assets in accordance with IAS 29 as a result of the increase in the applicable tax rate in Argentina.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests came to 218 million euros in 2022, versus 229 million euros in 2021.

Net income/(loss) from continuing operations – Group share

As a result of the items described above, the Group share of net income from continuing operations amounted to 1,368 million euros in 2022, an improvement of 366 million euros compared to the 2021 figure as restated.

Net income/(loss) from discontinued operations – Group share

Discontinued operations represented a net loss – Group share of 21 million euros in 2022, versus net income of 70 million euros in 2021 as restated. The net loss for the year notably includes the Group's share in the net income of Carrefour Taiwan, which was reclassified within discontinued operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, together with the change in the value of a financial receivable relating to the 20% stake in Carrefour China.

5.2 Group financial position and cash flows

5.2.1 SHAREHOLDERS' EQUITY

At December 31, 2022, shareholder's equity stood at 13,186 million euros, compared with 11,830 million euros at December 31, 2021, an increase of 1,357 million euros.

The increase mainly reflects:

- net income for the year of 1,566 million euros;
- other comprehensive income amounting to 595 million euros, including translation adjustments of 380 million euros relating to the significant increase in the value of the Brazilian real compared to December 31, 2021 and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability for 131 million euros following the sharp increase in discount rates applied for the eurozone;
- 2021 dividends paid in an amount of 507 million euros, of which 380 million euros paid to Carrefour shareholders (entirely in cash) and 127 million euros to non-controlling shareholders, relating mainly to the Brazilian, Taiwanese and Spanish subsidiaries;
- the reduction of Carrefour SA's share capital by cancelling 21,232,106 shares and then 12,506,325 shares, following the share buyback carried out in 2022 in two tranches of 400 million euros and 350 million euros respectively;
- the portion of the Grupo BIG acquisition paid for in newly issued Carrefour Brazil shares for approximately 430 million euros.

5.2.2 NET DEBT

Consolidated net debt (including discontinued operations) at December 31, 2022 amounted to 3,429 million euros compared to 2,633 million euros at December 31, 2021. The Group's net debt breaks down as follows:

(in millions of euros)	December 31, 2022	December 31, 2021
Bonds and notes	7,697	6,052
Other borrowings	1,223	741
Commercial paper	490	–
Total borrowings excluding derivative instruments recorded in liabilities	**9,410**	**6,793**
Derivative instruments recorded in liabilities	148	40
TOTAL BORROWINGS	**9,558**	**6,834**
of which borrowings due in more than one year	*6,912*	*5,491*
of which borrowings due in less than one year	*2,646*	*1,342*
Other current financial assets [1]	677	498
Cash and cash equivalents	5,216	3,703
TOTAL CURRENT FINANCIAL ASSETS	**5,893**	**4,201**
NET DEBT	**3,665**	**2,633**
Net debt of discontinued operations	(236)	–
NET DEBT INCLUDING DISCONTINUED OPERATIONS	**3,429**	**2,633**

(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 2029 for the longest tranche of bond debt, as shown below:

(in millions of euros)	December 31, 2022	December 31, 2021
Due within 1 year	2,498	1,302
Due in 1 to 2 years	1,514	1,259
Due in 2 to 5 years	3,799	2,731
Due beyond 5 years	1,599	1,502
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**9,410**	**6,793**

Cash and cash equivalents totalled 5,216 million euros at December 31, 2022 compared with 3,703 million euros at December 31, 2021, representing an increase of 1,513 million euros.

5.2.3 STATEMENT OF CASH FLOWS

Net debt increased by 797 million euros in 2022, after increasing by 16 million euros in 2021. The change is analysed in the simplified statement of cash flows presented below:

(in millions of euros)	2022	2021 restated IFRS 5	Variation
Opening net debt	**(2,633)**	**(2,616)**	**(16)**
Cash flow from operations	3,968	3,796	172
Change in working capital requirement	108	(82)	190
Change in consumer credit granted by the financial services companies	135	(104)	239
Impact of discontinued operations	8	50	(42)
Net cash (used in)/from operating activities – total	**4,219**	**3,661**	**559**
Acquisitions of property and equipment and intangible assets(1)	(1,861)	(1,558)	(304)
Proceeds from the disposal of property and equipment and intangible assets – Business-related	379	276	103
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	55	122	(67)
Impact of discontinued operations	(36)	(67)	31
Free cash flow	**2,756**	**2,435**	**322**
Payments related to leases (principal and interest) net of subleases payments received	(1,047)	(931)	(116)
Finance costs, net	(336)	(173)	(164)
Impact of discontinued operations	(111)	(104)	(7)
Net Free cash flow	**1,262**	**1,227**	**35**
Acquisitions of investments	(980)	(331)	(649)
Disposal of investments	100	192	(92)
Change in treasury stock and other equity instruments	(96)	–	(96)
Decrease in capital of Carrefour SA	(657)	(702)	45
Proceeds from share issues to non-controlling interests	3	1	2
Dividends paid	(481)	(533)	53
Other including effect of changes in exchange rates	81	125	(44)
Impact of discontinued operations	(30)	5	(35)
Decrease/(Increase) in net debt	**(797)**	**(16)**	**(780)**
CLOSING NET DEBT(2)	**(3,429)**	**(2,633)**	**(797)**

(1) Restated for the acquisition of Makro Atacadista shops in Brazil (acquisition of the 29th and last store on a full-ownership basis in 2022 versus three in 2021).

(2) Including discontinued operations.

Free cash flow came to 2,756 million euros in 2022 (compared with 2,435 million euros in 2021) and mainly comprised:

- cash flow from operations of 3,968 million euros, up 172 million euros from 3,796 million euros in 2021. The increase is due to growth in recurring operating income before depreciation and amortisation for 306 million euros, offset by a 135-million-euro increase in exceptional cash outflows, notably relating to a non-recurring tax expense corresponding to Carrefour Banque in Brazil;
- the 108-million-euro positive change in working capital requirement compared with an 82-million-euro negative change in 2021 as restated, i.e., an improvement of 190 million euros that was mainly due to the increase in trade payables resulting from inflation;

- the 135-million-euro positive change in consumer credit compared with a 104-million-euro negative change in 2021, i.e., an improvement of 239 million euros, mainly due to consumer credit in Brazil;
- operational investments in an amount of 1,861 million euros, compared with 1,558 million euros in 2021 as restated. These operational investments include land purchases and building construction for approximatively 380 million euros, digital investments, and maintenance, remodelling and equipment expenditure;
- Proceeds from the disposal of business-related property and equipment and intangible assets include sales of businesses to franchisees for approximatively 80 million euros, the sale and leaseback of assets and miscellaneous disposals (lands, buildings and equipment).

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, 2022, 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 2022 included two Sustainability-Linked Bond issues indexed to the Group's sustainability goals, for a total amount of 2.35 billion euros, bonds redeemed ahead of maturity for a total amount of 1 billion euros, and several financing transactions by the Brazilian subsidiary Atacadão. These transactions are described in Note 4.2.3.

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 averaged 3.6 years at December 31, 2022.

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, 2022, as at December 31, 2021, 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 for 2026, as well as the situation at the end of 2022, are detailed below:

Operational objectives	End of 2022	2026 objective
Private labels	33% of food sales	40% of food sales
Convenience store openings	-	+2,400 vs. 2022
Atacadão store openings	-	>+200 vs. 2022
Reduction in energy consumption	-9%	-20% in 2026 vs. 2019 (in 2024 in France)

ESG objectives	End of 2022	2026 objective
Sales of certified sustainable products	€5.4bn	€8bn
Top 100 suppliers to adopt a 1.5°C trajectory	27%	100%
Employees with disabilities	11,281	15,000

Financials objectives	End of 2022	2026 objective
E-commerce GMV	€4.2bn	€10bn
Cost savings	€1.0bn	€4bn (cumul. 2023-26)
Net Free Cash Flow[1]	€1,262m	>€1.7bn
Capital expenditure	€1,861m	€2bn/year
Cash dividend growth	€0.56 (+8%)	>+5%/year

(1) Net Free Cash Flow corresponds to free cash flow after net finance costs and net lease payments. It includes cash-out for exceptional expenses.

5.4 Other information

5.4.1 ACCOUNTING PRINCIPLES

The accounting policies used to prepare the 2022 consolidated financial statements are the same as those used for the 2021 consolidated financial statements, except for the following amendments whose application is mandatory as of January 1, 2022:

- 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*.

These amendments and annual improvements had no material impact on the Group's consolidated financial statements.

As a reminder, 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 (see Notes 1.2 and 4 to the 2021 consolidated financial statements).

ADOPTED BY THE EUROPEAN UNION BUT NOT YET APPLICABLE

Standards, amendments and interpretations	Effective date
IFRS 17 – *Insurance Contracts*	January 1, 2023
Amendments to IFRS 17 – *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*	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

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; Non-current Liabilities with Covenants*	January 1, 2024
Amendments to IFRS 16 – *Leases: Lease Liability in a Sale and Leaseback*	January 1, 2024

(1) Subject to adoption by the European Union.

With regards to IFRS 17 – *Insurance Contracts*, having estimated the impacts, the Group considers that this standard has no material impact on the Group's consolidated financial statements.

Carrefour does not expect the application of the other above-mentioned standards and amendments to have a material impact on its consolidated financial statements.

5.4.2 SIGNIFICANT EVENTS OF THE YEAR

5.4.2.1 Main acquisitions and disposals in 2022

Carrefour Taiwan sale agreement

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). If the conditions precedent are met, this agreement will result in loss of control of the subsidiary. As an illustration, based on the adjustment between the enterprise value and the equity value at December 31, 2021, the transaction would be worth 100% of Carrefour Taiwan's equity at 48.3 billion New Taiwan dollars, or approximately 1.6 billion euros (after taking into account currency hedging). The price may be adjusted at the transaction date, notably based on changes in Carrefour Taiwan's net debt and working capital requirement.

Founded in 1987 through a joint venture between Carrefour and Uni-President, Carrefour Taiwan has experienced strong growth and significant value creation over the past 35 years. Today, the entity manages an extensive network of 340 stores, including 68 hypermarkets and 272 convenience and premium stores, as well as 129 shopping malls, with almost 15,000 employees.

Following the completion of the transaction, the Uni-President group will own 100% of Carrefour Taiwan. The Uni-President group is a diversified Taiwanese conglomerate with a strong presence in Asia. It notably operates the 7-Eleven brand in Taiwan. Carrefour Taiwan will continue to operate under the Carrefour brand in the coming years. Closing of the transaction is subject to approval by the Taiwanese competition authorities and other customary conditions, and is expected by mid-2023.

As Carrefour Taiwan represents a separate major geographical area of operations, it is treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced. For more details on the impacts of this ongoing sale on the 2022 consolidated financial statements, see Note 4 to said financial statements.

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 20 billion Brazilian reals (approximately 3.1 billion euros) in 2021 and operates a multi-format network of 388 stores, including 181 stores owned by the Group.

With Carrefour Brazil's acquisition of Grupo BIG, the Company can expand into regions where its penetration is limited, such as the north-east and south of the country. This geographic fit will enrich the Company's ecosystem of products and services, which currently serves over 45 million customers, and broaden its customer base thanks to the addition of Grupo BIG customers.

The acquisition will allow the Company to expand in its traditional formats (mainly cash & carry and hypermarkets), while extending its footprint in formats in which it has a more limited presence, in particular supermarkets (98 *Bompreço* and *Nacional* stores) and soft discounters (97 *TodoDia* stores). In addition, Carrefour Brazil will operate in a new market segment with the Sam's Club format, through a license agreement with Walmart Inc. This unique and highly profitable premium business model for the B2C segment is based on a membership system, with over two million members, and focuses mainly on private-label products.

Carrefour Brazil's Extraordinary Shareholders' Meeting and CADE, the Brazilian competition authority, approved this transaction on May 19, 2022 and May 25, 2022, respectively (subject to the disposal of 14 stores).

The acquisition was finalised on June 1, 2022, with payment made on June 6, 2022.

The preliminary purchase price for the entire share capital of Grupo BIG is 7,465 million Brazilian reals (1,471 million euros at the exchange rate as of the transaction date), which breaks down as follows:

- a cash payment of 5,292 million Brazilian reals (approximately 1 billion euros), representing 70% of the baseline price plus various preliminary earn-outs for 42 million Brazilian reals (approximately 8 million euros), including 900 million Brazilian reals (139 million euros) paid as part of a downpayment in March 2021;
- a share-based payment of 117 million new Carrefour Brazil shares (representing 30% of the baseline price), with a fair value of 2,173 million Brazilian reals (approximately 430 million euros) at June 6, 2022. As a result of this share-based payment, the Carrefour group's interest in Carrefour Brazil was 67.6% compared to 71.6% at December 31, 2021.

As this was a transaction with minority shareholders, the impact of paying for 30% of Grupo BIG in Carrefour Brazil shares was recognised in consolidated equity for approximately 180 million euros attributable to the Carrefour group and approximately 250 million euros attributable to non-controlling interests.

The agreement also provides for an earn-out that would have been paid six months after completion of the transaction if the Carrefour Brazil share price had exceeded the reference value of 19.26 Brazilian reals. No earn-out is due, as the price of the Carrefour Brazil share was 15.10 Brazilian reals at December 6, 2022.

Grupo BIG's preliminary opening balance sheet at June 1, 2022, as included in the Group's consolidated financial statements, is presented in Note 2.1 to the consolidated financial statements.

Sale and leaseback transactions (Spain)

The property company Ofelia leased nine stores and a shopping mall to Carrefour Spain. In February 2022, Carrefour Spain exercised its pre-emptive right and acquired these assets for approximately 40 million euros. In December 2022, eight stores (three hypermarkets and five supermarkets) out of the nine previously acquired were sold to a property company as part of a sale and leaseback transaction for approximately 40 million euros. This transaction led to the recognition of around 2 million euros in non-recurring income. Negotiations are ongoing with various operators for the sale of the remaining store and its adjacent shopping mall.

In addition, in September 2022, six Spanish hypermarket premises were sold to another property company for 110 million euros as part of a sale and leaseback transaction. This transaction led to the recognition of 23 million euros in non-recurring income.

As a reminder, in 2021, 10 Spanish hypermarket premises were sold to a property company for 137 million euros as part of sale and leaseback transactions.

Sale of the Group's stake in Cajoo (France)

On May 16, 2022, Germany-based Flink, Europe's leading quick commerce company, announced the acquisition of Cajoo from Carrefour and its founders in exchange for its own shares. This acquisition was finalised on June 23, 2022. The gain on the disposal of the Cajoo shares, amounting to 6 million euros, net of fees, was recognised within non-recurring income for the year.

Also in June 2022, the Group contributed to Flink's reserved capital increase.

All Flink shares held by the Group at December 31, 2022 are recognised as investments in non-consolidated companies measured at fair value through other comprehensive income (see Note 14.5 to the consolidated financial statements).

Sale of the Group's stake in Mestdagh (Belgium)

In October 2022, the Group sold all of its shares in the Belgian equity-accounted company Mestdagh (i.e., 25%) to the majority shareholder for 41 million euros.

The gain on the disposal of the Cajoo shares, amounting to approximately 24 million euros, net of fees, was recognised within non-recurring items for the year.

5.4.2.2 Warehouse fire in Taiwan

On March 14, 2022, a fire broke out in a logistics centre leased by Carrefour in the Yang Mei district of Taiwan. All employees were evacuated immediately with no injuries or casualties and the fire was brought under control on March 15, 2022.

A claim was submitted to the Group's insurance companies in this respect and was still being assessed at December 31, 2022. Losses incurred as a result of destroyed inventories and equipment were recorded in 2022 against the payout receivable from insurers classified under other current assets. The same applies to the estimated operating losses up to December 31, 2022.

It should be noted that two payments were already made by insurers in the second half of 2022.

These impacts are recorded in net income/(loss) from discontinued operations, further to the announcement of the Carrefour Taiwan disposal in July 2022 (see Note 4.2.1).

5.4.2.3 Securing the Group's long-term financing

On March 30, 2022, the Group issued its first Sustainability-Linked Bond (SLB) indexed to its sustainable development goals. The 1.5-billion-euro bond comprises two tranches of 750 million euros each, with a maturity of 4.6 years (due in October 2026) and 7.6 years (due in October 2029) respectively, and paying a coupon of 1.88% and 2.38%.

On October 12, 2022, the Group carried out its second Sustainability-Linked Bond issue indexed to its sustainable development goals, for a total of 500 million euros, maturing in six years (due in October 2028) and paying a coupon of 4.125%. On November 28, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.

These bonds were issued as part of a financing strategy aligned with the Group's CSR objectives and ambitions as well as the Sustainability-Linked Bond Framework of its Euro Medium-Term Notes (EMTN) programme published in June 2021, whose CSR component was revised and enhanced in May 2022.

On June 8, 2022, the Group redeemed 1 billion euros worth of 1.75% 8-year bonds, ahead of their maturity (July 2022).

These transactions guarantee the Group's liquidity over the short and medium term in an unstable economic environment, and are part of the strategy to ensure the necessary financing is in place to meet Carrefour's needs. The average maturity of Carrefour SA's bond debt was 3.6 years at end-December 2022, compared with 3.1 years at end-December 2021.

Financing of the Brazilian subsidiary Atacadão

Following on from the 2021 transactions, Carrefour's Brazilian subsidiary Atacadão has set up financing arrangements in 2022 enabling it to secure its medium- and long-term needs in connection with the acquisition of Grupo BIG.

The US dollar bank financing facilities put in place in December 2021 were finalised on January 5, 2022, with a total of 2,942 million Brazilian reals (approximately 528 million euros at the exchange rate of December 31, 2022) immediately swapped for Brazilian reals with maturities of 16 to 17 months.

In addition, on May 20, 2022, the Brazilian subsidiary obtained bank financing in euros and in US dollars, which was immediately swapped for Brazilian reals, for 1,500 million reals (approximately 269 million euros at the December 31, 2022 exchange rate). This facility, which had a six-month maturity, was replaced by the financing facility described below.

In addition, on July 29, 2022, the Board of Directors of the Brazilian subsidiary approved the issuance of simple unsecured, non-convertible debentures (CRA) for an amount of 1,500 million Brazilian reals (approximately 269 million euros at the December 31, 2022 exchange rate). On September 16, 2022, the debentures were issued in three series:

- an initial series for 467 million Brazilian reals, with a coupon of CDI (*Certificado de Deposito Interbancário* rate) +0.55% and a maturity of four years;
- a second series for 188 million Brazilian reals, with a coupon of CDI +0.60% and a maturity of five years;
- a third series for 844 million Brazilian reals, with a coupon of CDI +0.79% and a maturity of five years.

On December 8, 2022 (with a deferred start date in early January 2023), Atacadão also obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals, for an amount of 2,300 million Brazilian reals (representing approximately 413 million euros at the exchange rate on December 31, 2022), with 11 month maturities.

Lastly, on January 6 and May 17, 2022, two inter-company financing lines were set up between the companies Carrefour Finance and Atacadão.

- The first revolving credit facility (RCF) for an amount of 4 billion Brazilian reals (approximately 718 million euros at the December 31, 2022 exchange rate), bearing annual interest at 12%, falls due in July 2023 and was fully drawn in first-half 2022.
- The second RCF for 1.9 billion Brazilian reals (approximately 341 million euros at the exchange rate of December 31, 2022), bearing annual interest at 14.25%, has a maturity of three years and was fully drawn in second-half 2022.

These intra-group RCF loans are qualified as net investments in foreign operations and are therefore remeasured at fair value through equity. They are hedged in an amount of 2.95 billion Brazilian reals by derivatives classified as net investment hedges.

5.4.2.4 Payment of the 2021 dividend in cash

At the Shareholders' Meeting held on June 3, 2022, the shareholders decided to set the 2021 dividend at 0.52 euros per share to be paid entirely in cash.

On June 9, 2022, the dividend was paid out in an amount of 380 million euros.

5.4.2.5 Share buyback programme

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' Meeting of May 21, 2021.

The first tranche of the share buyback programme began on March 7, 2022 and ended on April 13, 2022, with 21,232,106 shares acquired 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.

A second tranche of the share buyback programme began on May 2, 2022 and ended on May 24, 2022, with 17,191,700 shares acquired at an average price of 20.36 euros per share for a total amount of 350 million euros. Of the shares bought back, 12,506,325 shares were cancelled following a decision by the Board of Directors on June 3, 2022 to reduce the share capital of Carrefour SA.

These shares were cancelled in accordance with the authorisation granted by the Shareholders' Meeting of May 21, 2021.

Following cancellation of these shares, Carrefour SA has 742,157,461 shares outstanding and, consequently, 11,544,870 treasury shares, representing approximately 1.6% of the share capital.

5.4.3 RESTATEMENT OF THE 2021 CONSOLIDATED FINANCIAL STATEMENTS

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). If the conditions precedent are met, this agreement will result in loss of control of the subsidiary (see Note 4.2.1).

Closing of the transaction is subject to approval by the Taiwanese competition authority (TFTC) and other customary conditions, and is expected by mid-2023. Following the completion of the transaction, the Uni-President group will own 100% of Carrefour Taiwan.

As Carrefour Taiwan represents a separate major geographical area of operations, it is treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced.

This subsidiary's assets and liabilities were therefore reclassified as assets held for sale and related liabilities in the consolidated statement of financial position at December 31, 2022 (see Note 4.3 to the consolidated financial statements).

In addition, the net income and cash flows of this subsidiary were reclassified within line items for discontinued operations in the consolidated income statement and consolidated cash flow statement for 2022. To allow for a meaningful comparison, the net income and cash flows for the year 2021 have been reclassified in these same lines (see Notes 4.1 and 4.2 to the consolidated financial statements).

Key consolidated income statement aggregates for Carrefour Taiwan for 2022 and 2021 are as follows:

(in millions of euros)	2022	2021
Net sales	2,541	2,497
Gross margin from recurring operations	643	624
Sales, general and administrative expenses, depreciation and amortisation	(569)	(546)
Recurring operating income	74	78
Operating income	69	70
Income before taxes	61	62
Income tax expense	(16)	(12)
Net income/(loss) for the year	44	50
Capital expenditure	30	69

The impact of the Carrefour Taiwan IFRS 5 restatement on the consolidated income statement and statement of cash flows for 2021 and on the consolidated statement of financial position at December 31, 2022 is presented in Note 4 to the consolidated 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 2023, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals. The post-swap debt totalled 2,300 million Brazilian reals (representing approximately 413 million euros at the December 31, 2022 exchange rate), with a maturity of 11 months.

5.4.6 RISK FACTORS

The risk factors are the same as those set out in Chapter 4 *Risk Management* of the 2022 Universal Registration Document.

5.5 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.

5.6 Parent company financial review

5.6.1 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 2022, operating income amounted to 155 million euros (in line with 2021) and essentially comprised costs rebilled to other Group entities. The operating loss recorded in 2022 came to 89 million euros, versus 31 million euros in 2021.

A net financial expense of 93 million euros was reported in 2022, compared with net financial income of 284 million euros in 2021.

The 377-million-euro change is mainly explained by (i) the 1,290 million euros in impairment for shares in subsidiaries and affiliates and deficits net of reversals for the year (compared to a net charge of 218 million euros in 2021), partially offset by (ii) the 808-million-euro increase in dividends received from subsidiaries during the year. Dividends totalled 1,325 million euros in 2022 compared with 517 million euros in 2021 (of which 724 million euros received from Dutch company CNBV in 2022, which did not distribute dividends in 2021).

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 223 million euros, including a tax benefit of 375 million euros.

Other transactions

Share buyback programmes

As part of its share capital allocation policy, the Company commissioned an investment services provider to buy back shares corresponding to a maximum amount of 750 million euros, as authorised by the Shareholders' Meeting of May 21, 2021.

(i) The first tranche of the share buyback programme began on March 7, 2022 and ended on April 13, 2022, with 21,232,106 shares acquired at an average price of 18.84 euros per share for a total amount of 400 million euros.

(ii) A second tranche of the share buyback programme began on May 2, 2022 and ended on May 24, 2022, with 17,191,700 shares acquired at an average price of 20.36 euros per share for a total amount of 350 million euros.

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 April 2022 involving the cancellation of 21,232,106 shares;

(ii) a second capital reduction in June 2022 involving the cancellation of 12,506,325 shares.

Following cancellation of these shares, the share capital was reduced by 84.3 million euros and premiums were reduced by 570.3 million euros. Carrefour SA therefore has 742,157,461 shares outstanding and, consequently, 11,544,870 treasury shares, representing approximately 1.6% of the share capital.

Financing transactions

In 2022, Carrefour SA carried out two Sustainability-Linked Bond issues, the first on March 30, 2022 for a total of 1.5 billion euros, and the second on October 12, 2022 for an amount of 500 million euros, which was increased by 350 million euros on November 28, 2022, under the same terms.

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

	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					
Year ended December 31, 2022 *(in thousands of euros)*	**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	41	27	12	0	47	86 (*)	30	7	6	0	3	16 (*)
Total amount (including VAT) of the invoices	872,888	4,889,316	254,792	0	60,221	5,204,330 (*)	36,095,665	4,328,584	(1,740,296)	0	308,019	2,896,306 (*)
Percentage of total amount of purchases (including VAT) over the period	0%	2%	0%	0%	0%	2%						
Percentage of sales (including VAT) over the period							29%	3%	(1)%	0%	0%	2%
(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						X Contractual deadlines					
	Legal deadlines						Legal deadlines					
	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.

5.6.2 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As part of its effort to manage its equity portfolio, during the year the Company subscribed to Carrefour Italy's capital increase in the amount of 45 million euros.

5.6.3 INCOME APPROPRIATION

It is recommended that the Shareholders' Meeting allocate distributable income as follows:

(in millions of euros)

Net income for the year	**€223,235,145.85**
Allocation to the legal reserve	€-
Retained earnings at December 31, 2022	€2,724,833,589.72
Income available for distribution	**€2,948,068,735.57**
2022 dividends paid out of distributable profit(1)	**€409,143,050.96**
Balance of retained earnings after allocation	**€2,538,925,684.61**

(1) Calculated based on shares eligible for dividends after deduction of treasury shares at December 31, 2022.

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 742,157,461 shares comprising the share capital at December 31, 2022, 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 409,143,050.96 euros, which represents a dividend of 0.56 euro per share eligible for dividends (after deduction of 11,544,870 treasury shares at December 31, 2022) 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 (*Code général des impôts*), 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 6, 2023 and will become payable on June 8, 2023.

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
2019	€0.23	€0.23	-
2020	€0.48	€0.48	-
2021	€0.52	€0.52	

5.6.4 RESEARCH AND DEVELOPMENT

The Company does not implement any research and development policy.

5.6.5 RECENT DEVELOPMENTS

See the Group's management report at December 31, 2022 for information on the 2023 outlook for the entire Company, its subsidiaries and the Group's equity-accounted associates and joint ventures.

5.6.6 COMPANY EARNINGS PERFORMANCE IN THE LAST FIVE FINANCIAL YEARS

(in millions of euros)	2022	2021	2020	2019	2018
I – Capital at year-end					
Share capital	1,855	1,940	2,044	2,018	1,973
Issue and merger premiums	16,017	16,587	17,183	17,082	16,856
Number of existing ordinary shares	742,157,461	775,895,892	817,623,840	807,265,504	789,252,839
II – Results of operations for the financial year					
Net income before tax, employee profit-sharing and depreciation, amortisation and provisions	1,158	474	565	116	1,726
Income tax	375	319	102	181	186
Employee profit-sharing payable for the financial year					
Net income after tax and employee profit-sharing and depreciation, amortisation and provisions	223	837	550	266	1,485
Distributed income (1)	409	403	392	184	253
III – Net income per share					
Net income after tax and employee profit-sharing but before depreciation, amortisation and provisions	2.07	1.02	0.82	0.37	2.42
Net income after tax, employee profit-sharing and depreciation, amortisation and provisions	0.30	1.08	0.67	0.33	1.88
Net dividend allocated to each share (1)	0.56	0.52	0.48	0.23	0.46
IV – Employees					
Average number of employees during the financial year	5	4	5	5	6
Amount of payroll for the financial year (2)	9	9	13	16	12
Amount paid as employee benefits for the financial year (social security, social services) (2)	2	2	3	6	5

(1) Set by the Board of Directors and to be submitted for approval to the Ordinary Shareholders' Meeting.
(2) Excluding expenses related to the performance share plan.

6

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

The comparative consolidated income and cash flow statement information presented in this document has been restated to reflect the classification of Carrefour Taiwan in discontinued operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. These restatements are described in Note 4.

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, 2022. Comparative data for 2021 have also been adjusted for inflation.

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*	2022	2021 restated IFRS 5	% change
Net sales	6.1	81,385	70,462	15.5%
Loyalty program costs		(842)	(792)	6.3%
Net sales net of loyalty program costs		**80,543**	**69,669**	**15.6%**
Other revenue	6.1	2,546	2,091	21.7%
Total revenue		**83,089**	**71,760**	**15.8%**
Cost of sales	6.2	(66,776)	(56,865)	17.4%
Gross margin from recurring operations		**16,313**	**14,896**	**9.5%**
Sales, general and administrative expenses, depreciation and amortisation	6.2	(13,936)	(12,701)	9.7%
Recurring operating income		**2,377**	**2,194**	**8.3%**
Net income/(loss) from equity-accounted companies	9	50	12	317.8%
Recurring operating income after net income from equity-accounted companies		**2,427**	**2,206**	**10.0%**
Non-recurring income and expenses, net	6.3	36	(366)	109.8%
Operating income		**2,463**	**1,840**	**33.8%**
Finance costs and other financial income and expenses, net	14.6	(490)	(270)	81.3%
Finance costs, net		*(336)*	*(173)*	*95.0%*
Net interests related to lease commitments		*(167)*	*(97)*	*72.3%*
Other financial income and expenses, net		*13*	*(1)*	*1,343.3%*
Income before taxes		**1,973**	**1,570**	**25.6%**
Income tax expense	10.1	(408)	(360)	13.3%
Net income/(loss) from continuing operations		**1,564**	**1,210**	**29.3%**
Net income/(loss) from discontinued operations		1	92	(98.5)%
NET INCOME/(LOSS) FOR THE YEAR		**1,566**	**1,301**	**20.3%**
Group share		**1,348**	**1,072**	**25.7%**
of which net income/(loss) from continuing operations – Group share		1,368	1,002	36.6%
of which net income/(loss) from discontinued operations – Group share		(21)	70	(129.6)%
Attributable to non-controlling interests		**218**	**229**	**(4.9)%**
of which net income/(loss) from continuing operations – attributable to non-controlling interests		196	208	(5.7)%
of which net income/(loss) from discontinued operations – attributable to non-controlling interests		22	22	2.8%

Basic earnings per share *(in euros)*	*Notes*	2022	2021 restated IFRS 5	% change
Net income/(loss) from continuing operations – Group share – per share	13.6	1.85	1.27	45.0%
Net income/(loss) from discontinued operations – Group share – per share	13.6	(0.03)	0.09	(131.4)%
Net income/(loss) – Group share – per share	13.6	1.82	1.36	33.4%

Diluted earnings per share *(in euros)*	*Notes*	2022	2021 restated IFRS 5	% change
Net income/(loss) from continuing operations – Group share – per share	13.6	1.83	1.27	44.8%
Net income/(loss) from discontinued operations – Group share – per share	13.6	(0.03)	0.09	(131.4)%
Net income/(loss) – Group share – per share	13.6	1.80	1.35	33.2%

6.2 Consolidated statement of comprehensive income

(in millions of euros)	*Notes*	2022	2021
Net income/(loss) – Group share		1,348	1,072
Net income – Attributable to non-controlling interests		218	229
Net income/(loss) for the year		**1,566**	**1,301**
Effective portion of changes in the fair value of cash flow hedges(1)	13.4	115	43
Changes in the fair value of debt instruments through other comprehensive income	13.4	(19)	(8)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect(2)	13.4	(11)	–
Exchange differences on translation of foreign operations(3)	13.4	380	116
Items that may be reclassified subsequently to profit or loss		**464**	**151**
Remeasurements of defined benefit plans obligation(4)	12.1/13.4	131	28
Changes in the fair value of equity instruments through other comprehensive income	13.4	(0)	(0)
Items that will not be reclassified subsequently to profit or loss		**131**	**28**
Other comprehensive income/(loss) after tax		**595**	**179**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**2,161**	**1,481**
Group share		1,815	1,224
Attributable to non-controlling interests		346	256

These items are presented net of the tax effect (see Note 13.4).

(1) In 2022, the Group set up a currency swap eligible for cash flow hedge accounting in order to hedge the risk of unfavourable changes in the New Taiwan dollar up to the amount of the Group's share in the value of Carrefour Taiwan's equity, i.e., approximately 29 billion New Taiwan dollars (see Note 2.1).

(2) In 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão, treated as part of the net investment in that operation. The derivatives contracted to hedge part of these loans were classified as a net investment hedge (see Note 2.3).

(3) Exchange differences recognised on translating foreign operations in 2022 mainly reflect the significant increase in the value of the Brazilian real. Differences in 2021 mainly reflected the increase in value of the New Taiwan dollar and the very slight increase in value of the Brazilian real during the year.

(4) Remeasurement of the net defined benefit liability recognised in 2022 reflects the sharp increase in discount rates applied for the eurozone, from 0.80% at end-December 2021 to 3.80% at end-December 2022. In 2021, these discount rates had increased, from 0.40% at end-December 2020 to 0.80% at end-December 2021.

6.3 Consolidated statement of financial position

ASSETS

(in millions of euros)	***Notes***	**December 31, 2022**	**December 31, 2021**
Goodwill	7.1	8,778	7,995
Other intangible assets	7.1	1,499	1,333
Property and equipment	7.2	12,612	10,721
Investment property	7.4	279	291
Right-of-use assets	8.1	4,190	4,361
Investments in companies accounted for by the equity method	9	1,197	1,256
Other non-current financial assets	14.5	1,162	1,152
Consumer credit granted by the financial services companies – portion more than one year	6.5	1,867	1,821
Deferred tax assets	10.2	475	631
Other non-current assets	6.4	609	321
Non-current assets		**32,667**	**29,883**
Inventories	6.4	6,893	5,858
Trade receivables	6.4	3,330	2,581
Consumer credit granted by the financial services companies – portion less than one year	6.5	4,111	3,473
Other current financial assets	14.2	720	532
Tax receivables	6.4	948	675
Other current assets	6.4	1,025	943
Cash and cash equivalents	14.2	5,216	3,703
Assets held for sale	2.1/4.3	1,641	20
Current assets		**23,884**	**17,785**
TOTAL ASSETS		**56,551**	**47,668**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	***Notes***	**December 31, 2022**	**December 31, 2021**
Share capital	13.2	1,855	1,940
Consolidated reserves (including net income)		9,289	8,311
Shareholders' equity, Group share		**11,144**	**10,251**
Shareholders' equity attributable to non-controlling interests	13.5	2,042	1,579
Total shareholders' equity		**13,186**	**11,830**
Borrowings – portion more than one year	14.2	6,912	5,491
Lease commitments – portion more than one year	8.2	3,574	3,602
Provisions	11	3,974	2,455
Consumer credit financing – portion more than one year	6.5	1,550	1,573
Deferred tax liabilities	10.2	364	374
Tax payables – portion more than one year	6.4	85	193
Non-current liabilities		**16,458**	**13,688**
Borrowings – portion less than one year	14.2	2,646	1,342
Lease commitments – portion less than one year	8.2	955	995
Suppliers and other creditors	6.4	14,393	13,072
Consumer credit financing – portion less than one year	6.5	3,592	2,868
Tax payables – portion less than one year	6.4	1,182	1,108
Other current payables	6.4	2,943	2,765
Liabilities related to assets held for sale	4.3	1,196	–
Current liabilities		**26,907**	**22,150**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**56,551**	**47,668**

6.4 Consolidated statement of cash flows

(in millions of euros)	2022	2021 restated IFRS 5
Income before taxes	**1,973**	**1,570**
OPERATING ACTIVITIES		
Income tax paid	(449)	(426)
Depreciation and amortisation expense	2,236	2,112
Gains and losses on disposal of assets and other	(165)	(236)
Change in provisions and impairment	(371)	259
Finance costs, net	336	173
Net interests related to lease commitments	167	97
Share of profit and dividends received from equity-accounted companies	26	43
Impact of discontinued operations[1]	215	205
Cash flow from operations	**3,968**	**3,796**
Change in working capital requirement[2]	108	(82)
Impact of discontinued operations[1]	8	50
Net cash from/(used in) operating activities (excluding financial services companies)	**4,085**	**3,764**
Change in consumer credit granted by the financial services companies	135	(104)
Net cash from/(used in) operating activities – total	**4,219**	**3,661**
INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets[3]	(1,882)	(1,585)
Acquisitions of non-current financial assets[4]	(45)	(174)
Acquisitions of subsidiaries and investments in associates[5]	(914)	(136)
Proceeds from the disposal of subsidiaries and investments in associates[6]	94	185
Proceeds from the disposal of property and equipment and intangible assets[7]	380	282
Proceeds from the disposal of non-current financial assets	6	7
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets[3]	55	122
Investments net of disposals – subtotal	**(2,306)**	**(1,298)**
Other cash flows from investing activities	207	4
Impact of discontinued operations[1]	(34)	(41)
Net cash from/(used in) investing activities – total	**(2,134)**	**(1,334)**

(in millions of euros)	2022	2021 restated IFRS 5
FINANCING ACTIVITIES		
Carrefour SA capital increase/(decrease)[8]	(657)	(702)
Proceeds from share issues to non-controlling interests	3	1
Dividends paid by Carrefour SA[9]	(380)	(383)
Dividends paid to non-controlling interests	(101)	(150)
Change in treasury stock and other equity instruments[8]	(96)	–
Change in current financial assets[10]	(7)	4
Issuance of bonds[10]	2,633	–
Repayments of bonds[10]	(1,081)	(871)
Net financial interests paid	(194)	(158)
Other changes in borrowings[10]	774	302
Payments related to leases (principal)[11]	(925)	(872)
Net interest related to leases[11]	(164)	(94)
Impact of discontinued operations[1]	(132)	(135)
Net cash from/(used in) financing activities – total	**(326)**	**(3,060)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**1,759**	**(733)**
Effect of changes in exchange rates	(11)	(2)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1,748**	**(735)**
Cash and cash equivalents at beginning of year	**3,703**	**4,439**
Cash and cash equivalents at end of year	**5,451**	**3,703**
of which cash and cash equivalents at end of period from continuing operations	*5,216*	*3,495*
of which cash and cash equivalents at end of period from discontinued operations	*235*	*209*

(1) Restatements made to reflect the classification of cash flows relating to discontinued operations in accordance with IFRS 5 are detailed in Note 4. They correspond almost exclusively to the disposal in progress of Carrefour Taiwan.

(2) The change in working capital requirement is set out in Note 6.4.

(3) Acquisitions include operational investments in growth formats, in particular those relating to the first Grupo BIG store conversions, the Group's digitalisation and the roll-out of a leading omni-channel offering.

(4) In 2021, this item mainly corresponded to the downpayment of 900 million Brazilian reals in March 2021 (approximately 139 million euros) relating to the acquisition of Grupo BIG in Brazil (see Note 2.1).

(5) This line mainly corresponds to the cash payment in respect of the acquisition of Grupo BIG in Brazil (excluding the downpayment in March 2021, see above) for 866 million euros (4,392 million Brazilian reals, see Note 2.1). In 2021, this line mainly corresponded to the acquisition of Supersol franchise stores in Spain.

(6) This line mainly corresponds to the sale of the Group's interest in a variety of equity-accounted companies, including Mestdagh in Belgium for 41 million euros, Ploiesti Shopping City in Romania for 30 million euros and CarrefourSA in Turkey for 14 million euros (see Note 9). In 2021, this line corresponded to the 189 million-euro cash payment (before transaction costs) received on the sale of 60% of Market Pay.

(7) This line corresponds mainly to the sale and leaseback of 9 hypermarkets and 5 supermarkets in Spain (see Note 2.1) and the sale of store premises and businesses to franchisees in France and Italy. In 2021, this item corresponded 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) This item corresponds to the share buyback programme for 750 million euros (see Note 2.5) implemented between March and May 2022, of which, following decisions by the Board of Directors, 401 million euros worth of shares (including associated costs) were cancelled on April 20, 2022 and another 256 million euros worth (including associated costs) were cancelled on June 3, 2022. The shares covered by this programme, which were still held in treasury at December 31, 2022, are presented within "Change in treasury stock and other equity instruments".

(9) The dividend approved by the Shareholders' Meeting of June 3, 2022 was paid entirely in cash on June 9, 2022 for an amount of 380 million euros (see Note 2.4). In 2021, the dividend was paid entirely in cash on May 28, 2021 for 383 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, payments under leases along with any related interest are shown in financing cash flows.

6.5 Consolidated statement of changes in shareholders' equity

	Shareholders' equity, Group share						
(in millions of euros)	Share capital[1]	Foreign exchange translation reserve	Fair value reserve[2]	Other consolidated reserves and net income	Total Shareholders' equity, Group share	Non -controlling	Total Shareholders' equity
Shareholders' equity at December 31, 2020	**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[3]	–	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[4]	–	–	–	(383)	(383)	(198)	(581)
Change in capital and additional paid-in capital[5]	(104)	–	–	(596)	(700)	1	(699)
Effect of changes in scope of consolidation and other movements[6]	–	–	–	(18)	(18)	13	(5)
Shareholders' equity at December 31, 2021	**1,940**	**(1,990)**	**(4)**	**10,305**	**10,251**	**1,579**	**11,830**
Net income/(loss) for the year 2022	–	–	–	1,348	1,348	218	1,566
Other comprehensive income/(loss) after tax[3]	–	258	83	127	467	128	595
Total comprehensive income/(loss) 2022	**–**	**258**	**83**	**1,474**	**1,815**	**346**	**2,161**
Share-based payments	–	–	–	21	21	1	22
Treasury stock (net of tax)[5]	–	–	–	(96)	(96)	–	(96)
2021 dividend payment[4]	–	–	–	(380)	(380)	(127)	(507)
Change in capital and additional paid-in capital[5]	(84)	–	–	(570)	(655)	3	(651)
Effect of changes in scope of consolidation and other movements[6]	–	62	–	126	188	241	429
Shareholders' equity at December 31, 2022	**1,855**	**(1,670)**	**78**	**10,881**	**11,144**	**2,042**	**13,186**

(1) At December 31, 2022, the share capital was made up of 742,157,461 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);
- exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect.

(3) In 2022, other comprehensive income after tax reflects both the significant increase in the value of the Brazilian real compared to December 31, 2021 and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability following the strong increase in discount rates applied for the eurozone.
In 2021, other comprehensive income after tax reflected 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.

(4) The 2021 dividend distributed by Carrefour SA, totalling 380 million euros, was paid entirely in cash.
The 2020 dividend distributed by Carrefour SA, totalling 383 million euros, was paid entirely in cash.
Dividends paid to non-controlling interests in 2021 and 2022 came to 198 million euros and 127 million euros respectively, related mainly to the Brazilian, Taiwanese and Spanish subsidiaries.

(5) The 750-million-euro share buyback programme announced on February 16, 2022 was launched in 2022 in two tranches of 400 million euros and 350 million euros, corresponding to 38,423,806 shares. Carrefour SA's share capital was subsequently reduced by cancelling 33,738,431 shares (see Note 2.5). Following cancellation of these shares, Carrefour SA has 11,544,870 treasury shares, representing approximately 1.6% of the share capital at December 31, 2022.
In 2021, two share buybacks were carried out 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 to the 2021 consolidated financial statements).

(6) The effect of changes in the scope of consolidation and other movements mainly corresponds to the acquisition of Grupo BIG for the portion paid in newly issued Carrefour Brazil shares (see Note 2.1).
In 2021, this item mainly corresponded to the impact of acquiring the remaining non-controlling interest in the Belgian financial services company Fimaser (see Note 3.2 to the 2021 consolidated financial statements).

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, 2022 were approved for publication by the Board of Directors on February 14, 2023. 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, 2022 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 2022 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, 2022 and applicable at that date, with 2021 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, 2022, 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 2022 consolidated financial statements are the same as those used for the 2021 consolidated financial statements, except for the following amendments whose application is mandatory as of January 1, 2022:

- 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*.

These amendments and annual improvements had no material impact on the Group's consolidated financial statements.

As a reminder, 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 (see Notes 1.2 and 4 to the 2021 consolidated financial statements).

ADOPTED BY THE EUROPEAN UNION BUT NOT YET APPLICABLE

Standards, amendments and interpretations	Effective date
IFRS 17 – *Insurance Contracts*	January 1, 2023
Amendments to IFRS 17 – *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*	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

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; Non-current Liabilities with Covenants*	January 1, 2024
Amendments to IFRS 16 – *Leases: Lease Liability in a Sale and Leaseback*	January 1, 2024

(1) Subject to adoption by the European Union.

With regards to IFRS 17 – *Insurance Contracts*, having estimated the impacts, the Group considers that this standard has no material impact on the Group's consolidated financial statements.

Carrefour does not expect the application of the above-mentioned 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).

1.4 Seasonal fluctuations in business

Like those of other retailers, Carrefour's sales are subject to significant seasonal fluctuations, with the result that comparisons between the consolidated financial statements for the first and second halves of the year are not particularly meaningful. This is particularly the case for recurring operating income and cash flow generation between the two periods.

The Group's second-half sales are traditionally higher than those for the first half, due to increased activity in December. Most of the operating expenses on the other hand – such as payroll costs, depreciation and amortisation – are spread more or less evenly over the year. As a result, the Group's recurring operating income is generally lower in the first half than in the second.

Cash flows generated by the Group are also strongly impacted by seasonal trends, with working capital requirement rising sharply in the first half as a result of the large volume of supplier payments due at the beginning of the year for the purchases made ahead of the previous year's peak selling period in December.

1.5 Conflict in Ukraine

The Group does not do business in Ukraine, Russia or Belarus. It does not hold any assets or interests in entities in these countries, nor is it party to any franchise agreements. In addition, the Group's exposure to the Russian and Belarusian markets is not deemed to be material. The Group is not materially affected by the trade restrictions and sanctions imposed by certain governments on Russia.

However, the Group is impacted to some extent by the macro-economic consequences of the conflict, particularly due to the resulting energy price fluctuations, which have led to the recognition of higher energy costs in the financial statements.

The Group is closely monitoring the development of the conflict and its macroeconomic and potentially operational consequences, particularly in its integrated countries bordering Ukraine (Poland and Romania). As expected, the inflationary pressure that began in the second half of 2021 intensified in the 2022. In the current situation, Carrefour is committed to preserving consumer purchasing power while continuing to consolidate its business model. Carrefour did not encounter any significant supply problems during the year, despite a few localised, temporary shortages. However, in a tight supply environment, the Group is fully mobilised to ensure a steady supply of products, for example by increasing back-up inventory in certain sensitive categories, in order to improve the availability of products under favourable purchasing conditions.

1.6 Climate change

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).

In 2020, the Group aligned its direct emissions (Scope 1 and 2) targets with a 1.5°C trajectory, with the goal of becoming carbon neutral by 2040 (by 2030 for the e-commerce business), by reducing the CO_2 emissions produced by its operations at source as much as possible through three 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 is pressing ahead with equipping hypermarkets with photovoltaic systems (seven in France, five in Poland, four in Belgium, one in Italy and one in Brazil to date). In addition, alongside one or several partners currently in the process of being selected, Carrefour will begin producing photovoltaic energy by installing and operating 4.5 million sq.m. of solar panels on car park canopies in France, Spain and Brazil, representing around one TWh of theoretical power generation per year by 2027;
- a 27.5% reduction in energy consumption by 2030 compared to 2019. Carrefour is doubling its investments to 200 million euros per year between 2023 and 2026 to reduce its energy consumption. This will enable the Group to cut its consumption by 20% by 2026, including a 20% reduction in France by 2024. The Group is seeking to improve energy efficiency through five priority action and technology recommendations for its stores: renovation of commercial cooling systems, 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.

1.7 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, 2022; data for the comparative period presented have also been adjusted for inflation.

NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

2.1 Main acquisitions and disposals in 2022

CARREFOUR TAIWAN SALE AGREEMENT

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). If the conditions precedent are met, this agreement will result in loss of control of the subsidiary. As an illustration, based on the adjustment between the enterprise value and the equity value at December 31, 2021, the transaction would be worth 100% of Carrefour Taiwan's equity at 48.3 billion New Taiwan dollars, or approximately 1.6 billion euros (after taking into account currency hedging). The price may be adjusted at the transaction date, notably based on changes in Carrefour Taiwan's net debt and working capital requirement.

Founded in 1987 through a joint venture between Carrefour and Uni-President, Carrefour Taiwan has experienced strong growth and significant value creation over the past 35 years. Today, the entity manages an extensive network of 340 stores, including 68 hypermarkets and 272 convenience and premium stores, as well as 129 shopping malls, with almost 15,000 employees.

Following the completion of the transaction, the Uni-President group will own 100% of Carrefour Taiwan. The Uni-President group is a diversified Taiwanese conglomerate with a strong presence in Asia. It notably operates the 7-Eleven brand in Taiwan. Carrefour Taiwan will continue to operate under the Carrefour brand in the coming years. Closing of the transaction is subject to approval by the Taiwanese competition authorities and other customary conditions, and is expected by mid-2023.

As Carrefour Taiwan represents a separate major geographical area of operations, it is treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced. For more details on the impacts of this sale, which is still in progress, on the 2022 consolidated financial statements, see Note 4.

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 20 billion Brazilian reals (approximately 3.1 billion euros) in 2021 and operates a multi-format network of 388 stores, including 181 stores owned by the Group.

With Carrefour Brazil's acquisition of Grupo BIG, the Company can expand into regions where its penetration is limited, such as the north-east and south of the country. This geographic fit will enrich the Company's ecosystem of products and services, which currently serves over 45 million customers, and broaden its customer base thanks to the addition of Grupo BIG customers.

The acquisition will allow the Company to expand in its traditional formats (mainly *cash & carry* and hypermarkets), while extending its footprint in formats in which it has a more limited presence, in particular supermarkets (98 *Bompreço* and *Nacional* stores) and soft discounters (97 *TodoDia* stores). In addition, Carrefour Brazil will operate in a new market segment with the *Sam's Club* format, through a license agreement with Walmart Inc. This unique and highly profitable premium business model for the B2C segment is based on a membership system, with over two million members, and focuses mainly on private-label products.

Carrefour Brazil's Extraordinary Shareholders' Meeting and CADE, the Brazilian competition authority, approved this transaction on May 19, 2022 and May 25, 2022, respectively (subject to the disposal of 14 stores).

The acquisition was finalised on June 1, 2022, with payment made on June 6, 2022.

The preliminary purchase price for the entire share capital of Grupo BIG is 7,465 million Brazilian reals (1,471 million euros at the exchange rate as of the transaction date), which breaks down as follows:

- a cash payment of 5,292 million Brazilian reals (approximately 1 billion euros), representing 70% of the baseline price plus various preliminary earn-outs for 42 million Brazilian reals (approximately 8 million euros), including 900 million Brazilian reals (139 million euros) paid as part of a downpayment in March 2021;
- a share-based payment of 117 million new Carrefour Brazil shares (representing 30% of the baseline price), with a fair value of 2,173 million Brazilian reals (approximately 430 million euros) at June 6, 2022. As a result of this share-based payment, the Carrefour group's interest in Carrefour Brazil was 67.6% compared to 71.6% at December 31, 2021.

As this was a transaction with minority shareholders, the impact of paying for 30% of Grupo BIG in Carrefour Brazil shares was recognised in consolidated equity for approximately 180 million euros attributable to the Carrefour group and approximately 250 million euros attributable to non-controlling interests.

The agreement also provided for an earn-out that would have been paid six months after completion of the transaction if the Carrefour Brazil share price had exceeded the reference value of 19.26 Brazilian reals. No earn-out is due, as the price of the Carrefour Brazil share was 15.10 Brazilian reals at December 6, 2022.

Grupo BIG's preliminary opening balance sheet at June 1, 2022, as included in the Group's consolidated financial statements, is as follows:

ASSETS

(in millions of reals)	Reference	Opening balance sheet (Net Book Value)	Fair Value adjustments	Opening balance sheet (Fair Value)	Opening balance sheet *(in millions of euros)*
Goodwill	(a)	220	4,556	4,776	942
Other intangible assets	(e)	265	263	527	104
Property and equipment	(c)	4,887	5,033	9,920	1,955
Right-of-use assets	(b)	2,465	(22)	2,443	481
Other non-current financial assets	(f)	586		586	116
Deferred tax assets	(g)	2,407	(2,407)	–	–
Other non-current assets	(h)	3,095	(1,108)	1,987	392
Non-current assets		**13,925**	**6,315**	**20,240**	**3,989**
Inventories	(j)	2,955	(168)	2,787	549
Trade receivables	(l)	702		702	138
Other current financial assets	(l)	77		77	15
Tax receivables	(l)	513		513	101
Other current assets	(k)	204	(20)	184	36
Cash and cash equivalents	(l)	317		317	62
Assets held for sale	(i)	–	323	323	64
Current assets		**4,769**	**135**	**4,904**	**966**
TOTAL ASSETS		**18,694**	**6,450**	**25,144**	**4,955**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of reals)	Reference	Opening balance sheet (Net Book Value)	Fair Value adjustments	Opening balance sheet (Fair Value)	Opening balance sheet *(in millions of euros)*
Total shareholders' equity		**8,859**	**(1,394)**	**7,465**	**1,471**
Lease commitments – portion more than one year	(b)	2,598	(292)	2,306	454
Provisions	(d)	2,528	8,058	10,586	2,086
Deferred tax liabilities	(g)	150	61	211	42
Non-current liabilities		**5,276**	**7,827**	**13,103**	**2,582**
Borrowings – portion less than one year	(l)	982		982	194
Lease commitments – portion less than one year	(b)	196	(124)	72	14
Suppliers and other creditors	(k)	2,617	139	2,756	543
Tax payables – portion less than one year	(l)	96		96	19
Other current payables	(l)	667		667	131
Current liabilities		**4,558**	**15**	**4,573**	**901**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**18,694**	**6,450**	**25,144**	**4,955**

Movements for the period (i.e., Grupo BIG operations carried out from June to December 2022) are included in the consolidated income statement and statement of cash flows for 2022.

Between June and December 2022, Grupo BIG's net sales and operating loss amounted to 2,168 million euros and 66 million euros respectively.

The purchase price allocation process stipulated in IFRS 3 – *Business Combinations* was implemented and led to the recognition of provisional goodwill (a) in the amount of 942 million euros in the 2022 consolidated financial statements.

This preliminary purchase price allocation process will continue in first-half 2023.

As the purchase price allocation process is still ongoing, the fair value adjustments may differ at June 30, 2023 from those included in the 2022 consolidated financial statements.

In the 2022 financial statements, Grupo BIG's preliminary opening balance sheet has been prepared based on the following:

(b) estimated right-of-use assets and related lease commitments of the stores leased by Grupo BIG, taking into account the reasonably certain term of the leases in application of the rules defined by the Group (see Note 8 for more details);

(c) fair value measurement (determined on the basis of the market value of similar assets) of land and store premises owned by the company;

(d) significant increase in provisions following analyses of litigation and contingent liabilities (recognised in accordance with IFRS 3) by the Brazilian subsidiary and its advisors in 2022. The increase provides, in particular, for tax and labour risks (see Note 11 for more details).

(e) recognition and measurement of acquired brands (*Maxxi, Big, Bompreço, Nacional* and *TodoDia*) and their indefinite useful lives;

(f) continued recognition of other non-current financial assets at their net carrying amount, mainly relating to legal deposits paid in connection with disputes;

(g) impairment of all deferred tax assets (before deferred tax effects relating to fair value adjustments to assets and liabilities) of legal entities within Grupo BIG due to the lack of taxable profits in recent years;

(h) partial impairment of other non-current assets, consisting mainly of ICMS and PIS-COFINS tax credits, following a preliminary analysis of the possible future use and validity of the credits;

(i) classification as assets held for sale of the 14 stores to be disposed of in accordance with CADE's decision. These stores were in the process of being sold as of December 31, 2022;

(j) standardised accounting practices for inventories in order to incorporate all components of the purchase cost of goods sold and to take into account the rebates and commercial income negotiated with suppliers in accordance with the rules defined by the Group (see Note 6.4 for more details). A portion of the value of inventories has also been written down in order to reflect their fair value;

(k) standardised accounting practices for other current assets and suppliers and other creditors.

(l) continued recognition of other assets and liabilities at their net carrying amount (including trade receivables, other current financial assets, cash and cash equivalents and borrowings, tax receivables and payables).

SALE AND LEASEBACK TRANSACTIONS (SPAIN)

The property company Ofelia leased nine stores and a shopping mall to Carrefour Spain. In February 2022, Carrefour Spain exercised its pre-emptive right and acquired these assets for approximately 40 million euros. In December 2022, eight stores (three hypermarkets and five supermarkets) out of the nine previously acquired were sold to a property company as part of a sale and leaseback transaction for approximately 40 million euros. This transaction led to the recognition of around 2 million euros in non-recurring income. Negotiations are ongoing with various operators for the sale of the remaining store and its adjacent shopping mall.

In addition, in September 2022, six Spanish hypermarket premises were sold to another property company for 110 million euros as part of a sale and leaseback transaction. This transaction led to the recognition of 23 million euros in non-recurring income.

As a reminder, in 2021, 10 Spanish hypermarket premises were sold to a property company for 137 million euros as part of sale and leaseback transactions.

SALE OF THE GROUP'S STAKE IN CAJOO (FRANCE)

On May 16, 2022, Germany-based Flink, Europe's leading quick commerce company, announced the acquisition of Cajoo from Carrefour and its founders in exchange for its own shares. This acquisition was finalised on June 23, 2022. The gain on the disposal of the Cajoo shares, amounting to 6 million euros, net of fees, was recognised within non-recurring income for the year.

Also in June 2022, the Group contributed to Flink's reserved capital increase.

All Flink shares held by the Group at December 31, 2022 are recognised as investments in non-consolidated companies measured at fair value through other comprehensive income (see Note 14.5).

SALE OF THE GROUP'S STAKE IN MESTDAGH (BELGIUM)

In October 2022, the Group sold all of its shares in the Belgian equity-accounted company Mestdagh (i.e., 25%) to the majority shareholder for 41 million euros.

The gain on the disposal of the Mestdagh shares, amounting to 24 million euros, net of fees, was recognised within non-recurring items for the year.

2.2 Warehouse fire in Taiwan

On March 14, 2022, a fire broke out in a logistics centre leased by Carrefour in the Yang Mei district of Taiwan. All employees were evacuated immediately with no injuries or casualties and the fire was brought under control on March 15, 2022.

A claim was submitted to the Group's insurance companies in this respect and was still being assessed at December 31, 2022. Losses incurred as a result of destroyed inventories and equipment were recorded in 2022 against the payout receivable from insurers classified under other current assets. The same applies to the estimated operating losses up to December 31, 2022.

It should be noted that two payments were already made by insurers in the second half of 2022.

These impacts are recorded in net income/(loss) from discontinued operations, further to the announcement of the Carrefour Taiwan disposal in July 2022 (see Note 2.1).

2.3 Securing the Group's long-term financing

On March 30, 2022, the Group issued its first Sustainability-Linked Bond (SLB) indexed to its sustainable development goals. The 1.5 billion-euro bond comprises two tranches of 750 million euros each, with a maturity of 4.6 years (due in October 2026) and 7.6 years (due in October 2029) respectively, and paying a coupon of 1.88% and 2.38%.

On October 12, 2022, the Group carried out its second Sustainability-Linked Bond issue indexed to its sustainable development goals, for a total of 500 million euros, maturing in six years (due in October 2028) and paying a coupon of 4.125%. On November 28, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.

These bonds were issued as part of a financing strategy aligned with the Group's CSR objectives and ambitions as well as the Sustainability-Linked Bond Framework of its Euro Medium-Term Notes (EMTN) programme published in June 2021, whose CSR component was revised and enhanced in May 2022.

On June 8, 2022, the Group redeemed 1 billion euros worth of 1.75% 8-year bonds, ahead of their maturity (July 2022).

These transactions guarantee the Group's liquidity over the short and medium term in an unstable economic environment, and are part of the strategy to ensure the necessary financing is in place to meet Carrefour's needs. The average maturity of Carrefour SA's bond debt was 3.6 years at end-December 2022, compared with 3.1 years at end-December 2021.

<u>Financing of the Brazilian subsidiary Atacadão</u>

Following on from the 2021 transactions, Carrefour's Brazilian subsidiary Atacadão has set up financing arrangements in 2022 enabling it to secure its medium- and long-term needs in connection with the acquisition of Grupo BIG.

The US dollar bank financing facilities put in place in December 2021 were finalised on January 5, 2022, with a total of 2,942 million Brazilian reals (approximately 528 million euros at the exchange rate of December 31, 2022) immediately swapped for Brazilian reals with maturities of 16 to 17 months.

In addition, on May 20, 2022, the Brazilian subsidiary obtained bank financing in euros and in US dollars, which was immediately swapped for Brazilian reals, for 1,500 million reals (approximately 269 million euros at the December 31, 2022 exchange rate). This facility, which had a six-month maturity, was replaced by the financing facility described below.

In addition, on July 29, 2022, the Board of Directors of the Brazilian subsidiary approved the issuance of simple unsecured, non-convertible debentures (CRA) for an amount of 1,500 million Brazilian reals (approximately 269 million euros at the December 31, 2022 exchange rate). On September 16, 2022, the debentures were issued in three series:

- an initial series for 467 million Brazilian reals, with a coupon of CDI (*Certificado de Deposito Interbancário* rate) +0.55% and a maturity of four years;
- a second series for 188 million Brazilian reals, with a coupon of CDI +0.60% and a maturity of five years;
- a third series for 844 million Brazilian reals, with a coupon of CDI +0.79% and a maturity of five years.

On December 8, 2022 (with a deferred start date in early January 2023), Atacadão also obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals, for an amount of 2,300 million Brazilian reals (representing approximately 413 million euros at the exchange rate on December 31, 2022), with 11 month maturities.

Lastly, on January 6 and May 17, 2022, two inter-company financing lines were set up between the companies Carrefour Finance and Atacadão.

- The first revolving credit facility (RCF) for an amount of 4 billion Brazilian reals (approximately 718 million euros at the December 31, 2022 exchange rate), bearing annual interest at 12%, falls due in July 2023 and was fully drawn in first-half 2022.
- The second RCF for 1.9 billion Brazilian reals (approximately 341 million euros at the exchange rate of December 31, 2022), bearing annual interest at 14.25%, has a maturity of three years and was fully drawn in second-half 2022.

These intra-group RCF loans are qualified as net investments in foreign operations and are therefore remeasured at fair value through equity. They are hedged in an amount of 2.95 billion Brazilian reals by derivatives classified as net investment hedges.

2.4 Payment of the 2021 dividend in cash

At the Shareholders' Meeting held on June 3, 2022, the shareholders decided to set the 2021 dividend at 0.52 euros per share to be paid entirely in cash.

On June 9, 2022, the dividend was paid out in an amount of 380 million euros.

2.5 Share buyback programme

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' Meeting of May 21, 2021.

The first tranche of the share buyback programme began on March 7, 2022 and ended on April 13, 2022, with 21,232,106 shares acquired 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.

A second tranche of the share buyback programme began on May 2, 2022 and ended on May 24, 2022, with 17,191,700 shares acquired at an average price of 20.36 euros per share for a total amount of 350 million euros. Of the shares bought back, 12,506,325 shares were cancelled following a decision by the Board of Directors on June 3, 2022 to reduce the share capital of Carrefour SA.

These shares were cancelled in accordance with the authorisation granted by the Shareholders' Meeting of May 21, 2021.

Following cancellation of these shares, Carrefour SA has 742,157,461 shares outstanding and, consequently, 11,544,870 treasury shares, representing approximately 1.6% 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, joint 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 operating segment 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 year 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;
- 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.

A component is a cash-generating unit or a group of cash-generating units when held for use.

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 2022

The main transactions in 2022 are detailed in Note 2.1: the acquisition of Grupo BIG in Brazil, the sale and leaseback transactions in Spain, and the sale of the stakes in Cajoo in France and Mestdagh in Belgium.

In addition, an agreement to sell Carrefour Taiwan was signed on July 19, 2022 (see Note 2.1).

Furthermore, on April 1, 2022, the Group acquired the remaining 50% of shares in Cosmopolitano in Brazil, which has been fully consolidated since that date. Proceeds of approximately 80 million Brazilian reals (15 million euros) were recognised within non-recurring items as a result of this takeover, which was accounted for in accordance with IFRS 3 and IAS 28.

Lastly, on September 9, 2022, the Group sold its stake in the equity-accounted company Ploiesti Shopping City in Romania. This disposal led to the recognition of a gain of 32 million euros within non-recurring items for the year.

3.2.2 Changes 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 goodwill in the amount of 79 million euros as of December 31, 2021 (see Note 7.1 to the 2021 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.

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 2021 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 was accounted for by the equity method (see Note 9 to the 2021 consolidated financial statements). This stake was sold in 2022 in exchange for Flink shares, see Note 2.1.

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 are under construction by its partner.

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 to the 2021 consolidated financial statements). In line with the Group's intention regarding the use of these assets, the offices of the corporate tower were 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 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 2021 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 2021 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 2021 consolidated financial statements).

3.3 Scope of consolidation at December 31, 2022

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 2.1. Based on its review, there were no changes in the type of control exercised over these subsidiaries.

NOTE 4 RESTATEMENT OF THE 2021 CONSOLIDATED FINANCIAL STATEMENTS

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). If the conditions precedent are met, this agreement will result in loss of control of the subsidiary (see Note 2.1).

Closing of the transaction is subject to approval by the Taiwanese competition authority (TFTC) and other customary conditions, and is expected by mid-2023. Following the completion of the transaction, the Uni-President group will own 100% of Carrefour Taiwan.

As Carrefour Taiwan represents a separate major geographical area of operations, it is treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced.

This subsidiary's assets and liabilities were therefore reclassified as assets held for sale and related liabilities in the consolidated statement of financial position at December 31, 2022 (see Note 4.3).

In addition, the net income and cash flows of this subsidiary were reclassified within line items for discontinued operations in the consolidated income statement and consolidated cash flow statement for 2022. To allow for a meaningful comparison, the net income and cash flows for the year 2021 have been reclassified in these same lines (see Notes 4.1 and 4.2).

Key consolidated income statement aggregates for Carrefour Taiwan for 2022 and 2021 are as follows:

(in millions of euros)	2022	2021
Net sales	2,541	2,497
Gross margin from recurring operations	643	624
Sales, general and administrative expenses, depreciation and amortisation	(569)	(546)
Recurring operating income	74	78
Operating income	69	70
Income before taxes	61	62
Income tax expense	(16)	(12)
Net income/(loss) for the year	44	50
Capital expenditure	30	69

4.1 Impact on the 2021 consolidated income statement of the IFRS 5 restatement applied to Carrefour Taiwan

(in millions of euros)	2021 published	IFRS 5 Reclassification	2021 restated IFRS 5
Net sales	72,958	(2,497)	70,462
Loyalty program costs	(853)	61	(792)
Net sales net of loyalty program costs	**72,105**	**(2,435)**	**69,669**
Other revenue	2,181	(90)	2,091
Total revenue	**74,286**	**(2,526)**	**71,760**
Cost of sales	(58,766)	1,902	(56,865)
Gross margin from recurring operations	**15,520**	**(624)**	**14,896**
Sales, general and administrative expenses, depreciation and amortisation	(13,247)	546	(12,701)
Recurring operating income	**2,272**	**(78)**	**2,194**
Net income/(loss) from equity-accounted companies	12	–	12
Recurring operating income after net income from equity-accounted companies	**2,284**	**(78)**	**2,206**
Non-recurring income and expenses, net	(374)	8	(366)
Operating income	**1,911**	**(70)**	**1,840**
Finance costs and other financial income and expenses, net	(279)	9	(270)
Finance costs, net	*(172)*	*(0)*	*(173)*
Net interest related to leases	*(106)*	*9*	*(97)*
Other financial income and expenses, net	*(1)*	*0*	*(1)*
Income before taxes	**1,632**	**(62)**	**1,570**
Income tax expense	(372)	12	(360)
Net income/(loss) from continuing operations	**1,259**	**(50)**	**1,210**
Net income/(loss) from discontinued operations	42	50	92
NET INCOME/(LOSS) FOR THE YEAR	**1,301**	**–**	**1,301**
Group share	**1,072**	**–**	**1,072**
of which net income/(loss) from continuing operations – Group share	1,030	(28)	1,002
of which net income/(loss) from discontinued operations – Group share	42	28	70
Attributable to non-controlling interests	**229**	**–**	**229**
of which net income/(loss) from continuing operations – attributable to non-controlling interests	229	(22)	208
of which net income/(loss) from discontinued operations – attributable to non-controlling interests	–	22	22

4.2 Impact on the 2021 consolidated cash flow statement of the IFRS 5 restatement applied to Carrefour Taiwan

(in millions of euros)	2021 published	IFRS 5 Reclassification	2021 restated IFRS 5
Income before taxes	**1,632**	**(62)**	**1,570**
OPERATING ACTIVITIES			
Income tax paid	(439)	13	(426)
Depreciation and amortisation expense	2,277	(165)	2,112
Gains and losses on disposal of assets and other	(235)	(1)	(236)
Change in provisions and impairment	256	3	259
Finance costs, net	172	0	173
Net interests related to lease commitments	106	(9)	97
Share of profit and dividends received from equity-accounted companies	43	–	43
Impact of discontinued operations	(15)	220	205
Cash flow from operations	**3,796**	**–**	**3,796**
Change in working capital requirement	(32)	(50)	(82)
Impact of discontinued operations	–	50	50
Net cash from/(used in) operating activities (excluding financial services companies)	**3,764**	**–**	**3,764**
Change in consumer credit granted by the financial services companies	(104)	–	(104)
Net cash from/(used in) operating activities – total	**3,661**	**–**	**3,661**
INVESTING ACTIVITIES			
Acquisitions of property and equipment and intangible assets	(1,653)	69	(1,585)
Acquisitions of non-current financial assets	(174)	–	(174)
Acquisitions of subsidiaries and investments in associates	(135)	(0)	(136)
Proceeds from the disposal of subsidiaries and investments in associates	185	–	185
Proceeds from the disposal of property and equipment and intangible assets	282	(0)	282
Proceeds from the disposal of non-current financial assets	7	–	7
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	124	(2)	122
Investments net of disposals – subtotal	**(1,364)**	**67**	**(1,298)**
Other cash flows from investing activities	30	(26)	4
Impact of discontinued operations	–	(41)	(41)
Net cash from/(used in) investing activities – total	**(1,334)**	**–**	**(1,334)**
FINANCING ACTIVITIES			
Carrefour SA capital increase/(decrease)	(702)	–	(702)
Proceeds from share issues to non-controlling interests	1	–	1
Dividends paid by Carrefour SA	(383)	–	(383)
Dividends paid to non-controlling interests	(193)	43	(150)
Change in current financial assets	14	(11)	4
Issuance of bonds	–	–	–
Repayments of bonds	(871)	–	(871)
Net financial interests paid	(158)	(0)	(158)
Other changes in borrowings	302	–	302
Payments related to leases (principal)	(967)	95	(872)
Net interest related to leases	(103)	9	(94)
Impact of discontinued operations	–	(135)	(135)
Net cash from/(used in) financing activities – total	**(3,060)**	**–**	**(3,060)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**(733)**	**–**	**(733)**
Effect of changes in exchange rates	(2)	–	(2)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(735)**	**–**	**(735)**
Cash and cash equivalents at beginning of year	**4,439**	**–**	**4,439**
Cash and cash equivalents at end of year	**3,703**	**–**	**3,703**

4.3 Impact on the December 31, 2022 consolidated statement of financial position of the IFRS 5 restatement applied to Carrefour Taiwan

ASSETS

(in millions of euros)	IFRS 5 Reclassification
Goodwill	141
Other intangible assets	27
Property and equipment	376
Investment property	51
Right-of-use assets	333
Other non-current financial assets	45
Deferred tax assets	6
Non-current assets	**979**
Inventories	270
Trade receivables	48
Other current financial assets	1
Tax receivables	1
Other current assets	47
Cash and cash equivalents	235
Current assets	**602**
TOTAL ASSETS HELD FOR SALE	**1,581**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	IFRS 5 Reclassification
Lease commitments – portion more than one year	238
Provisions	40
Deferred tax liabilities	9
Non-current liabilities	**287**
Lease commitments – portion less than one year	100
Suppliers and other creditors	704
Tax payables – portion less than one year	13
Other current payables	92
Current liabilities	**909**
TOTAL LIABILITIES RELATED TO ASSETS HELD FOR SALE	**1,196**

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 such that the Group reports on three geographical segments, as allowed by IFRS 8. These segments are:

- France;
- Europe (excluding France): Spain, Italy, Belgium, Poland and Romania;
- Latin America: Brazil and Argentina.

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

2022 *(in millions of euros)*	Group total	France	Europe	Latin America	Global Functions
Net sales	81,385	37,706	22,643	21,036	–
Other revenue	2,546	809	587	1,078	71
Recurring operating income before depreciation and amortisation	**4,613**	**1,857**	**1,451**	**1,367**	**(63)**
Recurring operating income	**2,377**	**834**	**606**	**1,005**	**(69)**
Capital expenditure(1)	1,882	741	420	717	5
Depreciation and amortisation expense(2)	(2,236)	(1,023)	(845)	(361)	(6)

2021 restated IFRS 5 *(in millions of euros)*	Group total	France	Europe	Latin America	Global Functions
Net sales	70,462	35,283	21,283	13,895	–
Other revenue	2,091	759	567	699	67
Recurring operating income before depreciation and amortisation	**4,307**	**1,797**	**1,560**	**993**	**(43)**
Recurring operating income	**2,194**	**757**	**718**	**768**	**(49)**
Capital expenditure(1)	1,585	677	403	493	12
Depreciation and amortisation expense(2)	(2,112)	(1,040)	(843)	(224)	(6)

(1) In 2021, capital expenditure included the acquisition of three additional Makro Atacadista stores on a full ownership basis in Brazil as well as operational investments for the 25 acquired stores at end-2020. In 2022, the 29th and final store was acquired on a full ownership basis.

(2) Including the depreciation and amortisation relating to logistics equipment included in the cost of sales.

The increase in Latin America's segment earnings reflects the significant upturn in profitability, particularly in Brazil, in local currency terms, further reinforced by the increase in the value of the Brazilian real in 2022. Segment results also reflect Grupo BIG's contribution since June 2022 (see Note 2.1).

5.2 Segment assets and liabilities

December 31, 2022 *(in millions of euros)*	Group total	France	Europe	Latin America	Asia	Global Functions
ASSETS						
Goodwill	8,778	5,184	2,374	1,218	–	1
Other intangible assets	1,499	625	596	271	–	7
Property and equipment	12,612	4,570	2,733	5,307	–	2
Investment property	279	10	114	154	–	–
Right-of-use assets	4,190	1,491	1,854	843	–	3
Other segment assets	18,783	7,990	3,348	6,927	–	519
Total segment assets	**46,140**	**19,870**	**11,018**	**14,720**	**–**	**532**
Unallocated assets	10,411					
TOTAL ASSETS	**56,551**					
LIABILITIES (excluding equity)						
Segment liabilities	**28,190**	**11,995**	**7,719**	**8,123**	**–**	**352**
Unallocated liabilities	15,175					
TOTAL LIABILITIES	**43,365**					

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**					

In accordance with IFRS 5, the Carrefour group's consolidated balance sheet at December 31, 2021 has not been restated for the assets and liabilities of Carrefour Taiwan.

In addition, the increase in assets and liabilities in the Latin America region at December 31, 2022 compared to December 31, 2021 derives from Brazil and reflects two main components:

- the consolidation of Grupo BIG from June 1, 2022 (see Note 2.1);
- the increase in the value of the Brazilian real by 14%.

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.

6.1.1 Net sales

(in millions of euros)	2022	2021 restated IFRS 5	% change
Net sales	81,385	70,462	15.5%

At constant exchange rates, 2022 net sales amounted to 80,544 million euros compared with 70,462 million euros in 2021, as restated, an increase of 14.3%. Changes in exchange rates increased net sales by 0.8 billion euros in 2022, almost exclusively attributable to the Latin America region.

Restated for IAS 29 in Argentina, consolidated net sales for 2022 would have increased by 13.3% at constant exchange rates.

NET SALES BY COUNTRY[1]

(in millions of euros)	2022	2021 restated IFRS 5
France	**37,706**	**35,283**
Rest of Europe	**22,643**	**21,283**
Spain	10,437	9,471
Italy	3,916	3,941
Belgium	3,905	3,940
Poland	2,057	1,838
Romania	2,328	2,092
Latin America	**21,036**	**13,895**
Brazil	18,064	11,578
Argentina	2,972	2,317

(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)	2022	2021 restated IFRS 5	% change
Financing fees and commissions[1]	1,404	1,158	21.3%
Franchise and lease management fees	402	365	10.1%
Rental revenue	173	129	34.7%
Revenue from sub-leases	23	24	(4.0)%
Property development revenue[2]	13	5	168.8%
Other revenue[3]	530	410	29.1%
TOTAL OTHER REVENUE	**2,546**	**2,091**	**21.7%**

(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 was equal to zero for 2022 versus 5 million euros for 2021.

(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 2022 increased sharply, particularly as a result of strong business momentum in Brazil and following the end of restrictive measures linked to the health crisis. In addition, growth observed in Brazil in local currency was buoyed by its translation into euros, given a more favourable average exchange rate in 2022 than in 2021.

For the same reasons, revenue from rentals as well as retail services, including ticketing and travel and in-store advertising, saw significant growth in 2022.

Lastly, 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, depreciation and amortisation

(in millions of euros)	2022	2021 restated IFRS 5	% change
Sales, general and administrative expenses	(11,958)	(10,837)	10.3%
Depreciation of property and equipment and of investment property, and amortisation of intangible assets	(1,284)	(1,200)	7.0%
Depreciation of right-of-use asset – property and equipment and investment property	(694)	(664)	4.6%
TOTAL SG&A EXPENSES AND DEPRECIATION AND AMORTISATION	**(13,936)**	**(12,701)**	**9.7%**

SALES, GENERAL AND ADMINISTRATIVE EXPENSES

Sales, general and administrative expenses break down as follows:

(in millions of euros)	2022	2021 restated IFRS 5	% Prog.
Employee benefits expense	(7,337)	(7,050)	4.1%
Fees	(802)	(653)	22.7%
Maintenance and repair costs	(766)	(672)	13.9%
Energy and electricity	(736)	(441)	66.9%
Advertising expense	(656)	(624)	5.2%
Taxes other than on income	(526)	(503)	4.6%
Property rentals (excluding IFRS 16)[1]	(76)	(63)	20.0%
Other SG&A expenses	(1,060)	(831)	27.5%
TOTAL SG&A EXPENSES	**(11,958)**	**(10,837)**	**10.3%**

(1) In 2021 and 2022, 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 784 million euros in 2021, as restated, and 898 million euros in 2022 had IFRS 16 not been applied.

The increase in sales, general and administrative expenses reflects a combination of factors in 2022, including a significant increase in energy costs (see Note 1.5), price inflation on certain purchased services, the consolidation of Grupo BIG from June 1, 2022 and the increase in the value of the Brazilian real.

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 2,236 million euros in 2022 (2,112 million euros in 2021 as restated), as follows:

(in millions of euros)	2022	2021 restated IFRS 5	% change
Property and equipment	*(1,025)*	*(954)*	*7.5%*
Intangible assets	*(247)*	*(238)*	*3.6%*
Investment property	*(12)*	*(9)*	*38.7%*
Depreciation of property and equipment and of investment property, and amortisation of intangible assets	(1,284)	(1,200)	7.0%
Depreciation of right-of-use asset – property and equipment and investment property	(694)	(664)	4.6%
Depreciation and amortisation of supply chain	(60)	(56)	6.9%
Depreciation of right-of-use asset – supply chain	(198)	(192)	3.0%
TOTAL DEPRECIATION AND AMORTISATION	**(2,236)**	**(2,112)**	**5.9%**

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 disposals 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 net income of 36 million euros in 2022, and the detailed breakdown is as follows:

(in millions of euros)	2022	2021 restated IFRS 5
Gains and losses on disposals of assets	212	271
Restructuring costs	(13)	(383)
Other non-recurring income and expenses	(16)	(40)
Non-recurring income and expenses, net before asset impairments and write-offs	**183**	**(151)**
Asset impairments and write-offs	(147)	(215)
of which Impairments and write-offs of goodwill	*(1)*	*(84)*
of which Impairments and write-offs of property and equipment, intangible assets and others	*(146)*	*(131)*
NON-RECURRING INCOME AND EXPENSES, NET	**36**	**(366)**
of which:		
Non-recurring income	*440*	*514*
Non-recurring expense	*(404)*	*(880)*

GAINS AND LOSSES ON DISPOSALS OF ASSETS

Gains and losses on disposals of non-current assets comprise gains and losses arising on various asset disposals (store premises, lands and businesses), notably in France and Italy. It also includes the gain on the disposal of the nine hypermarkets and five supermarkets in Spain through sale and leaseback transactions (see Note 2.1). It also includes the gains on the disposals of the equity-accounted investments in Mestdagh in Belgium (see Note 2.1) and Ploiesti Shopping City in Romania (see Note 3.2.1).

OTHER NON-RECURRING INCOME AND EXPENSES

Other non-recurring income and expenses recorded in 2022 mainly included revised estimates of historical risks, mostly tax-related, as well as the costs related to the acquisition of Grupo BIG in Brazil (see Note 2.1).

ASSET IMPAIRMENTS AND WRITE-OFFS

Impairment and write-offs of non-current assets other than goodwill recorded in 2022 include impairment losses of 68 million euros, reflecting the difficulties experienced by certain stores, particularly in France and Italy, as well as the retirement of a variety of assets, in particular relating to IT in France for 15 million euros.

In addition, the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at December 31, 2022 represented a non-recurring expense of 5 million euros (see Note 9.2).

Main non-recurring items in 2021

Gains and losses on disposals of assets in 2021 mainly included 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 the 2021 consolidated financial statements). To a lesser extent, this item also included the disposal of ten hypermarket properties in Spain through sale and leaseback transactions (see Note 8 to the 2021 consolidated financial statements).

Restructuring costs in 2021 resulted from continued work towards objectives to improve operating performance and organisational efficiency. The expense included in non-recurring items related 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 income and expenses in 2021 resulted primarily from the following items in Brazil:

- the impact of the Pinheiros real estate transaction, which generated income of 81 million euros following an exchange of assets in the city of São Paulo (see Note 2.3 to the 2021 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 were 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 2021 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 2021 consolidated financial statements).

In 2021, an impairment loss of 80 million euros was recognised on goodwill in Italy (see Note 7.3 to the 2021 consolidated financial statements).

Impairment of assets other than goodwill and write-offs in 2021 included 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 included 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 to the 2021 consolidated financial statements), 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 to the 2021 consolidated financial statements).

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)	2022	2021 restated IFRS 5	Change
Change in inventories	(678)	(384)	(294)
Change in trade receivables	(350)	(94)	(256)
Change in trade payables	1,044	320	723
Change in loyalty program liabilities	43	8	35
Change in trade working capital requirement	**59**	**(149)**	**208**
Change in other receivables and payables	49	67	(18)
CHANGE IN WORKING CAPITAL REQUIREMENT	**108**	**(82)**	**190**

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, or the weighted average cost. Given rapid inventory turnover, these two methods do not lead to significant differences. 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, 2022	December 31, 2021
Inventories at cost	7,088	6,024
Impairment	(195)	(166)
INVENTORIES, NET	**6,893**	**5,858**

Note that the same impairment methods were applied as in previous reporting periods.

The inventories booked at December 31, 2022 include those held by Grupo BIG (see Note 2.1) but no longer include those held by Carrefour Taiwan (see Note 4.3).

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, 2022	December 31, 2021
Receivables from clients	2,312	1,794
Impairment	(190)	(162)
Receivables from clients, net	**2,122**	**1,632**
Receivables from suppliers	1,208	949
TOTAL TRADE RECEIVABLES	**3,330**	**2,581**

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, 2022 included reverse factored payables for a total of 2.3 billion euros (December 31, 2021: 2.2 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, 2022	December 31, 2021
VAT and sales tax receivables	684	542
Other tax (other than on income) receivables	98	58
Current tax receivables	167	75
TOTAL TAX RECEIVABLES	**948**	**675**

BREAKDOWN OF TAX PAYABLES

(in millions of euros)	December 31, 2022	December 31, 2021
VAT and sales tax payables	462	350
Other tax (other than on income) payables	510	541
Current tax payables	210	218
TOTAL TAX PAYABLES – PORTION DUE IN LESS THAN ONE YEAR	**1,182**	**1,108**
TOTAL TAX PAYABLES – PORTION DUE IN MORE THAN ONE YEAR	**85**	**193**

6.4.6 Other assets and payables

BREAKDOWN OF OTHER ASSETS

(in millions of euros)	December 31, 2022	December 31, 2021
Prepaid expenses[1]	419	476
Proceeds receivable from disposals of non-current assets	34	10
Employee advances	11	16
Other operating receivables, net	561	440
TOTAL OTHER CURRENT ASSETS	**1,025**	**943**
Prepaid expenses – portion due in more than one year	1	3
Tax receivables – portion due in more than one year[2]	608	318
TOTAL OTHER NON-CURRENT ASSETS	**609**	**321**

(1) At December 31, 2021, this item included 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 2.1).

(2) These correspond to ICMS and PIS-COFINS tax credits expected to be collected in over 12 months. At December 31, 2022, the total amount of the Brazilian ICMS tax credits, mainly attributable to favourable rulings handed down by the Brazilian Supreme Court, represented 1,184 million euros (700 million euros at December 31, 2021). This amount has been written down by 479 million euros (resulting in a net receivable of 705 million euros versus 453 million euros at December 31, 2021) to reflect the market value of the tax credits, which the Company intends to use over a period not exceeding three years. The increase in the gross and net amount of ICMS and PIS-COFINS tax credits reflects the inclusion of Grupo BIG from June 2022 (see Note 2.1). 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.

BREAKDOWN OF OTHER CURRENT PAYABLES

(in millions of euros)	December 31, 2022	December 31, 2021
Accrued employee benefits expense	1,531	1,505
Payables to suppliers of non-current assets	714	648
Deferred revenue	131	105
Other payables	567	507
TOTAL OTHER CURRENT PAYABLES	**2,943**	**2,765**

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 businesses' 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, 2022, consumer credit granted by the financial services companies totalled 5,978 million euros (compared with 5,294 million euros as of December 31, 2021), as follows:

(in millions of euros)	December 31, 2022	December 31, 2021
Payment card receivables	5,583	4,474
Loans	1,448	1,549
Consumer credit (on purchases made in Carrefour stores)	59	44
Other financing(1)	245	254
Impairment	(1,356)	(1,027)
TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES	**5,978**	**5,294**
Portion due in less than one year	*4,111*	*3,473*
Portion due in more than one year	*1,867*	*1,821*

(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.).

The gross value of consumer credit increased by 1 billion euros compared with December 31, 2021. This reflects strong momentum in the consumer credit business in Brazil, boosted by the increase in the value of the Brazilian real in 2022. Gross consumer credit in Spain and France was relatively stable, before the impact of sales of mainly category 3 credit in both countries in 2022.

The increase in the average impairment rate for consumer credit at December 31, 2022 was primarily attributable to Brazil.

The amount of impairment for consumer credit was estimated according to the rules and principles described below.

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, 2022, 72% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 9% in category 2 and 19% in category 3. At December 31, 2021, categories 1, 2 and 3 represented 73%, 11% and 16%, respectively, of the gross value of consumer credit granted by the financial services companies.

6.5.2 Consumer credit financing

The related consumer credit financing amounted to 5,142 million euros at December 31, 2022 (December 31, 2021: 4,441 million euros), as follows:

(in millions of euros)	December 31, 2022	December 31, 2021
Bonds and notes(1)	824	1,202
Debt securities (Neu CP and Neu MTN)(2)	1,553	866
Bank borrowings(3)	572	498
Customer passbook savings deposits	279	304
Securitisations(4)	297	369
Other refinancing debt to financial institutions	1,577	1,202
Other	41	0
TOTAL CONSUMER CREDIT FINANCING	**5,142**	**4,441**
Portion due in less than one year	*3,592*	*2,868*
Portion due in more than one year	*1,550*	*1,573*

(1) In March 2022, Carrefour Banque redeemed ahead of term the 400 million-euro bond issued in June 2021 with a fixed rate swapped for the 3-month Euribor (4 years – June 2025 maturity, 3-month Euribor coupon +49 bps).

(2) Debt securities mainly comprised negotiable European Commercial Paper (NEU CP) and negotiable European Medium-Term Notes (NEU MTN) issued by Carrefour Banque.

(3) This item mainly includes the 320 million-euro refinancing operation with the European Central Bank (maturity March 2024) and 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. This vehicle was maintained at December 31, 2022 with a balance of 297 million euros.

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, 2022	December 31, 2021
Goodwill	8,778	7,995
Other intangible assets	1,499	1,333
INTANGIBLE ASSETS	**10,277**	**9,328**

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 782-million-euro increase in goodwill relative to December 31, 2021 reflects the following:

- completion of the acquisition of Grupo BIG in Brazil (see Note 2.1), including the recognition of provisional goodwill in the amount of 942 million euros;
- various acquisitions in France for a total of 37 million euros, corresponding mainly to the Carré d'Or franchisee;
- the derecognition of goodwill recorded by Carrefour Taiwan for 147 million euros, reflecting the ongoing disposal of operations there (see Note 4);
- an unfavourable translation adjustment of 49 million euros, mainly attributable to the decrease in value of the Brazilian real since the consolidation of Grupo BIG on June 1, 2022.

(in millions of euros)	December 31, 2021	Acquisitions	Disposals	Impairment	Other movements	Exchange differences	December 31, 2022
France	5,147	37	–	–	–	–	5,184
Spain	1,031	–	–	–	–	–	1,031
Belgium	950	–	–	–	–	–	950
Brazil	314	942	–	–	–	(42)	1,214
Poland	229	–	–	–	–	(4)	225
Taiwan	147	–	(147)	–	–	–	–
Romania	99	–	–	–	–	(0)	99
Italy	69	–	–	(1)	–	–	69
Argentina	8	–	–	–	–	(3)	5
Global Functions	1	–	–	–	–	–	1
TOTAL	**7,995**	**979**	**(147)**	**(1)**	**–**	**(49)**	**8,778**

In 2021, the total carrying amount of goodwill was slightly lower, impacted by the partial impairment of Italian goodwill and the reduction of Taiwanese goodwill following the fair value adjustment of a warehouse owned by Wellcome, partially offset by the acquisition of Supersol in Spain.

(in millions of euros)	December 31, 2020	Acquisitions	Disposals	Impairment	Other movements	Exchange differences	December 31, 2021
France	5,149	12	–	–	(15)	–	5,147
Spain	952	79	–	–	–	–	1,031
Belgium	956	–	–	(4)	(1)	–	950
Brazil	311	–	–	–	–	3	314
Poland	231	–	–	–	–	(2)	229
Taiwan	176	–	–	–	(43)	15	147
Romania	101	–	–	–	–	(2)	99
Italy	149	–	–	(80)	–	–	69
Argentina	9	–	–	–	–	(1)	8
Global Functions	1	–	–	–	–	–	1
TOTAL	**8,034**	**91**	**–**	**(84)**	**(59)**	**13**	**7,995**

7.1.2 Other intangible assets

(in millions of euros)	December 31, 2022	December 31, 2021
Other intangible assets, at cost	3,744	3,644
Amortisation	(2,510)	(2,496)
Impairment	(51)	(67)
Intangible assets in progress	316	252
OTHER INTANGIBLE ASSETS, NET	**1,499**	**1,333**

CHANGES IN OTHER INTANGIBLE ASSETS

(in millions of euros)	Gross carrying amount	Amortisation and impairment	Net carrying amount
At December 31, 2020	**3,812**	**(2,487)**	**1,325**
Acquisitions	334	–	334
Disposals	(265)	187	(79)
Amortisation	–	(242)	(242)
Impairment	–	(13)	(13)
Exchange differences	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**
Disposal of Carrefour Taiwan in progress(1)	(58)	29	(28)
Acquisitions	376	–	376
Other disposals	(303)	264	(40)
Amortisation	–	(247)	(247)
Impairment	–	(5)	(5)
Exchange differences	14	(15)	(1)
Changes in scope of consolidation(2)	105	–	105
Transfers and other movements	31	(25)	6
AT DECEMBER 31, 2022	**4,060**	**(2,561)**	**1,499**

(1) The amounts reported on this line relate to other intangible assets owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

(2) This item corresponds almost exclusively to the intangible assets of Grupo BIG, following its consolidation on June 1, 2022 (see Note 2.1).

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:

Buildings	
• Building	40 years
• Site improvements	10 to 20 years
• Cars 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, 2022, 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, 2022			
(in millions of euros)	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land	3,405	–	(68)	3,336
Buildings	11,675	(5,894)	(175)	5,606
Equipment, fixtures and fittings	14,798	(11,771)	(299)	2,728
Other fixed assets	707	(455)	(3)	249
Assets under construction	692	–	–	692
TOTAL PROPERTY AND EQUIPMENT	**31,277**	**(18,120)**	**(546)**	**12,612**

	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**

CHANGES IN PROPERTY AND EQUIPMENT

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2020	**28,840**	**(18,335)**	**10,505**
Acquisitions	1,318	–	1,318
Disposals[1]	(978)	750	(228)
Depreciation	–	(1,077)	(1,077)
Impairment	–	(28)	(28)
Exchange differences	58	(31)	27
Changes in scope of consolidation, transfers and other movements[2]	362	(156)	206
At December 31, 2021	**29,600**	**(18,879)**	**10,721**
Disposal of Carrefour Taiwan in progress[3]	(1,316)	879	(437)
Acquisitions	1,504	–	1,504
Other disposals[1]	(890)	671	(218)
Depreciation	–	(1,086)	(1,086)
Impairment	–	(25)	(25)
Exchange differences	(85)	89	4
Changes in scope of consolidation[4]	1,967	–	1,967
Transfers and other movements[2]	498	(316)	182
AT DECEMBER 31, 2022	**31,277**	**(18,666)**	**12,612**

(1) In 2022, this item corresponds in particular to the sale and leaseback of the nine hypermarkets and five supermarkets in Spain for approximately 150 million euros, the disposal of a warehouse in the Campania region in Italy, as well as various sales of store premises and lands in France. In 2021, this item mainly corresponded to the sale and leaseback of ten hypermarket properties in Spain for 137 million euros, as well as various disposals of store premises in Italy (including the Thiene and San Giuliano hypermarkets) and warehouses in France (creation of Cargan-LOG, see Note 2.3 to the 2021 consolidated financial statements).

(2) In 2021 and 2022, 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 included the fixed assets related to the acquisition of the companies Supersol in Spain (see Note 3.2.2) and Wellcome in Taiwan.

(3) The amounts reported on this line relate to property and equipment owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

(4) This item corresponds almost exclusively to the property and equipment of Grupo BIG, following its consolidation on June 1, 2022 (see Note 2.1).

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 perpetual growth rate and the discount rate formula 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 2022 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 (recurring operating income before depreciation and amortisation) 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 International Monetary Fund's (IMF) gross domestic product (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

The impairment tests performed in 2022 did not result in any impairment losses being recorded against goodwill. In 2021, partial impairment of Italian goodwill was recorded in an amount of 80 million euros.

7.3.1.1 Countries for which the recoverable amount of goodwill was close to the carrying amount

In the impairment tests carried out at December 31, 2022, the recoverable amount of Italy CGUs was found to be close to – but still greater than – the carrying amount. Accordingly, no impairment loss was recognised on Italian goodwill.

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, 2021, partial impairment of Italian goodwill was recorded in an amount of 80 million euros (in addition to the 104 million euro impairment loss recognised at the end of 2020). This reflected a decrease in net sales and the value of real estate assets in comparison with end-2020.

The multi-criteria approach was used again to test Italian goodwill for impairment at December 31, 2022. The resulting fair value represented Executive Management's best estimate and confirmed that the 69-million-euro carrying amount of goodwill at December 31, 2022 was reasonable.

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 2022 and 2021 are presented below by CGU:

	2022		2021	
Country	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	6.3%	1.6%	5.1%	1.3%
Spain	6.9%	1.7%	5.6%	1.7%
Italy	8.2%	2.0%	6.3%	1.4%
Belgium	6.4%	1.7%	5.1%	1.8%
Poland	8.4%	2.5%	7.2%	2.5%
Romania	9.5%	2.5%	8.1%	2.5%
Brazil	10.6%	3.0%	9.3%	3.1%
Argentina	56.4%	32.2%	33.4%	17.0%

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 once 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, 2022	December 31, 2021
Investment property (gross carrying amount)	502	493
Depreciation and impairment	(223)	(202)
TOTAL INVESTMENT PROPERTY, NET	**279**	**291**

CHANGES IN INVESTMENT PROPERTY

(in millions of euros)	Net carrying amount
At December 31, 2020	**259**
Acquisitions	2
Disposals	(1)
Depreciation	(9)
Exchange differences	3
Transfers and other movements(1)	38
At December 31, 2021	**291**
Disposal of Carrefour Taiwan in progress(2)	(54)
Acquisitions	3
Other disposals	(0)
Depreciation	(12)
Exchange differences	(0)
Transfers and other movements(1)	51
AT DECEMBER 31, 2022	**279**

(1) In 2022, transfers and other movements correspond mainly to the hyperinflation effect applied to investment property held in Argentina, in accordance with IAS 29. In 2021, amounts posted to this line mainly related to the Pinheiros project in Brazil (see Note 3.2.2).

(2) The amounts reported on this line relate to investment property owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totalled 45 million euros in 2022 versus 36 million euros in 2021, as restated. Operating costs directly attributable to the properties amounted to 11 million euros in 2022 and 9 million euros in 2021, as restated.

The estimated fair value of investment property at December 31, 2022 was 635 million euros, versus 567 million euros at December 31, 2021 (excluding Taiwan). This slight increase chiefly reflects the hyperinflation effect in Argentina in accordance with IAS 29, as well as translation gains resulting from the increase in the value of the Brazilian real as of the reporting date.

1 2 3 4 5 6 7 8 9

NOTE 8 LEASES

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 recurring 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.

The relative stability of right-of-use assets and lease commitments compared to December 31, 2021 mainly reflects the consolidation of those recognised by Grupo BIG (see Note 2.1) and the derecognition of those recognised by Carrefour Taiwan (see Note 4.3).

8.1 Right-of-use assets

	December 31, 2022				December 31, 2021			
(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	7,154	(3,036)	(49)	4,068	6,917	(2,733)	(4)	4,180
Equipment, fixtures and fittings	143	(22)	–	121	146	(24)	–	122
Investment property[(1)]	–	–	–	–	92	(34)	–	58
RIGHT-OF-USE ASSET	**7,297**	**(3,058)**	**(49)**	**4,190**	**7,155**	**(2,791)**	**(4)**	**4,361**

(1) Carrefour Taiwan is the only Group entity that leases shopping malls. The related right-of-use assets have been reclassified as assets held for sale in accordance with IFRS 5 (see Note 4.3).

CHANGE IN RIGHT-OF-USE ASSETS

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2020	**6,479**	**(1,973)**	**4,506**
Increase[(1)]	880	–	880
Decrease	(446)	158	(288)
Depreciation	–	(949)	(949)
Impairment	–	(1)	(1)
Exchange differences	70	(32)	39
Changes in scope of consolidation[(2)]	184	(3)	182
Other movements	(13)	5	(8)
At December 31, 2021	**7,155**	**(2,795)**	**4,361**
Disposal of Carrefour Taiwan in progress[(3)]	(831)	399	(432)
Increase[(1)]	906	–	906
Decrease	(404)	222	(182)
Depreciation	–	(892)	(892)
Impairment	–	(46)	(46)
Exchange differences	(7)	(1)	(8)
Changes in scope of consolidation[(2)]	485	–	485
Other movements	(7)	5	(2)
AT DECEMBER 31, 2022	**7,297**	**(3,108)**	**4,190**

(1) In 2022, the increases notably include the right-of-use assets booked following the sale and leaseback of nine hypermarkets and five supermarkets in Spain, for an amount of 44 million euros. In 2021, the increases were linked to the sale and leaseback of ten hypermarkets in Spain for an amount of 68 million euros.

(2) In 2022, changes in the scope of consolidation correspond mainly to the inclusion of the right-of-use assets of the stores leased by Grupo BIG since June 1, 2022 (see Note 2.1). In 2021, changes in the scope of consolidation chiefly included the acquisition of stores leased by Supersol for 119 million euros and Wellcome for 67 million euros.

(3) The amounts reported on this line relate to right-of-use assets owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

8.2 Lease commitments

LEASE COMMITMENTS BY MATURITY

(in millions of euros)	December 31, 2022	December 31, 2021
Due within 1 year	955	995
Due in 1 to 2 years	993	917
Due in 2 to 5 years	1,418	1,619
Due beyond 5 years	1,163	1,065
TOTAL LEASE COMMITMENTS	**4,530**	**4,597**

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. 2020-01 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, 2020	**1,172**
Acquisitions and capital increases	134
Disposals	(0)
Dividends	(55)
Share of net income	12
Exchange differences and other movements	(8)
At December 31, 2021	**1,256**
Acquisitions and capital increases	15
Disposals	(52)
Dividends	(76)
Share of net income	50
Exchange differences and other movements	5
AT DECEMBER 31, 2022	**1,197**

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	2,316	4,577	357	79
Provencia (France)	50%	436	296	272	851	24
Market Pay (France)	39%	494	164	358	156	(13)
Showroomprive.com (France)(1)	9%	437	205	217	724	27
Ulysse (Tunisia)	25%	133	96	119	376	9
Costasol (Spain)	34%	99	48	53	171	9
CarrefourSA (Turkey)(1)	32%	323	(39)	155	893	(41)
Other companies(2)	N/A	992	367	495	1,751	33

(1) Financial data published for the year 2021.

(2) Corresponding to a total of 217 companies, none of which is individually material.

At December 31, 2022, the two main associates were Carmila with a carrying amount of 754 million euros (December 31, 2021: 749 million euros) and Provencia with a carrying amount of 134 million euros (December 31, 2021: 132 million euros). These two associates represented 74% of the total value of equity-accounted companies at end-2022.

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 2022

Carmila (France)

In first-half 2022, Carmila carried out two share buyback programmes followed by cancellation of the shares, representing approximately 1.4% of the share capital. This led to an increase in Carrefour's interest in Carmila, from 35.5% at December 31, 2021 to 36.0% at December 31, 2022.

CarrefourSA (Turkey)

In first-half 2022, the Group sold on the market around 5% of its stake in the listed company CarrefourSA for 14 million euros, leading to the recognition in non-recurring items of a capital gain on disposal for the same amount. The remaining interest in CarrefourSA is 32% at December 31, 2022, compared with 38% at December 31, 2021.

Cosmopolitano (Brazil)

On April 1, 2022, the Group acquired the remaining 50% of shares in Cosmopolitano in Brazil, which has been fully consolidated since that date.

Proceeds of approximately 80 million Brazilian reals (15 million euros) were recognised within non-recurring items as a result of this takeover, which was accounted for in accordance with IFRS 3 and IAS 28.

Cajoo (France)

In July 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.

On May 16, 2022, Germany-based Flink, Europe's leading quick commerce company, announced the acquisition of Cajoo from Carrefour and its founders in exchange for its own shares. This acquisition was finalised on June 23, 2022. The gain on the disposal of the Cajoo shares, amounting to 6 million euros, net of fees, was recognised within non-recurring items for the period.

Also in June 2022, the Group contributed to Flink's reserved capital increase. All Flink shares held by the Group at December 31, 2022 are recognised as investments in non-consolidated companies measured at fair value through other comprehensive income (see Note 14.5).

Showroomprivé (France)

In 2022, additional impairment of 5 million euros on the Showroomprivé shares was recognised against non-recurring income and expenses in order to align their value with the company's share price at December 31, 2022.

Ploiesti Shopping City (Romania)

On September 9, 2022, the Group sold its 50% stake in the equity-accounted company Ploiesti Shopping City to Nepi Rockcastle, which already owned the other 50% of the shares. The disposal gain, amounting to 32 million euros, was recognised within non-recurring items for the year.

Mestdagh (Belgium)

In October 2022, the Group sold all of its shares in the Belgian equity-accounted company Mestdagh (i.e., 25%) to the majority shareholder for 41 million euros.

The gain on the disposal of the Mestdagh shares, amounting to 24 million euros, net of fees, was recognised within non-recurring items for the year.

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, 2022). 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, 2022 and 2021 (as published in Carmila's consolidated financial statements). 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 3,634 million euros at December 31, 2022.

(in millions of euros)	**2022**	**2021**
Revenue (rental income)	357	352
Operating income before fair value adjustment of assets	291	239
Operating income[(1)]	298	234
Net income/(loss) from continuing operations	221	192
Total non-current assets[(1)]	5,976	5,967
Total current assets	538	404
of which cash and cash equivalents	*357*	*238*
Total non-current liabilities	2,765	2,611
Total current liabilities	241	380
% interest held by Carrefour	*36.0%*	*35.5%*
Carrefour – Value of Carmila's shares accounted for by the equity method	754	749
Carrefour – Cash dividends received from Carmila	52	34

(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 2022 with companies over which the Group exercises significant influence:

(in millions of euros)	**Carmila (France)**	**Provencia (France)**	**Market Pay (France)**	**Ulysse (Tunisia)**	**Costasol (Spain)**	**CarrefourSA (Turkey)**
Net sales (sales of goods)	–	608	–	7	106	–
Franchise fees	–	8	–	2	2	3
Property development revenue[(1)]	14	–	–	–	–	–
Sales of services	18	–	(0)	–	0	–
Fees and other operating expenses	(7)	–	(120)	–	(7)	–
Receivables at closing	3	25	–	2	13	1
Payables at closing	(6)	–	(6)	–	(6)	(1)

(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), a 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 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)	2022	2021 restated IFRS 5
Current income tax expense (including provisions)	(362)	(432)
Deferred income taxes	(46)	72
TOTAL INCOME TAX EXPENSE	**(408)**	**(360)**

TAX PROOF

Theoretical income tax for 2022 and 2021 has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate. For 2022, theoretical income tax expense amounted to 510 million euros compared with actual net income tax expense of 408 million euros, as follows:

(in millions of euros)	2022	2021 restated IFRS 5
Income before taxes	1,973	1,570
Standard French corporate income tax rate	*25.83%*	*28.41%*
Theoretical income tax expense	**(510)**	**(446)**
Adjustments to arrive at effective income tax rate:		
■ Differences between the standard French corporate income tax rate and overseas nominal taxation rates	(51)	(39)
■ Effect of changes in applicable tax rates(1)	0	(41)
■ Tax expense and tax credits not based on the taxable income(2)	129	35
■ Tax effect of other permanent differences(3)	53	79
■ Deferred tax assets recognised on temporary differences and tax loss carryforwards of previous years(4)	33	157
■ Deferred tax assets not recognised on temporary differences and tax loss carryforwards arising in the year(5)	(71)	(72)
■ Valuation allowances on deferred tax assets recognised in prior years(5)	(4)	(38)
■ Tax effect of net income from equity-accounted companies	13	3
■ Other differences	(1)	1
TOTAL INCOME TAX EXPENSE	**(408)**	**(360)**
Effective Tax Rate (ETR)	***20.7%***	***23.0%***

(1) This item mainly corresponded 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 37 million euros in 2022 (2021: 29 million euros), withholding taxes, tax credits and changes in provisions for tax risks. It also includes income of 52 million euros resulting from the decision of the Brazilian Supreme Court not to tax certain tax credits.

(3) In 2022, this item mainly corresponds to the tax saving related to the notional interest paid by the Brazilian subsidiary Atacadão. Besides the notional interest paid in 2021, the partial impairment of Italian goodwill was 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.

(4) Deferred tax assets recognised in 2022 on prior years' tax losses primarily concern France and Brazil. It also concerned Argentina in 2021.

(5) In 2022, unrecognised deferred tax assets and valuation allowances primarily concerned Italy, Belgium and Group BIG in Brazil (see Note 2.1). In 2021, they concerned Italy and Belgium.

10.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 111 million euros at December 31, 2022, versus 257 million euros at December 31, 2021.

(in millions of euros)	December 31, 2022	December 31, 2021
Deferred tax assets (DTA)	475	631
Deferred tax liabilities (DTL)	(364)	(374)
NET DEFERRED TAX ASSETS	**111**	**257**

The following table shows the main sources of deferred taxes:

(in millions of euros)	December 31, 2021	Change			December 31, 2022
		Deferred income (expense) tax	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other[1]	
Tax loss carryforwards[2]	940	6	–	537	1,483
Property and equipment	108	16	–	(46)	78
Non-deductible provisions[3]	626	(64)	(39)	510	1,033
Goodwill amortisation allowed for tax purposes	286	54	–	–	340
Other intangible assets	20	(1)	–	2	21
Inventories	103	14	–	12	129
Financial instruments[3]	156	(20)	2	(124)	14
Other temporary differences[3]	112	32	(0)	113	258
Deferred tax assets before netting	**2,352**	**38**	**(38)**	**1,004**	**3,355**
Effect of netting deferred tax assets and liabilities	(688)	(2)	(15)	(79)	(784)
Deferred tax assets after netting	**1,664**	**36**	**(53)**	**925**	**2,571**
Valuation allowances on deferred tax assets	(1,033)	(66)	5	(1,002)	(2,097)
Net deferred tax assets	**631**	**(31)**	**(48)**	**(78)**	**475**
Property and equipment	(395)	(25)	–	(4)	(424)
Provisions recorded solely for tax purposes	(333)	9	–	67	(257)
Goodwill amortisation allowed for tax purposes	(112)	–	–	(1)	(113)
Other intangible assets	(12)	0	–	(1)	(13)
Inventories	(10)	1	–	–	(9)
Financial instruments	(47)	15	(24)	(5)	(60)
Other temporary differences	(154)	(18)	1	(100)	(271)
Deferred tax liabilities before netting	**(1,062)**	**(18)**	**(23)**	**(45)**	**(1,148)**
Effect of netting deferred tax assets and liabilities	688	2	15	79	784
Deferred tax liabilities after netting	**(374)**	**(16)**	**(8)**	**34**	**(364)**
NET DEFERRED TAXES	**257**	**(46)**	**(56)**	**(43)**	**111**

(1) Changes in the scope of consolidation mainly correspond to the inclusion of Grupo BIG (see Note 2.1) and, to a lesser extent, the removal of Carrefour Taiwan (see Note 4.3).

(2) Utilised tax loss carryforwards concern France and Brazil.

(3) The deferred tax assets related to the first-time application of IFRS 9 in 2018 had been reported under financial instruments. These effects are reclassified under non-deductible provisions and other temporary differences at December 31, 2022 ("other" column).

10.3 Unrecognised deferred tax assets

Unrecognised deferred tax assets amounted to 2,097 million euros at December 31, 2022 (December 31, 2021: 1,033 million euros), including 1,282 million euros related to tax loss carryforwards (December 31, 2021: 614 million euros) and 816 million euros on temporary differences (December 31, 2021: 419 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. This obligation may be legal, regulatory or contractual, or even implicit. 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.

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, 2021	Disposal of Carrefour Taiwan in progress(3)	Increases(4)	Reversals of surplus provisions	Utilisations	Discounting adjustment	Changes in scope of consolidation(5)	Exchange differences and other(6)	December 31, 2022
Employee benefits	786	(29)	76	(10)	(58)	(161)	–	(67)	537
Claims and litigation	844	(2)	346	(164)	(195)	–	2,075	(137)	2,768
Tax litigations	*503*	–	*137*	*(84)*	*(46)*	–	*1,296*	*(68)*	*1,739*
Employee related disputes	*109*	–	*108*	*(30)*	*(80)*	–	*574*	*(53)*	*628*
Legal disputes	*232*	*(2)*	*101*	*(51)*	*(70)*	–	*205*	*(16)*	*401*
Restructuring	356	(1)	24	(55)	(185)	–	–	–	138
Provisions related to banking and insurance businesses(1)	247	–	50	(8)	(16)	–	–	6	280
Other(2)	222	(22)	24	(43)	(21)	–	14	79	251
TOTAL PROVISIONS	**2,455**	**(54)**	**520**	**(281)**	**(475)**	**(161)**	**2,089**	**(119)**	**3,974**

(1) Provisions relating to the banking and insurance businesses notably 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.

(2) Other provisions notably include provisions for dismantling or restoring assets at the end of the property leases, provisions for employee benefits of stores transferred to lease management contracts and provisions for onerous contracts.

(3) The amounts reported in column reflect provisions for contingencies and charges recognised by Carrefour Taiwan on January 1, 2022 (classified in discontinued operations in 2022 – see Note 4). Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

(4) Increases in provisions relating to the banking and insurance businesses for 50 million euros correspond, for 32 million euros, to part of the estimated cost incurred due to the fire that broke out in the Yang Mei logistics centre in Taiwan in March 2022. Payouts receivable from insurance companies in respect of this claim, net of this cost, are recognised for an amount of 47 million euros (see Note 2.2).

(5) This item corresponds almost exclusively to provisions for contingencies and charges recorded at fair value in the preliminary opening balance sheet of Grupo BIG (see Note 2.1).

(6) Translation adjustments mainly reflect the decrease in value of the Brazilian real since the acquisition of Grupo BIG on June 1, 2022. Other changes mainly correspond to the reclassification of the provision for employee benefits to other provisions for 67 million euros (see Note 12.1) following the transfer of integrated stores to lease management contracts in France in 2022.

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, 2022, claims and legal proceedings involving the Group were covered by provisions totalling 2.8 billion euros, compared with 844 million euros at December 31, 2021. This very significant increase reflects the inclusion of Grupo BIG provisions in the Group's consolidated financial statements as from its acquisition on June 1, 2022. 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, 2022, the corresponding provision totalled 1.6 billion euros (versus 479 million euros at December 31, 2021) 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 393 million euros (388 million euros at December 31, 2021). The very significant increase in the level of provisions for tax risks in Brazil reflects the inclusion of Grupo BIG provisions in the Group's consolidated financial statements as from its acquisition on June 1, 2022.

In France, as in 2021, the tax authorities challenged some of the methods used to calculate tax on sales areas (TASCOM) from past years. In addition, the tax authorities in several countries have challenged a portion of headquarters expenses deducted at country level, a challenge the Group contests.

11.2.2 Employee related disputes

As a major employer, the Group is regularly involved in disputes with current or former employees.

In addition, disputes may also arise from time to time with a large group of current or former employees. In Brazil, many former employees have initiated legal proceedings against the Group, notably 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 1.7 billion euros at December 31, 2022 (an increase on December 31, 2021 due notably to the increase in value of the Brazilian real). 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 500 million euros (including costs) at December 31, 2022. 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 addition, the Court of Appeal for economic offences had 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. On December 5, 2022, INC SA and its former Chief Executive Officer were acquitted. This decision was appealed by Argentina's Central Bank on December 13, 2022.

In August 2019, Atacadão SA announced 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.

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 correspond to either 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 current 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 further obligation. These plans 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 in the consolidated financial statements for the year ended December 31, 2021 (see Note 4 to those financial statements).

As a reminder, at its meeting of April 20, 2020, the Board of Directors decided to set up a 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 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:

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**

2022 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Current service cost	44	18	0	1	63
Past service cost (plan amendments and curtailments)	(8)	–	–	–	(8)
Settlements and other	(1)	–	1	–	(0)
Service cost	**34**	**18**	**1**	**1**	**53**
Interest cost (discount effect)	4	4	1	1	9
Return on plan assets	(0)	(2)	–	–	(2)
Other items	(5)	(1)	–	(0)	(6)
EXPENSE (INCOME) FOR 2022	**33**	**19**	**1**	**2**	**55**

(1) In 2021, this line primarily included the impact of curtailments recognised following the remeasurement of commitments made under the restructuring plans implemented in France (Note 2.2 to the 2021 consolidated financial statements) and recognised in non-recurring income.

The net expense for 2022 corresponds to 48 million euros recognised in employee benefits expense and 7 million euros recorded in financial expense. In 2021, the net expense for the year was 39 million euros, of which less than 1 million euros related to Carrefour Taiwan, which is now considered a discontinued operation (see Note 2.1).

12.1.3 Breakdown of the provision

(in millions of euros)	France	Belgium	Italy	Other countries[(1)]	Group total
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**
Defined benefit obligation	341	352	59	10	762
Fair value of plan assets	(28)	(197)	–	–	(225)
Provision at December 31, 2022	**313**	**154**	**59**	**10**	**537**

(1) The decrease in the amounts reported for "Other countries" compared with December 31, 2021 mainly relates to the reclassification of the amounts recognised by Carrefour Taiwan within liabilities related to assets held for sale (see Note 4.3).

12.1.4 Change in the provision

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Provision at January 1, 2021	**459**	**243**	**106**	**33**	**839**
Movements recorded in the income statement	18	19	(0)	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[(2)]	(7)	(25)	(3)	1	(34)
Other	1	(8)	–	(3)	(9)
Provision at December 31, 2021	**445**	**215**	**88**	**39**	**786**
Movements recorded in the income statement	33	19	1	2	55
Benefits paid directly by the employer	(14)	(13)	(13)	(1)	(40)
Effect of changes in scope of consolidation[(1)]	(67)	–	–	(29)	(96)
Change in actuarial gains and losses[(2)]	(84)	(59)	(17)	(1)	(161)
Other	–	(7)	–	1	(6)
Provision at December 31, 2022	**313**	**154**	**59**	**10**	**537**

(1) The effect of changes in the scope of consolidation in France, which reduced the provision by 67 million euros, corresponds to the reclassification of the provision for employee benefits to other provisions (see Note 11.1) following the transfer of integrated stores to lease management contracts in France during first-half 2022. The amounts reported in the "Other countries" column correspond to the provisions recognised by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4.3) at January 1, 2022.

(2) This line breaks down as follows:

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)**

2022 *(in millions of euros)*	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	(2)	0	3	(1)	0
Actuarial (gain)/loss due to demographic assumption changes	3	–	(1)	0	2
Actuarial (gain)/loss due to financial assumption changes[(1)]	(84)	(75)	(19)	(1)	(179)
Return on plan assets (greater)/less than discount rate	(0)	16	–	–	16
Changes in actuarial gains and losses 2022	**(84)**	**(59)**	**(17)**	**(1)**	**(161)**

(1) Eurozone discount rates increased in 2021, from 0.40% at end-2020 to 0.80% at end-2021. These rates increased sharply in 2022 to represent 3.80% 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, 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**
Return on plan assets	0	2	–	–	2
Benefits paid out of plan assets	(0)	(24)	–	–	(24)
Actuarial gain/(loss)	0	(16)	–	–	(16)
Other(1)	8	7	–	(21)	(6)
Fair value at December 31, 2022	**28**	**197**	**–**	**–**	**225**

(1) The 21-million-euro expense reported in the "Other countries" column corresponds to the provision recognised by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4.3) at January 1, 2022.

Plan assets break down as follows by asset class:

	December 31, 2022				December 31, 2021			
	Bonds	Equities	Monetary investments	Real estate and other	Bonds	Equities	Monetary investments	Real estate and other
France	8%	1%	91%	0%	10%	1%	88%	1%
Belgique	0%	0%	100%	0%	35%	9%	56%	0%

All bonds and equities held in plan asset portfolios are listed securities.

At the end of 2022, the Belgian investment funds were liquidated and the funds transferred to an insurance company that will invest them during 2023. At December 31, 2022, the entire amount of Belgian plan assets was provisionally invested in money market instruments.

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:

	2022	2021
Retirement age	63-67	63-67
Rate of future salary increases	2.0% to 2.6%	2.0% to 2.6%
Inflation rate	2.0%	2.0%
Discount rate	3.80%	0.80%

At December 31, 2022, a discount rate of 3.80% was used for France, Belgium and Italy (December 31, 2021: 0.80%). 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 2022, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 9.0 years, 6.7 years and 8.6 years respectively (versus 9.9 years, 9.2 years and 10.5 years in 2021).

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 12 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 13 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 2022 recorded under employee benefits expense in recurring operating income was 22 million euros, with a corresponding increase in equity (2021: 26 million euros).

Details of the stock option and performance share plans set up for Executive Management and selected employees are presented below.

12.2.1 Stock option plans

There were no longer any Carrefour SA stock option plans outstanding at December 31, 2022, 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:

	2022	2021
Options outstanding at January 1	**2,626,971**	**1,822,472**
Options granted during the year	–	–
Options exercised during the year	(1,503,290)	(140,500)
Options cancelled or that expired during the year	–	–
Recalculation of pending shares	–	944,999
Options outstanding at December 31	**1,123,681**	**2,626,971**

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;
- 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:

	2022	2021
Options outstanding at January 1	**3,159,255**	**3,163,617**
Options granted during the year	–	–
Options exercised during the year	–	–
Options cancelled or that expired during the year	–	(199,055)
Recalculation of pending shares	–	194,693
Options outstanding at December 31	**3,159,255**	**3,159,255**

12.2.2 Performance share plans

A. CARREFOUR SA PERFORMANCE SHARE PLANS

Under the 2019 performance share plan which expired on February 27, 2022, the level of attainment achieved by the Carrefour group was 100%. Accordingly, 2,592,746 shares were delivered to the beneficiaries in accordance with the relevant settlement terms.

In addition, 5,298 shares were also delivered to heirs of employees under the ongoing 2020 and 2021 Performance Plans.

On February 26, 2020, 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 2,604,597 shares (representing 0.32% of the share capital). The shares will vest subject to a service condition and several performance conditions.

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 subject to a service condition and several performance conditions.
(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:

	2022	2021
Shares allotted at January 1	**2,345,423**	**2,520,262**
Shares granted during the year	–	–
Shares delivered to the grantees during the year(1)	(1,198)	–
Shares cancelled during the year	(238,700)	(174,839)
Shares allotted at December 31	**2,105,525**	**2,345,423**

(1) Corresponds only to shares vested to heirs of employees.

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 subject to a service condition and several performance conditions.

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%);
- 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 subject to a service condition and several performance conditions.
(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:

	2022	2021
Shares allotted at January 1	**2,927,600**	**–**
Shares granted during the year	–	3,000,000
Shares delivered to the grantees during the year[(1)]	(4,100)	–
Shares cancelled during the year	(260,700)	(72,400)
Shares allotted at December 31	**2,662,800**	**2,927,600**

(1) Corresponds only to shares vested to heirs of employees.

On February 16, 2022, based on the Compensation Committee's recommendation, Carrefour SA's Board of Directors decided to use the authorisation given in the 29th resolution of the Annual Shareholders' Meeting held on May 21, 2021 to grant new or existing performance shares. The plan provided for the grant of a maximum of 3,104,000 shares (representing 0.40% of the share capital at February 16, 2022). The shares will vest subject to a service condition and several performance conditions.

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 SA share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

Details of the 2022 performance share plan are presented below.

	2022 Performance Plan
Shareholders' Meeting date	May 21, 2021
Grant date[(1)]	February 16, 2022
Vesting date[(2)]	February 16, 2025
Total number of shares approved at the grant date	3,104,000
Number of grantees at the grant date	809
Fair value of each share *(in euros)*[(3)]	14.21

(1) Date of the Board of Directors' decision to grant shares.
(2) The shares will vest subject to a service condition and several performance conditions.
(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 2022 plan were as follows:

	2022
Shares allotted at January 1	**–**
Shares granted during the year	3,104,000
Shares delivered to the grantees during the year	–
Shares cancelled during the year	(156,055)
Shares allotted at December 31	**2,947,945**

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 subject to a service condition and several performance conditions.
(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:

	2022	2021
Shares allotted at January 1	**977,140**	**999,403**
Shares granted during the year	–	29,965
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	–	(52,228)
Shares allotted at December 31	**977,140**	**977,140**

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 net 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 subject to a service condition and several performance conditions.
(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:

	2022	2021
Shares allotted at January 1	**1,523,235**	**–**
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**	**1,523,235**

On May 5, 2022, 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 net 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 2022 performance share plan are presented below.

	Brazil 2022 "Regular" Plan
Shareholders' Meeting date	April 14, 2020
Grant date(1)	May 5, 2022
Vesting date(2)	May 5, 2025
Total number of shares approved at the grant date	1,998,935
Number of grantees at the grant date	125
Fair value of each share *(in reals)*(3)	13.10

(1) Date of the Board of Directors' decision to grant shares.
(2) The shares will vest subject to a service condition and several performance conditions.
(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 2022 "Regular plan" were as follows:

	2022
Shares allotted at January 1	**–**
Shares granted during the year	1,998,935
Shares delivered to the grantees during the year	–
Shares cancelled during the year	–
Shares allotted at December 31	**1,998,935**

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)	2022	2021
Compensation for the year	8.6	8.4
Prior year bonus	8.1	8.3
Benefits in kind (accommodation and company car)	0.6	0.4
Total compensation paid during the year	**17.4**	**17.0**
Employer payroll taxes	6.2	4.5
Termination benefits	–	–

Other management benefit plans are as follows:

- the supplementary defined benefit pension plan described in Note 12.1;
- performance shares: the serving members of the management team at December 31, 2022 held 2,402,879 performance shares (2,296,410 at December 31, 2021), 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 2022 or 2021.

The compensation paid in 2022 to members of the Board of Directors in respect of their duties amounted to 1.1 million euros (0.9 million euros in 2021).

12.4 Number of employees

	2022	2021
Senior Directors	376	365
Directors	1,798	1,761
Managers	27,086	32,395
Employees	293,417	284,500
Average number of Group employees	**322,677**	**319,021**
Number of Group employees at the year-end(1)	**346,666**	**319,565**

(1) The number of Group employees at the year-end includes Carrefour Taiwan for 12,026 at December 31, 2022 and 12,174 at December 31, 2021.

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, 2022, the share capital was made up of 742,157,461 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	2022	*Of which treasury stocks*	2021
Outstanding at January 1	**775,896**	***9,458***	**817,624**
Shares distributed under the performance share plans(1)	–	*(2,598)*	–
Share buyback program(2)	–	*38,424*	–
Cancelled shares(2)	(33,738)	*(33,738)*	(41,728)
Outstanding at December 31	**742,157**	***11,545***	**775,896**

(1) See Note 12.2.2.a.

(2) See Note 2.5.

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, 2022, a total of 11,544,870 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

At the Shareholders' Meeting held on June 3, 2022, the shareholders decided to set the 2021 dividend at 0.52 euros per share to be paid entirely in cash.

On June 9, 2022, the dividend was paid out in an amount of 380 million euros.

13.4 Other comprehensive income

Group share *(in millions of euros)*	2022 Pre-tax	2022 Tax	2022 Net	2021 Pre-tax	2021 Tax	2021 Net
Effective portion of changes in the fair value of cash flow hedges[1]	129	(26)	103	54	(13)	41
Changes in the fair value of debt instruments through other comprehensive income	(13)	3	(9)	(5)	1	(4)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect[2]	(15)	4	(11)	–	–	–
Exchange differences on translation of foreign operations[3]	258	–	258	88	–	88
Items that may be reclassified subsequently to profit or loss	**359**	**(19)**	**340**	**137**	**(11)**	**126**
Remeasurements of defined benefit plans obligation[4]	163	(36)	127	33	(6)	27
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	0	0	(0)	(0)
Items that will not be reclassified subsequently to profit or loss	**163**	**(36)**	**127**	**33**	**(6)**	**27**
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) – GROUP SHARE	**522**	**(55)**	**467**	**170**	**(18)**	**153**

Non-controlling interests *(in millions of euros)*	2022 Pre-tax	2022 Tax	2022 Net	2021 Pre-tax	2021 Tax	2021 Net
Effective portion of changes in the fair value of cash flow hedges	16	(5)	11	3	(1)	2
Changes in the fair value of debt instruments through other comprehensive income	(13)	3	(9)	(5)	1	(4)
Exchange differences on translation of foreign operations[3]	122	–	122	28	–	28
Items that may be reclassified subsequently to profit or loss	**125**	**(1)**	**124**	**25**	**0**	**26**
Remeasurements of defined benefit plans obligation[4]	5	(1)	4	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 subsequently to profit or loss	**5**	**(1)**	**4**	**1**	**0**	**1**
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) – NON-CONTROLLING INTERESTS	**130**	**(2)**	**128**	**26**	**0**	**27**

(1) In 2022, the Group set up a currency swap eligible for cash flow hedge accounting in order to hedge the risk of unfavourable changes in the New Taiwan dollar up to the amount of the Group's share in the value of Carrefour Taiwan's equity, i.e., approximately 29 billion New Taiwan dollars (see Note 2.1).

(2) In 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão, treated as part of the net investment in that operation. The derivatives contracted to hedge part of these loans were classified as a net investment hedge (see Note 2.3).

(3) Exchange differences recognised on translating foreign operations in 2022 mainly reflect the significant increase in the value of the Brazilian real. Differences in 2021 mainly reflected the increase in value of the New Taiwan dollar and the very slight increase in value of the Brazilian real during the year.

(4) Remeasurement of the net defined benefit liability recognised in 2022 reflects the sharp increase in discount rates applied for the eurozone, from 0.80% at end-December 2021 to 3.80% at end-December 2022. In 2021, these discount rates had increased, from 0.40% at end-December 2020 to 0.80% at end-December 2021. This item includes the remeasurement of Carrefour Taiwan's net pre-tax liability for 4 million euros within net income/ (loss) – Group share and 3 million euros within net income/ (loss) attributable to non-controlling interests.

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 68% owned by the Group. In 2021 and until June 1, 2022, the date of the Grupo BIG acquisition, the Group held 72% of the stake in the Grupo Carrefour Brasil sub-group. It has held 68% since the acquisition (see Note 2.1).

The following tables present the key information from the sub-groups' consolidated financial statements:

CARREFOUR BANQUE SUB-GROUP

Income statement *(in millions of euros)*	**2022**	**2021**
Revenue (Net Banking Revenue)	184	228
Net income[(1)]	33	49

Statement of financial position *(in millions of euros)*	**December 31, 2022**	**December 31, 2021**
Total assets	3,502	3,482
Total liabilities excluding shareholders' equity	2,952	2,959
Dividends paid to non-controlling interests	6	–

(1) The net income of the Carrefour Banque sub-group included the capital gain realised on the sale of the Belgian finance company Fimaser in 2021. At the level of the Carrefour group, as the sale constituted 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)*	**2022**	**2021**
Total revenue	19,030	12,214
Net income	370	529
of which:		
■ *attributable to the Carrefour group*	*322*	*494*
■ *attributable to non-controlling interests*	*48*	*35*

Statement of financial position *(in millions of euros)*	**December 31, 2022**	**December 31, 2021**
Non-current assets	8,899	4,444
Current assets	7,677	4,880
Non-current liabilities (excluding shareholders' equity)	4,274	1,812
Current liabilities	8,392	4,601
Dividends paid to non-controlling interests	12	35

As Carrefour SA owns 68% of Atacadão SA, the distribution of net income is different at the level of the consolidated financial statements of the Carrefour group:

- 2022 net profit of 370 million euros breaks down into 223 million euros attributable to the Carrefour group and 146 million euros attributable to non-controlling interests;
- 2021 net profit of 529 million euros broke down into 354 million euros attributable to the Carrefour group and 175 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 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	2022	2021 restated IFRS 5
Net income/(loss) from continuing operations	1,368	1,002
Net income/(loss) from discontinued operations	(21)	70
Net income/(loss) for the year	**1,348**	**1,072**
Weighted average number of shares outstanding(1)	741,377,552	786,946,494
Basic income/(loss) from continuing operations – per share *(in euros)*	**1.85**	**1.27**
Basic income/(loss) from discontinued operations – per share *(in euros)*	**(0.03)**	**0.09**
Basic income/(loss) – per share *(in euros)*	**1.82**	**1.36**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate earnings per share for 2022 was adjusted to take into account the impact of the two share buybacks carried out during the year (cf. Note 2.5).

Diluted earnings per share	2022	2021 restated IFRS 5
Net income/(loss) from continuing operations	1,368	1,002
Net income/(loss) from discontinued operations	(21)	70
Net income/(loss) for the year	**1,348**	**1,072**
Weighted average number of shares outstanding, before dilution	741,377,552	786,946,494
Potential dilutive shares	5,245,147	4,462,264
Performance shares	*5,245,147*	*4,462,264*
Diluted weighted average number of shares outstanding	**746,622,699**	**791,408,758**
Diluted income/(loss) from continuing operations – per share *(in euros)*	**1.83**	**1.27**
Diluted income/(loss) from discontinued operations – per share *(in euros)*	**(0.03)**	**0.09**
Diluted income/(loss) – per share *(in euros)*	**1.80**	**1.35**

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 debt instruments at fair value through other comprehensive income" until the underlying assets are sold, at which time they are transferred to the income statement.

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 finance lease commitments recognised at December 31, 2018 in accordance with IAS 17 and reclassified within lease commitments;
- suppliers and other creditors;
- financing of consumer credit 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. The Group may also hedge the risk of changes in the prices of certain commodities, including electricity, natural gas, and – exceptionally – oil.

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);
- at the inception of the hedge, 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 cash flow hedges, fair value hedges or hedges of net investment in a foreign operation.

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 the Group's 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, 2022, as at December 31, 2021, the financing facilities arranged for Brazilian subsidiary Atacadão in January 2022 and in September 2021, respectively, were subject to fair value hedges (see Note 14.2.3).

Hedges of a net investment in a foreign operation

When an instrument qualifies as a hedge of a net investment in a foreign operation, the portion of the change in fair value determined to be an effective hedge is recognised in other comprehensive income, where it offsets changes in the fair value of the hedged item. The ineffective portion of the change in fair value is recognised in the income statement, under financial income and expense.

Amounts recognised in other comprehensive income are recognised in profit or loss on the date of (full or partial) disposal, resulting in the deconsolidation or liquidation of the investment.

(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, type of 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, 2022 and 2021, the effect of incorporating these two types of risk was not material.

14.1 Financial instruments by category

		Breakdown by category					
At December 31, 2022 *(in millions of euros)*	**Carrying amount**	**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	178	12	166	–	–	–	178
Other long-term investments	985	90	152	742	–	–	985
Other non-current financial assets	**1,162**	**102**	**318**	**742**	**–**	**–**	**1,162**
Consumer credit granted by the financial services companies	5,978	–	–	5,978	–	–	5,978
Trade receivables	3,330	–	–	3,330	–	–	3,330
Other current financial assets	720	1	149	245	18	307	720
Other current assets(1)	606	–	–	606	–	–	606
Cash and cash equivalents	5,216	5,216	–	–	–	–	5,216
ASSETS	**17,013**	**5,319**	**467**	**10,901**	**18**	**307**	**17,013**
Total borrowings	9,558	–	–	9,410	18	130	9,212
Total lease commitments	4,530	–	–	4,530	–	–	4,530
Total consumer credit financing	5,142	–	–	5,089	16	37	5,142
Suppliers and other creditors	14,393	–	–	14,393	–	–	14,393
Other current payables(2)	2,813	–	–	2,813	–	–	2,813
LIABILITIES	**36,435**	**–**	**–**	**36,235**	**34**	**167**	**36,089**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

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 commitments	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.

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 1.7):

December 31, 2022 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	–	12	166	178
Other long-term investments	243	–	–	243
Other current financial assets – Fair Value through OCI	149	–	–	149
Other current financial assets – Fair Value through profit or loss	1	–	–	1
Other current financial assets – Derivative instruments	–	325	–	325
Cash and cash equivalents	5,216	–	–	5,216
Consumer credit financing – Derivative instruments recorded in liabilities	–	(53)	–	(53)
Borrowings – Derivative instruments recorded in liabilities	–	(148)	–	(148)

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)

14.2 Net debt

14.2.1 Breakdown of net debt

Consolidated net debt (including discontinued operations) at December 31, 2022 amounted to 3,429 million euros compared to 2,633 million euros at December 31, 2021. This amount breaks down as follows:

(in millions of euros)	December 31, 2022	December 31, 2021
Bonds and notes	7,697	6,052
Other borrowings	1,223	741
Commercial paper	490	–
Total borrowings excluding derivative instruments recorded in liabilities	**9,410**	**6,793**
Derivative instruments recorded in liabilities	148	40
TOTAL BORROWINGS	**9,558**	**6,834**
of which borrowings due in more than one year	*6,912*	*5,491*
of which borrowings due in less than one year	*2,646*	*1,342*
Other current financial assets(1)	677	498
Cash and cash equivalents	5,216	3,703
TOTAL CURRENT FINANCIAL ASSETS	**5,893**	**4,201**
NET DEBT	**3,665**	**2,633**
Net debt of discontinued operations	(236)	–
NET DEBT INCLUDING DISCONTINUED OPERATIONS	**3,429**	**2,633**

(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

		Face value					Book value of the debt
(in millions of euros)	Maturity	December 31, 2021	Issues	Repayments	Exchange differences	December 31, 2022	December 31, 2022
Public placements by Carrefour SA		**5,883**	**2,350**	**(1,000)**	**55**	**7,288**	**7,239**
EMTN, EUR, 8 years, 1.75%	2022	1,000	–	(1,000)	–	–	–
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2023	441	–	–	27	469	462
EMTN, EUR, 8 years, 0.750%	2024	750	–	–	–	750	749
EMTN, EUR, 10 years, 1.25%	2025	750	–	–	–	750	748
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2024	441	–	–	27	469	450
EMTN, EUR, 5 years, 0.88%	2023	500	–	–	–	500	500
EMTN, EUR, 7.5 years, 1.75%	2026	500	–	–	–	500	498
EMTN, EUR, 8 years, 1.00%	2027	500	–	–	–	500	498
EMTN, EUR, 7.5 years, 2.625%	2027	1,000	–	–	–	1,000	995
EMTN, EUR, 4.6 years, 1.88%	2026	–	750	–	–	750	748
EMTN, EUR, 6 years, 4.125%	2028	–	850	–	–	850	848
EMTN, EUR, 7.6 years, 2.38%	2029	–	750	–	–	750	744
Placements by Atacadão SA		**237**	**283**	**(81)**	**18**	**458**	**458**
Debentures, BRL 500 million, 5 years, 105.75% CDI	2023	79	–	–	11	90	90
Debentures, BRL 450 million, 3 years, 100% CDI+0.45%	2022	71	–	(81)	10	–	–
Debentures, BRL 350 million, 5 years, 100% CDI+0.55%	2024	55	–	–	7	63	63
Debentures, BRL 200 million, 7 years, 100% CDI+0.65%	2026	32	–	–	4	36	36
Debentures ("CRA"), BRL 467 million, 4 years, 100% CDI+0.55%	2026	–	88	–	(4)	84	84
Debentures ("CRA"), BRL 188 million, 5 years, 100% CDI+0.60%	2027	–	36	–	(2)	34	34
Debentures ("CRA"), BRL 844 million, 5 years, 100% CDI+0.79%	2027	–	159	–	(8)	152	152
TOTAL BONDS AND NOTES		**6,120**	**2,633**	**(1,081)**	**73**	**7,746**	**7,697**

On March 30, 2022, Carrefour SA issued 1.5 billion euros worth of bonds. The issue consists of two Sustainability-Linked tranches indexed to the Group's sustainable development goals:

- a fixed-rate tranche for 750 million euros maturing in 4.6 years and paying a coupon of 1.88% per year;
- a second fixed-rate tranche for 750 million euros maturing in 7.6 years and paying a coupon of 2.38% per year.

On June 8, 2022, Carrefour SA redeemed 1 billion euros worth of 1.75% 8-year bonds, ahead of their maturity (July 2022).

On October 12, 2022, the Group carried out its second Sustainability-Linked Bond issue indexed to its sustainable development goals, for a total of 500 million euros, maturing in six years (due in October 2028) and paying a coupon of 4.125%. On November 28, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.

The Group's financial position and liquidity were solid at December 31, 2022. The average maturity of Carrefour SA's bond debt was 3.6 years at end-December 2022, compared with 3.1 years at end-December 2021.

In addition, on July 29, 2022, the Board of Directors of the Brazilian subsidiary Atacadão approved the issuance of simple unsecured, non-convertible debentures (*Certificado de Recebíveis do Agronegócio* – CRA) for an amount of 1,500 million Brazilian reals (approximately 269 million euros at the December 31, 2022 exchange rate). On September 16, 2022, the debentures were issued in three series:

- an initial series for 467 million Brazilian reals, with a coupon of CDI (*Certificado de Deposito Interbancário* rate) +0.55% and a maturity of four years;
- a second series for 188 million Brazilian reals, with a coupon of CDI +0.60% and a maturity of five years;
- a third series for 844 million Brazilian reals, with a coupon of CDI +0.79% and a maturity of five years.

In accordance with IFRS 9 – *Financial Instruments*, conversion options on the bonds qualify as derivatives and are 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 convertible bond issue. At December 31, 2022, they had a positive fair value of 17 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 105 million euros at December 31, 2022.

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 69 million euros at December 31, 2022.

14.2.3 Breakdown of other borrowings

(in millions of euros)	December 31, 2022	December 31, 2021
Latin America borrowings	1,025	610
Other borrowings	72	59
Accrued interest[(1)]	57	38
Other financial liabilities	69	33
TOTAL OTHER BORROWINGS	**1,223**	**741**

(1) Accrued interest on total borrowings, including bonds and notes.

"Latin America borrowings" include USD and EUR financing swapped into Brazilian reals by the Brazilian subsidiary Atacadão:

- 1,500 million Brazilian reals (approximately 269 million euros at the December 31, 2022 exchange rate) in April 2020, 750 million Brazilian reals of which (approximately 135 million euros at the December 31, 2022 exchange rate) were repaid in April 2022;
- 1,937 million Brazilian reals (approximately 348 million euros at the December 31, 2022 exchange rate) in September 2021;
- 2,942 million Brazilian reals (approximately 528 million euros at the December 31, 2022 exchange rate) in January 2022.

These euro- and US dollar-denominated facilities, which were originally fixed-rate, were converted into Brazilian reals and indexed to the Brazilian interbank deposit (*Certificado de Deposito Interbancário* – 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, 2022	December 31, 2021
Cash	1,420	1,108
Cash equivalents	3,796	2,596
TOTAL CASH AND CASH EQUIVALENTS	**5,216**	**3,703**

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, 2022, as at December 31, 2021, there was no restricted cash.

14.2.5 Other current financial assets

(in millions of euros)	December 31, 2022	December 31, 2021
Derivative instruments(1)	325	207
Financial receivable(2)	136	162
Other current financial assets – Fair Value through OCI	149	79
Other current financial assets – Fair Value through profit or loss	1	0
Sub-lease receivable – less than one year	43	34
Deposits with maturities of more than three months	64	40
Other	1	10
TOTAL OTHER CURRENT FINANCIAL ASSETS	**720**	**532**

(1) The 118 million-euro increase in this item compared to December 31, 2021 primarily reflects the new EUR/TWD currency hedge taken out in connection with the ongoing sale of Carrefour Taiwan (mark-to-market of currency swaps for 64 million euros) and the 55-million-euro increase in 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 year.

(2) This amount represents the financial receivable relating to the 20% stake in Carrefour China. 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. The 26-million-euro decrease in comparison with December 31, 2021 corresponds to payments received from Suning.com during 2022.

14.3 Analysis of borrowings (excluding derivative instruments recorded in liabilities)

14.3.1 Analysis by interest rate

	December 31, 2022		December 31, 2021	
(in millions of euros)	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	8,843	7,902	6,518	5,936
Variable rate borrowings	567	1,508	276	857
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**9,410**	**9,410**	**6,793**	**6,793**

14.3.2 Analysis by currency

(in millions of euros)	December 31, 2022	December 31, 2021
Euro	7,901	5,935
Brazilian real	1,506	855
Polish zloty	2	2
Romanian lei	1	1
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**9,410**	**6,793**

The above analysis includes the effect of hedging.

Euro-denominated borrowings represented 84% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2022 (87% at December 31, 2021).

14.3.3 Analysis by maturity

(in millions of euros)	December 31, 2022	December 31, 2021
Due within 1 year	2,498	1,302
Due in 1 to 2 years	1,514	1,259
Due in 2 to 5 years	3,799	2,731
Due beyond 5 years	1,599	1,502
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**9,410**	**6,793**

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, 2021	**(498)**	**6,834**	**6,336**
Changes from financing cash flows	**(50)**	**2,133**	**2,083**
Change in current financial assets	(50)	–	(50)
Issuance of bonds	–	2,633	2,633
Repayments of bonds	–	(1,081)	(1,081)
Net financial interests paid	–	(194)	(194)
Issuance of commercial paper	–	490	490
Other changes in borrowings	–	285	285
Non-cash changes	**(129)**	**592**	**462**
Exchange differences	(13)	90	76
Effect of changes in scope of consolidation	(13)	194	181
Changes in fair values	(113)	47	(67)
Finance costs, net	–	336	336
Other movements	11	(75)	(65)
At December 31, 2022	**(677)**	**9,558**	**8,881**

(1) The current portion of amounts receivable from finance sub-leasing arrangements totalling 43 million euros is not included in this caption.

14.5 Other non-current financial assets

(in millions of euros)	December 31, 2022	December 31, 2021
Deposits and guarantees(1)	594	559
Financial services companies' portfolio of assets	243	322
Sub-lease receivable – more than one year(2)	72	76
Investments in non-consolidated companies(3)	178	126
Other	75	69
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,162**	**1,152**

(1) Deposits and guarantees notably include legal deposits paid in Brazil in connection with the tax disputes presented in Notes 11.2 and 11.3 (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 are recognised in application of IFRS 16.

(3) The increase in investments in non-consolidated companies corresponds mainly to the Flink shares received in June 2022 in exchange for the disposal of the Cajoo shares (see Note 9).

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 arrangements (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)	2022	2021 restated IFRS 5
Interest income from loans and cash equivalents	**20**	**(2)**
Interest income from bank deposits	20	(2)
Interest income from loans	0	0
Finance costs	**(356)**	**(171)**
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(321)	(159)
Cost of receivables discounting in Brazil	(35)	(12)
Finance costs, net	**(336)**	**(173)**
Interest charge related to lease commitments	(167)	(97)
Interest income related to financial sublease contracts	1	1
Net interests related to lease commitments	**(167)**	**(97)**
Interest expense on defined employee benefit debt	(9)	(5)
Interest income on pension plan assets	2	1
Financial transaction tax	(33)	(24)
Late interest due in connection with tax reassessments and employee-related litigation	(51)	(24)
Dividends received on financial assets at FVOCI	5	3
Gain on disposal of financial assets at FVOCI	8	7
Loss on disposal of financial assets at FVOCI	(3)	(0)
Exchange gains and losses	(8)	5
Cost of bond buybacks	(7)	(11)
Changes in the fair value of interest rate derivatives	(1)	(8)
Impact of hyperinflation in Argentina – application of IAS 29	119	56
Other	(8)	(1)
Other financial income and expenses, net	**13**	**(1)**
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	**(490)**	**(270)**
Financial expenses	*(644)*	*(343)*
Financial income	*154*	*73*

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.

Liquidity risk is monitored by a Liquidity Committee which 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, 2022, 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 was 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 2022 were as follows (see Note 14.2.2):

- a 1.5-billion-euro Sustainability-Linked Bond issue, indexed to the Group's sustainable development goals, divided into two tranches: a first fixed-rate tranche for 750 million euros maturing in 4.6 years and paying a coupon of 1.88% per year; a second fixed-rate tranche for 750 million euros maturing in 7.6 years and paying a coupon of 2.38% per year;
- a 500 million-euro Sustainability-Linked Bond issue indexed to the Group's sustainable development goals, maturing in six years and paying a coupon of 4.125%. On November 21, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.
- the redemption of 1 billion euros worth of 1.75% 8-year bonds, ahead of their maturity (July 2022).

Other financing transactions were carried out by Brazilian subsidiary Atacadão in 2022; these are detailed in Notes 14.2.2 and 14.2.3.

Lastly, as a reminder, the Group redeemed 871 million euros worth of 3.875% 11-year bonds in April 2021.

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 3.6 years as of December 31, 2022.

14.7.1.2 Banking and insurance businesses

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 March 2022, Carrefour Banque redeemed 400 million euros worth of bonds subscribed in 2021, ahead of their maturity (see below).

Banco CSF (Brazil) issued several financial bills (*Letra Financeira*) throughout 2022 and repaid several other *Letra Financeira* outstanding at end-2021, for a total amount of 700 million Brazilian reals at December 31, 2022. In addition, in December 2022 it redeemed the collateralised financial bill (*Letra Financeira Garantida*) subscribed in December 2021 (see below).

As a reminder, several structured financing operations were carried out in 2021:

- a 500 million euro bond was redeemed by Carrefour Banque in April 2021 and a new 400-million-euro bond with a fixed rate swapped to 3-month Euribor +49 basis points, maturing in 4 years was issued in June 2021;
- 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 *Letra Financeira Garantida* subscribed in December 2020 and issued another collateralised financial bill through the Brazilian Central Bank for an amount of 114 million Brazilian reals.

The following tables analyse the cash outflows relating to the Group's financial liabilities, by period and payment due date.

December 31, 2022 *(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)	941	941	699	242	–
Fixed rate borrowings	7,902	8,542	1,733	5,142	1,667
Unhedged borrowings	567	567	198	370	–
Derivative instruments	148	147	128	17	1
Total Borrowings	**9,558**	**10,197**	**2,758**	**5,770**	**1,668**
Suppliers and other creditors	14,393	14,393	14,393	–	–
Consumer credit financing	5,142	5,142	3,592	1,550	–
Other current payables(1)	2,813	2,813	2,813	–	–
TOTAL FINANCIAL LIABILITIES	**31,906**	**32,545**	**23,556**	**7,320**	**1,668**

(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 Brazilian reals by Brazilian subsidiary Atacadão in April 2020, September 2021 and January 2022, for 1,500 million reals (of which 750 million reals were repaid in April 2022), 1,937 million reals and 2,942 million reals, respectively (see Note 14.2.3).

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 included the financing facilities in US dollars and euros set up and swapped for Brazilian reals by Brazilian subsidiary Atacadão in April 2020 and September 2021, for 1,500 million reals and 1,937 million reals, respectively (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 8.2.

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:

(in millions of euros) (- = loss; + = gain)	50-bps decline		50-bps increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Investments	–	(26)	–	26
Variable rate borrowings	–	8	–	(8)
Swaps qualified as cash flow hedges	(2)	–	2	–
Options qualified as cash flow hedges	(7)	–	7	–
TOTAL EFFECT	**(9)**	**(19)**	**9**	**19**

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 risk on import transactions covered by firm commitments (i.e., goods purchases billed in foreign currencies) is 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:

(in millions of euros) (- = loss; + = gain)	10% decrease		10% increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Position EUR/USD	–	63	–	(63)
Position EUR/PLN	–	13	–	(13)
Position EUR/HKD	–	0	–	(0)
Position BRL/EUR	(41)	–	45	–
Position USD/TWD	–	(88)	–	88
Position USD/RON	–	(4)	–	4
Position RON/EUR	–	(5)	–	5
Position CHF/EUR	–	(0)	–	0
Position CNY/EUR	–	(0)	–	0
TOTAL EFFECT	**(41)**	**(22)**	**45**	**22**

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 2022 compared with those for 2021 increased consolidated net sales by 841 million euros, or 1% of 2022 net sales, and recurring operating income by 81 million euros, or 3.4% of 2022 recurring operating income.

Lastly, any local financing is generally implemented in local currency.

14.7.4 Credit risk

The Group's estimated exposure to credit risk is presented below:

(in millions of euros)	December 31, 2022	December 31, 2021
Investments in non-consolidated companies	178	126
Other long-term investments	985	1,026
Total Other non-current financial assets	**1,162**	**1,152**
Consumer credit granted by the financial services companies	5,978	5,294
Trade receivables	3,330	2,581
Other current financial assets	720	532
Other current assets(1)	606	467
Cash and cash equivalents	5,216	3,703
MAXIMUM EXPOSURE TO CREDIT RISK	**17,013**	**13,729**

(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, 2022, trade receivables net of impairment (excluding receivables from suppliers) amounted to 2,122 million euros (see Note 6.4.3). At that date, past due receivables amounted to a net 192 million euros, of which 56 million euros were over 90 days past due (2.7% 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 businesses

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 NOT YET DUE CONSUMER LOANS

(in millions of euros)	December 31, 2022	Amounts not yet due at the period-end	Amounts 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	5,978	5,487	405	29	30	28

(in millions of euros)	December 31, 2021	Amounts not yet due at the period-end	Amounts 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

ANALYSIS OF CONSUMER LOANS BY MATURITY

(in millions of euros)	December 31, 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	1,254	538	624	92
Belgium	153	4	124	25
Spain	2,053	1,187	340	527
Argentina	71	71	0	–
Brazil	2,447	2,311	136	0
TOTAL	**5,978**	**4,111**	**1,224**	**643**

(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
Argentina	46	46	0	–
Brazil	1,812	1,736	77	0
TOTAL	**5,294**	**3,473**	**1,191**	**630**

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, 2022, 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 17 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 management transactions, retailing operations, purchases and sales of securities, and leases.

Commitments given *(in millions of euros)*	December 31, 2022	By maturity			December 31, 2021 restated(1)
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	8,851	8,524	227	99	9,049
Financial services companies	*8,482*	*8,334*	*146*	*2*	*8,823*
Other companies	*369*	*190*	*81*	*97*	*225*
Related to operations/real estate/expansion	1,213	810	237	166	1,306
Related to purchases and sales of securities	137	2	28	108	207
Related to leases	248	41	112	95	238
TOTAL	**10,449**	**9,377**	**604**	**468**	**10,799**

Commitments received *(in millions of euros)*	December 31, 2022	By maturity			December 31, 2021
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	5,984	1,244	4,653	87	5,997
Financial services companies	*1,426*	*659*	*750*	*17*	*1,531*
Other companies	*4,557*	*584*	*3,903*	*70*	*4,467*
Related to operations/real estate/expansion	1,612	428	903	282	1,412
Related to purchases and sales of securities	426	295	90	40	410
Related to leases	467	254	159	54	517
TOTAL	**8,488**	**2,220**	**5,805**	**463**	**8,336**

(1) The reported balance of commitments given relating to cash management transactions at the level of the financial services companies at December 31, 2021 included personal loans pre-approved by the Brazilian subsidiary Banco CSF for an amount of 12 billion Brazilian reals (or 1.9 billion euros at the December 31, 2021 exchange rate). As the final approval of these loans is at the discretion of the Brazilian subsidiary, they do not meet the definition of an off-balance sheet commitment and are therefore excluded from the above table at December 31, 2022. For comparison purposes, the amount at December 31, 2021 has been restated.

Off-balance sheet commitments related to cash management 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 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, 2022.

NOTE 16 SUBSEQUENT EVENTS

In early January 2023, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals. The post-swap debt totalled 2,300 million Brazilian reals (representing approximately 413 million euros at the December 31, 2022 exchange rate), with a maturity of 11 months.

NOTE 17 AUDITORS' FEES

	Fees 2022					
(in thousands euros)	Deloitte & Associés(1)	Network	Total Deloitte	Mazars(1)	Network	Total Mazars
Financial statements certification services	**2,457**	**3,330**	**5,787**	**2,239**	**1,309**	**3,548**
Carrefour SA – Issuer	*515*	–	*515*	*428*	–	*428*
Subsidiaries (controlled entities)	*1,943*	*3,330*	*5,273*	*1,811*	*1,309*	*3,121*
Other services(2)	**88**	**602**	**690**	**120**	**82**	**203**
Carrefour SA – Issuer	*47*	–	*47*	*62*	–	*62*
Subsidiaries (controlled entities)	*41*	*602*	*643*	*59*	*82*	*141*
TOTAL	**2,545**	**3,932**	**6,477**	**2,359**	**1,392**	**3,751**

(1) Carrefour SA (parent 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, 2022

FRANCE	Percent interest used in consolidation
ABREDIS	100
AMIDIS ET CIE	100
ANTIDIS	100
BELLEVUE DISTRIBUTION	100
BLO DISTRIBUTION	100
BRINGO FRANCE	100
BRINGO INTERNATIONAL	100
BRINGO TECH	100
BRUNIEDIS	100
C.DICAR	100
C.DIS	100
C.S.F	100
C.S.V	100
CANDIS	100
CARAUTOROUTES	100
CARDADEL	100
CARFIDIS	100
CARFUEL	100
CARGO INVEST	100
CARGO PROPERTY DEVELOPMENT	100
CARIMA	100
CARMA	50
CARMA VIE	50
CARRE D'OR DISTRIBUTION	100
CARREFOUR ADMINISTRATIF FRANCE	100
CARREFOUR BANQUE	60
CARREFOUR DEVELOPPEMENT URBAIN	100
CARREFOUR DRIVE	100
CARREFOUR FINANCE	100
CARREFOUR FRANCE	100
CARREFOUR FRANCE PARTICIPATION	100
CARREFOUR HYPERMARCHES	100
CARREFOUR IMPORT	100
CARREFOUR MANAGEMENT	100
CARREFOUR MARCHANDISES INTERNATIONALES	100
CARREFOUR MONACO	100
CARREFOUR OMNICANAL	100

FRANCE	Percent interest used in consolidation
CARREFOUR PARTENARIAT INTERNATIONAL	100
CARREFOUR PROPERTY FRANCE	100
CARREFOUR PROPERTY GESTION	100
CARREFOUR PROXIMITE FRANCE	100
CARREFOUR REGIE PUBLICITAIRE	100
CARREFOUR SA	100
CARREFOUR SERVICES CLIENTS	100
CARREFOUR STATION SERVICE	100
CARREFOUR SUPPLY CHAIN	100
CARREFOUR SYSTEMES D'INFORMATION	100
CARREFOUR VOYAGES	100
CENTRE D'ACTIVITES DE DRAGUIGNAN SALAMANDRIER	100
CENTRE DE FORMATION ET COMPTETENCES	100
CL CV LOGISTIQUE	100
CLAIREFONTAINE	100
COFLEDIS	100
COMPAGNIE D'ACTIVITÉ ET DE COMMERCE INTERNATIONAL	100
COMPTOIR SAVOYARD DE DISTRIBUTION	74
COVIAM 8	100
COVICAR 2	100
COVICAR 44	100
COVICAR 51	100
COVICAR 55	100
CRFP LOG INVEST	100
CRFP NANTES	100
CRFP SARTROUVILLE	100
CRFP13	100
CRFP20	100
CRFP22	100
CRFP23	100
CRFP24	100
CRFP25	100
CRFP8	100
CROQUETTELAND	100
CSD TRANSPORTS	74
DASTORE	100

FRANCE	Percent interest used in consolidation
DAUPHINOISE DE PARTICIPATIONS	100
DE LA FONTAINE	51
DEJBOX LAB	86
DEJBOX SERVICES	86
DES CALLOUETS	51
DIGITAL MEDIA SHOPPER	100
DISTRIVAL	100
DOREL	100
ENTREPOT PETROLIER DE LA GIRONDE	66
ETS LUCIEN LAPALUS ET FILS	100
FALDIS	100
FCT MASTER CREDIT CARD 2013	60
FINANCIERE RSV	100
FINIFAC	100
FONMARTOP	100
FORUM DEVELOPPEMENT	100
GAMACASH	100
GEILEROP	100
GENEDIS	100
GIE BREST BELLEVUE	80
GREENWEEZ	100
GREENWEEZ BELGIUM	100
GSMC	100
GUYENNE & GASCOGNE	100
GVTIMM	51
HYPARLO	100
HYPERADOUR	100
IMMO ARTEMARE	51
IMMOBILIERE CARREFOUR	100
IMMOBILIERE PROXI	100
IMMOCYPRIEN	51
IMMODIS	100
INTERDIS	100
LA CROIX VIGNON	51
LALAUDIS	99
LANN KERGUEN	51
LESCHENES	100
LOGIDIS	100
LYBERNET	50
MAISON JOHANES BOUBEE	100
MATOLIDIS	100
MONTEL DISTRIBUTION	100
NASOCA	100

FRANCE	Percent interest used in consolidation
NOOPART	100
NOSAEL	51
PARLITOP	100
PARSEVRES	100
PASDEL	100
PHIVETOL	100
PLANETA HUERTO	100
POTAGER CITY	88
PROFIDIS	100
PUECH ECO	100
QUITOQUE	100
QUITOQUE BELGIUM	100
SAFABE	100
SAFETY	100
SAINT HERMENTAIRE	100
SALACA	100
SAS LOUIS SEGUIN – ANGLET	100
SCI AVENUE	52
SCI AZIMMO	100
SCI DE SIAM	51
SCI IMMO BACQUEVILLE	51
SCI IMMOTOURNAY	51
SCI LEGERE	100
SCI LES HAUTS DE ROYA	100
SCI LES TASSEAUX	51
SCI LES VALLEES	51
SCI MAXIMOISE DE CREATION	51
SCI PROXALBY	74
SCI RESSONS	51
SCI SIGOULIM	51
SELIMA	100
SMARTECO	100
SO.BIO	100
SO.BIO SEVRES	100
SOCIETE D'ALIMENTATION MODERNE	100
SOCIETE DES HYPERMARCHES DE LA VEZERE	50
SOCIETE DES NOUVEAUX HYPERMARCHES	100
SOCIETE LUDIS	100
SOCIETE MODERNE DE DISTRIBUTION MAISON VIZET-FAVRE	81
SODIMODIS	100
SODISAL	100

FRANCE	Percent interest used in consolidation
SODITRIVE	100
SOFALINE	100
SOFIDIM	99
SORGENTE NATURA	100
SOVAL	100
STELAUR	100
STENN	100
SUPERADOUR	100
SUPERDIS	97
TIADIS	100
VAN-K	100
VEZERE DISTRIBUTION	50
VIZEGU	90
ZORMAT	100

GERMANY	Percent interest used in consolidation
CARREFOUR PROCUREMENT INTERNATIONAL BV & CO. KG	100

ARGENTINA	Percent interest used in consolidation
BANCO DE SERVICIOS FINANCIEROS SA	88
INC S.A.	100

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
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
RETAIL SUPPORT SERVICES	100
ROB	100
SCHILCO	100
SHIP TO	100
SOUTH MED INVESTMENTS	100
STIGAM	100
VANDEN MEERSSCHE NV	100

BRAZIL	Percent interest used in consolidation
ATACADÃO S.A	68
BANCO CSF	34
BARBAROSSA EMPREENDIMENTOS E PARTICIPACOES	68
BOMPREÇO BAHIA	68
BOMPREÇO NORDESTE	68
BSF HOLDING	34
BULGE EMPREENDIMENTOS E PARTICIPACOES	68
CARREFOUR COMMERCIO E INDUSTRIA	68
CCI IP PARTICIPAÇÕES	68
CCI RE SPCO DESENVOLVIMENTO IMOBILIÁRIO OSASCO	68
CMBCI INVESTIMENTOS E PARTICIPAÇÕES	68
COMERCIAL DE ALIMENTOS CARREFOUR	68
COSMOPOLITANO SHOPPING EMPREENDIMENTOS	68
COTABEST INFORMACOES E TECNOLOGIA	34
CSF ADMINISTRADORA E CORRETORA DE SEGUROS EIRELI	34
E MIDIA INFORMACOES	68
FIDC	68
GIBRALTAR EMPREENDIMENTOS E PARTICIPACOES	68
GRUPO BIG	68
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA	68
KHARKOV EMPREENDIMENTOS E PARTICIPACOES	68
KURSK EMPREENDIMENTOS E PARTICIPACOES	68
MIDWAY EMPREENDIMENTOS E PARTICIPACOES	68
NOVA TROPI GESTÃO DE EMPREENDIMENTOS	68
OVERLORD EMPREENDIMENTOS E PARTICIPACOES	68
PACIFICO EMPREENDIMENTOS E PARTICIPACOES	68
PANDORA PARTICIPACOES	68
RIO BONITO ASSESSORIA DE NEGOCIOS	68
SPE CENTRO-OESTE	68
SPE NORDESTE	68
SPE NORTE	68
SPE SUDESTE	68
SPE SUL	68
STALINGRADO EMPREENDIMENTOS E PARTICIPACOES	68

BRAZIL	Percent interest used in consolidation
TORCH EMPREENDIMENTOS E PARTICIPACOES	68
TRANSPORTADORA	68
VALQUIRIA EMPREENDIMENTOS E PARTICIPACOES	68
VERPARINVEST	68
WMB	68
WMS	68

CHINA	Percent interest used in consolidation
SHANGHAI GLOBAL SOURCING CONSULTING CO	100

SPAIN	Percent interest used in consolidation
CARREFOUR PROPERTY ESPANA	100
CENTROS COMERCIALES CARREFOUR	100
CORREDURIA DE SEGUROS CARREFOUR	100
EURECA	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

HONG KONG	Percent interest used in consolidation
CARREFOUR ASIA	100
CARREFOUR GLOBAL SOURCING ASIA	100
CARREFOUR TRADING ASIA (CTA)	100

ITALY	Percent interest used in consolidation
CARREFOUR ITALIA FINANCE SRL	100
CARREFOUR ITALIA SPA	100
CARREFOUR PROPERTY ITALIA SRL	100
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI BUROLO	89
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI GIUSSANO	77
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI MASSA	54
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI NICHELINO	64
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI PADERNO DUGNANO	53
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI THIENE	58
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI TORINO MONTECUCCO	87
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI VERCELLI	84
GS SPA	100

LUXEMBOURG	Percent interest used in consolidation
VELASQUEZ	100

NETHERLANDS	Percent interest used in consolidation
CARREFOUR NEDERLAND BV	100
CARREFOUR PROPERTY BV	100
HYPER GERMANY BV	100
INTERNATIONAL MERCHANDISE TRADING BV	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

TAIWAN	Percent interest used in consolidation
CARREFOUR CONDOMINIUM MANAGEMENT AND MAINTENANCE	60
CARREFOUR INSURANCE BROKER CO	60
CHARNG YANG DEVELOPMENT CO	30
PRESICARRE	60
WELLCOME	60

18.2 Equity-accounted companies at December 31, 2022

FRANCE	Percent interest used in consolidation
ADIALEA	5
ALEXANDRE	50
ALK DISTRI	50
ALTACAR OLLIOULES	50
ANGIDIS	50
ANTONINE	50
ARLOM DISTRIBUTION	50
AROBLIS	50
AUBINYC	50
AUDIST	50
BAMAZO	50
BELONDIS	50
BFM DISTRIBUTION	50
BIADIS	34
BLS RETRAIL	50
BOULOGNE POINT DU JOUR	26
BOURG SERVICES DISTRIBUTION	50
BRUT SHOP	40
CABDIS	50
CABDISTRI	50
CALODIAN DISTRIBUTION	50
CAMPI	50
CARDUTOT	26
CARMILA	36
CEMALIYA IMMOBILIER	50
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
COJEDIS	50
COROU	50
COSALCIA	50
CVP DISTRIBUTION	50
CYMUR	50

FRANCE	Percent interest used in consolidation
CZIMMO	50
D2C	50
DECODIS	26
DEPOT PETROLIER DE LYON	50
DIMATI	50
DIRIC	50
DISTRI AIX	50
DISTRI GIGNAC	50
DISTRI PALAVAS	50
DISTRIBERRE IMMO	50
DISTRIBOURG	50
DISTRICAB	50
DISTRIFLEURY	50
DISTRIONE	50
DOUDIS	50
EDENDIS	50
EDENMATHIMMO	50
ENTREPOT PETROLIER DE VALENCIENNES	34
FABCORJO	50
FALME	50
FIVER	50
FONCIERE BORDEROUGE	50
FONCIERE MARSEILLAN	50
FONCIERE PLANES	50
FRELUM	50
GALLDIS	50
GDCLE	48
GENIDIS	48
GGP DISTRIBUTION	50
GMARKET IMMO	50
GRANDI	50
GRDIS	50
GREGADIS	50
HBLP	25
IDEC	50
IMMO ST PIERRE EGLISE	50
J2B DISTRIBUTION	50
JEDEMA	50
JLEM	50
JMS74 DISTRIBUTION	50
JOSIM	34

FRANCE	Percent interest used in consolidation
JTDS MARKET	50
JUPILOU	50
KASAM	50
LA BEAUMETTE	49
LA CATALANE DE DISTRIBUTION	50
LA CLAIRETTE	50
LA CRAUDIS	50
LA GARDUERE IMMO	50
LB LE PLAN	50
LE CLAUZELS	50
LEHENBERRI	50
LES 4 CANAUX IMMO	50
LES OLIVIERS	50
LEZIDIS	50
LOVICHAM	50
LSODIS	50
LYEMMADIS	50
MADIS	50
MADIX	50
MAGODIS	50
MALISSOL	50
MARIDYS	50
MARITIMA DIS	50
MARLODIS	50
MASSEINE	50
MATCH OPCO (MARKET PAY)	39
MAVIC	50
MBD	50
MBD IMMO	50
MIMALI	50
NCL	50
NOUKAT	50
OLICOURS	50
OUISDIS	50
OULLIDIS	50
P.A.M.	50
PAS DE MENC	50
PFDIS	50
PHILODIS	50
PLAMIDIS	50
PLANE MARSEILLAN	50

FRANCE	Percent interest used in consolidation
PLANE PORT VENDRES	50
PONT D'ALLIER	50
PRIGONDIS	50
PRODIX	50
PROVENCIA	50
QUENDIDIS	50
RD2M	50
REBAIS DISTRIBUTION	50
RETAIL MARKET	50
RILLIDIS	48
RIMADIS	50
ROLLAND DISTRIBUTION	50
ROND POINT	50
ROSE BERGER	26
ROUET DISTRI	50
S.C.B	26
S.O.V.A.L.A.C.	50
SADEV	26
SAELI	50
SAINT JUERY DISTRIBUTION	50
SAINT PAUL DISTRIBUTION	50
SAS DF19	50
SAS NC DISTRIBUTION	50
SCGR DISTRIBUTION	50
SCI 2C	50
SCI 2F	50
SCI BRETEUIL	50
SCI CARGAN-LOG	40
SCI COLODOR	50
SCI DU MOULIN	50
SCI DU PARC NATIONAL	50
SCI FONCIERE DES ALBERES	50
SCI HALLE RASPAIL	50
SCI IMMODISC	50
SCI LATOUR	60
SCI LE PETIT BAILLY	50
SCI LE PLA	50
SCI LUMIMMO	51
SCI MARKET RIEC	50
SCOMONDIS	50
SEREDIS	26

FRANCE	Percent interest used in consolidation
SERPRO	50
SIFO	50
SIXFOURSDIS	50
SOBRAMIC	50
SOCADIS	50
SOCIETE DES DEPOTS DE PETROLE COTIERS	24
SOCIETE DES MAGASINS ECONOMIQUES	50
SOCIETE DISTRIBUTION ALMENTAIRE PYRENEES	26
SOCIETE DU DEPOT PETROLIER DE NANTERRE	20
SOCIETE PETROLIERE DU VAL DE MARNE	30
SODIBAL	50
SODIBOR	50
SODICAB	50
SODIFAL	50
SODILIM	50
SODIMER	50
SODIOUIS	50
SODITIOL	50
SODYEN	50
SOLDIS	50
SOMADIS	50
SOQUIMDIS	50
SOVADIS	50
SOVALDIS	50
SPC DISTRI	50
SR2G	50
SRP GROUPE SA (SHOWROOMPRIVÉ.COM)	9
ST BONNET DISCOUNT	50
TEDALI	50
TURENNE	50
VALCRIS DISTRIBUTION	50
VALMENDIS	50
VICTURIS 2003	50
VICUN	50
VILAC	50

BRAZIL	Percent interest used in consolidation
EWALLY	33

SPAIN	Percent interest used in consolidation
2012 ALVARO EFREN JIMENEZ	26
2012 CORDOBA RODRIGUEZ	26
2012 ERIK DAVID	26
2012 FLORES HERNANDEZ	26
2012 LIZANDA TORTAJADA	26
2013 CID OTERO	26
2013 SOBAS ROMERO	26
COSTASOL DE HIPERMERCADOS	34
DIAGONAL PARKING	58
GLORIAS PARKING	50
ILITURGITANA DE HIPERMERCADOS	34
JM MARMOL SUPERMERCADOS	26
LAREDO EXPRESS J.CARLOS VAZQUEZ	26
LUHERVASAN	26
SUPERMERCATS HEGERVIC MATARO	26
SUPERMERCATS SAGRADA FAMILIA	26

ITALY	Percent interest used in consolidation
CONSORZIO CENTRO COMMERCIALE SHOPVILLE GRAN RENO	39
CONSORZIO OPERATORI CENTRO COMMERCIALE LA ROMANINA	46
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	50
CONSORZIO TRA I PROPRIETARI DEL PARCO COMMERCIALE DI NICHELINO	30

POLAND	Percent interest used in consolidation
C SERVICES	30

TUNISIA	Percent interest used in consolidation
ULYSSE	25

TURKEY	Percent interest used in consolidation
CARREFOUR SABANCI TICARET MERKEZI (CARREFOURSA)	32

6.7 Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2022

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, 2022.

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, 2022 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 1, 2022 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.

Justification of Assessments - Key Audit Matters

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, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

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)

Key Audit Matters	Responses as part of our audit
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 department of the Brazilian subsidiaries, 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 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 11.1, 11.2.1 et 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)

Key Audit Matters	Responses as part of our audit
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, 2022 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, 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. This information should be reported on 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 December 17, 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, 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.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF (Autorité des Marchés Financiers) 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, 2022, Deloitte & Associés, and Mazars were in the 20th year, and 12th 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 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.

French original signed by

Courbevoie and Paris-La Défense, February 21, 2023

The Statutory Auditors

MAZARS		**DELOITTE & ASSOCIÉS**	
Jérôme de PASTORS	Marc BIASIBETTI	Bertrand BOISSELIER	Olivier BROISSAND

7

CARRFOUR SA FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

7.1 Income statement

(in millions of euros)	***Note***	**2022**	**2021**
Reversals of impairment and provisions, and transferred charges		7	8
Other income		148	147
Total operating income		**155**	**155**
Other purchases and external charges		(204)	(154)
Wages and salaries, payroll taxes		(28)	(20)
Depreciation, amortisation, impairment and provision expense		(9)	(10)
Taxes other than on income, other operating expenses		(3)	(2)
Total operating expenses		**(244)**	**(186)**
Operating loss		**(89)**	**(31)**
Income from shares in subsidiaries and affiliates		1,325	517
Interest income, revenue from disposals of marketable securities		18	67
Reversals of impairment and provisions		280	136
Total financial income		**1,623**	**720**
Impairment and provision expense		(1,602)	(305)
Interest and other financial expenses		(114)	(130)
Total financial expenses		**(1,716)**	**(435)**
Financial income, net	**8.**	**(93)**	**284**
Recurring income before tax, net		**(182)**	**254**
Reversals of impairment and provisions		14	16
Depreciation, amortisation, impairment and provision expense		-	(5)
Other non-recurring income and expenses		16	253
Non-recurring income, net		**30**	**264**
Employee profit-sharing		**-**	**-**
Income tax	**9.**	**375**	**319**
NET INCOME		**223**	**837**

7.2 Balance sheet

ASSETS

(in millions of euros)	Note	December 31, 2022 Gross	December 31, 2022 Amortisation, depreciation and impairment	December 31, 2022 Net	December 31, 2021 Net
Intangible fixed assets	4.2	19	(19)	0	1
Tangible fixed assets	4.2	2	(2)	0	0
Financial investments	4.1	37,499	(9,160)	28,339	29,580
Fixed assets		**37,520**	**(9,181)**	**28,339**	**29,582**
Accounts receivable	10.1	2,081	(17)	2,064	917
Cash and marketable securities	5.2	249	(64)	185	149
Current assets		**2,329**	**(81)**	**2,249**	**1,066**
Prepayments and deferred charges	10.1	159	-	159	62
TOTAL ASSETS		**40,009**	**(9,261)**	**30,747**	**30,709**

EQUITY AND LIABILITIES

(in millions of euros)	*Note*	December 31, 2022	December 31, 2021
Share capital	7.1	1,855	1,940
Issue and merger premiums	7.2	16,017	16,587
Legal reserve	7.3	204	204
Regulated reserves	7.3	378	378
Other reserves	7.3	39	39
Retained earnings	7.3	2,725	2,268
Net income for the year	7.3	223	837
Tax-driven provisions		-	-
Shareholders' equity	**7.3**	**21,441**	**22,252**
Provision for contingencies and charges	**6**	**115**	**122**
Bonds and notes		7,323	5,913
Bank borrowings		490	-
Miscellaneous financial liabilities		0	0
Financial liabilities	**5.1**	**7,813**	**5,913**
Trade payables		10	5
Accrued taxes and payroll costs	10.2	254	209
Operating liabilities		**264**	**214**
Other miscellaneous liabilities	10.2	1,114	2,207
Miscellaneous liabilities		**1,114**	**2,207**
TOTAL EQUITY AND LIABILITIES		**30,747**	**30,709**

7.3 Statement of cash flows

(in millions of euros)	2022	2021
Net income	**223**	**837**
Depreciation and amortisation	1	2
Provisions and impairment of financial assets, net of reversals	1,309	(44)
Other changes	(63)	(37)
Cash flow from operations	**1,470**	**757**
Change in other receivables and payables	(94)	(348)
Net cash from operating activities	**1,376**	**409**
Acquisitions of shares in subsidiaries and affiliates	(45)	(345)
Disposals of shares in subsidiaries and affiliates	2	185
Change in other financial investments	(6)	-
Other cash flows from investing activities(1)	-	-
Net cash from (used in) investing activities	**(48)**	**(160)**
Dividends paid	(380)	(383)
Share capital reduction	(655)	(700)
Net change in debt	1,900	(826)
Change in intra-group receivables and payables	(2,193)	1,659
Net cash used in financing activities	**(1,328)**	**(251)**
Net change in cash and cash equivalents	**0**	**(1)**
Cash and cash equivalents at beginning of year(1)	0	1
Cash and cash equivalents at end of year(1)	0	0
Net change in cash and cash equivalents	**-**	**(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

2.1 Share buyback programmes

As part of its share capital allocation policy, the Company commissioned an investment services provider to buy back shares corresponding to a maximum amount of 750 million euros, as authorised by the Shareholders' Meeting of May 21, 2021:

(i) (The first tranche of the share buyback programme began on March 7, 2022 and ended on April 13, 2022, with 21,232,106 shares acquired at an average price of 18.84 euros per share for a total amount of 400 million euros;

(ii) A second tranche of the share buyback programme began on May 2, 2022 and ended on May 24, 2022, with 17,191,700 shares acquired at an average price of 20.36 euros per share for a total amount of 350 million euros.

2.2 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 April 2022 involving the cancellation of 21,232,106 shares;

(ii) a second capital reduction in June 2022 involving the cancellation of 12,506,325 shares.

Following cancellation of these shares, the share capital was reduced by 84.3 million euros and premiums were reduced by 570.3 million euros. Carrefour SA therefore has 742,157,461 shares outstanding and, consequently, 11,544,870 treasury shares, representing approximately 1.6% of the share capital.

2.3 Financing transactions

In 2022, Carrefour SA carried out two Sustainability-Linked Bond issues, the first on March 30, 2022 for a total of 1.5 billion euros, and the second on October 12, 2022 for an amount of 500 million euros, which was increased by 350 million euros on November 28, 2022, under the same terms.

On June 8, 2022, Carrefour SA redeemed 1 billion euros worth of 1.75% eight-year bonds, ahead of their maturity (July 2022).

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 2022 compared with the previous year.

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

(in millions of euros)	Shares in subsidiaries and affiliates	Deficits allocated to shares in subsidiaries and affiliates	Other financial assets	Financial assets, net in 2022	Financial assets, net in 2021
Gross amount at January 1	**26,044**	**11,407**	**0**	**37,451**	**37,254**
Capital increases and acquisitions	45		6	50	418
Capital reductions and disposals/liquidations	(2)			(2)	(220)
Gross amount at December 31 (A)	**26,086**	**11,407**	**6**	**37,499**	**37,451**
Impairment at January 1	**(2,860)**	**(5,010)**	**0**	**(7,870)**	**(7,652)**
Increases(1)	(27)	(1,542)		(1,569)	(241)
Reversals(1)	2	276		279	23
Accumulated impairment at December 31 (B)	**(2,885)**	**(6,276)**	**0**	**(9,160)**	**(7,870)**
NET TOTAL (A) - (B)	**23,201**	**5,131**	**6**	**28,339**	**29,581**

(1) Impairment of shares in subsidiaries and deficits recognised in 2022 mainly concerned France and Belgium, and were partially offset by a reversal of impairment relating to Argentina.

Details of allocated shares in subsidiaries and deficits are presented in Note 12.

4.1.3 Carrefour France SAS

At December 31, 2022, the net carrying amount of the shares in Carrefour France SAS including the allocated merger deficit amounted to 5,224 million euros.

The tests performed as at December 31, 2022 on the deficit allocated to the Carrefour France shares indicated the need to recognise an additional impairment loss in the financial statements due a technical effect from the increase in the after-tax discount rate.

Value in use is estimated based on the sum of discounted future cash flows for a period of four 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 6.3% (5.1% in 2021), and a perpetuity growth rate of 1.6% (1.3% in 2021).

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 2022 were as follows:

(in millions of euros)	Intangible fixed assets	Tangible fixed assets	Total in 2022	Total in 2021
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	**(18)**	**(2)**	**(20)**	**(17)**
Depreciation/amortisation for the year	(1)		(1)	(2)
Disposals and scrap			-	-
Depreciation/amortisation and impairment at December 31 (B)	**(19)**	**(2)**	**(21)**	**(20)**
NET TOTAL (A) - (B)	**0**	**0**	**1**	**1**

NOTE 5 FINANCING AND RISK MANAGEMENT

5.1 Borrowings

At December 31, 2022, borrowings broke down as follows:

	December 31, 2022				December 31, 2021
(in millions of euros)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total	Total
Bonds and notes	969	4,719	1,600	7,288	5,883
Accrued interest	35	-		35	30
Commercial paper	490			490	-
FINANCIAL LIABILITIES	**1,494**	**3,719**	**2,600**	**7,813**	**5,913**

Changes in bonds and notes in 2022 are set out below:

		Face Value			
(in millions of euros)	December 31, 2021	Issues	Repayments	Translation adjustments	December 31, 2022
EMTN, EUR, 8 years, 1.75%	1,000	-	(1,000)[(1)]		-
Non-dilutive convertible bonds, USD 500 million, 6 years, 0%	441	-	-	28	469
EMTN, EUR, 8 years, 0.750%	750	-	-	-	750
EMTN, EUR, 10 years, 1.25%	750	-	-	-	750
Non-dilutive convertible bonds, USD, 6 years, 0%	442	-	-	27	469
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
EMTN, EUR, 4 years, 1.875%		750[(2)]			750
EMTN, EUR, 7 years, 2.375%		750[(2)]			750
EMTN, EUR, 6 years, 4.125%		500[(2)]			500
EMTN, EUR, 6 years, 4.125%		350[(2)]			350
Total bonds and notes	**5,883**	**2,350**	**(1,000)**	**55**	**7,288**

(1) On June 8, 2022, the Group redeemed 1 billion euros worth of 1.75% eight-year bonds, ahead of maturity.

(2) Two bond issues were carried out in 2022, the first on March 30, 2022 for a total of 1.5 billion euros, the second on October 12, 2022 for an amount of 500 million euros, which was increased by 350 million euros on November 28, 2022 under the same terms.

5.2 Cash and marketable securities

			December 31, 2022	December 31, 2021
(in millions of euros)	Gross	Impairment	Net	Net
Treasury shares allocated to specific plans[1]	33		33	39
Available treasury shares[2]	216	(64)	152	110
Cash and cash equivalents[3]	0		0	0
CASH AND MARKETABLE SECURITIES	**249**	**(64)**	**185**	**149**

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 "Available treasury shares" 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 "Available treasury shares" and written down if their carrying amount exceeded the most recent share price.

At the end of 2022, the Company decided to use treasury shares for the 2020 free share plan, which is expected to be delivered in February 2023. The treasury shares earmarked for the plan have therefore been reclassified from "Available treasury shares" 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 32.9 million euros (gross amount of 48.1 million euros and previously recognised impairment of 15.1 million euros). A provision for contingencies and charges in the amount of 32.9 million euros was recorded at December 31, 2022 in respect of the share delivery expected in February 2023, offset by the recognition of accrued income of 24.8 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, 2022, cash and marketable securities comprise 11,544,870 Carrefour shares, of which 2,105,505 shares have been allocated to specific plans and 9,439,365 shares are available, for a gross amount of 249 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, 2022	**6,822,993**	**168**	**(58)**	**110**	**2,634,546**	**39**	**-**	**39**
Reclassification to treasury shares allocated to specific plans	(2,105,505)	(48)	15	(33)	2,105,505	33	-	33
Delivery of shares under the 2019 LTI plan					(2,592,746)	(38)	-	(38)
Reclassification to available treasury shares	41,800	1		1	(41,800)	(1)	-	(1)
Delivery of treasury shares to heirs of deceased beneficiaries under the 2020 and 2021 LTI plans	(5,298)	(0)		(0)				
Share buyback – May 2022	4,685,375	95		95				
Net charge to/reversal of impairment of available treasury shares			(21)	(21)				
AMOUNT AT DECEMBER 31, 2022	**9,439,365**	**216**	**(64)**	**152**	**2,105,505**	**33**	**-**	**33**

Carrefour shares held at December 31, 2022 and allocated to specific plans are measured based on the latest known quoted price, i.e., 15.64 euros.

Movements in treasury shares in 2022 were as follows:

(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, 2021	**9,457,539**	**207**	**(58)**	**148**	**(39)**
Shares purchased to cover performance share plans					
Delivery of performance shares allocated to specific plans	(2,592,746)	(38)		(38)	
Change in treasury stock and other equity instruments	38,423,806	750		750	
Cancellation of treasury shares	(33,738,431)	(655)		(655)	
Reclassification of available treasury shares to treasury shares allocated to specific plans		(15)	15		
Delivery of treasury shares to heirs of deceased beneficiaries under the 2020 and 2021 LTI plans	(5,298)	(0)		(0)	
Reversals of provisions for performance shares allocated to specific plans					39
Additions to provisions for performance shares allocated to specific plans					(33)
Impairment of shares not yet allocated to specific plans			(21)	(21)	
AMOUNT AT DECEMBER 31, 2022	**11,544,870**	**249**	**(64)**	**185**	**(33)**

5.3 Liquidity

5.3.1 Credit facilities

At December 31, 2022, 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.

On March 30, 2022, the Group issued its first Sustainability-Linked Bond (SLB) indexed to its sustainable development goals. The 1.5-billion-euro bond comprises two tranches of 750 million euros each, with a maturity of 4.6 years (due in October 2026) and 7.6 years (due in October 2029) respectively, and paying a coupon of 1.88% and 2.38%.

On October 12, 2022, the Group carried out its second Sustainability-Linked Bond issue indexed to its sustainable development goals, for a total of 500 million euros, maturing in six years (due in October 2028) and paying a coupon of 4.125%. On November 28, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.

These bonds were issued as part of a financing strategy aligned with the Group's CSR objectives and ambitions as well as the Sustainability-Linked Bond Framework of its Euro Medium-Term Notes (EMTN) programme published in June 2021, whose CSR component was revised and enhanced in May 2022.

On June 8, 2022, the Group redeemed 1 billion euros worth of 1.75% eight-year bonds, ahead of their maturity (July 2022).

Carrefour also has a 5-billion-euro commercial paper programme described in a prospectus filed with the Banque de France.

These transactions guarantee the Carrefour group's liquidity over the short- and medium-term in an unstable economic environment, and are part of the strategy to ensure the necessary financing is in place to meet Carrefour's needs. The average maturity of Carrefour SA's bond debt was 3.6 years at end-December 2022, compared with 3.1 years at end-December 2021.

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.

			Reversals			
(in millions of euros)	December 31, 2021	Increases	Used	Surplus	Other movements	December 31, 2022
Obligations to deliver shares	39	33	(39)			33
Pension obligations	0					0
Provisions for shares in subsidiaries and affiliates	25	12				38
Disputes and miscellaneous risks	58	9	(6)	(16)		44
Provision for contingencies and charges	**122**	**54**	**(45)**	**(16)**		**115**
On financial assets	7,870	1,569	(2)	(276)		9,160
On accounts receivable	17	0				17
On other items (marketable securities)	58	21			(15)	64
Impairment	**7,945**	**1,589**	**(2)**	**(276)**	**(15)**	**9,240**
TOTAL PROVISIONS AND IMPAIRMENT	**8,067**	**1,644**	**(47)**	**(293)**	**(15)**	**9,355**

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 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 vested subject to a service condition and several performance conditions.

The vesting period was three years from the date of the Board of Directors' meeting at which the plan was decided.

The number of shares that vested depended 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 SA share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

In February 2022, 2,592,746 treasury shares were delivered under this plan.

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 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 adjusted free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour SA share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

As mentioned in Note 5.2, the shares that will be delivered to the grantees in February 2023 will be treasury shares held by the Company.

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 to the Executive Officer (representing 0.33% of the share capital). The shares will vest subject to a service condition and several performance conditions.

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 adjusted free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour SA share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

2022 Plan

On February 16, 2022, 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 3,104,000 shares excluding shares granted the Executive Officer (representing 0.4% of the share capital). The shares will vest subject to a service condition and several performance conditions.

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 adjusted free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour SA share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

Characteristics

The main characteristics of the three performance share plans outstanding are presented below.

	2020 Plan	2021 Plan	2022 Plan
Shareholders' Meeting date	June 14, 2019	June 14, 2019	May 21, 2021
Grant date[(1)]	February 26, 2020	February 17, 2021	February 16, 2022
Vesting date[(2)]	February 25, 2023	February 16, 2024	February 16, 2025
Total number of shares approved at the grant date	2,604,597	3,000,000	3,104,000
Number of grantees at the grant date	516	690	809
Fair value of each share (in euros)[(3)]	13.05	11.85	14.21

(1) Notification date (i.e., date on which grantees were notified of the plans' characteristics and terms).

(2) The shares will vest subject to a service condition and several performance conditions.

(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 2022:

	2022	2021
Number of performance shares granted at January 1	**7,907,569**	**5,453,908**
Shares granted during the year	3,104,000	3,000,000
Shares delivered to grantees during the year(1)	(2,598,044)	-
Shares cancelled during the year(2)	(697,255)	(546,339)
NUMBER OF PERFORMANCE SHARES GRANTED AT DECEMBER 31	**7,716,270**	**7,907,569**

(1) Of which 2,592,746 shares were delivered to heirs of employees under the 2019 plan, and 5,298 shares under the ongoing 2020 and 2021 Performance Plans.

(2) 41,800 shares were cancelled under the 2019 plan, 238,700 under the 2020 plan, 260,700 under the 2021 plan and 156,055 under the 2022 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.

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, 2022	December 31, 2021
Rate of future salary increases	3%	2.84%
Payroll tax rate	36%	36%
Discount rate	3.80%	0.80%
Mortality table	TH 2017-2019/TF 2017-2019	TV TD 2016-2018
Staff turnover rate (based on seniority):	Before age 55, average of the actual turnover rates for headquarters staff over the period 2020-2022; beyond age 55, the turnover rate is nil	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
0 to 5 years' seniority	*8.45%*	*8.46%*
6 to 10 years' seniority	*7.43%*	*7.10%*
11 to 15 years' seniority	*2.57%*	*3.04%*
16 to 20 years' seniority	*4.39%*	*4.72%*
21 to 25 years' seniority	*3.68%*	*2.96%*
More than 26 years' seniority	*2.70%*	*3.26%*

The provision at December 31, 2022 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, 2022, the obligation net of plan assets corresponded to 177 thousand euros in assets.

6.2.2 Supplementary pension obligations

In 2009, Carrefour 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, 2022, the share capital was made up of 742,157,461 ordinary shares with a par value of 2.50 euros each, versus 775,895,892 shares at December 31, 2021.

The change during the year corresponds to the shares cancelled in connection with the capital reductions carried out in April and June 2022.

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, 2021	**1,940**	**16,587**	**2,889**	**837**	**22,252**
Appropriation of net income for 2021			837	(837)	-
Dividend distribution			(380)		(380)
Share capital reductions	(84)	(570)			(655)
Net income for 2022				223	223
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2022	**1,855**	**16,017**	**3,346**	**223**	**21,441**

At the Shareholders' Meeting held on June 3, 2022, the shareholders decided to set the 2021 dividend at 0.52 euro per share to be paid entirely in cash.

On June 9, 2022, the dividend was paid out in an amount of 380 million euros.

Dividends not paid on Carrefour shares held in treasury on the ex-dividend date, in the amount of 6 million euros, were credited to retained earnings.

As mentioned in Note 2, further to buying back treasury shares for a total amount of 750 million euros, the Company carried out two capital reductions through the cancellation of shares: (i) an initial capital reduction in April 2022 involving the cancellation of 21,232,106 shares, corresponding to a capital reduction of 53 million euros and an impact on premiums of 347 million euros; (ii) a second capital reduction in June 2022 involving the cancellation of 12,506,325 shares, corresponding to a capital reduction of 31 million euros; and (iii) an impact on premiums of 223 million euros.

7.4 Treasury share reserve

At December 31, 2022, a total of 11,544,870 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, 2022 was 185 million euros (see Note 5.2). versus 148 million euros at December 31, 2021.

NOTE 8 FINANCIAL INCOME, NET

Net financial income breaks down as follows:

(in millions of euros)	2022	2021
Dividends	1,325	517
Interest and other financial expenses	(114)	(130)
Impairment and provisions	(1,602)	(305)
Reversals of impairment and provisions	280	136
Other financial income and expenses, net	18	67
FINANCIAL INCOME, NET	**(93)**	**284**

In 2022, dividends received stood at 1,325 million euros, mainly including:

- 724 million euros from Dutch subsidiary CNBV;
- 271 million euros from Spanish subsidiary Norfin Holder;
- 116 million euros from French subsidiary CRFP8;
- 61 million euros from Belgian subsidiary Caparbel;
- 43 million euros from Brazilian subsidiary Atacadão.

Interest expense was mainly attributable to bond and note issues.

Further to their remeasurement at December 31, 2022, the Company recognised an increase of 1,290 million euros in the net charge to impairment for shares in subsidiaries and affiliates and deficits, and of 12 million euros in provisions for shares in subsidiaries (see Note 6).

Movements for the year also include a reversal of impairment of marketable securities for 21 million euros.

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)	2022 Before tax	Tax	After tax
Recurring income before profit-sharing	(182)		(182)
Non-recurring income, net	30		30
Group relief		375	375
2022 NET INCOME	**(152)**	**375**	**223**

The income tax benefit for 2022 mainly corresponds to 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.

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, 2022		December 31, 2021	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
1- Temporarily non-deductible expenses				
■ Provisions for pension obligations				
■ Provisions for contingencies and charges	2		2	
■ Other				
2- Temporarily non-taxable revenue				
■ Capital gains on mergers and asset contributions qualifying for rollover relief		250		250
3- Tax loss carryforwards	**133**		**256**	
TOTAL	**135**	**250**	**258**	**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.

(in millions of euros)	December 31, 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2021
Accounts receivable(1)	2,081	2,081			934
Subtotal accounts receivable	**2,081**	**2,081**			**934**
Translation losses					
Other accruals(2)	159	126	33		62
Subtotal accruals	**159**	**159**			**62**
TOTAL	**2,240**	**2,240**			**996**

(1) Accounts receivable correspond mainly to intra-group receivables and, to a lesser extent, tax receivables (tax or VAT credits).

(2) Other accruals mainly include translation adjustments, a prepaid expense relating to the Paris 2024 partnership, bond issuance premiums and bond issuance costs 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, 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2021
Trade payables	10	10			5
Accrued taxes and payroll costs	254	254			209
Other liabilities(1)	1,114	1,114			2,207
TOTAL	**1,378**	**1,378**			**2,421**

(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

		Notional amount covered by maturity				Market value of derivatives	
Derivative instruments used (in millions of euros)	December 31 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31 2021	December 31 2022	December 31 2021
Purchased calls	**938**	**469**	**469**		**883**	**17**	**22**
Currency swaps	**948**	**480**	**469**		**883**	**175**	
EUR/USD on convertible bonds	938	469	469		883	174	120
EUR/TWD	11	11				1	0
Purchased interest rate options (caps)	**0**				**100**	**0**	**0**
Purchased swaptions (SWP)	**275**	**200**	**75**		**575**	**47**	**8**
Sold swaptions (SWR)	**0**				**(250)**	**0**	**(4)**
Interest rate swaps	**(75)**		**(75)**			**5**	**0**
TOTAL	**2,161**	**1,148**	**1,013**	**-**	**2,191**	**413**	**146**

(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, 2022	December 31, 2021
Guarantees(1)	39	34
Commitments given	**39**	**34**
Undrawn syndicated lines of credit(2)	3,900	3,900
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, 2022, 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

	2022	2021
Managerial	5	4
AVERAGE NUMBER OF EMPLOYEES	**5**	**4**

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, 2022.

NOTE 12 SUBSIDIARIES AND AFFILIATES

(in millions of euros)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Impairment of shares	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	97	50.0%	44		44	-	-	3	0	0
CARREFOUR BANQUE	101	367	60.0%	124		124	-	-	2	240	9
CARREFOUR FRANCE	1,995	(538)	99.6%	3,979		3,979	6,952	1,245	(543)	19	0
CARREFOUR MANAGEMENT	0	6	100.0%	118	(117)	1	-	-	(3)	0	0
CARREFOUR SYSTÈMES D'INFORMATION	164	(190)	100.0%	168	(168)	0	-	-	(4)	383	0
CRFP 8	3,381	248	74.8%	2,528		2,528	-	-	167	0	116
GUYENNE ET GASCOGNE	106	(34)	100.0%	428	(189)	238	-	-	0	12	0
HYPARLO	63	94	100.0%	450		450	180	150	34	0	0
TOTAL				**7,838**	**(474)**	**7,364**	**7,132**	**1,395**	**(343)**	**654**	**125**
International											
CARREFOUR ASIA	183	(179)	100.0%	190	(186)	4					0
CARREFOUR NEDERLAND BV	2,259	1,256	100.0%	3,603		3,603	767	767			724
NORFIN HOLDER	2	4,435	79.9%	3,177		3,177	2,872	2,872			271
CAPARBEL	6,334	12	100.0%	6,334		6,334	636	97			61
TOTAL				**13,304**	**(186)**	**13,119**	**4,275**	**3,736**	**0**	**0**	**1,057**

(in millions of euros)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Impairment of shares	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
2. Affiliates (10%-50% owned)											
France											
CARREFOUR FINANCE	6,823	719	25.0%	1,668		1,668	-	-	86	0	0
CRFP 13	863	506	38.0%	385		385	-	-	52	0	10
TOTAL				**2,053**		**2,053**	**0**	**0**	**138**	**0**	**10**
International											
ATACADÃO	1,213	1,494	30.97%	251		251	-	-	582	9,913	43
CARREFOUR ITALIA	1,289	(672)	30.0%	2,282	(2,206)	77	-	-			0
TOTAL				**2,533**	**(2,206)**	**328**	**0**	**0**	**582**	**9,913**	**43**
B- Aggregate information											
1. Other subsidiaries											
France				**11**	**0**	**11**	**0**	**0**			**49**
International				**0**	**0**	**0**	**0**	**0**			**0**
2. Other investments											
France				**98**	**(11)**	**87**	**0**	**0**			**10**
International				**248**	**(8)**	**240**	**0**	**0**			**32**
C- General information about investments											
French subsidiaries (total)				**7,849**	**(474)**	**7,375**	**7,132**	**1,395**			**175**
International subsidiaries (total)				**13,304**	**(186)**	**13,119**	**4,275**	**3,736**			**1,057**
French affiliates (total)				**2,151**	**(11)**	**2,140**	**0**	**0**			**20**
International affiliates (total)				**2,781**	**(2,214)**	**568**	**0**	**0**			**74**
TOTAL				**26,086**	**(2,885)**	**23,201**	**11,407**	**5,131**			**1,325**

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 2021 since the 2022 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, 2022

This is a free 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, 2022.

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, 2022 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, 2022 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.

Justification of Assessments - Key Audit Matter

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.

Measurement of the value in use of the shares in subsidiaries and affiliates

(See notes 4.1 and 12 to the financial statements)

Key Audit Matter

As of December 31, 2022, the net book value of the shares including allocated merger losses amounted to € 28,332 million and represents the most important item on the balance sheet.

The gross value of investments is recorded at acquisition cost. An impairment loss is recognized when the value in use falls below the net book value (including, where applicable, the net book value of allocated merger losses)

As stated in Note 4.1 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 does not exceed their value in use. Otherwise, an impairment loss is recognized in the financial result.

As stated in Note 4.1 to the financial statements, the value in use has been determined on the basis of several criteria, the main ones being (i) the value of shareholders' equity, (ii) projections of future cash flows established, (iii) the valuation of the revalued net assets estimated on the basis of reasonable operating forecasts or on the basis of observable data when available (multiples of sales and/or income statement aggregates of recent transactions, offers received from buyers, multiples of stock market values of comparable companies) or analyses carried out by internal or external experts, adjusted, if necessary, for the net debt of the tested entity.

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 to be a key audit matter.

Responses as part of our audit

In order to estimate the value in use of the shares as determined by management, our work consisted in assessing the appropriateness of the methodology used to determine the value in use:

- analysing the consistency of the cash flow forecasts used with our understanding of the group's strategic outlook and guidance;
- comparing past forecasts with actual results to verify the reliability of the forecasting process;
- assessing 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 reasonableness of the observable data provided by the company insofar as they contribute to the estimation of the value in use of the securities;
- assessing the appropriateness of the disclosures in Notes 4.1, 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 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 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 N° 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.

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 of December 31, 2022, Deloitte & Associés, and Mazars were in the 20th, and 12th 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 5, 2023

The Statutory Auditors

DELOITTE & ASSOCIÉS	MAZARS
Bertrand BOISSELIER Olivier BROISSAND	Jérôme de PASTORS Marc BIASIBETTI

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 Évry 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 Company's term, 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 April 20, 2022

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.

Accordingly, the Company's share capital was reduced by a nominal amount of 53,080,265 euros (fifty-three million, eighty thousand, two-hundred and sixty-five euros) through the cancellation of 21,232,106 Company shares.

Following this reduction, the Company's share capital amounted to 1,886,659,465 euros (one billion, eight hundred and eighty-six million, six hundred and fifty-nine thousand, four hundred and sixty-five euros), divided into 754,663,786 shares with a par value of 2.50 euros each.

Capital reduction on June 3, 2022

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 31,265,812.50 euros (thirty-one million, two hundred and sixty-five thousand, eight hundred and twelve euros and fifty cents) through the cancellation of 12,506,325 Company shares.

Following this reduction, the share capital amounted to 1,855,393,652.50 euros (one billion, eight hundred and fifty-five million, three hundred and ninety-three thousand, six hundred and fifty-two euros and fifty cents), divided into 742,157,461 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

8.2.2.1 Delegations in force in 2022

Type	Guarantee amount	Date of the Annual Shareholders' Meeting	Duration	Expiry date	Use during 2022
Issue of shares and/or marketable securities with pre-emptive subscription rights					
■ Shares	€500 million	May 21, 2021	26 months	July 21, 2023	-
■ Other marketable securities	€4.5 billion	May 21, 2021	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	May 21, 2021	26 months	July 21, 2023	-
■ Other marketable securities	€1.5 billion	May 21, 2021	26 months	July 21, 2023	-
Issue of shares and/or marketable securities without pre-emptive subscription rights (private placement)					
■ Shares	€175 million	May 21, 2021	26 months	July 21, 2023	-
■ Other marketable securities	€1.5 billion	May 21, 2021	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%	May 21, 2021	26 months	July 21, 2023	-
Capital increase by incorporation of reserves, profits and premiums	€500 million	May 21, 2021	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	May 21, 2021	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)	May 21, 2021	26 months	July 21, 2023	3,104,000 shares, i.e., approximately 0.42% of the Company's share capital at December 31, 2022
Transactions in Company shares	10% of the Company's capital	May 21, 2021	18 months	November 21, 2022	38,423,806 shares, i.e., approximately 5.18% of the Company's share capital at December 31, 2022
Transactions in Company shares	10% of the Company's capital	June 3, 2022	18 months	December 3, 2023	-

8.2.2.2 Delegations to be submitted to the Shareholders' Meeting of May 26, 2023 for approval

Type	Guarantee amount	Duration	Expiry date
Issue of shares and/or marketable securities with pre-emptive subscription rights			
■ Shares	€500 million	26 months	July 26, 2025
■ Other marketable securities	€4.5 billion	26 months	July 26, 2025
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 26, 2025
■ Other marketable securities	€1.5 billion	26 months	July 26, 2025
Issue of shares and/or marketable securities without pre-emptive subscription rights (private placement)			
■ Shares	€175 million	26 months	July 26, 2025
■ Other marketable securities	€1.5 billion	26 months	July 26, 2025
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 26, 2025
Capital increase by incorporation of reserves, profits and premiums	€500 million	26 months	July 26, 2025
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 26, 2025
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)	With performance conditions: 1% (of which 0.25% for Company officers) Without performance conditions: 1% (of which 0% for Company officers)	26 months	July 26, 2025
Capital increases reserved for a named person (Carrefour Invest/Italy plan)	€2.5 million	18 months	November 26, 2024
Transactions in Company shares	10% of the Company's capital	18 months	November 26, 2024

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**
Capital reduction through cancellation of treasury shares	21,232,106	
Capital reduction through cancellation of treasury shares	12,506,325	
Position at December 31, 2022	**742,157,461**	**1,855,393,652.50**

8.2.4 TREASURY SHARE BUYBACKS

Treasury shares

At December 31, 2022, the Company held 11,544,870 treasury shares (i.e., 1.56% of the share capital).

The market value of treasury shares held at December 31, 2022, based on the final quoted price known for the year of 15.64 euros per share, was approximately 181 million euros.

Of these 11,544,870 treasury shares held by the Company at December 31, 2022:

- 6,859,495 shares are used to cover stock option plans, performance share plans and any other allocations of shares;
- 4,685,375 shares are earmarked for cancellation.

Share buyback programmes in effect during 2022

Share buyback programme approved by the Shareholders' Meeting of May 21, 2021

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.

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.

For each of the goals pursued by this programme, the number of shares purchased as authorised above was as follows:

- liquidity agreement: none;
- stock option plan: none;
- performance share plan: none;
- cancellation: under a share buyback mandate conducted in two separate tranches, the Company bought back 38,423,806 shares earmarked for cancellation. On April 20, 2022 and June 3, 2022, the Company cancelled 21,232,106 and 12,506,325 shares respectively that had been purchased under this share buyback programme;
- sale of treasury shares: none.

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 10% of the Company's share capital on the date at which the authorisation is used.

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 21, 2022.

Share buyback programme approved by the Shareholders' Meeting of June 3, 2022

The Shareholders' Meeting of June 3, 2022, 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 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 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, 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 June 3, 2022 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.

For each of the goals pursued under this programme, the number of shares purchased as authorised above was as follows:

- liquidity agreement: none;
- stock option plan: none;
- performance share plan: none;
- cancellation: none;
- sale of treasury shares: none.

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 30 euros and the maximum number of shares that may be purchased is 10% of the Company's share capital on the date at which the authorisation is used.

Term of the share buyback programme:

- eighteen months from June 3, 2022 pursuant to the authorisation granted at the Shareholders' Meeting, i.e., until December 3, 2023.

Transactions carried out by way of purchase, sale or transfer under the buyback programmes

Percentage of capital held directly and indirectly by the Company (in shares and as a percentage) at the beginning of the last programme on June 3, 2022	11,544,870/1.56%
Number of shares cancelled over the past 24 months	75,466,379
Number of shares held at December 31, 2022 (in shares and as a percentage)	11,544,870/1.56%
Gross book value of the portfolio (in euros)	248,664,435.50
Market value of the portfolio (in euros)	180,561,766.80
Number of shares purchased during the year	38,423,806[(1)]
Number of shares sold during the year	-
Transaction costs (in euros)	140,000
Average purchase price (in euros)	19.60
Average sale price	-

(1) Number of shares purchased under the share buyback programme approved by the Shareholders' Meeting of May 21, 2021.

8.2.5 GRANT OF OPTIONS

There were no longer any Carrefour stock option plans outstanding at December 31, 2022.

8.2.6 GRANT OF SHARES

On February 16, 2022, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the 29th resolution of the Shareholders' Meeting held on May 21, 2021 to grant performance shares (new or existing) to 809 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 net 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, 2022 are presented below.

	2020 Performance Plan	2021 Performance Plan	2022 Performance Plan
Date of the Annual Shareholders' Meeting	June 14, 2019	June 14, 2019	May 21, 2021
Grant date	February 26, 2020	February 17, 2021	February 16, 2022
Vesting date(1)	February 26, 2023	February 17, 2024	February 16, 2025
Number of shares awarded at grant date	2,604,597	3,000,000	3,104,000
of which to Company Officers	*304,597*	*335,330*	*338,345*
Number of grantees at grant date	516	691	809
Fair value of one share (in euros)(2)	13.05	11.85	14.21
Total number of shares delivered	2,047,607	N/A	N/A

(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 2020 performance share plan expired on February 26, 2023. The Carrefour group's performance with regard to this plan was 100% (effective performance of 118%, capped at 100%). The corresponding shares were delivered to the grantees in accordance with the terms of the relevant regulation.

A total of 2,047,607 shares were delivered under this plan.

The performance achieved by the Group breaking down as follows over the performance assessment period: the performance level achieved for the recurring operating income criterion was 116% (1); the performance level achieved for the free cash flow criterion was 150% (2); the performance level of the TSR criterion was 75% (3); and the performance level achieved for the CSR criterion was 129% (4).

Movements in performance shares in 2022 were as follows:

	2021	2022
Number of performance shares granted at January 1	**5,377,309**	**7,907,569**
Shares granted during the year(1)(2)	3,000,000	3,104,000
Shares delivered to grantees during the year	-	2,598,044
Of which shares delivered to Company officers(3)		*249,146*
Shares cancelled during the year(4)	(469,740)	(766,309)
Number of performance shares granted at December 31	**7,907,569**	**7,647,216**

(1) 2021 performance share plan decided by the Board of Directors on February 17, 2021.
(2) 2022 performance share plan decided by the Board of Directors on February 16, 2022.
(3) Shares allocated by the Board of Directors on February 27, 2019. The performance achieved by the Group was 100% (actual performance 118%, capped at 100%), breaking down as follows: 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).
(4) Shares cancelled under the 2019, 2020, 2021 and 2022 performance share plans.

(1) ROI: average performance over three years 116.3% (in millions of euros). 2020: target 2,172 - result 2,324 - performance 125.3%. 2021: target 2,355 - result 2,481 - performance 121.0%. 2022: target 2,508 - result 2,524 - performance 102.7%.
(2) Net FCF: average performance over three years 150.0% (in millions of euros). 2020: target 1,250 – result 1,889 – performance 150.0%. 2021: target 1,351 – result 1,836 – performance 150.0%. 2022: target 1,505 – result 1,993 – performance 150.0%.
(3) For a positioning in fourth place of the panel of companies.
(4) CSR: average performance over three years 129.2%. 2020: target 100% – result 115% – performance 137.5%. 2021: target 100% – result 111% – performance 127.5%. 2022: target 100% – result 109% – performance 122.5%.

8.3 Shareholders

8.3.1 MAIN SHAREHOLDERS

At December 31, 2022, the share capital amounted to 1,855,393,652.50 euros (one billion, eight hundred and fifty-five million, three hundred and ninety-three thousand, six hundred and fifty-two euros and fifty cents). divided into 742,157,461 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, 2022 is 922,276,998. After deducting the voting rights that cannot be exercised, the total number of voting rights is 910,732,128.

CAPITAL (AT DECEMBER 31, 2022)

To the Company's knowledge, the breakdown of the capital and voting rights at December 31, 2022 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 %)
Galfa	79,624,212	10.73%	159,248,424	17.49%	159,248,424	17.27%
	22,291,101(1)	3.00%			22,291,101	2.42%
Subtotal – Galfa	**101,915,313**	**13.73%**	**159,248,424**	**17.49%**	**181,539,525**	**19.68%**
Peninsula Europe(1)(2)	**62,563,160**	**8.43%**	**125,022,711**	**13.73%**	**125,022,711**	**13.56%**
Bank of America Merrill Lynch	**43,883,841**	**5.91%**	**43,883,841**	**4.82%**	**43,883,841**	**4.76%**
Employees	7,083,500	0.95%	13,949,600	1.53%	13,949,600	1.51%
Treasury shares	11,544,870	1.56%	-	-	11,544,870	1.25%
Public	515,166,777	69.41%	568,627,552	62.44%	546,336,451	59.24%
TOTAL	**742,157,461**	**100.00%**	**910,732,128**	**100.00%**	**922,276,998**	**100.00%**

(1) Held via stock options.
(2) Including 24,809,568 registered shares held by Abilio Diniz.
(3) Shares pledged to banks under structured financing arrangements.

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 %)
Galfa	79,624,212	10.26%	159,248,424	16.83%	159,248,424	16.66%
	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 %)
Galfa	79,624,212	9.74%	158,598,424	15.73%	158,598,424	15.25%
	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.

Carrefour shareholder agreement

There is no shareholder agreement at Carrefour.

Employee shareholding

At December 31, 2022, Group employees held 0.95% of the Company's share capital through the Company mutual fund.

8.3.2 CROSSING OF THRESHOLDS REPORTED TO THE COMPANY IN 2022

To the Company's knowledge, the crossing of the following statutory thresholds was reported by the shareholders to the Company and the AMF in 2022:

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
BlackRock	February 9, 2022	Upward	5.00%	5.04%	4.09%	39,111,183
BlackRock	February 18, 2022	Downward	5.00%	4.97%	4.04%	38,573,685
BlackRock	June 3, 2022	Upward	5.00%	5.05%	4.09%	38,133,053
BlackRock	June 6, 2022	Downward	5.00%	4.70%	3.80%	35,496,312
BlackRock	July 13, 2022	Upward	5.00%	5.02%	4.04%	37,220,804
BlackRock	July 14, 2022	Downward	5.00%	4.97%	4.00%	36,854,630
BlackRock	July 26, 2022	Upward	5.00%	5.01%	4.04%	37,205,921
BlackRock	August 1, 2022	Downward	5.00%	4.90%	3.95%	36,372,883
BlackRock	August 3, 2022	Upward	5.00%	5.06%	4.08%	37,565,962
Galfa	August 9, 2022	Amendments to two financial instrument contracts	-	-	-	-
BlackRock	August 12, 2022	Downward	5.00%	4.97%	4.01%	36,919,409
BlackRock	August 22, 2022	Upward	5.00%	5.03%	4.06%	37,327,036
BlackRock	August 30, 2022	Downward	5.00%	4.94%	3.98%	36,654,120

8.3.3 INFORMATION REFERRED TO IN ARTICLE L. 233-13 OF THE FRENCH COMMERCIAL CODE

At the end of 2022:

- 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 less 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 5, 2023

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: Bertrand Boisselier and Olivier Broissand	April 15, 2003	May 21, 2021	2027
Mazars 61, rue Henri-Régnault, 92400 Courbevoie, France Signatories: Jérôme de Pastors and Marc Biasibetti	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.

9.5 Information incorporated by reference

In accordance with Article 19 of EU Regulation no. 2017/1129 of June 14, 2017, as amended, 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, 2021: 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 28, 2022 under number D. 22-0376, on pages 290 to 378, 379 to 382, 384 to 403 and 404 to 406 respectively;
- 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 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.

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	N/A
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	1.5.1-1.5.2-1.5.3 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	1.4.1
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
6.2. 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

Appendices I and II of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	Chapter/Section no.
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
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	2.1.6
15.2. Director shareholdings and stock options	3.2.1-3.4.3 8.2.4
15.3. Arrangements for involving employees in the capital	2.1.6 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

Appendices I and II of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	Chapter/Section no.
18.3. Auditing of historical annual financial information	6.7
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	8.2.4
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**
6/ Corporate governance report	**3 and 8**

9.6.3 MANAGEMENT REPORT CONCORDANCE TABLE

Reference texts

		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	2.1.3
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)
		The Company's exposure to price, credit, liquidity and cash flow risks	4.1.2.3
French Commercial Code	L. 225-102-1	Social and environmental consequences of the business	2
		Collective bargaining agreements entered into by the Company and their impact on the Company's financial performance and employee working conditions	2.1.6
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

Reference texts			
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	2.2.1
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	8.2.4
		Information about the Company and capital	
French Commercial Code	L. 225-211	Details of purchases and sales of treasury shares during the financial year	8.2.4
		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 the Company's Executive Management and general management	3.4
		Information about compensation	
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 8.2.4
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

Reference texts			Chapter/Section no.
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
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 NON-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	2.1.2/2.2.4.1/2.2.3
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	1.3.1.3/2.1.2.4
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	1.3.2.4/2.1.6.4/2.2.4.2
Measures taken to combat food waste	1.3.1.3/2.1.2.5/2.1.3.4
Measures taken to promote employment of the disabled	1.3.2.4/2.1.6.4
Social commitment to combating food insecurity	1.2.1/1.3.1.1/2.1.3.4
Social commitment to promoting animal welfare	1.3.1.1/2.1.5.6
Social commitment to promoting responsible, equitable and sustainable diets	1.3.1/2.1.4.2
Social commitment to sustainability	Chapter 2/1.3

(*) For listed companies.

CONTACTS

Groupe Carrefour
Head Office
93 Avenue de Paris
TSA 55555
91889 Massy Cedex

Investor
relations
investisseurs@carrefour.com

Shareholder
relations
contact@actionnaires.carrefour.com

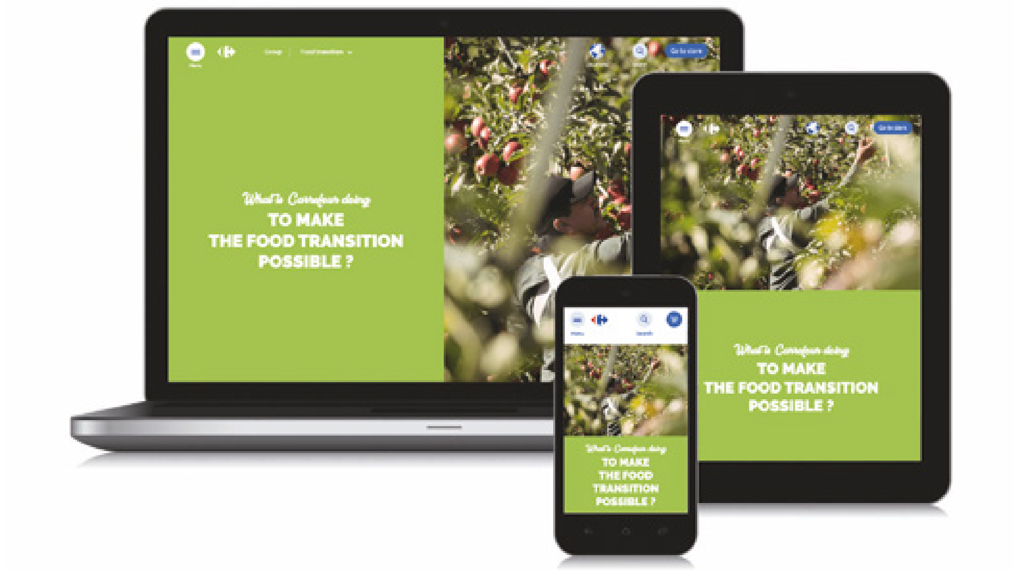
Shareholder's Club
Autorisation 93261
92535 Levallois-Perret Cedex
Tel.: 0805 902 902
club@actionnaires.carrefour.com

Registered
shareholders
Société Générale Securities Services
32 rue du Champ de Tir
CS 30812 44308 Nantes cedex 3
Tel.: +33 (0)2 51 85 67 89
Fax: +33 (0)2 51 85 53 42

GET THE LATEST NEWS ON THE CARREFOUR GROUP

www.carrefour.com

@GroupeCarrefour   @Carrefour   @Carrefour



Production: Carrefour group Legal department

Photo credits: Nicolas Gouhier, Stefano Demarie, Carrefour, Shutterstock, GettyImages, all rights reserved

Translation: PricewaterhouseCoopers Advisory, Language Services

Design & production: LABRADOR

Paper: the Carrefour group is committed to managing its paper purchases in a responsible manner. The paper used in this document is certified by the FSC® (Forest Stewardship Council). This certification confirms compliance with a globally recognised set of principles and criteria for forest management. The goal of the FSC® is to promote environmentally responsible, socially beneficial and economically viable forest management.

www.carrefour.com
@GroupeCarrefour

Société anonyme with capital of 1,855,393,652.50 euros
Head office: 93, avenue de Paris – 91300 Massy
652 014 051 RCS Évry