

# RIGHT WAY TO LIVE

2023 SUSTAINABILITY REPORT



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## 2023 SUSTAINABILITY REPORT

## ABOUT THE REPORT <sup>2-3</sup>

We are pleased to present our third Sustainability Report, prepared according to the Global Reporting Initiative (GRI) Standards. Through the 2023 CarrefourSA Sustainability Report, covering the period from 1.1.2023 to 31.12.2023, we aim to transparently disclose the impacts of our operations on the economy, our workplace, our value chain and the environment alongside our progress. The annual sustainability reports are structured to reflect our material topics. In this report, we voluntarily observed compliance with The Türkiye Sustainability Reporting Standards, which we will be required to follow starting from 01.01.2025, and included the metrics specified in the SASB Food Retailers and Distributors standard in our declarations. We also included information on how we contribute the UN Sustainable Development Goals (SDGs).

The global standards, the guiding work of our main shareholder, H.Ö. Sabancı Holding, and the exemplary practices of Carrefour Group, our brand partner, were integral to the unique sustainability approach we have developed and named the Right Way to Live.

We are pleased to disclose our company's environmental, social and economic performance as well as a comprehensive overview of our key targets. We hope that our report will provide valuable information for all our stakeholders who follow our sustainability progress.

# RIGHT WAY TO LIVE



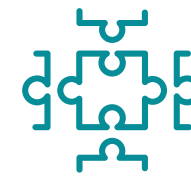
## **Right way** *for our Customers*

- We care about the well-being of our customers, monitor the activities of our suppliers to ensure product safety and quality, and deliver the right products at accessible prices.



## **Right way** *for our People*

- We prioritize occupational health and safety, operating with a zero workplace accident and occupational disease target.
- We consider our human resource as our intellectual capital and promote organizational development to become the employer of choice and to offer equal opportunity.



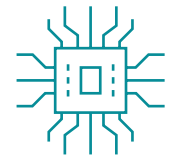
## **Right way** *for all our Stakeholders*

- We promote responsible production as a material topic and support local suppliers and products.
- We see our suppliers as our partners, monitoring and supporting them in improving their sustainability performance.
- We communicate with transparency, accountability, and engagement in our stakeholder relations.



## **Right way** *for the Environment*

- We embrace a zero waste approach and minimize waste generation, always striving to improve our recycling rates.
- We follow the national and international agenda on tackling climate change and work to reduce greenhouse gas emissions at every stage of our value chain, starting with our stores.
- We ensure that water is used efficiently.
- We act diligently about our impact on biodiversity and plan our business models to conserve local fauna and flora.
- As we develop our products and services, we assess their impact across the lifecycle and exercise environmental sensibility.
- We consider tackling food waste as an integral part of our corporate social responsibility and collaborate with our stakeholders to eliminate food waste.



## **Right way** *for Innovation and Digitalization*

- We place digitalization and innovation at the core of our activities and foster ideas and opinions on this matter.

*As we work toward our goal of offering the right products at the right price with the right service sourced from the right suppliers in line with our Next-Generation Market vision and The Right Ones are at CarrefourSA motto, we integrate our **Right Way to Live** ethos into all our processes.*

# CEO's Message<sup>2022</sup>



*Dear Stakeholders,*

At CarrefourSA, a subsidiary of Sabancı Holding and Carrefour Group, and a leader in Turkish retail, we strive to deliver the highest quality to all our stakeholders through innovative and sustainable solutions. With the support of nearly 11,000 employees in over 1,000 stores across 57 provinces, we are dedicated to creating value for our communities and shaping the future of our industry. By serving millions of customers daily through our expansive network of stores, warehouses and online platforms, we continually refine our customer-focused, sustainable growth strategy to meet our goals and swiftly adapt to evolving consumer needs. Throughout this journey, we take pride in being the "right" solution partner for all our stakeholders.

Since its launch in 2020, our pioneering franchise system in the organized food retail sector has been steadily growing, paving the way for a promising and sustainable future for our industry. This innovative system integrates other businesses into the CarrefourSA family, enabling them to leverage our expertise, logistics network, marketing capabilities and digital technology infrastructure. With 341 franchisees to date, this system has become a robust model that empowers SME's and local enterprises to compete effectively with national chains.

For CarrefourSA, 2023 was a transformative year marked by the introduction of new business models and innovative practices. Our investments in the food and beverage sector, which began with the launch of Lezzet Arası Restaurants in 2017, have continued to evolve. This year, we broadened our reach in the sector through our Lezzet Arası and CarrefourSA Kitchen concepts, in addition to the 14 Lezzet Arası restaurants we operate in six provinces. Additionally, we serve hotels, restaurants, and cafes in Antalya

and Bodrum through CarrefourSA Professional. This investment in the HoReCa segment provides a comprehensive range of solutions, starting with fresh food, to meet the diverse needs of the industry.

At CarrefourSA, we embrace an approach that promotes sustainable practices in agriculture, livestock and fishing to deliver the best products to our consumers. In 2023, we launched our Urban Farming initiative under the motto, "Produce in the City; Consume Fresh and Safe." This project is designed to stimulate economic development and employment in rural areas surrounding major cities. Currently, half of the green produce sold in our Istanbul stores is sourced through Urban Farming. This initiative has achieved approximately a 94% reduction in carbon emissions from logistics activities within the scope of this project and helped preserve agricultural biodiversity by supporting local producers. By fostering sustainable food production, reducing food waste and shortening the farm-to-table journey, the project significantly contributes to CarrefourSA's efforts to minimize its environmental impact.

In sustainable livestock, our local breeding project ensures 100% local red meat production while prioritizing animal welfare, improving quality and enhancing efficiency to offer affordable prices. As the first retail chain in Türkiye to champion the cage-free egg movement, we are dedicated to transitioning to exclusively selling cage-free eggs by 2030, and our efforts toward this goal are progressing at full pace.

In the fishing sector, we uphold sustainability throughout every stage, from production to sales, working solely with certified farms to support marine life conservation.

Guided by our vision, "Right Way to Live," we integrate sustainability approach into all our business processes to build a better future. Aligning with Sabancı Holding's 2050 Net Zero commitment, CarrefourSA has achieved 48% reduction in Scope 1 and 25% in Scope 2 emissions over the past six years. Additionally, we began calculating Scope 3 emissions in 2022 and continued to make progress in 2023. Our performance is monitored against global standards, and we regularly respond to CDP's Climate Change, Water Security, and Forests modules. In our fourth year of CDP reporting, we made notable progress, improving from a "B" score to an "A-" in the Palm Oil, Timber and Soy topics of the Forests module, which we reported on for the first time the previous year.

With our "Go Beyond the Look and Try the Taste" project, we successfully prevented 82 tons of food waste. Our "Bring Your Own Container" initiative further supports our efforts to reduce plastic usage. Additionally, we collaborate with organizations such as the Business Initiative for Plastics (IPG) and the UN Global Compact (UNGC) to develop environmentally friendly solutions and innovative sustainability strategies.

Through the "Zero Waste" initiative launched in our stores, we are minimizing waste and continuously improving our recycling processes. We also implement various projects aimed at collecting recyclable products and protecting the natural environment.

Our results highlight the growing importance of our investments in energy efficiency. To progress towards our clean energy use target, we have accelerated the installation of our rooftop solar power plant (SPP). Additionally, by adjusting store ceiling heights to reduce air-conditioned spaces, we achieved energy savings of 10.6 million kWh.

At CarrefourSA, our commitment extends beyond environmental stewardship. Guided by our mission as a socially responsible company, we carry out impactful social responsibility projects across diverse areas, from supporting stray animals to empowering production. As a long-standing partner of the Basic Needs Association (TIDER) for 12 years, an NGO focused on equitable access to basic needs, we supplied products to TIDER's Support Market in 2023, ensuring they reached those in need. In the fight against food waste, we work with Fazla Gıda and the Food Recovery Association to deliver surplus food from our stores to those in need. In 2023 alone, we saved more than 503 tons of food, supporting over 1.5 million individuals.

Through our "Turning Waste Batteries into Books" project, we protect natural resources while donating books to children in need. Similarly, by recycling waste vegetable oils, we prevent water pollution and raise autism awareness through the proceeds. In 2023, we collected 10 tons of waste oil, preventing the contamination of approximately 10 million tons of clean water.

With our Animal Friends Movement project, initiated in collaboration with HayKonFed in 2015, we continue to support stray animals living on the streets and in shelters. In 2023, we provided a total of 60 kg cat food and 300 kg dog food.

As part of the Sabancı Republic Campaign, initiated by the Sabancı Group and organized for the third consecutive year, we collaborated with members of the Karataş Fisheries Cooperative in Adana. During this initiative, we provided training on sustainable production to local producers and women entrepreneurs while conducting beach and underwater clean-ups with our volunteers. Together with 300 volunteers, we collected and recycled 878 tons of waste from the beach and underwater. Additionally, we partnered with women's cooperatives to deliver food literacy, hygiene and food safety training to female producers. Following the training, we hosted an olive crushing event with 150 Sabancı volunteers.

As CarrefourSA, we continue to lead the way each day in advancing gender equality, which is the cornerstone of sustainable success. Women comprise 40% of our workforce, 38% of our Executive Committee, and hold 77 leadership roles in our franchise system. Guided by the slogan "The Power of Women, the Power of CarrefourSA," we are committed to providing equal opportunities to women in every field. Through our "Future Female Employees of Butcher/Fish Aisles" training, we demonstrate that women can excel in all roles. Additionally, we support women's economic participation by selling woven bags produced by women living on Heybeliada in our CarrefourSA stores.

In the aftermath of the February 6, 2023, earthquakes, one of the most devastating natural disasters in our country's history, we stood in solidarity with those affected. From the first moments of the disaster, we mobilized all our resources at both the head office and in the field, working tirelessly to contribute to recovery efforts. On this occasion, I once again extend my heartfelt condolences to the families of those we lost.

Every initiative we undertake with the motto "Right Way to Live" reflects CarrefourSA's commitment to driving sustainable growth and creating lasting value. It also underscores our dedication to fulfilling our responsibilities to our country and our industry, regardless of the challenges we face. We will continue working with the vision of doing the "right" thing for our nation and our sector.

Sincerely,

**Kutay Kartallıoğlu**  
CarrefourSA CEO

# CARREFOURSA

*About CarrefourSA*

*Corporate Governance*

*Risk Management*

Carrefour



# About CarrefourSA

2-1, 2-2, 2-6



CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş. ("CarrefourSA") was established in 1996 as a joint venture between Carrefour Group, a leading European retailer that introduced the hypermarket concept to the consumers in Türkiye with a store opened in 1993 in Istanbul, and H.Ö Sabancı Holding, a major Turkish conglomerate. Today, CarrefourSA stands at the forefront of organized food retail, continuously introducing firsts and innovations to the market.

Following a growth strategy of investments and acquisitions, CarrefourSA has opened several stores over the years and also acquired the **Gima** and **Endi** supermarkets in 2005, strengthening its presence especially in Anatolia. The expansion continued with the acquisition of 12 stores from **Pınar** in 2009, 27 stores from **Alpark** in 2010, 26 stores from **İsmar** in 2015 and 29 stores from **1e1** stores. In 2015, 196 stores of **Kiler**, in which CarrefourSA held majority stake, were acquired.

With H. Ö. Sabancı Holding taking over the management control in 2013, a new strategy was set, encompassing human resources, technological infrastructure, and market concepts. As a result, four different store concepts were born: Hyper, Super, Gourmet and Mini.

CarrefourSA, following its "Next-Generation Market" vision and slogan of "The Right Ones are at CarrefourSA," considers evolving customer needs and consumer habits in investment decisions and process development. As a result, the company is well positioned as the "Right" solution partner for all its stakeholders, starting with its customers, employees and suppliers.

CarrefourSA recognizes that a healthy, safe and environmentally friendly growth model is the best strategy. Guided by this belief, the company introduced a franchise system in 2019, marking a first for the industry, offering enterprises and new generation merchants across

Türkiye the opportunity to develop and advance their businesses. Since its launch, the system has reached 341 franchise stores, operated by individual enterprises, growing into a structure capable of competing with national chains. As part of its growth strategy of expanding its e-commerce operations along with its physical stores, CarrefourSA continues to use multi-channel retailing effectively, hosting 184 million visitors. The e-commerce channel has gained nearly 105 thousand new customers, reaching 10.5 million in total loyalty card members.

In addition to its successful operations, CarrefourSA continued to support sustainable animal husbandry, fishing and local producers, while investing more in private label products. Currently, private label products, which account for 15% of revenues, include more than 600 food and non-food items.

CarrefourSA introduced new growth strategies in 2023, expanding its professional products portfolio with the establishing the first CarrefourSA Professional warehouse in Antalya and HoReCa store in Konacık Bodrum. The next goal is to spread this concept to major cities and tourism destinations across Türkiye.

CarrefourSA also entered the online food shopping segment by investing in the Bulut (Cloud) Kitchen concept,

which promises significant potential for food and beverage delivery in organized food retail. Crowning its experience and success in this field with the CarrefourSA Kitchen project, CarrefourSA launched the first Bulut Kitchen, featuring 10 different brands.

As of year-end 2023, CarrefourSA, operating with 11,000 employees, delivers it customers 50 thousand products through 1,047 stores, spread across 564,894 m² of retail space

in 57 provinces, 14 warehouses, carrefoursa.com and CarrefourSA Online Market app.

CarrefourSA continues to invest in projects with growth and value creation potential, fully with its own resources, aiming to maintain its role as a leading, trusted and preferred retailer, always doing 'right' by its customers.

The shareholding structure of CarrefourSA, publicly traded on Borsa Istanbul, as of December 31, 2023 is shown below:

| Shareholder               | Share in Capital (TL) | Share in Capital (%) |
|---------------------------|-----------------------|----------------------|
| Hacı Ömer Sabancı Holding | 72,988,465            | 57.12                |
| Carrefour Nederland BV    | 41,098,010            | 32.16                |
| Free Float and Others     | 13,687,291            | 10.72                |
| TOTAL                     | 127,773,766           | 100.00               |

## COLLABORATIONS

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We partner with various associations and organizations that align with the material social and environmental topics of CarrefourSA and Türkiye and actively participate in efforts to promote the development of public policies and society.

|                                                                              |                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ÇEVKO (Foundation for Environmental Protection and Packaging Waste Recovery) | We partner with ÇEVKO, in which we are a reserve Board member, on various projects and recycle paper and plastic packaging waste collected in our stores.                                                                                            |
| Darüşşafaka Society                                                          | The proceeds from the store sales of the bags designed by Darüşşafaka students are allocated for educational activities.                                                                                                                             |
| Food Recovery Association                                                    | We work with this association to analyze and reduce food loss.                                                                                                                                                                                       |
| Sustainable Food Platform                                                    | As one of the first members of the platform, we take part in various working groups and carry out joint projects.                                                                                                                                    |
| Sustainable Development Association                                          | We actively participate in the association's work, especially on circular economy and sustainable agriculture.                                                                                                                                       |
| Food Retailers Association                                                   | As a board member of the association, we frequently convene, in particular regarding environmental topics and attend joint meetings with different authorities.                                                                                      |
| HayKonFed                                                                    | As part of the Animal Friends Movement, we donate surplus edible food, which HayKonFed volunteers deliver to stray animals.                                                                                                                          |
| Basic Needs Association (TİDER)                                              | We have been a supporter of this association for 12 years, donating various products to Destek (Support) Market.                                                                                                                                     |
| TOG (Community Volunteers Association)                                       | We sell stationery sets to benefit TOG in the back-to-school periods and also deliver stationery sets to students in need through the association.                                                                                                   |
| UNICEF                                                                       | We have supported a UNICEF program to eradicate child labor in agriculture since 2015. We accommodate their face-to-face teams in our stores to promote the projects to the customers, helping to gain more donors and supporting periodic projects. |

MEMBERSHIPS

228

| Organization                                                                 | Member                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Foundation for Environmental Protection and Packaging Waste Recovery (ÇEVKO) | Tayfun Akusta                                                                                                                                                                                                                                                       |
| Food Retailers Association (GPD)                                             | Kutay Kartallıoğlu                                                                                                                                                                                                                                                  |
| Business Council for Sustainable Development                                 | Bahar Tura                                                                                                                                                                                                                                                          |
| Leading Executives Advancing Diversity (LEAD Network)                        | Asude Gündoğdu, Bahar Tura, Berfe Karacaoğlu, Derya Arslangörür Kutlu, Gamze Mengüç Sunel, Melis Karatay Ebin, Özgür Saka Çalışkan, Senem Mutlu, Sevgül Karadağ, Sibel Yılmaz, Tayfun Akusta, Tuğçe Mert,                                                           |
| Customer Experience Management & Technologies Association                    | Gökhan Çakmak                                                                                                                                                                                                                                                       |
| Advertisers Association                                                      | Burçin Çelik                                                                                                                                                                                                                                                        |
| Sales Network                                                                | Derya Aslangörür Kutlu, Gamze Mengüç Sunel, Gökhan Çakmak, Kutay Kartallıoğlu, Melis Karatay Ebin, Şenol Arpacı, Tayfun Akusta                                                                                                                                      |
| Sustainability Academy                                                       | Gizem Öztürk, Melis Karatay Ebin, Merve Şahin, Tayfun Akusta,                                                                                                                                                                                                       |
| Ornamental Plant Growers Union (SÜSBİR)                                      | Bahar Tura                                                                                                                                                                                                                                                          |
| Tourism Restaurant Investors and Gastronomy Enterprises Association (TURYİD) | Melis Karatay Ebin                                                                                                                                                                                                                                                  |
| CCI France Turquie                                                           | Kutay Kartallıoğlu, Şenol Arpacı                                                                                                                                                                                                                                    |
| Turkish Industry & Business Association (TÜSİAD)                             | Kutay Kartallıoğlu                                                                                                                                                                                                                                                  |
| Turkish Ethics and Reputation Society (TEİD)                                 | Tuğçe Mert                                                                                                                                                                                                                                                          |
| People Management Association of Türkiye (PERYÖN)                            | Asude Gündoğdu, Bahar Tura, Gamze Mengüç Sunel, Senem Mutlu                                                                                                                                                                                                         |
| Corporate Communication Professionals Association of Türkiye                 | Melis Karatay Ebin                                                                                                                                                                                                                                                  |
| Corporate Governance Association of Türkiye                                  | Hatice Kösalı, Kutay Kartallıoğlu, Sevgül Karadağ, Tuğçe Mert,                                                                                                                                                                                                      |
| UFRAD                                                                        | Hakan Kök, Halil Kölemen                                                                                                                                                                                                                                            |
| UN Global Compact Türkiye                                                    | Kutay Kartallıoğlu                                                                                                                                                                                                                                                  |
| International Investors Association (YASED)                                  | Asude Gündoğdu, Ayhan Çelik, Berfe Karacaoğlu, Bulut Batum, Burçin Çelik, Ceren Tura, Dilara Demir, Ezgi Baykut Arasoğlu, Kerem Daşdelen, Kutay Kartallıoğlu, Melis Karatay Ebin, Mustafa Erboğa, Namık Kuruca, Ömer Genç, Payede Afyon, Sevgül Karadağ, Tuğçe Mert |

About H.Ö. Sabancı Holding



Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), a leading Turkish conglomerate, is a holding company engaged in a broad range of business activities through its subsidiaries and affiliates, mainly in the banking, financial services, energy, industrials, building materials and retail sectors.

The objective of Sabancı Holding is to coordinate and support the finance, strategy, business development, legal, human resources and sustainability functions of Group companies to ensure that they operate profitably and sustainably with favorable competitive

conditions and to set and monitor the corporate governance practices that apply across Sabancı Group.

Sabancı Holding is managed by an Executive Committee comprised of senior executives, including the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Strategic Business Unit Heads and the functional Group Heads. The Executive Committee is primarily responsible for key capital allocation decisions and reports to the Board of Directors, the highest governing body of the Holding. Sabancı Group is committed to connecting Türkiye with the world through pioneering

initiatives for a sustainable life. Sabancı Holding upholds this commitment to create value for its stakeholders.

Sabancı Group companies, operating with more than 60 thousand employees as of 2023-end, offer products and services across the world with investments in 14 countries. Sabancı Holding's multinational business partners include prominent global companies such as Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials and Skoda.

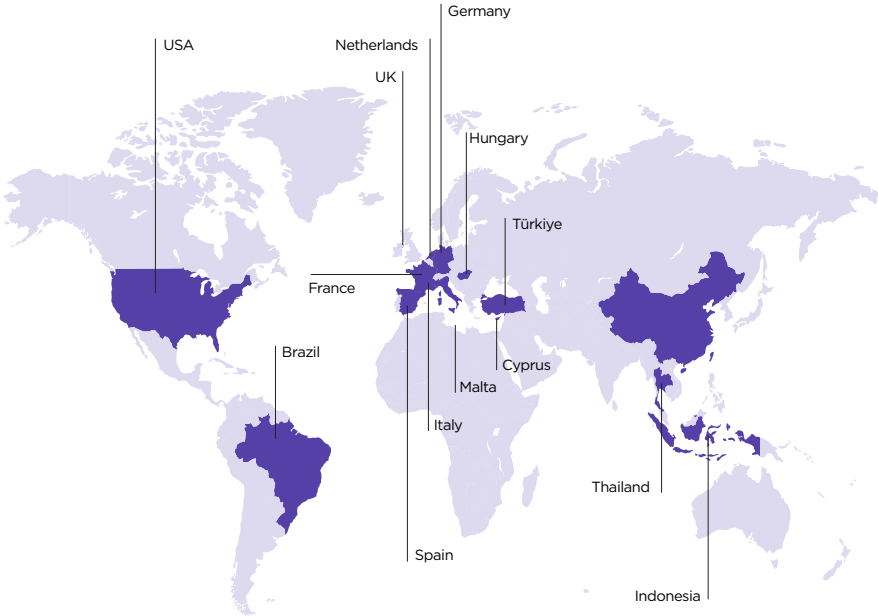


Orchestrating Success  
beyond Borders: Sabancı's  
Global Ecosystem

14 countries

6 business partners

60 thousand+ employment



With a strong commitment to sustainability as a key focus area, Sabancı Group has adopted a 2050 target of net-zero emissions and zero waste. Sabancı Holding is registered with the Capital Markets Board, the regulatory authority for the Turkish capital markets, and its shares have

been listed in Borsa Istanbul since 1997.

The Sabancı Family is collectively Sabancı Holding's majority shareholder, while 50.47% of the Holding's shares are publicly traded. Sabancı Holding's own shares as

well as the shares of its listed 11 subsidiaries constitute 5% of the total market capitalization of the Turkish stock market as of year-end 2023. Sabancı Group posted TL 811 billion in combined revenues and TL 15 billion in consolidated net profits in 2023.

Banking



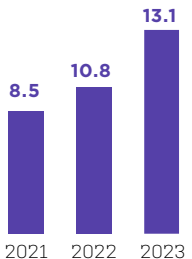
11,2 million  
Active<sup>(1)</sup> Digital Customers

4.4%  
RoA

37.9%  
RoE

Active Customer Base  
(million)

Since 2021YE  
**+4,6 million**  
Active Customers



<sup>(1)</sup> Based on MIS data. Active: Login in last 3 months  
<sup>(2)</sup> w/o forbearances. Forbearance: Fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate

Financial Services



TL 21.1 billion  
Total Assets

TL 1.6 billion  
Paid-in Capital

TL 1.2 billion  
Net Profit



18.7%  
Pension&Auto-Enrolment Market Share

4,2 million  
Customers

79%  
Shareholders' Equity Growth

12.7%  
Life&Personal Accident Market Share

101%  
Premium Production Growth

58%  
ROE

Energy



10.7 million  
Customers

1.780  
E-charging points

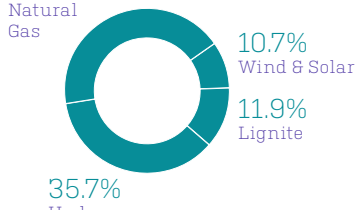
TL 34.3 billion  
Regulated Asset Base

325,955 km  
Distribution Network



3.792 MW  
Installed Capacity

26  
Power Plants





504 MW  
On-going Solar Power Plant Investment in US

Venture Capital Investments in US

5 Investments in Funds and Startups

Building Materials



7.1 million tons  
Capacity

23%  
FX in Revenue

23%  
Alternative Fuel Usage in Grey Cement

3 integrated plants, 4 domestic terminals, 2 ports  
Production Facilities



5.8 million tons  
Capacity

57%  
FX in Revenue

29%  
Alternative Fuel Usage in Grey Cement

4 integrated plants, 1 grinding station in the US, 5 international terminals  
Production Facilities

Industrials



1/2  
of Premium Consumer Tires in Türkiye

42%  
FX in Revenue



13.5 million  
Total Tire Production Capacity

6,000+  
Point of Sales in 83 Countries



1/3  
of Every Passenger Car Tire in the World

100%  
FX in Revenue

7 Tire Reinforcement, 5 Composite Plants  
Production Facilities

509  
R&D Patents



12x  
Growth in Sales 2020-2023 (TL)

61%  
FX in Revenue

1<sup>st</sup>  
Hydrogen-fueled Intercity Bus in Türkiye\*

12  
Authorized Dealers

31  
Authorized Services

\* R&D Program on going together with Caetano Bus.

Digital

Other



181  
Stores

105 K m<sup>2</sup>  
Sales Area



1.9 million  
New Customer Acquisition

68%  
Growth in Online GMV

31x  
Growth in SKU numbers



60  
Countries as Global Footprint

5  
Countries with Offices



1,047  
Stores

564K m<sup>2</sup>  
Sales Area

3.6%  
Market Share

76%  
Online Sales Growth

173 million  
Visitors

Free Float Ratios

|                 |           |                 |         |
|-----------------|-----------|-----------------|---------|
| SABANCI HOLDİNG | AKÇANSA   | CARREFOURSA     | KORDSA  |
| 50%             | 21%       | 11%             | 29%     |
| AGESA           | AKSIGORTA | ÇİMSA           | TEKNOSA |
| 20%             | 28%       | 45%             | 50%     |
| AKBANK          | BRİSA     | ENERJİSA ENERJİ |         |
| 53%             | 10%       | 20%             |         |

Resource: Central Securities Depository of Türkiye, as of 31.12.2023

In 2023, having a balanced portfolio once again played an important role in maintaining Sabancı Holding's solid performance in high volatility and challenging political and macro backdrop.

# About Carrefour Group



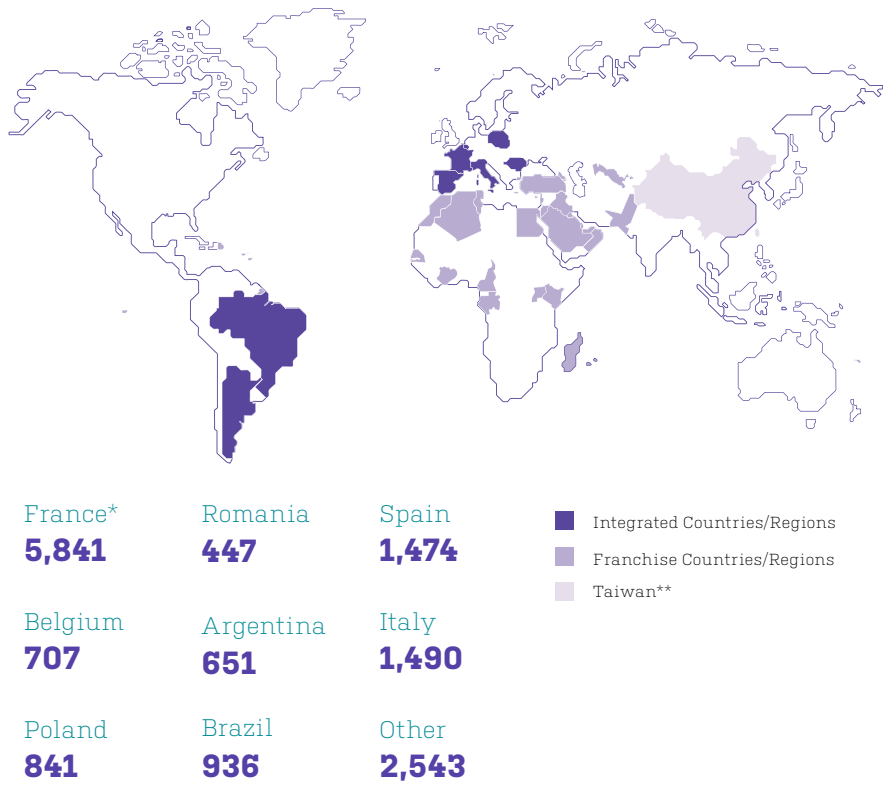
With a multi-format global network of 14,930 stores as of year-end 2023, the Carrefour Group is Europe's leading and the world's second largest food retailer. Carrefour opened its first market on June 15, 1963 in France, laying the foundation of modern retailing, and introduced the hypermarket concept to Türkiye in 1993.

As of year-end 2023, the Group serves 80 million customers daily through its retail stores and e-commerce sites. With stores in more than 40 countries across the world, Carrefour Group manages operations in eight countries directly. The Group's operations in Europe (France, Spain, Italy, Belgium, Poland, Romania) and Latin America (Brazil, Argentina), with a combined total of 305,333 employees, account for 80% of its consolidated gross revenues. Operations in other regions, including Türkiye, are managed through local partners.

In 2023, Carrefour Group grew by 4.3%, reaching Euro 94.1 billion in gross sales and Euro 1.7 billion in operating income.

The economic, social and governance performance of Carrefour Group, a global leader in sustainability, is assessed by various organizations and agencies every year.

## Global sales network of 14,930 stores



\*France - major cities  
\*\*Carrefour announced that the sales of Carrefour Taiwan to Uni-President was concluded on June 30, 2023.

| Index/Agency  | 2021     | 2022     | 2023     |
|---------------|----------|----------|----------|
| CDP Climate   | A        | A        | A-       |
| CDP Forests   |          |          |          |
| Palm Oil      | B        | B        | B        |
| Soy           | B        | B        | B        |
| Cattle        | B        | B        | B-       |
| Timber        | B        | B        | B-       |
| CDP Water     | A-       | A-       | B        |
| ISS OEKOM     | Prime C+ | Prime C+ | Prime C+ |
| DJSI – S&P    | 72       | 69       | 67       |
| MSCI          | A        | AA       | AA       |
| Moody's VIGEO | 64       | 73       | 76       |

## CORPORATE GOVERNANCE

CarrefourSA has committed to comply with the Corporate Governance Principles promulgated by the Capital Markets Board (CMB) and four principles of Corporate Governance based on Transparency, Fairness, Responsibility and Accountability. We act diligently to comply with the Principles specified in the CMB's Corporate Governance Communiqué. We publish relevant material disclosures and our Corporate Governance Compliance Report on our corporate website and the Public Disclosure Platform (KAP).

| CMB's Corporate Governance Principles | Full Compliance | Partial Compliance | Non-compliance | Not Applicable |
|---------------------------------------|-----------------|--------------------|----------------|----------------|
| Mandatory                             | 24              | -                  | -              | -              |
| Non-mandatory                         | 56              | 6                  | 2              | 4              |

### Board of Directors and Committees <sup>2-3</sup>

The Board of Directors, the highest governing body, consists of 12 members as of 31.12.2023 and convenes at least four times a year.

| BOARD OF DIRECTORS                           |                    | TERM       |                                    |
|----------------------------------------------|--------------------|------------|------------------------------------|
| Full Name                                    | Title              | Start      | End                                |
| Nusret Orhun Köstem                          | Chairman           | 01.07.2021 | Ordinary General Assembly for 2023 |
| Laurent Charles René Vallée                  | Vice Chairman      | 18.03.2021 | Ordinary General Assembly for 2023 |
| Atıl Saryal                                  | Independent Member | 18.03.2021 | Ordinary General Assembly for 2023 |
| Marc-Olivier Pierre Jean François Rochu      | Member             | 05.06.2023 | Ordinary General Assembly for 2023 |
| Guillaume Jacques Edgard Laffont de Colonges | Member             | 18.03.2021 | Ordinary General Assembly for 2023 |
| Haluk Bal                                    | Independent Member | 18.03.2021 | Ordinary General Assembly for 2023 |
| Mevlüt Aydemir                               | Independent Member | 18.03.2021 | Ordinary General Assembly for 2023 |
| Şerafettin Karakış                           | Member             | 18.03.2021 | Ordinary General Assembly for 2023 |
| Zeynep Pelin Erkıralp                        | Member             | 18.03.2021 | Ordinary General Assembly for 2023 |
| Gökhan Eyigün                                | Member             | 10.03.2023 | Ordinary General Assembly for 2023 |
| Bülent Bozdoğan                              | Independent Member | 14.09.2021 | Ordinary General Assembly for 2023 |
| Sakine Şebnem Önder                          | Member             | 14.09.2022 | Ordinary General Assembly for 2023 |

The Board members' independence is governed by Article 31 of the company's Articles of Association and the Capital Markets Board's (CMB) mandatory corporate governance principles. Accordingly, we adhere to the requirements for independent board memberships and other corporate governance stipulations. The Board members hold the qualifications specified in the CMB Corporate Governance Principles and perform their duties based on their respective expertise and knowledge.

The Board members are elected for a maximum of three years; however, members whose term of office expires may be re-elected. No maximum term limit is set for members to serve on the Board of Directors, ensuring that they can continue to contribute their experience if they are re-elected. None of the Board members hold executive duties, and the Board of Directors consists 33.33% of independent members. In 2023, the Board of Directors convened 18 times. The attendance rate in these meetings was 85.41%, while the committees convened with an attendance rate of 100%.

A fixed salary is determined for the Board members at the annual ordinary general assembly meeting. Performance-based payment plans are not applied for the remuneration of the independent Board members. The senior executives receive performance-based bonuses. The senior executives are paid a one-time merit-based bonus at a certain percentage of their annual gross salary based on both individual and company performance. In determining the salaries of the executive committee members, environmental, social and governance (ESG) performance criteria are also taken into consideration. As part of remuneration management, salaries are enhanced with various benefits, which are extended based on the principles of alignment with market conditions, competitiveness and fairness. Accordingly, senior executives may be entitled to benefits such as private health and life insurance, employer contribution to private pension, company phone and company vehicle.

The Board of Directors has formed three committees in accordance with

corporate governance principles, applicable regulations and company strategies:

- Audit Committee
- Corporate Governance Committee
- Early Detection of Risk Committee

**Audit Committee**

The objective of the Audit Committee is to oversee the operation and effectiveness of the company's accounting system, financial reporting, public disclosure of financial statements, independent audits, internal audit function and internal control system on behalf of the Board of Directors. The committee, which convenes at least four times a year, addresses topics such as reviewing the work of the independent audit firm, examining the financial statements and overseeing the internal audit activities in its meetings.

| Full Name       | Title    | Elected on |
|-----------------|----------|------------|
| Bülent Bozdoğan | Chairman | 14.09.2022 |
| Haluk Bal       | Member   | 19.03.2021 |
| Mevlüt Aydemir  | Member   | 19.03.2021 |

**Corporate Governance Committee** 2023

Corporate Governance Committee submits recommendations and proposals to the Board of Directors to ensure compliance with and implementation of CMB and other international corporate governance principles. Corporate Governance Committee is responsible for addressing requests/complaints from shareholders, investors and other stakeholders, creating relevant action plans and introducing improvements. In addition to overseeing stakeholder relations, the Corporate Governance Committee is also tasked with the duties of nomination and remuneration. The Committee convenes at least four times a year.

| Full Name                                    | Title    | Elected on |
|----------------------------------------------|----------|------------|
| Mevlüt Aydemir                               | Chairman | 19.03.2021 |
| Guillaume Jacques Edgard Laffont de Colonges | Member   | 19.03.2021 |
| Şerafettin Karakış                           | Member   | 19.03.2021 |

**Early Detection of Risk Committee**

Early Detection of Risk Committee operates with the objective of anticipating all kinds of strategic, operational, financial and other risks that may threaten the company's existence, development and continuity, implementing the necessary measures and remedies and managing such risks. The Committee convenes at least six times a year.

| Full Name           | Title    | Elected on |
|---------------------|----------|------------|
| Haluk Bal           | Chairman | 14.09.2022 |
| Bülent Bozdoğan     | Member   | 14.09.2022 |
| Sakine Şebnem Onder | Member   | 14.09.2022 |

**Appointment of the Board of Directors and Committees**

Members are elected to the Board of Directors by the General Assembly pursuant to the provisions of the Turkish Commercial Code and the Capital Markets legislation. The Board members, who are all qualified as specified in the CMB's Corporate Governance Principles, are professionals with extensive experience and expertise in their respective fields. The company is managed and represented by twelve members elected to the Board of Directors by the General Assembly. When a membership is vacated for any reason, the Board of Directors elects a new member and submits that member for approval at the first General Assembly meeting. The General Assembly may replace Board members when needed.

The Board of Directors forms committees to assist in its functions. The duties and working principles of these committees are defined by the Board of Directors according to applicable legislation and disclosed publicly. Members with executive duties and the CEO do not serve on these committees.

**Board of Directors – Structure and Duties** 2023-2025 2023-2025

The Board of Directors fulfills the duties specified in the relevant provisions of the Capital Markets Law, Turkish Commercial Code, the Company's Articles of Association and the resolutions passed by the CarrefourSA General Assembly.

The Board of Directors resolves on all high-level issues in line with the company's strategic plans. The resolutions are typically approved with the aye votes of at least seven of the members attending the meeting. However, the aye votes of at least ten members may be sought when deciding on critical issues.

The Board of Directors may delegate its representation power to executive directors who are Board members and/or to executives who do not serve on the Board, without prejudice to the quorum and majority rule specified in the Articles of Association. The Board convenes with at least eight members in attendance.

The Board of Directors follows certain rules to avoid conflicts of interest. These rules are also included in the 'Conflict of Interest Policy' section of our Code of Ethics. In the event of a potential conflict of interest, the involved Board member informs the

Chairman before the meeting, where the said issue would be discussed, and explains their reasons for not taking part in the discussions and not voting on the relevant agenda item. No conflicts of interest have occurred within the reporting period.

| Board of Directors – Structure          | 2021 | 2022 | 2023 |
|-----------------------------------------|------|------|------|
| Members                                 | 12   | 12   | 12   |
| Independent Members                     | 4    | 4    | 4    |
| Female Members                          | 2    | 2    | 2    |
| Members with Executive Responsibilities | 0    | 0    | 0    |

Board members assess Board's performance every year based on the criteria determined and

communicated by CarrefourSA. Performance assessment of the Board of Directors is conducted in two aspects:

- General Assessment: Every year, each member assesses the Board's performance individually.
- Individual Assessment: The Chairman assesses the performance of each independent member and executive member on the Board of Directors individually.

More information about the Board of Directors and its structure is provided in our annual reports:

<https://yatirimciiliskileri.carrefoursa.com/tr-TR/finansal-raporlar/faaliyet-raporlari>



RISK MANAGEMENT

Corporate Risk Policy

At CarrefourSA, we define "risk" as any opportunity or threat that the company may face and that may affect the company's realization of its financial, strategic, operational and compliance targets.

**Compliance Risks:** Risks related to changes in laws and regulations or regarding regulatory compliance of our processes and operations with applicable legislation.

**Strategic Risks:** Risks associated with high-level issues such as the company's business model, strategic decisions, corporate governance practices or reputation.

Compliance

Financial

Operational

Strategic

**Financial Risks:** Risks that may arise due to volatilities in exchange rates and interest rates or uncertainties in cash flow plans.

**Operational Risks:** Supply, pricing, sales, efficiency, etc. risks that may arise due to various value chain processes.

Our Corporate Risk Policy, guided by our Corporate Risk Management System, lays out the procedures regarding the assessment of risks we may face due to the nature of our business and the timely communication of such risks to the company's senior management, Early Detection of Risk Committee and the Board of Directors. The Policy also provides a guideline for effective risk management to mitigate potential losses and taking timely actions to turn risks into opportunities.

Risk Governance and Responsibilities

The **Board of Directors** is responsible for creating the necessary environment for adequately executing our risk management activities.

The **Early Detection of Risk Committee**, reporting to the Board of Directors, is formed to anticipate the risks that may jeopardize the existence, development and continuity of CarrefourSA, to take the necessary measures regarding the identified risks and to manage those

risks. The committee reviews our risk management systems at least once a year. The **CEO** is responsible for ensuring effective risk management within CarrefourSA and taking the necessary measures (implementing policies, determining a method for measuring and managing risks, defining and monitoring relevant risk limits).

The **Internal Audit Directorate**, which reports directly to the Audit Committee, is structured independently from the executive

body, conducts audits across all units, sites and business areas where we operate, to contribute to the growth, development and organization of CarrefourSA.

The **Risk Management Unit**, positioned as an executive function, conducts activities for the protection and security of the company assets and implements measures as needed.

The **CMB and Reporting Unit**, organized within the finance department, contributes to external audit activities by conducting

| Natural Risk Assessment | Probability |        |          |          |
|-------------------------|-------------|--------|----------|----------|
| IMPACT                  | 1           | 2      | 3        | 4        |
| 1                       | LOW         | LOW    | MEDIUM   | MEDIUM   |
| 2                       | LOW         | MEDIUM | MEDIUM   | HIGH     |
| 3                       | MEDIUM      | MEDIUM | HIGH     | CRITICAL |
| 4                       | MEDIUM      | HIGH   | CRITICAL | CRITICAL |

regular audits and controls about reporting issues.

Regarding effective risk management, the **Managers of all Business Units** are responsible for anticipating risks in a timely manner, communicating such risks to senior management, determining and implementing necessary measures of these actions, including their results.

Furthermore, **all our employees** are also obligated to adopt our risk management policy and ensure that it is implemented in their own areas of responsibility.

Risk Management System

The Corporate Risk Management system is a systematic and dynamic process designed to anticipate potential situations that may impact CarrefourSA and manage risks in line with the determined risk appetite. The objective of the system is to create added value for our stakeholders in all aspects of the business and build an environment of continuous collaboration through effective management of the risk exposure.

Guided by the vision and mission of CarrefourSA and its strategic and corporate targets, we conduct one-on-one interviews, surveys and workshops with the relevant people within our organization to

identify the potential threats and opportunities we may encounter on the path toward achieving our goals. Accordingly, we perform assessments in view of the four key risk categories and the external risks that may impact our operations: Economy and Policy, Customer Trends, Competition, and Technological Development. After assessing the natural risks identified according to their impact and probability, we evaluate them together with the control mechanisms and the action plans using surveys and workshops and then create a risk inventory. Once a year, we review this inventory, which is expanded with the risk factors that the Executive Committee determines, both dynamically and also systematically.

The risks and risk parameters (risk-related parameters such as risk scores, key risk indicators and threshold values) are published on our risk inventory portal after approval by our senior management. Our Key Risk Indicator (KRI) officers use the portal to monitor and control both the risks and related action plans.

We review and update the company's risk inventory and action plans in regular monthly meetings with KRI officers. The risk inventory portal is then revised accordingly.

- We prepare a risk management report every other month and submit it to the Early Detection of Risk Committee.
- For 2023, CarrefourSA defined its risks in four main categories: strategic, financial, operational and compliance. These were then classified into 20 risk groups under the same main categories.
- In 2023, a total of 225 KRIs were determined and categorized into 50 KRI Groups.
- Specifically, 9 critical risks (2 strategic, 3 financial, 3 operational and 1 compliance) are assessed by the Early Detection of Risk Committee together with action plans and control mechanisms.

Climate Change Risks 2023

Climate change not only represents a direct risk but also brings along indirect risks that the corporations consider as a key factor in their risk profiles. All of these risks have the potential to cause various levels of damage on businesses, organizations and communities. Furthermore, such risks will have direct and indirect impacts on organizations' economic performance in the mid and long term. At CarrefourSA, we address the impact of climate change with a double materiality approach and as a risk category with broad economic, social and

CARREFOURSA RISK INVENTORY – YEAR-END 2023

| CORPORATE RISKS |    | CARREFOURSA RISK INVENTORY |       |            |
|-----------------|----|----------------------------|-------|------------|
| Critical Risks  | 9  |                            | Risks | KRI Groups |
| High Risks      | 9  | 2022                       | 20    | 38         |
| Medium Risks    | 2  | 2023                       | 20    | 50         |
| Low Risks       | 0  |                            |       |            |
| Total Risks     | 20 |                            |       |            |

environmental impact on our company and all our stakeholders.

Climate change has different levels of impact on different parts of the world. Similarly, its effects vary by regions in Türkiye, with the rise in average temperatures threatening fresh water resources and consequently causing losses in agriculture and resulting in food insecurities, while extreme weather events such as flash floods and wild fires will increase, to name a few of the predictions about the impact of climate change.

The impact of climate change is already felt in the retail sector, which involves numerous stakeholders. Changes in climate patterns and extreme weather events are pushing agricultural practices and technologies to adapt to the developments and seek new ways of sourcing, which all affect the global supply chain. Failure to implement sustainable farming and supply chain practices will most likely result in raw material supply shortages and eventually cause problems in the long-term supply of critical products. As such problems gain momentum, they inevitably impact the quality, price and availability of products more and more every year.

With the changing weather conditions, the stores, logistics systems and infrastructure will

need to make adjustments while operational challenges will likely increase as well. Temperature changes may put strains on the air conditioning investments. Rising sea levels and more extreme weather events can put retail and supply chain infrastructure in vulnerable areas at greater risk of natural disasters like flash floods and inevitably lead to higher costs due to property damages and increased insurance premiums. Economic volatilities as a result of climate change are likely to have knock-on effects on consumer spending. Furthermore, climate change poses a threat to the health of workplaces and employees because high temperatures cause fatigue and various diseases. Meanwhile, consumer expectations and habits are evolving across the world and in Türkiye. Even the stakeholder expectations regarding climate change may bring about significant risks and opportunities for companies. Due to all these reasons, climate change represents a major risk for CarrefourSA. Therefore, the company identifies the climate change risks that could impact our operations on all levels of the retail industry and creates plans to manage these risks. Our goal is to mitigate the potential effects that may disrupt our products and services.

We also tackle climate change by adopting a responsible purchasing

and sourcing approach to reduce our environmental impact and engaging in activities to lower energy consumption in our stores and warehouses, decrease refrigerant gas emissions, improve energy efficiency and reduce CO<sub>2</sub> emissions from the logistics and transportation operations.

Business Continuity Approach

Through Business Continuity Management, we aim to provide products and services for customers, employees, suppliers and the public at predefined and acceptable levels of continuity as required by applicable laws, regulations, agreements, conventions and global best practices and standards.

Business Continuity Management primarily focuses on ensuring service continuity during critical business activities. Accordingly, we work to steadily improve operational processes and build an adequate infrastructure.

We assess all our processes according to specific standards, determine the limits of tolerating disruptions and downtime and then create action plans. In other words, we measure our capacity to maintain services at an acceptable level following a disruption. Business continuity may be disrupted in events such as earthquakes, floods, lightning strikes, server crashes, resignation of critical staff and

economic crises. Such factors may interrupt operations, resulting in property damage, governance failures and communication losses. Readiness in such crises and ensuring continuity are among our key priorities.

Business Continuity in IT Processes

On the IT side, we also implement business continuity plans that we regularly update to align with the changes in infrastructure, technology and human resources. We set recovery time targets and recovery levels based on business impact analyses of critical processes and systems to ensure that the system rooms, disaster recovery center and its systems are always

available. In addition to backing up the systems, databases and servers at different times and intervals depending on their criticality levels and work plans, we also store them in different physical locations.

Furthermore, we implement various technical measures for the availability, security and integrity of the systems, monitor the systems proactively and perform continuous checks to ensure that the measures function accurately and effectively.

Crisis Communications Plan

We take all necessary measures to manage CarrefourSA's reputation, financial standing, employee behavior and customer perception in the event of any internal or

external crisis. With the crisis communications plan, we aim to resolve crises effectively by moving beyond reactive solutions and considering foreseeable risks and potential threats. Our crisis procedure, prepared by the Marketing and Corporate Communications Group, defines the actions and responsibilities in the event of a crisis as well as how to manage all communication channels, including social media and the press. The Group also forms the relevant crisis committee based on the scope of the situation to monitor and report on the process.



# **SUSTAINABILITY** MANAGEMENT

*Sustainability Approach*

*Sustainability Governance*

*Key Stakeholders and  
Material Topics*



# Sustainability Approach 2-9, 2-12, 2-13



We have defined our sustainability approach in line with CarrefourSA's vision, strategy and policies. As we worked toward achieving sustainable growth, we aimed to build an environment that promotes fairness, continuous development, engagement, high performance and diversity for our employees. We launched projects to encourage lowering carbon emissions, eliminating single-use plastics and reducing waste generation. In addition to organizing various activities focused on healthy eating by ensuring food safety for a healthy society, we also conducted a sustainability awareness survey in 2020 to study our customers' perceptions in detail. The results of this survey showed that 52% of the respondents were well aware of sustainability- focused efforts, especially in regard to

waste management. Furthermore, we partnered with NGOs and our suppliers on sustainability issues. In 2021, we also assessed our position in different processes with sustainability-focused industry benchmarks. Then, we started to submit reports to CDP, a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts transparently. In 2022, we expanded the scope of our CDP reporting with the Water and Forest modules, while we continued all activities as

planned. In 2023, we became a signatory to UNGC Global Compact, declaring our commitment to human rights, labor practices, the environment and anti-corruption efforts.

Deputy General Manager of Human Resources and Sustainability is the executive responsible for integrating sustainability into all business processes. In addition to the Sustainability Committee, which convenes regularly, we also form working groups to focus on specific areas. Moreover, we regularly publish



sustainability newsletters to raise awareness among our employees.

- A number of advantages that put us ahead of other companies also help us in shaping our approach:
- We primarily follow the Sustainability Roadmap of Sabancı Group, our main shareholder and a major sustainability actor in Türkiye.
  - Furthermore, approaches and practices of Carrefour Group in food retail, our other main shareholder and a global high performer in sustainability, guide us in the process.

We aim to drive our efforts with a constantly higher performance and set an example for our industry and our country.

### Alignment with Sabancı Group's Sustainability Roadmap

In 2020, Sabancı Group started to work on designing an extensive program to make sustainability an integral part of its business model. After an organizational structure was created at the holding level, material topics were identified in consultation with more than 1,000 stakeholder representatives, including investors. Accordingly, **action** plans and long-term goals were determined. In the first quarter of 2021, a Sustainability Roadmap was created for the entire Group. In 2022, efforts toward aligning with this roadmap continued. In 2023, a double materiality assessment was conducted, and guided by global standards, material topics were determined with the contributions of internal and external stakeholders. Impacts related to sustainability were included in the Corporate Risk Management process.

CarrefourSA's approach to Sabancı Holding's priority focus areas is summarized below:

### 1) Digitalization and Innovation including Technological Transformation:

By placing digitalization and innovation

### Sabancı Holding Long-Term Strategic Focus Areas

**Digitalization and Innovation** including Technological Transformation

**Environmental Responsiveness** including Climate Crises, Circular Economy

**People & Society** including Talent Management, Equal Opportunity, Diversity and Social Contribution

at the center of many of our activities, we enhance our processes, especially our online sales channels and employee-centric practices applications, while also introducing innovations that contribute to customer satisfaction.

### 2) Environmental Responsiveness including Climate Crises, Circular Economy:

We address our performance in Energy Efficiency, Waste Prevention and CDP reporting in alignment with the 2050 Net Zero Emission and Net Zero Waste targets of Sabancı Group.

### 3) People & Society including Talent Management, Equal Opportunity, Diversity and Social Contribution:

We disclose our efforts focused on our Human Resources, which drives and empowers our performance, and information on our projects and business partnerships aimed at creating long-term, sustainable value for our stakeholders, in various chapters of this report.

### Carrefour Group's Sustainability Approach

Carrefour Group, a global leader in sustainability, has built its strategy on four pillars, including the goal of bringing 'eating well' within everyone's reach. Accordingly, the group has defined its Key Performance Indicators (KPIs) along with short- and long-

term targets by working with relevant stakeholders.

The Food Transition Index, which includes key indicators, was created to assess performance, track progress toward goals and motivate the internal teams. This index, which helps steer the employees toward common strategic goals, is also used in assessing the performance of senior management. Starting in 2019, this index has been used as a factor in determining remuneration for senior management, including the general manager and constituted 20-25% of the long-term bonuses. Since 2021, this index has been published in six-month intervals.

The Food Transition Index, which is disclosed transparently, is structured in four categories and the indicators and targets are reviewed annually. In 2022, 15 targets were met with an average of 109%, particularly as a result of reducing greenhouse gas emissions and packaging, employee engagement practices and delivering successful training programs.

CARREFOUR GROUP FOOD TRANSITION INDEX 2023

| No        | Category                       | Objective                                                                                                                                                   | 2023 Performance | 2023 Score |
|-----------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------|
| PRODUCTS  |                                |                                                                                                                                                             |                  | 111%       |
| 1         | Certified Sustainable Products | Euro 8 billion in sales of certified sustainable products by 2026.                                                                                          | 5.3              | 93%        |
| 2         | Plant Based Alternatives       | Euro 650 million in sales of plant based products by 2026.                                                                                                  | 514              | 103%       |
| 3         | Raw Materials                  | 100% of sensitive products with regard to forests, animal welfare, soil, marine resources and human rights to be covered by a risk mitigation plan by 2030. | 70%              | 117%       |
| 4         | Packaging                      | Reach three targets on packaging reduction, bulk and reuse, and packaging recyclability implemented by 2026.                                                |                  | 136%       |
|           |                                | Reduce packaging material consumption by 20,000 tons by 2025 (cumulative, compared to 2017 baseline).                                                       | 20,738           | 116%       |
|           |                                | Reach Euro 300 million sales of bulk products and goods in reusable packaging                                                                               | 256              | 200%       |
|           |                                | Drive sales of products with reusable, recyclable or compostable packaging to Euro 100 million.                                                             | 69%              | 92%        |
| 5         | Partner Producers              | Increase the number of Partner Producers to 50,000 by 2026                                                                                                  | 46,013           | 105%       |
| STORES    |                                |                                                                                                                                                             |                  | 105%       |
| 6         | Food Waste                     | Decrease food waste by 50% compared to the 2016 baseline.                                                                                                   | -36%             | 92%        |
| 7         | Wastes                         | Recycle 100% of waste by 2025                                                                                                                               | 70%              | 92%        |
| 8         | Climate (Scope I and Scope II) | Reduce GHG emissions (for Scopes 1 and 2) by 50% by 2030 and 70% by 2040, compared to the 2019 baseline.                                                    | -38%             | 121%       |
| 9         | Climate (Scope III)            | Ensure that top 100 suppliers are on track to 1.5°C and 20 megatons of emissions is eliminated.                                                             |                  | 117%       |
|           |                                | Ensure that top 100 suppliers are on track to 1.5°C by 2026.                                                                                                | 44%              | 115%       |
|           |                                | Eliminate 20 megatons of emissions by 2030.                                                                                                                 | 947,000          | 118%       |
| CUSTOMERS |                                |                                                                                                                                                             |                  | 105%       |
| 10        | Nutrition and Health           | Eliminate 2,600 tons of sugar from Carrefour branded products by 2026 compared to the 2022 baseline.                                                        | 261              | 101%       |
|           |                                | Eliminate 250 tons of salt from Carrefour branded products by 2026 compared to the 2022 baseline.                                                           | 78               |            |
| 11        | Customer Communities           | Build active customer communities for healthy and sustainable products in the 8 countries where the Group is present with its own operations.               | 3                | 100%       |
| 12        | Supplier Commitments           | Ensure that 500 suppliers are signatories to the 'Food Transition Pact' by 2030.                                                                            | 306              | 133%       |
| 13        | 'Act For Food' Program         | Receive at least 75/100 positive replies to the question: 'Does Carrefour help you eat better?'                                                             | 63               | 85%        |
| EMPLOYEES |                                |                                                                                                                                                             |                  | 119%       |
| 14        | Employee Engagement            | Minimum employer recommendation score of 75/100 awarded annually to Carrefour by its employees.                                                             | 83               | 132%       |
| 15        | Gender Equality                | Women to account for 35% Top 200 managers by 2025.                                                                                                          | 29%              | 99%        |
| 16        | Training                       | Ensure that at least 50% of employees receive training every year.                                                                                          | 69%              | 138%       |
| 17        | Employees with Disabilities    | Increase the number of disabled employees to 15,000 by 2026.                                                                                                | 13,358           | 109%       |

At CarrefourSA, we leverage Carrefour Group's Key Performance Indicators and Programs in addressing the dynamics of our country and stakeholder expectations.

CARREFOURSA'S SUSTAINABILITY APPROACH

As a leading player in the Turkish food retail industry, we are committed to being a sustainability pioneer with the responsibility that comes from serving approximately 500,000 people every day and the recognition that all our stakeholders also have an impact. We consider economic, environmental and social aspects and strive to integrate continuous improvement in these issues into all business processes.

Accordingly, we incorporate the following into our sustainability strategy:

- Our senior management leads us in ensuring compliance with our policies and promoting best practices.
  - We regularly monitor our sustainability performance, identify development areas and take necessary actions.
  - We adopt sustainability as a way of doing business and apply this approach effectively to our decision-making processes.
  - We work to instill the sustainability culture across our organization.
  - We consider the UN Sustainable Development Goals in our activities and plan our actions to align with these goals.
  - We fulfill legal requirements and other regulatory provisions related to environment, occupational health and safety, food safety and compliance.
  - We minimize waste generation and always strive to improve our recovery rates in line with our zero waste approach.
  - We follow the national and international agenda on tackling climate change and work to reduce greenhouse gas emissions at every stage of our value chain starting with our stores.
  - We ensure that water is used efficiently.
  - We consider our impact on biodiversity and plan our business models to conserve local fauna and flora.
  - In developing our products and services, we take into account their impact throughout their life cycle and act with environmental sensibility.
  - We value the well-being of our customers, closely monitor the activities of our suppliers for product safety and quality and offer the right products at accessible prices.
  - We consider addressing food waste a part of our corporate social responsibility and partner with stakeholders to eliminate it.
  - We recognize the importance of occupational health and safety and aim for zero workplace accidents and occupational diseases in our operations.
- We regard our human resource as our intellectual capital and promote organizational development to become the employer of choice and to offer equal opportunities for all.
  - We identify our environmental, social and governance risks with a proactive approach and employ prudent practices.
  - We do not tolerate any form of bribery and corruption.
  - We monitor and support the improvement of the sustainability performances of our suppliers that we regard as our business partners.
  - We give priority to responsible production and support local manufacturers and products.
  - We shape our activities around digitalization and innovation and encourage ideas and opinions on this matter.
  - We maintain transparent, accountable and engaging communication in our stakeholder relations.
  - We protect the privacy, integrity and accessibility of our information assets.



## Sustainable Business Models

As part of our sustainable farming, livestock and fishing strategy, we offer the 'right' products in our stores and directly contribute to sustainability across diverse sectors and to the continuity of national economy



We promote **Private Label** products to create economic value with a social and environmental perspective. We run various programs to implement best practices in our sector by prioritizing customer satisfaction and health.



For **Sustainable Farming** practices, we monitor the production process on site by encouraging producers to use local seeds and share product information with our customers through the Traceable Safe Food Platform and the QR codes on vegetables.



For **Sustainable Livestock**, we run a local livestock project and offer veterinarian-controlled red meat sourced from 100% local, known suppliers in our stores. This practice allows us to create business for local producers, ensure animal welfare, improve quality and efficiency and sell at accessible prices.



For **Sustainable Fishing** products, we monitor the supply chain from production to the aisle and work with approved farms. The audits and practices, conducted in accordance with applicable legislation, also enable us to contribute to sustainability of marine life.

### Compliance with Sustainability Principles

CarrefourSA aims to achieve 100% compliance with the sustainability principles compliance framework, introduced by the Capital Markets Board further to the amendment dated October 2, 2020 in the Corporate Governance Communiqué. Thanks to our dedicated efforts in recent years and Sabancı Holding's

guidance and enhancements, we have achieved compliance to a significant extent. We plan to continue our work on enhancing compliance with these principles in 2024 by considering the benefit of all stakeholders, starting with the shareholders.

In 2023, CarrefourSA fully complied with 51 of the 56 non-mandatory principles and

partially complied with two of these principles. This performance is a solid testament to the sustainability-focused approach of CarrefourSA, a Sabancı Group company, in environmental, social and governance aspects. CarrefourSA's compliance with the sustainability principles in 2023 is summarized in the table below:

| Type                 | Full Compliance | Partial Compliance | Non-compliance | Not Applicable |
|----------------------|-----------------|--------------------|----------------|----------------|
| General              | 12              | -                  | -              | -              |
| Environmental        | 21              | -                  | -              | 3              |
| Social               | 16              | 2                  | -              | -              |
| Corporate Governance | 2               | -                  | -              | -              |
| Total                | 51              | 2                  | -              | 3              |

## SUSTAINABILITY GOVERNANCE

2-5, 2-9, 2-12, 2-13, 2-14, 2-20

At CarrefourSA, sustainability is a strategic priority. Therefore, we have built a governance structure to efficiently monitor, manage and control sustainability risks and opportunities and within the organization. The **Sustainability Committee**, formed in 2020, is composed of managers from relevant departments within CarrefourSA. The committee, headed by Deputy General Manager of Human Resources and Sustainability, reports to the Executive Committee at CarrefourSA. The **H&S, Environment, Quality Assurance and Sustainability Group** is responsible for coordinating and monitoring the activities of the committee and relevant secretarial work. As defined in the duties and working principles document, the committee is tasked with determining the sustainability strategy, targets, roadmaps and policies, ensuring internal integration, managing the associated risks and opportunities and developing and implementing projects. The committee, which convenes at regular intervals, discusses CarrefourSA's material

topics and makes recommendations. Presentations and meeting resolutions are recorded and duly shared with all CarrefourSA management. These resolutions are also submitted to the Executive Committee and relevant departments for consideration. The follow-up and results of the resolutions are addressed at the next meeting. The committee may also form subcommittees when a specific focus is needed.

In addition to heading the committee, **Deputy General Manager of Human Resources and Sustainability** also coordinates and monitors sustainability-related processes. She plays a central role in sustainability communications with our stakeholders, starting with Sabancı Holding and Carrefour Group.

The **Executive Committee**, the senior governing body regarding sustainability topics, consists of the CEO and deputy general managers. The Executive Committee convenes weekly to address strategic and tactical issues, sets targets and

makes high level decisions. The Sustainability Committee Chair and Secretary regularly submits significant performances regarding sustainability risks and opportunities to the Executive Board for review and approval.

Goals related to managing sustainability risks and opportunities are among the individual performance targets of the senior executives, including our CEO. The performance of the sustainability committee members is reviewed annually and the members may be replaced if necessary.

This report has been prepared by the sustainability committee with external strategic consultancy and finalized based on feedback and approval by the Executive Committee and the Board of Directors.



CARREFOURSA SUSTAINABILITY COMMITTEE

| MEMBERS                                                                         |
|---------------------------------------------------------------------------------|
| Head of HR HQ Operations, Training, Organizational Development and Compensation |
| Head of Private Label Category                                                  |
| Head of Field HR, Personnel Affairs, Payroll and Labor Relations                |
| Head of Customer Experience and E-Commerce                                      |
| Head of Corporate Systems                                                       |
| Head of Logistics                                                               |
| CMB, Investor Relations and Financial Services Manager                          |
| Head of Technical Procurement and Maintenance                                   |
| Head of Sales Coordination                                                      |
| Head of Marketing and Corporate Communications                                  |
| Deputy General Manager of Human Resources and Sustainability                    |
| Head of Category Operations                                                     |
| Internal Purchasing Manager                                                     |
| Head of CRM                                                                     |
| Risk Manager                                                                    |
| Head of Internal Audit                                                          |
| Head of Non-Food Category                                                       |
| Head of H&S, Quality Assurance, Environment and Sustainability                  |
| Chief Legal and Compliance Counsel                                              |
| Head of Fresh Food Category                                                     |
| Senior Sustainability Specialist                                                |
| Head of Dry Food and Beverage Category                                          |

KEY STAKEHOLDERS AND MATERIAL TOPICS

Stakeholders and Engagement

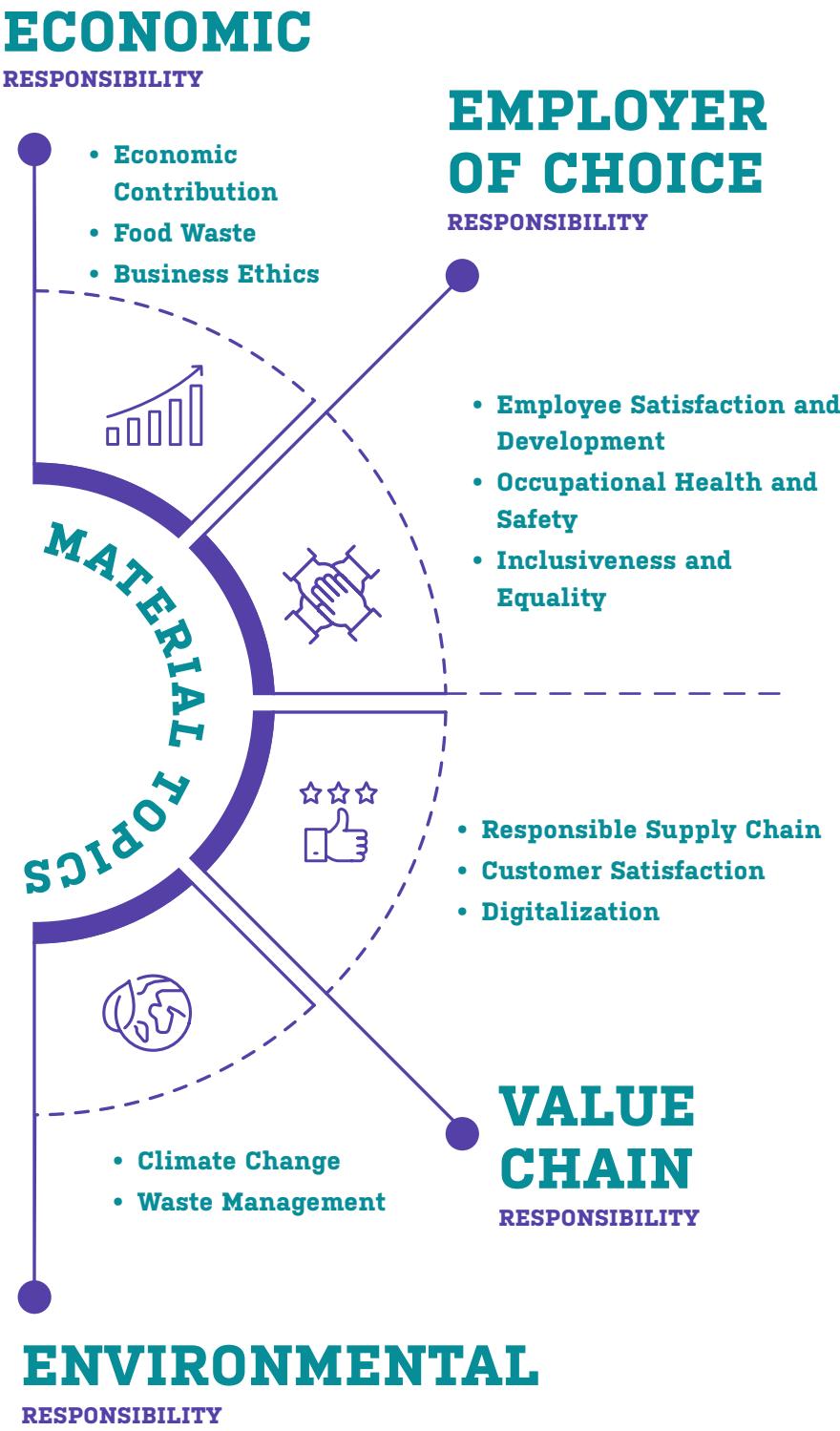
All departments at CarrefourSA interact directly or indirectly with our stakeholders, i.e. the individuals and the organizations that may be impacted by our activities, products and services or that may affect our corporate strategy and goals. Therefore, we strive to learn about the expectations of all our stakeholders, starting with our employees, including those of our subcontractors, our customers, suppliers and main shareholders - Sabancı Holding and Carrefour Group - and respond accordingly. The stakeholder groups identified through our work with sustainability committee members and our engagement platforms are listed below:

| STAKEHOLDER         | ENGAGEMENT PLATFORM                                                                                                                                                                                                                                                                                                                                                           |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Carrefour Group     | Senior Management Meetings (regular), Project-based Meetings (as needed)                                                                                                                                                                                                                                                                                                      |
| Customers           | Call Center and WhatsApp line (continuous), Social Media (continuous), carrefoursa.com (continuous), Assessment Surveys (continuous, with customers who opted in for communications), Net Promoter Score Surveys (annual), Brand Health and Recognition Surveys (continuous), Customer Reporting Line (continuous)                                                            |
| Employees           | Employee Satisfaction Surveys (every other year), Support Newsletters (monthly), Hello Summer Meeting (annual), Farewell Summer Meeting (annual), Townhalls (multiple times a year), Sports and Wellness Festival (annual), 24/7 Support Line (continuous), Lean Leader Meetings and Briefings (continuous), Sustainability Newsletters (3-4 times a year), Sports Activities |
| Franchisees         | Franchisee Meet-ups (annual), Meetings (regular), Regional Manager Visits (continuous), Satisfaction Surveys (every year)                                                                                                                                                                                                                                                     |
| Labor Union         | OHS Committees (continuous), Meetings (continuous), Union and Employer Meetings (quarterly)                                                                                                                                                                                                                                                                                   |
| NGOs (General)      | Meetings with NGOs and Partnerships for Various Projects (continuous)                                                                                                                                                                                                                                                                                                         |
| Public Institutions | Meetings with various Ministries and Public Institutions (as required for projects and specific topics)                                                                                                                                                                                                                                                                       |
| Sabancı Holding     | Sabancı Holding Audit Group Meetings (quarterly), Topic-specific Task Force Activities (continuous)                                                                                                                                                                                                                                                                           |
| Shareholders        | General Assembly Meetings (annual), Investor Presentations (regular), Website (cont.), Earnings Releases and Interim Activity Reports (quarterly), Annual Reports, Sustainability Reports (annual), Investor Relations Dep. Communication Channels (cont.)                                                                                                                    |
| Subcontractors      | Process Meetings (regular)                                                                                                                                                                                                                                                                                                                                                    |
| Suppliers           | Meetings with Law Firms (every other month), Meetings with the NPS firm (as needed), Audits (continuous), Meetings with Advertising Agency (continuous), Meetings with Media Planning and Procurement Agency (continuous), Meetings with PR Agency (continuous), Meetings with Survey and Data Providers (continuous)                                                         |

Material Topics

We used several resources to identify CarrefourSA's material topics. In addition to studying our own economic, social and environmental impact, we analyzed the results of customer surveys and other tools where our stakeholders expressed their views. During the reporting period, we also reviewed the remarks and criticisms of different stakeholder groups and ensured that their expectations were included in the analyses. Furthermore, we researched the general industry trends and material issues, referred to studies by global organizations such as the SASB and sought external strategic consultancy. Additionally, we conducted a needs survey involving different stakeholder groups in 2022 and reviewed our material topics. Ultimately, we identified 11 corporate material topics, reflecting our own strategies and policies and including the goals set by the Board of Directors, in alignment with the material topics of our brand partner Carrefour Group and the material sustainability topics of Sabancı Group, our parent company.

Our material topics, which make up the backbone of this report, guide us in identifying our priorities regarding our activities, working groups and key performance indicators. To ensure consistency, we explained our performance in each topic with relevant indicators. In this process, we referenced internationally recognized norms and parameters that are also used in Türkiye to the extent possible and compared them with previous year data, creating the sustainability context. We aim to improve our performance in these areas year on year in line with stakeholder expectations, industry dynamics and global standards. We are committed to disclosing our results and development areas transparently. Therefore, we will share the measures we will take, or revise our targets accordingly.



OUR CONTRIBUTION TO UN  
SUSTAINABLE DEVELOPMENT GOALS

| Material Topics                       | Targets                                                                                                                                                                                   | Relevant SDGs                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic Contribution                 | To create economic value for our stakeholders.                                                                                                                                            |                |
| Food Waste                            | To eliminate the economic impact of food waste across the entire food chain.                                                                                                              |                                                                                                   |
| Business Ethics                       | To shape our way of doing business and relationships with all stakeholders around our code of ethics.                                                                                     |                                                                                                                                                                                      |
| Employee Satisfaction and Development | To create ultimate employee satisfaction by providing the best work environment and to foster their continuous development.                                                               |                                                                                                                                                                                                                                                                                                                                                            |
| Occupational Health and Safety        | To provide a safe work environment.                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                          |
| Inclusiveness and Equality            | To never tolerate any gender-based discrimination and always offer equal opportunity by exercising fairness in all transactions and practices.                                            |                                                                                                                                                                                |
| Responsible Supply Chain              | To foster and maintain economic, social and environmental development across the supply chain with sustainable business models and policies.                                              |      |
| Customer Satisfaction                 | To deliver excellent customer experience in all processes, starting with health and safety and measure customer satisfaction continuously to improve it across all channels.              |                                                                                                                                                                                                                                                                                                                                                          |
| Digitalization                        | To achieve digital transformation across the value chain to ensure that the existing processes are more effective and efficient, fast, accessible and most importantly, customer-centric. |                                                                                                                                                                                                                                                                                                                                                          |
| Climate Change                        | To manage our energy and water consumption and carbon footprint accurately and raise awareness among all stakeholders.                                                                    |                                                                                                                                                                                                                                                                     |
| Waste Management                      | To prevent, reduce, reuse, recycle or dispose of waste without harming the environment by embracing the 'Waste Pyramid' approach.                                                         |                                                                                                                                                                                                                                                                     |

## DOUBLE MATERIALITY

### Identifying Impacts, Risks and Opportunities

We conducted a comprehensive Double Materiality assessment to analyze our sustainability issues at every stage of our value chain, taking The Türkiye Sustainability Reporting Standards TSRS) framework as reference. We assessed environmental, social and governance aspects from the Impact Materiality and Financial Materiality perspectives. Throughout the process, we addressed our positive and negative impacts, dependencies, risks and opportunities in the short, medium and long term.

In the materiality assessment, the process launched according to the Implementation Guide of the European Financial Reporting Advisory Group (EFRAG) was based on the TNFD LEAP (Locate, Evaluate, Assess, Prepare) approach. In assessing social impacts, we benefited from the UN's Guiding Principles on Business and Human Rights and the OECD's (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises. We also used all reasonable and supporting data available to CarrefourSA for the materiality assessment, while industry reports from indirect sources provided complementary content.

Aiming to better understand our potential impact across different stages of our value chain, we leveraged the findings in CarrefourSA's 2022 Sustainability Report as a primary source for insights about affected stakeholders. The expectations of users who reference CarrefourSA's general financial statements have also been addressed based on feedback from the relevant teams. However, no special assessment such as a stakeholder engagement plan was conducted during the preliminary studies. CarrefourSA's business model, supply chain and impact across stages of the value chain were scored and evaluated according to the Environmental Impact, Social Impact and Risk & Opportunity tables to determine key risks and opportunities. While ESG topics were addressed according to criteria such as scale, scope and reversibility according to the ESRS I standards, a more sensitive approach was adopted in social areas such as human rights.

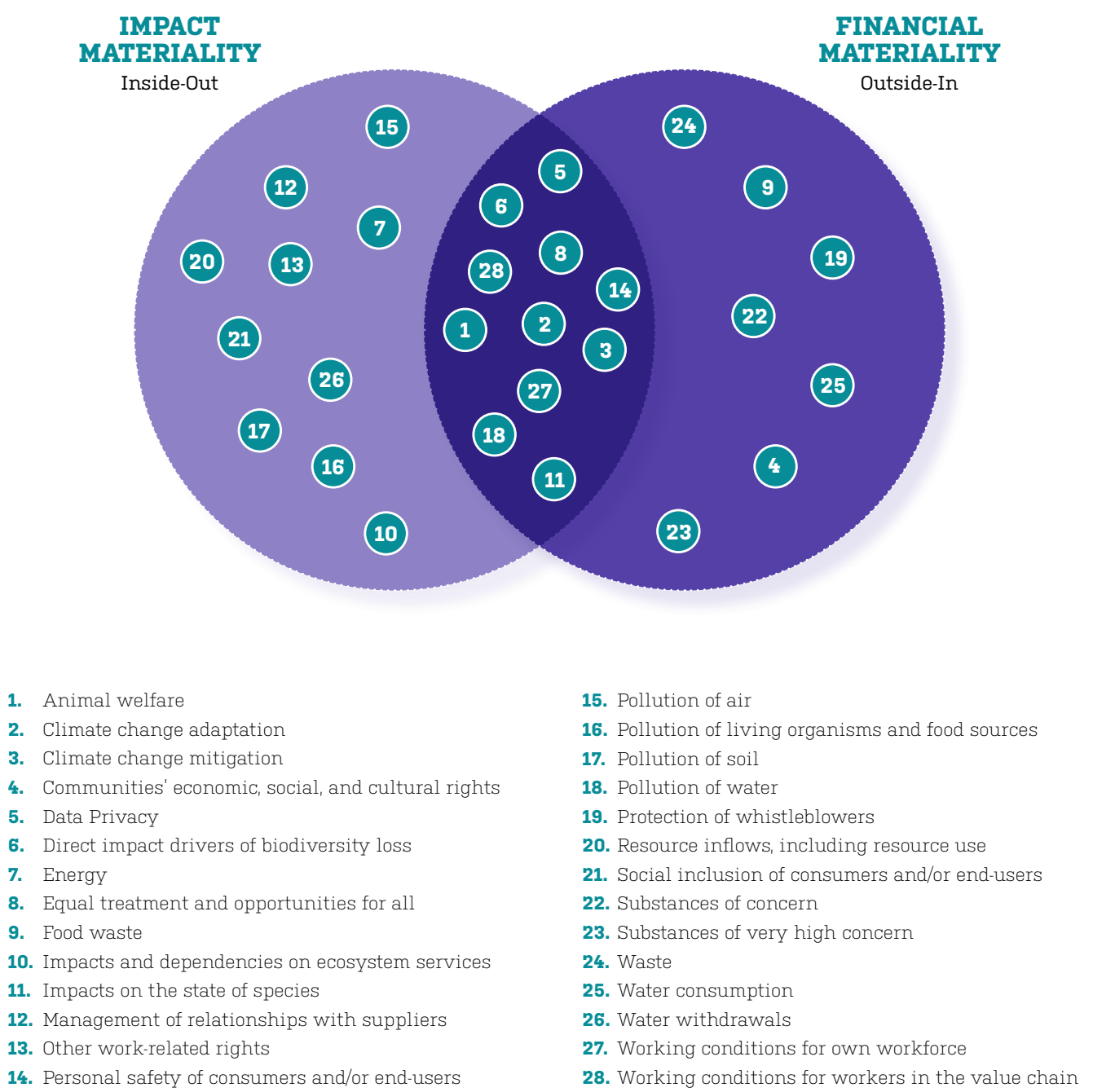
All findings were analyzed in light of the financial and operational criteria defined by the CarrefourSA Early Detection of Risk Committee. Acceptances on issues such as risk maturity, risk impact and scope determined in CarrefourSA's risk assessment processes provided context. Accordingly, impacts, risks and opportunities were categorized as short-term (0-3 years), medium-term (3-10 years) and long-term (10 > years). Out of the 122 impacts and 112 risks & opportunities identified as a result of the assessments, 40 impacts and 23 risks & opportunities were defined as CarrefourSA's Double Materiality Topics. Once these were combined according to their content, a total of 28 material topics emerged. The scope of our study will expand further with additional assessments to be conducted in the coming years. The next process will involve detailed interviews with the relevant CarrefourSA functions for each identified risk and opportunity, thus helping us evaluate the materiality of our risks and

opportunities in full compliance with the standard methodology. Furthermore, financial impacts will also be analyzed and reported for possible material topics. This analysis will guide our sustainability strategy, enabling us to manage sustainability risks within our business processes and seize opportunities more effectively.

The material topics identified as a result of the assessment are shown in various colored columns on the graph. Impacts and Risk & Opportunities that remained below the threshold value according to the scoring criteria of the assessment and were not determined as material, were not included in the graph. Impact Materiality and Financial Materiality are shown below:

|                                        | Important<br>Impact<br>Materiality                                                                                                                                        | Important<br>Financial<br>Materiality |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| ESRS E1<br>Climate Change              | Climate change adaptation<br>Climate change mitigation<br>Energy                                                                                                          |                                       |
| ESRS E2<br>Pollution                   | Pollution of air<br>Pollution of water<br>Pollution of soil<br>Pollution of living organisms and food sources<br>Substances of concern<br>Substances of very high concern |                                       |
| ESRS E3 Water and Marine Resources     | Water withdrawals<br>Water consumption                                                                                                                                    |                                       |
| ESRS E4<br>Biodiversity and Ecosystems | Direct impact drivers of biodiversity loss<br>Impacts on the state of species<br>Impacts and dependencies on ecosystem services                                           |                                       |
| ESRS E5<br>Circular Economy            | Resource inflows, including resource use<br>Food waste<br>Waste                                                                                                           |                                       |
| ESRS S1 Own Workforce                  | Working conditions for own workforce<br>Equal treatment and opportunities for all                                                                                         |                                       |
| ESRS S2<br>Workers in the Value Chain  | Working conditions for workers in the value chain<br>Other work-related rights                                                                                            |                                       |
| ESRS S3<br>Affected Communities        | Communities' economic, social, and cultural rights                                                                                                                        |                                       |
| ESRS S4<br>Consumers and End-users     | Data Privacy<br>Personal safety of consumers and/or end-users<br>Social inclusion of consumers and/or end-users                                                           |                                       |
| ESRS G1<br>Business Conduct            | Protection of whistleblowers<br>Animal welfare<br>Management of relationships with suppliers                                                                              |                                       |

All sustainability issues with impact on CarrefourSA or on the business are listed alphabetically, regardless of their materiality:



Detailed disclosures about the material topics identified through the assessment and their sub-topics are provided under the relevant sections, which you may access by clicking the links within the report.

We carefully analyze potential risks and opportunities based on global and local developments. As we shape our strategies, we adopt a comprehensive approach by considering sustainability principles and the contributions of different teams. CarrefourSA's sustainability risks and opportunities have not yet been integrated into the overall risk management process. The integration will be initiated in 2025 in full compliance with The Türkiye Sustainability Reporting Standards.

# ECONOMIC RESPONSIBILITY

*Economic Contribution*

*Food Waste*

*Business Ethics*



# Economic Responsibility

As a publicly traded company, our sustainability relies primarily on economic success. Considering our shareholders, investors, employees, suppliers and other business partners, we have significant economic impact, including the prevention of waste in the food chain, and a responsibility to act ethically.

Creating sustainable economic value for our stakeholders is one of our material topics. Accordingly, we focus on growth and efficiency to create sustainable value and economy of scale. In addition to increasing the number of our stores organically, we grow through franchising and e-commerce systems while also engaging more actively in exports.

We follow the principle of accurate inventory management to minimize waste in the food chain and aim to reintroduce food waste into production, thus preventing economic losses. We also take part in various local and international initiatives and donate food waste suitable for consumption.

As part of our economic responsibility, we operate with ethical values. Our code of ethics, based on the principles of honesty and integrity, guides us in all our decisions and activities. As required in our code of ethics, which is aligned with the Universal Declaration of Human Rights, we always respect human rights in all our decisions and activities under all circumstances and expect all our stakeholders to

uphold the same approach.

Due to the transition to inflation accounting, the financial data for 2022 has been recalculated and presented in our report. Some payments are not indexed within the scope of IAS29, but in order for these values to be comparable for the reader, the 2022 data has been adjusted for 2023 purchasing power.

| KEY PERFORMANCE INDICATORS <small>FB-FR-000.A</small> |                                                                              | 2021     | 2022    | 2023    |
|-------------------------------------------------------|------------------------------------------------------------------------------|----------|---------|---------|
| Economic Contribution                                 | Revenues (TL million)                                                        |          | 36,273  | 44,341  |
|                                                       | Profit Margin Before Tax (%)                                                 |          | 4.2     | 2.1     |
|                                                       | Retail Space (000 m²)                                                        | 508      | 536     | 565     |
|                                                       | Employees (Total)                                                            | 12,274   | 13,717  | 14,193  |
|                                                       | Direct Employees                                                             | 10,174   | 10,663  | 10,520  |
|                                                       | Indirect Employees                                                           | 2,283    | 3,054   | 3,674   |
|                                                       | Local Sourcing Ratio (%)                                                     | 100      | 100     | 100     |
|                                                       | Exports (TL million)                                                         |          | 166     | 271     |
|                                                       | No of Stores                                                                 | 754      | 895     | 1,047   |
|                                                       | No of Franchisees                                                            | 72       | 200     | 341     |
| Food Waste                                            | No of Warehouses                                                             | 12       | 14      | 14      |
|                                                       | Food Waste (tons)                                                            | 7,952    | 15,062  | 15,396  |
|                                                       | Ratio of Food Waste's Economic Value to Revenues (%)                         |          | 1.0     | 0.8     |
|                                                       | Preserve Your Food Campaign                                                  | Launched | Ongoing | Ongoing |
|                                                       | Food Recovered for Resale (tons)                                             | 1        | 107     | 82      |
| Ethics                                                | Ethics Training Completion Rate (%)                                          | 63       | 60      | 60      |
|                                                       | Number of Ethics Investigations                                              | 462      | 205     | 214     |
|                                                       | Number of Employee Contracts Terminated as a result of Ethics Investigations | 174      | 131     | 114     |
|                                                       | Ratio of Employees Covered by Collective Labor Agreement (%)                 | 69       | 68      | 67      |

## DOUBLE MATERIALITY – IMPACTS, RISKS, OPPORTUNITIES

| IMPACT MATERIALITY              |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |          |                     |                         |
|---------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------|---------------------|-------------------------|
| Topic                           | Subtopic                                          | Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Actual / Potential |          | Term                | Related to Human Rights |
| E5 – Circular Economy           | Resource inflows, including resource use          | Depletion of water resources can impact both operational water use and also product-related water requirement, leading to lower available inventory and product variety.                                                                                                                                                                                                                                                                                                                                                                  | Potential          | Negative | Short               | Yes                     |
|                                 |                                                   | Events or disasters such as pandemics, earthquakes or floods can disrupt the supply chain, resulting in delays and inventory shortages.                                                                                                                                                                                                                                                                                                                                                                                                   | Potential          | Negative | Short, Medium, Long | No                      |
|                                 |                                                   | Using natural resources for agricultural products and fossil-based packaging causes resource depletion.                                                                                                                                                                                                                                                                                                                                                                                                                                   | Actual             | Negative | Short, Medium, Long | Yes                     |
|                                 |                                                   | Resource efficiency through the use of recyclable packaging materials.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Potential          | Positive | Medium, Long        | No                      |
|                                 | Food Waste                                        | Reducing food waste at source and integrating it into the recycling cycle improves resource efficiency and supports a sustainable business model. Delivering edible surplus food to those in need through food banking reinforces social responsibility.                                                                                                                                                                                                                                                                                  | Actual             | Positive | Short, Medium, Long | Yes                     |
| S2 - Workers in the Value Chain | Working conditions                                | Workers across CarrefourSA's supply chain may be exposed to occupational health and safety risks in both production and distribution processes. Workers employed in production stages or engaged in activities such as raw material extraction, manufacturing and product processing may face risks like dangerous machinery, hazardous chemicals and physical fatigue, while they may be exposed to the risks of workplace accidents and injuries in distribution processes, including transportation, storage and logistics operations. | Potential          | Negative | Short, Medium       | No                      |
|                                 | Other work-related rights                         | CarrefourSA has supported the UNICEF program to eliminate child labor in agriculture since 2015. This support represents a robust example of social responsibility for tackling child labor. CarrefourSA's efforts to promote UNICEF projects in its stores help to attract more donors, raising public awareness and contributing to advocacy about this problem.                                                                                                                                                                        | Actual             | Positive | Short, Medium       | Yes                     |
|                                 |                                                   | CarrefourSA conducts supplier audits to eliminate serious violations like child labor and forced labor. The company ensures that its suppliers adopt the BSCI (Business Social Compliance Initiative) principles and encourages the creation of working conditions according to the International Labour Organization (ILO) standards.                                                                                                                                                                                                    | Actual             | Positive | Short, Medium       | Yes                     |
|                                 | Communities' economic, social and cultural rights | CarrefourSA's Urban Farming Project is an initiative designed to promote sustainable and accessible food production for both consumers and producers to uphold the right to access sufficient food. The objective of the project is to provide fresh and safe food to consumers and to lower food prices by shortening the supply chain through guaranteed purchase agreements with local farmers.                                                                                                                                        | Actual             | Positive | Short, Medium       | Yes                     |

| Topic                     | Subtopic                                          | Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Actual / Potential | Negative / Positive | Term                | Related to Human Rights |
|---------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|---------------------|-------------------------|
| S3 – Affected Communities | Communities' economic, social and cultural rights | Through the Support Packages, Mobile Kitchen and Direct Support to Production projects, CarrefourSA offers urgent and long-term solutions to ensure that communities affected by the earthquakes access sufficient food. During the crisis, essential supplies were rapidly delivered to affected people while the Mobile Kitchen served hot meals to those in need. On the other hand, the Direct Support to Production project was launched not only for the crisis period but also as a long-term solution, supporting local producers with guaranteed purchases of fresh food and ensuring continued food delivery to communities in the earthquake affected region. | Actual             | Positive            | Short, Medium       | Yes                     |
|                           |                                                   | "Go Beyond the Look and Taste It" and the "Too Good to Waste" campaigns offer fruits and vegetables that are imperfect but fit for human consumption, foods close to expiration, and bakery products at the end of the day at discounted prices, preventing food waste and supporting access to sufficient food.                                                                                                                                                                                                                                                                                                                                                         | Actual             | Positive            | Short, Medium       | Yes                     |
|                           |                                                   | If wastewater from operations is not adequately treated, pollutants carried into local water bodies can degrade water quality and negatively impact human health.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Potential          | Negative            | Long                | Yes                     |
|                           |                                                   | CarrefourSA's branded water production can improve community health by facilitating access to healthy drinking water, especially in areas where water quality is poor, i.e. hard. Preventing health problems caused by hard water and providing safe drinking water improves communities' quality of life and promotes their right to clean water.                                                                                                                                                                                                                                                                                                                       | Actual             | Positive            | Short, Medium       | Yes                     |
|                           |                                                   | Unsustainable agricultural practices of producers (i.e. monoculture farming, excessive pesticide use, overexploitation of natural resources) can lead to soil degradation, which negatively impacts agricultural productivity and therefore the local economies in the regions where CarrefourSA sources its products.                                                                                                                                                                                                                                                                                                                                                   | Potential          | Negative            | Medium, Long        | Yes                     |
|                           |                                                   | Poor animal welfare practices may leave the company in a position of violating local and international regulations, resulting in fines and reputational damage.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Potential          | Negative            | Short, Medium, Long | Yes                     |
| G1 - Business Conduct     | Management of relationships with suppliers        | Failing to ensure transparency in social and environmental audits and corrective actions may cause the stakeholders to question the effectiveness of CarrefourSA's responsible sourcing practices.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Potential          | Positive            | Short, Medium, Long | Yes                     |
|                           |                                                   | Failing to adequately monitor suppliers' compliance with social and environmental standards, CarrefourSA may be exposed to the risk of unethical practices like environmental damage or labor violations in the supply chain.                                                                                                                                                                                                                                                                                                                                                                                                                                            | Potential          | Negative            | Short, Medium, Long | Yes                     |
|                           |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |                     |                     |                         |

| FINANCIAL MATERIALITY           |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                               |                     |  |
|---------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--|
| Topic                           | Subtopic                                          | Risk                                                                                                                                                                                                                                                                                                                             | Opportunity                                                                                                                                                                                                                                                                                | Term                |  |
| E5 – Circular Economy           | Waste                                             |                                                                                                                                                                                                                                                                                                                                                                                                                     | Recycling wastes with economic value may contribute positively to company revenues.                                                                                                                                                                                                                                                                                           | Medium, Long        |  |
|                                 | Food Waste                                        | If the company suffers more economic loss due to increased waste in the food chain, the impact on revenues would be significant.                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                               | Short, Medium, Long |  |
| S2 - Workers in the Value Chain | Other work-related rights                         | If issues surface related to child labor in the supply chain and they are reported in the media, CarrefourSA would suffer serious reputational damage. This could damage customers' trust and negatively impact the company's long-term revenues. Furthermore, if incidents of child labor are detected in the supply chain, CarrefourSA may be forced to change suppliers, leading to increased operational costs. | CarrefourSA may develop projects to reduce water consumption to take advantage of financing in accordance with the Green Bond Principles introduced by International Capital Market Association (ICMA) or the Green Loan Principles published by the Loan Market Association.                                                                                                 | Short, Medium       |  |
| S3 - Affected Communities       | Communities' economic, social and cultural rights |                                                                                                                                                                                                                                                                                                                                                                                                                     | CarrefourSA's Urban Farming Project fosters sustainable food production in collaboration with local farmers, while also providing consumers more affordable, fresh and safe food. This practice may offer a financial opportunity for CarrefourSA. Sustainable agriculture can reduce logistics costs in the long term and create a cost advantage through local food supply. | Short, Medium, Long |  |
|                                 |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                     | In the short term, such campaigns may provide cash flow to CarrefourSA and increase sales volume by preventing products from going to waste. As a company that prevents waste in accordance with sustainability principles, CarrefourSA's access to financing can be facilitated in the medium and long term.                                                                 | Short, Medium, Long |  |
| G1 - Business Conduct           | Protection of whistle-blowers                     | Failure to adequately protect against retaliation increases the risk of internal misconduct going unreported, leading to long-term reputational damage or operational issues.                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                               | Short, Medium       |  |
|                                 | Animal welfare                                    | Failure to consistently apply animal welfare policies across all suppliers increases the risk of non-compliance with internal standards and external regulatory requirements. If animal welfare violations are detected in the supply chain, CarrefourSA may face reputational damage and legal actions.                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                               | Short, Medium, Long |  |
|                                 | Management of relationships with suppliers        | Failure to monitor compliance effectively may expose CarrefourSA to the risk of violating its own sourcing standards, thus resulting in negative publicity, regulatory fines and loss of significant certifications (e.g. fair trade, organic, etc.) Non-compliance in the supply chain may lead to boycotts or legal action by stakeholders and consumers.                                                         |                                                                                                                                                                                                                                                                                                                                                                               | Short, Medium, Long |  |

## ECONOMIC CONTRIBUTION

### ECONOMIC CONTRIBUTION APPROACH <sup>2023</sup>

As a publicly traded company, CarrefourSA strives to create sustainable economic value for its stakeholders. With these efforts, the company aims to:

- Deliver return on investments in line with partner and shareholder expectations.
- Provide competitive compensation and benefits to its employees.
- Ensure fair earnings and opportunities for its franchisees.
- Implement a fair pricing policy for its suppliers.
- Contribute to the economic growth of its business partners.
- Fulfill its legal financial obligations towards the state, including taxes, completely and on time.
- Make a meaningful contribution to the social needs of the country especially in areas within its impact.

## ECONOMIC VALUE CREATION <sup>2023</sup>

We focus on growth and efficiency to create sustainable value and economy of scale. Our strong growth is fueled by the success captured in our franchising and e-commerce businesses. We aim to respond to expectations by maintaining the momentum of this economic growth.

| Key Financial Indicators                   | 2022   | 2023   |
|--------------------------------------------|--------|--------|
| Revenues (TL million)                      | 36,273 | 44,341 |
| Gross Profit (TL million)                  | 6.965  | 9.124  |
| Gross Profit Margin (%)                    | 19.2   | 20.6   |
| Operational Profit Before Tax (TL million) | 1,506  | 914    |
| Profit Margin Before Tax (%)               | 4.2    | 2.1    |

Note: Based on the purchasing power in December 2023.

| Key Operational Indicators       | 2022 | 2023  |
|----------------------------------|------|-------|
| No of Stores (Total)             | 895  | 1,047 |
| Mini                             | 259  | 249   |
| Super                            | 381  | 399   |
| Hyper                            | 23   | 22    |
| Gourmet                          | 32   | 36    |
| Franchise                        | 200  | 341   |
| No of Stores Offering E-commerce | 58   | 75    |
| Retail Space (000 m²)            | 536  | 565   |

### CONTRIBUTION TO EMPLOYMENT <sup>2023</sup>

At CarrefourSA, we not only contribute significantly to the economy but also make a wide social impact through the jobs we create. We currently operate with more than ten thousand employees and over two thousand people employed by our subcontractors and business partners.

CarrefourSA Employees

| Direct Employment | 2021   | 2022   | 2023   |
|-------------------|--------|--------|--------|
| Employees         | 10,174 | 10,663 | 10,520 |

Employees of Subcontractors and Business Partners

| Services             | 2021  | 2022  | 2023  |
|----------------------|-------|-------|-------|
| Cleaning             | 513   | 626   | 578   |
| Security             | 254   | 232   | 264   |
| Service-Valet        | 29    | 38    | 38    |
| Employee Catering    | 92    | 92    | 92    |
| Logistics Warehouses | 738   | 785   | 771   |
| E-commerce Warehouse | 34    | 60    | 77    |
| E-commerce Shipping  | 183   | 141   | 167   |
| Franchisees          | 440   | 1,080 | 1,687 |
| Total                | 2,283 | 3,054 | 3,674 |

We also receive SSI (Social Security Institution) incentives for the jobs we create. <sup>2023</sup>

| Incentives                  | 2022  | 2023  |
|-----------------------------|-------|-------|
| SSI Incentives (TL million) | 151.9 | 167.1 |

Nearly half of our employees are based in Istanbul, where our head office is also located. With extensive operations in different regions across the country and a local recruitment policy, we contribute to regional economies as well.

Employees by Region

| Regions                                                    | 2021   | 2022   | 2023   |
|------------------------------------------------------------|--------|--------|--------|
| Istanbul                                                   | 4,989  | 5,105  | 4,942  |
| Aegean - Mediterranean                                     | 3,004  | 3,267  | 3,331  |
| Central Anatolia, Black Sea, Eastern-Southeastern Anatolia | 1,223  | 1,271  | 1,237  |
| Marmara                                                    | 959    | 1,020  | 1,010  |
| Total                                                      | 10,174 | 10,663 | 10,520 |

### Local Recruitment

At CarrefourSA, we encourage local recruitment. When we open new stores or whenever new employees are requested by existing stores, we prioritize applications through İŞKUR employment offices or candidates residing in the respective store locations. Regarding employment for our seasonal stores, we prefer candidates residing in those regions. Considering the requirements of specific stores, we contact the respective provincial İŞKUR and employment offices and also participate in job fairs. In 2023, we launched the Recruitment and Talent Center investment for human resource management. In addition, we continue to hire employees through the apprenticeship program carried out in cooperation with the Ministry of National Education of the Turkish Republic. As of year-end 2023, 53 people have been recruited through this program.

### LOCAL SOURCING <sup>2023</sup>

At CarrefourSA, we source nearly 100% of the products we sell from local suppliers. Furthermore, we aim to provide guidance on using the right seeds by contacting the producers directly and therefore not going through intermediaries, to support local farming, ensure quality standards and create a price advantage. Due to legal and accounting requirements, we use cooperatives in purchases from producers.

| Purchasing                                         | 2022   | 2023   |
|----------------------------------------------------|--------|--------|
| No of Suppliers                                    | 3,583  | 9,469  |
| Local Supplier Ratio (%)                           | 99.9   | 99.9   |
| Payments to Suppliers (cost of sales) (TL million) | 35,721 | 38,338 |
| Local Sourcing Rate (%)                            | 100    | 100    |

INDIRECT ECONOMIC CONTRIBUTIONS 2023

At CarrefourSA, we have a significant and indirect contribution to the national economy as well. Some examples of this contribution include supporting small local businesses with the additional customer potential that our stores create in their locations, helping suppliers grow and supporting business partners and their employees:

- Economic Value for Suppliers:** Our suppliers are an essential part of our value chain. We contribute significantly to their economic sustainability and therefore to job creation.
- Economic Value for Local Builders/Suppliers:** When we open new stores and renovate existing stores, we prefer to work with local suppliers, manufacturers and builders in the respective cities and districts and select them from among teams with previous experience in the social conditions of the location. Through this practice, our investments also contribute positively to the local economy. Every year, we renovate nearly 150 ~ 200 stores in varying scales in line with our strategic targets.
- Value Creation Through Sustainable Business Models:** We support farmers with our sustainable agriculture practices, animal husbandry with our livestock activities and fish farms with our fishing activities.
- Franchising Model:** We support entrepreneurs within our franchising system, enabling them and their employees to do business under the assurance of the CarrefourSA brand. We assist them in developing their business and creating jobs in their regions by ensuring that they offer products with CarrefourSA quality assurance to their customers.

PAYMENTS TO THE STATE 2023

Like all commercial enterprises, we have a responsibility toward the state to fulfill our tax and other legal obligations completely and on time. As part of our activities in this area, calculations pertaining to Corporate Tax Returns and Provisional Tax Returns are concurrently reviewed and assessed by Sabancı Holding Financial Affairs Department teams. Additionally, we procure consultancy services from independent audit firms when external opinions and advice are needed. We impose various controls and restrictions within the organization to calculate all taxes (including VAT of products) accurately and ensure that only authorized individuals may intervene.

| Taxes and Fines Paid to the State | 2022  | 2023  |
|-----------------------------------|-------|-------|
| TL million                        | 1,663 | 1,495 |

CONTRIBUTING TO EXPORTS

Our export activities, albeit relatively small compared to our overall operations, are growing steadily and rapidly. We export a portfolio consisting of mainly food items and 70% private label products to 11 countries, including TRNC, Poland, Georgia, Belgium and France. As a result, we indirectly support our local producers, enabling them to contribute to exports and national economy.

| Export Revenues | 2022 | 2023 |
|-----------------|------|------|
| TL million      | 101  | 271  |



As a company founded in Türkiye and operating globally in the fast-moving consumer goods industry, we are committed to delivering value through our product and service quality while upholding our responsibility to communities and the environment. At Hayat, we are proud to strengthen our enduring partnership with CarrefourSA each year as we work toward a shared vision of a sustainable future. CarrefourSA's leadership in the retail industry, coupled with its inspiring sustainability initiatives and social responsibility projects, earns our utmost admiration.

CarrefourSA's sustainability-focused contributions to the retail sector serve as a benchmark for all stakeholders dedicated to their communities and the planet. We are confident that CarrefourSA will continue to excel on its sustainability journey, and we look forward to collaborating further to create lasting positive impact.

Sinan Coşkun  
Türkiye Sales Director  
Hayat Kimya



SUPPORTING WOMEN  
ENTREPRENEURS

As of year-end 2023, our franchise system has 55 female business owners and managers. We also support the initiatives of female producers in Türkiye, giving them an opportunity to reach customers through our aisles:

- Female Producers Market:** Since 2019, we have hosted the 'Female Producers Market' on March 8 at our hypermarket in İstinye, Istanbul with partnering businesses founded by female producers. This store offers women producers the opportunity to promote their products personally and improve their products based on the feedback they receive during their direct engagement with the customers. In 2023, we organized the "Direct Support for Production Days" event to support local producers affected by the earthquake, giving them an opportunity to promote their products.
- Woven Bags of Heybeliada:** The woven bags made by women living on Heybeliada are sold at CarrefourSA stores to support the female makers and help them participate in the economy.

CIVIC INVESTMENTS AND SOCIAL  
SUPPORTS 2015-2023

- CarrefourSA, a supporter of **UNICEF** since 2015, continued this support in 2023 through the "Farm to School" project, which aims to raise awareness about child labor in agriculture. Through UNICEF, CarrefourSA helped 20 primary school-age children with disabilities in Türkiye access proper education during the pandemic. To mark November 20, World Children's Day, playgrounds were set up at designated hypermarkets and UNICEF's 'Face to Face' teams joined the children to teach them their rights. We have also provided financial support to UNICEF by encouraging the customers to donate to the UNICEF money boxes placed near the cash registers at CarrefourSA stores. The donations made to these boxes amounted to TL 55,020. As a result of the activities organized at 11 stores, including the Istanbul and Izmir stores, TL 508,000 was raised in donations and channeled to emergency response programs.
- We have partnered with **Basic Needs Association (TİDER)**, an NGO focused on equitable access

- to basic needs, for 12 years. In 2023, CarrefourSA continued to partner with TİDER, supplying food items to thousands of people in need and preventing tons of products from going to waste.
- We donate edible post-consumer food waste for stray animals as part of the Animal Friends Movement project, made possible in cooperation with **HayKonFed**. With this partnership, ongoing since 2015, we deliver food products, which are discarded as waste in all our stores across Türkiye but are not harmful for animal health, through HayKonFed volunteers for stray animals. The project not only prevents food waste but also helps feed stray animals. In 2023, this support amounted to 60 kg of cat food and 300 kg of dog food.
- We contribute to **AÇEV**'s "A Future That Reads" campaign. In exchange for the waste batteries we collect in stores and send for recycling, we donate children's books and materials that support learning for children in need.
- Following the ban on offering free plastic bags in Türkiye, cloth bags are used more and

- more. We donate the proceeds from the sales of recycled cloth bags at CarrefourSA stores to Darüşşafaka, TİDER and HayKonFed.
- In line with our responsible consumption approach, we collect the waste vegetable oil that our customers voluntarily bring to the stores to protect the environment and conserve water resources. In 2023, we donated the proceeds from recycling nearly 10 tons of waste oil collected to **Tohum Autism Foundation** to raise autism awareness.
  - As part of the **Children Design Project**, we partner with Darüşşafaka Society and sell the cloth bags, featuring designs by the students of Darüşşafaka Educational Institutions, at select CarrefourSA stores across Türkiye. All proceeds from the sales of these bags are donated to Darüşşafaka.
  - CarrefourSA has played a key role during the **Sabancı Republic Campaign**, organized by Sabancı Holding with the participation of volunteers from its subsidiaries. Training programs were organized for local producers and women entrepreneurs in Adana, Çorlu and Istanbul. In addition, 878 tons of waste was collected in a coastal clean-up in Karataş and recycled. To promote sustainable fishing, CarrefourSA came together with members of the Karataş Fisheries Cooperative in Adana and engaged in an underwater clean-up. Participants were also advised about food literacy, hygiene and food safety in training courses with women's cooperatives. In addition, an olive crushing event was organized with 150 Sabancı volunteers.
  - Our employees raise funds for various NGOs by running in the **Istanbul Marathon**.
  - The **donations** raised in 2023 amounted to TL 3.6 million.
  - CarrefourSA launched an Urban Farming project guided by its vision of sustainability and supporting local production. In this project, half of the products offered in the produce aisles in Istanbul stores are sourced through urban farming, aiming to support local producers and sell the customers fresh and affordable products.
  - The **Lezzet Arası** restaurant system was utilized to deliver food to the people of Kahramanmaraş after the February 6 earthquake. The mobile kitchen set up in Kahramanmaraş served hot and fresh meals to 12 thousand earthquake victims every morning, noon and evening for a month, while meals were sent every day to villages and disabled citizens who could not access food. In total, 300 thousand people were served food.
  - As the Water Sponsor of the 13<sup>th</sup> Adana Kurtuluş Half Marathon, CarrefourSA contributed 10,000 bottles of Carrefour water. The company also served refreshments for the runners in the "Winter Run Istanbul," "Summer Run" and "Beykoz Trail Run" races. The proceeds from the Winter Run event were channeled to the earthquake-affected region. The CarrefourSA Run Team ranked fifth in the Winter Run and Beykoz Trail Run races and third in the Women's Team Category with its 12 athletes in the Summer Run race.
  - Aiming to raise earthquake awareness, the company partnered with **AKUT FOUNDATION** to form 25-person CarrefourSA Search and Rescue Teams, one in Ankara and one in Izmir, for professional emergency response in the event of a possible Marmara earthquake.



#### ACTIVITIES CREATING ECONOMIC VALUE

We engage in various activities such as the franchising system, e-commerce applications, operator model and lean and process management to maintain and increase the economic value we create.

##### Franchising System

We launched the franchising system in 2019 to support CarrefourSA's economic growth targets. For this purpose, we adapted the proven franchising system that Carrefour Group has applied for years to the dynamics of our country. As of year-end 2023, our franchise network grew to 341 stores.

| Franchisees | 2021 | 2022 | 2023 |
|-------------|------|------|------|
| Stores      | 72   | 200  | 341  |

With the franchising system, we aim for these stores to contribute to our revenues and profitability through economy of scale while meeting franchisees' financial expectations. Accordingly, we apply a business model that works with a win-win formula and meets the expectations of both parties. We plan to expand the system, which has been applied to the Mini, Super and Express Market concepts to date, to more

regions in 2024 with operations in 58 provinces.

We also aim for the franchisees to adhere to the reputation and standards of CarrefourSA without compromise. To achieve this, we support our franchisees with training programs, especially on human resources, logistics, marketing, advertising and social media. We also follow protocols and conduct audits regarding hygiene, quality, food safety and occupational health and safety. The key obligations of the franchisees toward their employees are included in our agreements. To ensure that the system functions as designed, we maintain regular contact with our franchisees, monitoring their profitability and performing satisfaction surveys. In 2023, we migrated to a more efficient system with a change in ERP systems to improve our franchisees' effectiveness.

##### E-Commerce Applications

The e-commerce operations that CarrefourSA launched in 2005 have gained momentum in recent years, especially with the activities ongoing since 2018. As of year-end 2023, we operate with 287 employees in 75 stores in 20 provinces, catering to online customers via carrefoursa.com. Empowered by our broad

product offering and the 'Fresh Produce' variety and quality as key factors in grocery shopping, combined with our brand strength, our e-commerce volume accounts for an increasingly higher share in CarrefourSA's total revenues. We aim to further reduce the carbon footprint of e-commerce by the day with the help of various projects by maximizing the efficiency of our operational processes.

##### Operator Model

We developed the Operator Model to assign some of our product departments to other legal entities. This is done in areas in which we do not particularly specialize and in provinces and regions with limited suppliers and logistical means; this is how we manage product groups, including nuts, meat, fresh produce and bakery at such locations. Through this model, which allows us to support local initiatives while benefiting from their expertise, we partnered with 160 operators as of year-end 2023. Some of these businesses operate in multiple stores and in some cases we partner with several operators in different categories in a single store.

##### Lean and Process Management

Lean Management refers to an approach developed to prevent all kinds of waste and loss in the



operational processes, accelerate flow and continuously improve and enhance the value definition based on customer demand and expectations. We embrace the lean management approach to disseminate practices at CarrefourSA and to enable our employees to identify processes without added value and thereby increase efficiency. As a result, we also contribute directly to sustainable profitability.

To develop a model that matches CarrefourSA's understanding of retail and the intended lean store approach, we defined the lean management concepts that would work for us and aligned them with our internal resources. We assigned Lean Leaders – mostly store managers – in each store and used the following five tools to implement these practices:

- **5S (sort, set, shine, standardize, sustain):** This method is a lean approach applied across the entirety of a store, enabling the removal of undefined materials (that do not belong to that area) from the work environment and creating an orderly and clean setting with the defined items. The 5S methods makes it easier to monitor the materials and use the space more efficiently.
- **Standard Operating Procedures:** These are guidelines created to specify how individual tasks should be performed in the same standards in each store.
- **System for Accurate Communication, Sharing Information and Meetings:** The system ensures that tasks are followed through and relevant information is shared at all levels based on a specific escalation system with the objective of strengthening internal communication within the stores.
- **Smart Targets and Monitoring Key Performance Indicators:** KPI tracking is a critical tool for measuring and improving the performance of our stores. Therefore identifying, tracking and analyzing KPIs are important steps for the stores to achieve their targets and to become more effective and efficient by

addressing the development areas in their business processes. Sales recommendations, sales/FTE (fulltime employee), fresh food loss, NPS (net promoter score) and DII (days in inventory) are among the KPIs we monitor.

- **Kaizen:** This is the lean management concept that refers to continuous development and improvement. Lists of problems, employee suggestions and ideas and customer feedback are regularly collected as kaizen suggestions and followed through as improvement activities or projects.

Activities conducted in 2023:

- **Suggestion System:** The Suggestion System integrated into the C-Mobile app enables all our employees to submit their improvement and development suggestions, problems and customer feedback. Each submission is evaluated and the viable suggestions are implemented through projects.
- **BBD System:** Products approaching their best-

before dates in the aisles are communicated to store employees every day via the C-Mobile app. Store employees check this list daily and collect all products nearing expiration from the aisles.

- **Cockpit:** The digital reporting screen Cockpit allows stores to view the reports they want to follow daily. All reports are stored in the library of the Cockpit screen and are not shared via email. This practice prevents email pollution.
- **Warehouse Layout:** Through lean assessments, tools that do not comply with 5S standards and the idle or scrap equipment have been removed from all store warehouses, which were then organized with layouts for easy flow of goods.
- **Lean Dashboard:** The Lean Dashboard is continuously improved and used. Reports available in every store provide transparent information and are shared with all employees.



- **Store Assessments:** All stores undergo a lean assessment at least once. If needed, certain stores are supported with training to resolve their issues.

2024 targets:

- **Store Portal:** The Store Portal screen is an intranet system that all stores can access to perform several transactions on a single page. This screen will also enable access to other extensions they want to use and follow newsletters and announcements. The target is to open, develop and enhance the portal screen.
- **Digital Workforce Planning Project:** This project will ensure that shift plans are created automatically in stores. In addition to shifts, we aim to plan the tasks and areas for each employee in 30-minute periods based on workload data.
- **Accepting Precious Goods with Handheld Terminal:** Currently, precious goods are accepted by two people, who use a checklist to control and count the delivery. If a discrepancy is found, a form is created and a debit/credit note process is initiated. Goods acceptance with handheld terminals will involve a single person, who will scan the product with the handheld terminal, which will enter it into the system and automatically create a form.
- **Fresh Produce Request Collection:** Fresh produce requests are collected from the field by email and managed through a meticulous follow-up process. The target is to collect such requests digitally via C-Mobile with the approval of the Regional Manager.
- **Cockpit:** We plan to add new reports to the Cockpit screen.
- **Multitasking Matrix:** With this application, which will be integrated into C-Mobile, we aim to support and upskill all employees assigned to key tasks in the stores with training. As the employees

receive training and improve themselves, their competence levels will also advance.

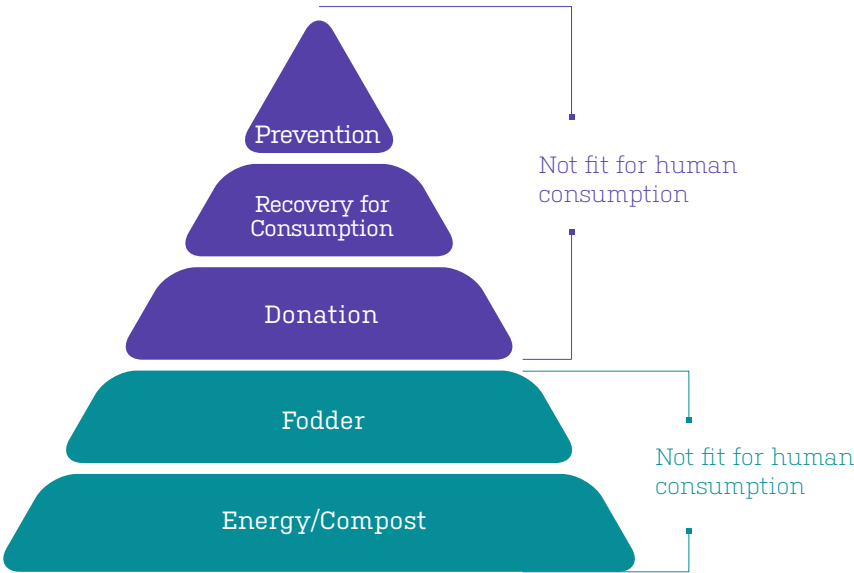
- **Kobetsu Kaizen Project:** The objective of this project is to improve store teams' communication and to address problems that can be solved within the store without delay. The project will be integrated into the C-Mobile app to monitor the teams effectively.

FOOD WASTE

FOOD WASTE APPROACH

The economic value of food waste generated in the food chain is within our direct impact. Recognizing this, we embrace the principle of accurate inventory management to minimize food waste and aim to reintroduce the food waste into production to prevent economic loss. We support our communities by donating surplus edible food and work with various stakeholders to ensure that the donated food is delivered to those in need.

In managing food waste, we begin by raising awareness among our stakeholders, starting with our employees, suppliers and customers. Our objective is to create lasting change in consumption habits by encouraging our customers to adopt waste prevention measures.



Food Waste Approach Pyramid

| Food Waste                | 2022   | 2023   |
|---------------------------|--------|--------|
| Food Waste (tons)         | 15,062 | 15,396 |
| Revenue Loss (TL million) | 363    | 351    |
| Waste/Revenue Ratio (%)   | 1.0    | 0.8    |

PROGRAMS FOR MANAGING FOOD WASTE



Protect Your Food Campaign

The 'Protect Your Food, Preserve Your Table' campaign was launched in 2020 by the Turkish Ministry of Agriculture and Forestry in cooperation with United Nations Food and Agriculture Organization (FAO). The objective of the campaign is to develop national policies and actions to reduce food waste and losses.

We support this campaign because it aligns with our material issues. Accordingly, we started by sharing the campaign with all our employees to raise awareness. In June 2021, we sponsored the 'Protect Your Food' cooking event organized by the Manisa Provincial Directorate of Agriculture and Forestry by providing Carrefour-branded products. We also launched a project titled 'Use the Leftovers' and presented recipes made with ripe fruits or vegetables in our 'Lezzet Arası' restaurants to promote waste prevention. We also communicated practical tips by sharing recipes such as a ripe banana ice cream, a soup made with leftover vegetables and a winter tea made with fruit peels.

We also created informative content with tips about the right way of storing food and keeping produce fresh longer. On the consumer communications side, we have plans to affix the Preserve Your Food logo

on the products and refer to the right storage conditions and food safety recommendations such as 'first in, first out' to reduce food waste.

Go Beyond the Look and Try the Taste

We launched a campaign with the slogan "Go Beyond the Look and Try the Taste" to promote the use of ripe produce with less than appealing looks. To prevent produce from going to waste, we started to offer such fruits and vegetables at discounted prices. If the produce in the fruit and vegetable aisles are fit for human consumption but not in the best shape or form or are discolored, bruised or have slightly damaged skin, etc. they are picked and sorted for resale.

The project, launched in January 2022, was implemented in 144 stores by the end of the first year, saving 107 tons of food from going to waste, and a further 82 tons in 2023. In terms of the total quantity of fruit and vegetable waste, nearly 5% was recovered, a rate that we intend to maintain at a minimum in the years to come.

| Food Waste                | 2022   | 2023   |
|---------------------------|--------|--------|
| Food Waste (tons)         | 15,062 | 15,396 |
| Revenue Loss (TL million) | 363    | 351    |
| Waste/Revenue Ratio (%)   | 1.0    | 0.8    |

Food Donation

We partner with FAZLA and Food Recovery Association to deliver surplus food and non-food items to people in need. Our collaboration also includes accurate analysis and categorization of food losses to prevent food from going to waste with timely action. For this purpose, we have long been working on how to deliver surplus edible food to people in need through food banks. We reintroduce the products that are past their expiry date but are still fit for human consumption to the economy.

In 2022, we donated 11,756 items to food banks, saving 503 tons of food and non-food products. Our donations, amounting to 718 tons since project launch, include packaged food, charcuterie, cleaning materials and hygiene products, legumes, essential food and cosmetics.

BUSINESS ETHICS

BUSINESS ETHICS  
APPROACH

Sabancı Group Code of Ethics defines the framework of our mutual responsibilities with our employees and all our business partners. This code is based on the principles of honesty and integrity and guides us in all our decisions and activities. This approach, developed in line with the Universal Declaration of Human Rights and the core conventions of the International Labour Organization, go beyond the applicable laws and regulations and is binding for all our employees, including the Board members and executives. We also expect our stakeholders to adhere to these principles.

ETHICAL RULES AND  
PRACTICES

Our Code of Ethics is available on CarrefourSA's corporate website (<https://kurumsal.carrefoursa.com/tr/hakkimizda/politikalarimiz/is-etigi-kurallari>) for all our stakeholders. Since this topic forms the foundation of our company culture, we provide business ethics training to all our employees at the start of their employment, when we also ask them to sign the Sabancı Business Ethics Declaration. To ensure that our employees stay up to date on business ethics, we also deliver annual training programs on topics including human right, anti-bribery and anti-corruption.

| Ethics Training                             | 2021  | 2022  | 2023  |
|---------------------------------------------|-------|-------|-------|
| Training Time (hours)                       | 1,646 | 1,919 | 1,517 |
| Completion Rate (Assignment/Completion) (%) | 63    | 60    | 60    |

We provide various communication methods that the employees may choose to report their concerns and problems in confidence. These include:

- Ethics Line (0216 577 14 90)
- Ethics Email ([etik@carrefoursa.com](mailto:etik@carrefoursa.com))
- Mail (to CarrefourSA Head Office Internal Audit Department)
- C-Mobil (dedicated app for

- CarrefourSA employees)
- Sabancı Holding Ethics Line (0212 385 85 85),
- Call Center (444 10 00)
- Sabancı Ethics Email ([etik@sabanci.com](mailto:etik@sabanci.com))
- Direct Reporting by the Employees (to the Head Office Internal Audit and HR Departments)

More than half of the ethics violation incidents are reported via our ethics line. We review the reports carefully and launch an investigation on the reported incidents if we identify an ethics violation. The relevant figures are disclosed transparently in this report to demonstrate our unwavering ethical commitment to all our stakeholders. Based on the reviews of the reported incidents, 974 investigations were launched in 2023, and those involving potential ethics violations have been investigated thoroughly.

When an ethics violation is identified as a result of the investigation, we take disciplinary actions, which may escalate up to termination of employment. The reported incidents and their outcomes are listed in the table below:

| Actions                                                           | 2021  | 2022  | 2023  |
|-------------------------------------------------------------------|-------|-------|-------|
| Reported Ethics Violations + Head Office-initiated Investigations | 1,036 | 1,030 | 974   |
| Number of Investigations Initiated                                | 462   | 205   | 214   |
| Number of Disciplinary Actions Imposed                            | 1,012 | 934   | 1,022 |
| Number of Employee Contracts Terminated                           | 174   | 131   | 114   |

COMBATTING BRIBERY AND  
CORRUPTION

We do not tolerate bribery and corruption under any circumstances. In line with the Sabancı Group policy for combatting bribery and corruption, we have defined the duties and responsibilities that all

our executives and employees are expected to fulfill and disclosed them transparently on the corporate website for the attention of all our stakeholders. (<https://kurumsal.carrefoursa.com/tr/hakkimizda/politikalarimiz/rusvet-ve-yolsuzlukla-mucadele-politikasi>)

The annual ethics training programs provided to the executives and employees include the topics specified in the policy for combatting bribery and corruption. The completion rates of these training programs are also reported to the Holding's senior management by the Sabancı Ethics Committee every year.

There are multiple ethics channels for the employees to report bribery and corruption incidences. The Internal Audit Department is tasked with reviewing all reported incidents in confidence and resolving them as quickly as possible.

The policy for combatting bribery and corruption is binding on all relevant stakeholders, starting with the company executives and employees. We also act in coordination with public authorities to monitor blacklisted individuals and companies and take measures to terminate our business relationship with those who are regarded as suspicious or risky for any reason, engage in behaviors that do not align with our corporate culture or insist on failing to comply with our processes. In addition to the individuals and institutions that commit bribery and corruption, people who enable, encourage, facilitate or endorse such behavior or fail to report such incidences despite having knowledge thereof are also subjected to sanctions.

Bribery and corruption risks are considered high in our sector, especially in processes concerning procurement, cash register transactions, loyalty cards, product theft, inventory/stock irregularities, cash register theft, wholesale and general expense items. Therefore, we continuously review the high risk processes in stores and at the head office through regular audits and scenarios.

HUMAN RIGHTS 22/22

Guided by our code of ethics, which also aligns with the Universal Declaration of Human Rights, we respect human rights in all our decisions and activities under all circumstances and expect all our stakeholders to act accordingly.

Our code of ethics addresses human rights topics and provides a guarantee for our own operations. Nevertheless, we go beyond these rules and train our employees on these issues, include relevant provisions in our agreements and conduct audits at our suppliers and franchisees.

Employees' Right to Collective Bargaining 230.FBFR3107

We sign collective bargaining agreements to ensure that we achieve competitive levels in labor costs and maintain labor peace. In these agreements, we also define the responsibilities of the trade union and CarrefourSA regarding environment, gender equality, working conditions for employees with disabilities and provision of a fair work environment. The collective agreement also covers topics such as employee bonuses as well as education, marriage, birth and death allowances, which are guaranteed in writing. The ratio of employees covered by the collective bargaining agreement currently stands at 67%.

| Employees Covered by Collective Agreement              | 2021 | 2022 | 2023 |
|--------------------------------------------------------|------|------|------|
| Ratio of Employees Covered by Collective Agreement (%) | 69   | 68   | 67   |

Human Rights Provisions in Investment Agreements

The investment agreements such as new store openings and renovations include provisions on the working conditions, occupational safety, customer safety and rights, financial benefits and social security of the employees during the preparation, contract and signing stages. Other than direct material procurements, every agreement that involves an employee includes specific

provisions to protect employee rights.

The OSHA (Occupational Safety and Health Administration) standards and the principles of occupational health and safety regulations were incorporated into all eight of the main agreements signed for 30 new store openings and renovations in different scales in 2023. For instance, the agreements require the contractors:

- To provide the necessary on-the-job training to the field workers before starting the job to ensure that they are informed about a safe working environment.
- To conduct occupational safety and environmental risk analyses related to the subject of the agreement, to report the results to the employer and to inform the field workers about the risks.
- To supervise all field workers during the execution of the job and provide the necessary reports to confirm that all safety-related issues are resolved.
- To take all necessary safety measures on time without the need for any notification or warning and to educate the workers about the methods and solutions to prevent workplace accidents.

Social, Environmental and OHS Impact Assessments of the Operations

We address the social and environmental impact of the jobs involved in store openings and renovations on a macro and micro scale. 352

- On a macro scale, the qualifications of the teams and the framework of the work to be carried out in the store and the design are determined by considering the social and economic conditions of the province where the store will be opened/ renovated. For instance, using teams with previous work experience in the region and the accommodation conditions of the workers are key considerations. In terms of design criteria, factors like pedestrian access are taken into account especially in densely populated cities, whereas parking space and vehicle access may be key in areas where the layout is

more horizontal.

- On a micro scale, we consider the characteristics of the store location and its immediate surroundings. We consider factors such as how the area would be visually and physically affected by the construction (such as loading docks, operating hours, permissions to be obtained from neighboring businesses or residences, etc.) and plan all works accordingly.

Our operations involve some processes that could potentially have a negative impact on the surroundings. These risks include material pollution, noise pollution, out of the ordinary crowding and vehicle traffic 353 that may occur during construction work in our stores. Various procedures are implemented to address such these risks. For instance:

- Construction waste will never be left outside the store. Such waste is instead taken to the disposal sites allocated by the municipality every day. The companies taking care of the disposal document the process.
- Only the routes determined in agreement with building and shopping mall managements for receiving/shipping goods at the start are used.
- Similarly, working hours are limited to the times agreed with neighboring businesses or residents. Working outside the specified times is not permitted.
- Even if legal permits are secured, the working conditions are adjusted as needed if a complaint is received from the locals or neighboring businesses and residents. Similarly, no production work subject to the complaint can be carried out, even if it comes at a financial loss.

Human Rights at the Franchisees

Provisions pertaining to the fundamental rights of the employees are incorporated into the agreements signed with store owners that join the CarrefourSA family through the franchising system. The franchisee is a separate legal entity and the direct employer of the store employees. Even so, we specify



the legal requirements in writing in our agreements and monitor the franchisee to ensure that all employee rights, including salaries, other benefits and social security premiums, etc. are honored and paid fully on time and obligations such as training are fulfilled.

Human Rights in the Supply Chain 308.1.408.1, 409.1.414.1, 414.2, FBFR4301.3

We respect human rights as a key priority in our business processes and supply chain. Our human rights approach applies to all our stakeholders, including the players in our supply chain. We have even higher responsibilities regarding suppliers that provide our private label products.

We engage in various social compliance activities to improve the social performance of the producers of our Carrefour-branded (private label) food and non-food products. This system addresses legal rights and compliance, working conditions, elimination of forced or compulsory labor, antidiscrimination, inclusion of workers in the processes, improving occupational health and safety practices and managing environmental impacts. With the audits that started in 2022 for these purposes, we aim to ensure fair working conditions at our suppliers.

The primary objective of these efforts is to ensure respect for human rights and social compliance at every stage across the supply chain. Accordingly, we aim to help our suppliers build a sustainable future by protecting employees, communities and the environment. Furthermore, we work to make sure that our suppliers adopt the BSCI (Business Social Compliance Initiative) principles. The key objective of these principles, which are based on the labor standards of ILO (International Labour Organization) and encourage continuous improvement in suppliers' social performance, is to promote sustainable working conditions globally. These principles primarily include: elimination of child labor, elimination of discrimination, fair compensation, a safe and healthy work environment, decent working hours, ethical business conduct, abolition of inhuman treatment, elimination of bonded labor and protecting the environment. Our main activities regarding these principles will be detection, audit and improvement. We aim to ensure that our suppliers comply with the laws, set short-, medium- and long-term goals to improve their social performance and regularly integrate their learnings from the activities into their procedures.

The Association of Professional Social Compliance Auditors (APSCA) defines social compliance as addressing wages and benefits, labor rights, discrimination against gender, race, age, vulnerabilities and beliefs, health and emergency planning to elevate minimum humanitarian values. Social compliance audits provide a way of evaluating, measuring, understanding and reporting an organization's social performance and practices across their supply chain with respect to applicable laws, regulations and international conventions.

Before the social compliance audits started in 2022, we identified the material topics and categorized the risks by conducting risk assessment surveys with our private label product suppliers. In risk assessments, we considered the suppliers' number of employees, facility conditions, the social compliance audit platforms to which they subscribe and all improvements planned and executed for these audits. In addition to our private label product suppliers, we plan to include the other suppliers in our social audits, developed in line with the global practices of the Carrefour Group, in the coming years.

# EMPLOYER OF CHOICE

## RESPONSIBILITY

*Employee Satisfaction and  
Development*

*Occupational Health and Safety*

*Inclusiveness and Equality*



# Employer of Choice Responsibility

With the human resources strategy, which aligns with the company's mission, vision and core values, we aim to:

- Attract a qualified workforce to our company and invest in them.
- Foster employee development.
- Improve and strengthen the organization.
- Manage the remuneration and reward system.
- Drive employee motivation and loyalty.

jobs, achieve ultimate employee satisfaction, provide training programs to foster continuous development and conduct structured performance and career appraisals.

In order to create a safe work environment, we shape our occupational health and safety policy around the existing conditions and strive for continuous improvement. We also ensure that our OHS committees function efficiently and take the necessary measures to minimize the risks of workplace accidents.

We do not tolerate any discrimination for reasons such as gender, religion, language or race. We exercise fairness in all practices and processes such as recruitment, career development, personal development and remuneration for both existing and prospective employees, offering equal opportunities.

We consider becoming an Employer of Choice with exemplary practices as a key responsibility.

Accordingly, we aim to focus on young talent and create more

| KEY PERFORMANCE INDICATORS            |                                                                                       | 2021   | 2022   | 2023   |
|---------------------------------------|---------------------------------------------------------------------------------------|--------|--------|--------|
| Employee Satisfaction and Development | Number of Employees                                                                   | 10,174 | 10,663 | 10,520 |
|                                       | Ratio of Employees on Permanent Contracts (%)                                         | 94     | 93     | 96     |
|                                       | Ratio of Full-time Employees (%)                                                      | 99.9   | 99.9   | 99.7   |
|                                       | Ratio of Newly Hired Employees                                                        | 30     | 41     | 41     |
|                                       | Turnover Rate (%)                                                                     | 38     | 36     | 28     |
|                                       | Ratio of Employees Under 30 (%)                                                       | 30     | 29     | 27     |
|                                       | Ratio of Newly Hired Employees Under 30 (%)                                           | 71     | 67     | 64     |
|                                       | Employee Loyalty Rate* (%)                                                            | -      | 52     | 47     |
|                                       | Average Training Hours                                                                | 14.1   | 14.3   | 9.7    |
| Occupational Health and Safety        | Graduates of the MAYA Program                                                         | 208    | 18     | 115    |
|                                       | Number of OHS Committees                                                              | 39     | 39     | 29     |
|                                       | Number of Workplace Accidents                                                         | 312    | 316    | 363    |
|                                       | Ratio of Workplace Accidents                                                          | 5.73   | 4.63   | 5.33   |
|                                       | Number of Fatal Workplace Accidents                                                   | 0      | 0      | 0      |
| Inclusiveness and Equality            | Number of Workplace Accidents with Serious Injury                                     | 0      | 0      | 0      |
|                                       | Occupational Disease Ratio                                                            | 0      | 0      | 0      |
|                                       | Female Employment Ratio (%)                                                           | 37     | 39     | 40     |
|                                       | Ratio of Female Executives (%)                                                        | 26     | 27     | 27     |
|                                       | Women's Representation on the Board (%)                                               | 17     | 17     | 17     |
|                                       | Ratio of Women in Promotions (%)                                                      | 40     | 43     | 38     |
|                                       | Ratio of Women in New Recruitments (%)                                                | 46     | 51     | 51     |
|                                       | Ratio of Women in Employee Turnover                                                   | 40     | 47     | 42     |
|                                       | Gender Pay Gap** (%)                                                                  | 4      | 4      | 3      |
|                                       | Number of Franchisees Founded and Managed by Women                                    | 13     | 25     | 77     |
|                                       | Completion Rate of Gender Equality Training (%)                                       | 74     | 80     | 62     |
|                                       | Rate of Return to Work After Maternity Leave (%)                                      | 80     | 90     | 83     |
|                                       | Rate of Return to Work After Paternity Leave (%)                                      | 100    | 100    | 100    |
|                                       | Ratio of Employees Staying on the Job for Minimum 12 Months After Maternity Leave (%) | 85     | 72     | 69     |
|                                       | Ratio of Employees Staying on the Job for Minimum 12 Months After Paternity Leave (%) | 82     | 89     | 87     |
|                                       | Ratio of Employees with Disabilities (%)                                              | 2.5    | 2.6    | 2.8    |

(\*) White Collar  
(\*\*) Gender pay gap: The percentage gap of the average female employee salary to the average male employee salary

## DOUBLE MATERIALITY – IMPACTS, RISKS, OPPORTUNITIES

### IMPACT MATERIALITY

| Topic              | Subtopic                                  | Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Actual/<br>Potential | Negative<br>/ Positive | Term          | Related<br>to Human<br>Rights |
|--------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------|---------------|-------------------------------|
| S1 - Own Workforce | Working conditions                        | CarrefourSA offers its employees, including mothers, support via Avita employee service, which includes pedagogical, medical and psychological assistance. Women returning to work after paid maternity leave may take up to two hours of time off for nursing each day. The head office building and the hypermarkets have nursing rooms. Head office employees also benefit from daycare for their young children.                                                                                                                                                                                                                                                                        | Actual               | Positive               | Short, Medium | Yes                           |
|                    |                                           | Hazards like using electrical equipment, loading/unloading delivery trucks, working with sharp tools and burns during cooking increase the risk of workplace accidents in CarrefourSA's retail and warehouse operations, while factors such as pallets dropping from heights and moving equipment colliding with pedestrians also represent significant danger. Failure to implement sufficient occupational health and safety precautions may leave employees at risk of serious workplace accidents and diseases. In particular, repetitive tasks and heavy working conditions may strain employees both physically and psychosocially, leading to musculoskeletal disorders and burnout. | Potential            | Negative               | Short, Medium | Yes                           |
|                    | Equal treatment and opportunities for all | CarrefourSA has been making strides in improving gender distribution. The company's female employment ratio stands at 40% of the entire workforce and 27% of all management positions. Women also constitute 38% of the promoted employees and 51% of new hires. This data reflects CarrefourSA's efforts to increase female participation in leadership positions and demonstrates the steps taken toward more balance in gender distribution.                                                                                                                                                                                                                                             | Actual               | Positive               | Short, Medium | Yes                           |
|                    |                                           | Gender pay gap is measured at 3% against women, meaning that CarrefourSA has yet to achieve gender equality in salaries and comply with the principle of equal pay for equal work. Gender pay gap against women means that female employees earn less than their male counterparts for the equal work they do. This has a negative impact on gender equality and lowers the motivation and job satisfaction of female employees.                                                                                                                                                                                                                                                            | Potential            | Negative               | Short, Medium | Yes                           |
|                    |                                           | As the first company to hire female employees as part of NEET - Young Women Building the Future Project, CarrefourSA creates significant impact in terms of supporting women's participation in the workforce.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Actual               | Positive               | Short, Medium | Yes                           |
|                    |                                           | CarrefourSA's efforts to create an accessible workplace make it easier for disabled employees to actively participate in professional life.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Actual               | Positive               | Short, Medium | Yes                           |

FINANCIAL MATERIALITY

| Topic              | Subtopic           | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Opportunity  | Term                |
|--------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------|
| S1 - Own Workforce | Working conditions | In an inflationary economy, continuous pay raises can significantly increase CarrefourSA's labor costs in the short term. Since employees expect regular pay raises to counter inflation, failure to meet this demand can lead to employee dissatisfaction and higher employee turnover. It can also result in additional recruitment and training costs. Furthermore, higher pays in response to high inflation can negatively impact CarrefourSA's cost structure, decreasing profitability in the short term. If inflation rates remain high, continuous pay raises can become unsustainable in the medium and long term, putting CarrefourSA under financial pressure.                                                                                                              |                                                                                                 | Short, Medium, Long |
|                    |                    | Subcontractors' failure to extend any or adequate pay raises for their workers could lead to work stoppages or strikes in the short term, disrupting CarrefourSA's supply chain and creating challenges in inventory management. These operational disruptions could result in revenue losses and higher sourcing costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                 | Short, Medium, Long |
|                    |                    | Additionally, work stoppages and strikes may receive extensive media coverage, damaging CarrefourSA's brand reputation and undermining customer trust. In the medium and long term, unfavorable media coverage and loss of customer loyalty could negatively impact CarrefourSA's financial performance and market share.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                 | Short, Medium, Long |
|                    |                    | Inadequate occupational health and safety practices can cause workplace accidents in the short term. Accidents that may occur during manual tasks such as lifting heavy loads and placing products on store shelves can result in loss of labor and operational disruptions.<br><br>In the medium term, such accidents can lead to compensation claims and legal processes, creating additional costs for CarrefourSA. A rise in workplace accidents may also weaken employee satisfaction and motivation, increasing employee turnover and the cost of new recruitment and training.<br><br>In the long term, persistent occupational health and safety issue can damage CarrefourSA's reputation and lower employee trust in the company, negatively impacting customer satisfaction. |                                                                                                 | Short, Medium, Long |

EMPLOYEE SATISFACTION AND DEVELOPMENT

**EMPLOYEE SATISFACTION AND DEVELOPMENT APPROACH** 

At CarrefourSA, the human resources strategies are defined in line with the vision of 'Sabancı of New Generation'. This vision, which highlights the rapid global changes, aims to align the Sabancı Group with the constantly evolving concept of "new" in a changing world as quickly and as best as possible. Building a high performance culture means that we can get to exercise our operational excellence approach even more. Accordingly, our goal with the human resources management and practices is to make CarrefourSA an "Employer of Choice" for its existing and prospective employees by creating a unique employee experience that gives individuals a purpose and opportunity for self-actualization and promotes fairness, continuous development, engagement, high performance and diversity.

Sabancı of New Generation is a culture that:

- Focuses on the needs and expectations of customers and all stakeholders.
  - Values different opinions and encourages wide engagement in decision-making.
  - Leads in innovation.
  - Recognizes mistakes as opportunities for improvement and learns from them.
  - Aims to create sustainable long-term value.
- 



EMPLOYMENT 

We provide direct employment for more than 10,000 people. Employee statistics as of year-end 2023:

- 75% are blue-collar.
- 96% are on permanent employment contracts.
- 99.7% work full time.
- 27% are under 30.
- 47% are based in Istanbul.

| Employees by Position (%)     | 2021   | 2022   | 2023   |
|-------------------------------|--------|--------|--------|
| Executive Committee           | 0.1    | 0.1    | 0.1    |
| Group Heads                   | 0.3    | 0.3    | 0.3    |
| Managers                      | 0.9    | 1.1    | 1.2    |
| Supervisors                   | 0.9    | 0.9    | 1.2    |
| Senior Specialists            | 1.0    | 1.5    | 1.9    |
| Specialists                   | 2.1    | 2.1    | 2.1    |
| Junior Specialists            | 0.4    | 0.3    | 0.3    |
| Store & Warehouse Managers    | 5.8    | 5.9    | 6.1    |
| Store & Warehouse Supervisors | 12.5   | 11.8   | 11.4   |
| Blue-collar Employees         | 76.0   | 76.1   | 75.4   |
| Total                         | 10,174 | 10,663 | 10,520 |

| Employees by Type of Contract (%)    | 2021   | 2022   | 2023   |
|--------------------------------------|--------|--------|--------|
| Employees on Temporary Contracts (%) | 6      | 7      | 4      |
| Employees on Permanent Contracts (%) | 94     | 93     | 96     |
| Total                                | 10,174 | 10,663 | 10,520 |

| Employees by Types of Contract and Regions                     |        |               |               |        |               |               |        |               |               |
|----------------------------------------------------------------|--------|---------------|---------------|--------|---------------|---------------|--------|---------------|---------------|
| Region                                                         | 2021   |               |               | 2022   |               |               | 2023   |               |               |
|                                                                | Total  | Temporary (%) | Permanent (%) | Total  | Temporary (%) | Permanent (%) | Total  | Temporary (%) | Permanent (%) |
| Istanbul                                                       | 4,989  | 5.7           | 94.3          | 5,105  | 3.3           | 44.5          | 4,942  | 0.0           | 100.0         |
| Aegean – Mediter-ranean                                        | 3,004  | 7.8           | 92.2          | 3,267  | 2.2           | 28.5          | 3,331  | 8.1           | 91.9          |
| Central Anatolia, Black Sea, Eastern and Southeastern Anatolia | 1,223  | 4.0           | 96.0          | 1,271  | 0.5           | 11.5          | 1,237  | 5.8           | 94.2          |
| Marmara                                                        | 959    | 6.0           | 94.0          | 1,020  | 0.5           | 9.0           | 1,010  | 7.7           | 92.3          |
| Total                                                          | 10,174 | 6.2           | 93.8          | 10,663 | 6.5           | 93.5          | 10,520 | 4.0           | 96.0          |

| Full-time and Part-time Employees (%) | 2021   | 2022   | 2023   |
|---------------------------------------|--------|--------|--------|
| Part-time (%)                         | 0.1    | 0.1    | 0.3    |
| Full-time (%)                         | 99.9   | 99.9   | 99.7   |
| Total                                 | 10,174 | 10,663 | 10,520 |

| Employees by Age Groups and Positions            |        |         |           |         |        |         |           |         |        |         |           |         |
|--------------------------------------------------|--------|---------|-----------|---------|--------|---------|-----------|---------|--------|---------|-----------|---------|
|                                                  | 2021   |         |           |         | 2022   |         |           |         | 2023   |         |           |         |
| Position                                         | Total  | 30- (%) | 30-50 (%) | 50+ (%) | Total  | 30- (%) | 30-50 (%) | 50+ (%) | Total  | 30- (%) | 30-50 (%) | 50+ (%) |
| Executive Committee                              | 8      | 0       | 63        | 38      | 8      | 0       | 63        | 38      | 8      | 0       | 63        | 38      |
| Group Heads                                      | 32     | 0       | 81        | 19      | 33     | 0       | 85        | 15      | 35     | 0       | 83        | 17      |
| Managers                                         | 93     | 0       | 92        | 8       | 113    | 0       | 90        | 10      | 123    | 0       | 88        | 12      |
| Supervisors                                      | 87     | 6       | 88        | 7       | 94     | 3       | 90        | 6       | 121    | 3       | 90        | 7       |
| Senior Specialists                               | 100    | 6       | 90        | 4       | 159    | 13      | 84        | 3       | 196    | 12      | 84        | 4       |
| Specialists                                      | 213    | 31      | 68        | 1       | 224    | 36      | 63        | 1       | 224    | 42      | 56        | 1       |
| Junior Specialists                               | 42     | 64      | 31        | 5       | 32     | 63      | 34        | 3       | 32     | 56      | 41        | 3       |
| Field White-collar Store & Warehouse Managers    | 591    | 4       | 93        | 3       | 630    | 4       | 93        | 3       | 646    | 5       | 92        | 3       |
| Field White-collar Store & Warehouse Supervisors | 1,273  | 21      | 78        | 1       | 1,254  | 18      | 79        | 3       | 1,203  | 16      | 81        | 4       |
| Blue-collar Employees                            | 7,736  | 35      | 60        | 5       | 8,116  | 33      | 61        | 6       | 7,932  | 32      | 62        | 6       |
| Total                                            | 10,174 | 30      | 65        | 4       | 10,663 | 29      | 66        | 5       | 10,520 | 27      | 67        | 6       |

#### New Recruitment and Employee Turnover <sup>4B-3</sup>

In 2023, new recruitment reached approximately 41%. Cities other than Istanbul accounted for 55% of new recruitment. Meanwhile, employee turnover rate was 28% in 2023. The high rate of turnover in the Aegean and Mediterranean regions is mostly due to seasonal or temporary employees. We aim to maintain a turnover rate of 30% in the coming years.

| New Recruitment and Employee Turnover Rates (%)              | 2021  | 2022  | 2023  |
|--------------------------------------------------------------|-------|-------|-------|
| New Hires                                                    | 3,146 | 4,256 | 4,375 |
| New Recruitment Ratio (to Average Number of Employees) - %   | 30    | 41    | 41    |
| Employee Turnover                                            | 4,045 | 3,723 | 3,009 |
| Employee Turnover Ratio (to Average Number of Employees) - % | 38    | 36    | 28    |

#### New Recruitment by Regions

| New Recruitment                                                  | 2021  | 2022  | 2023  |
|------------------------------------------------------------------|-------|-------|-------|
| Istanbul (%)                                                     | 43    | 45    | 46    |
| Aegean – Mediterranean (%)                                       | 42    | 39    | 39    |
| Marmara (%)                                                      | 10    | 11    | 10    |
| Central Anatolia, Black Sea, Eastern – Southeastern Anatolia (%) | 5     | 5     | 6     |
| Total                                                            | 3,146 | 4,256 | 4,375 |

#### Employee Turnover by Regions

| Employee Turnover                                                | 2021  | 2022  | 2023  |
|------------------------------------------------------------------|-------|-------|-------|
| Istanbul (%)                                                     | 40    | 47    | 60    |
| Aegean – Mediterranean (%)                                       | 34    | 38    | 26    |
| Marmara (%)                                                      | 9     | 11    | 8     |
| Central Anatolia, Black Sea, Eastern – Southeastern Anatolia (%) | 16    | 4     | 7     |
| Total                                                            | 4,045 | 3,723 | 3,009 |

#### Young Talent <sup>4B-3</sup>

In 2023, ten young talents joined our company as part of the Career Log-In Management Trainee project, first launched in 2019 in the head office business units to attract young talent to the company in light of the "Sabancı of New Generation" vision and culture. With the selection and evaluation process ongoing, we plan to bring in even more young talent to our company through this program. As of year-end 2023, 72% of our employees are Gen Y, with an average age of 36.

As of year-end 2023, employees under 30 constitute:

- 27% of the total workforce.
- 64% of new recruitments.
- 48% of employee turnover.

Our goal is for at least half of the new hires to be under the age of 30, thus increasing the ratio of employees under 30 to 29% by 2026.

| Employee Ratios by Generation (%) | 2021 | 2022 | 2023 |
|-----------------------------------|------|------|------|
| BB                                | 0.3  | 0.2  | 0.2  |
| X                                 | 21.6 | 20.7 | 18.8 |
| Y                                 | 74.6 | 73.3 | 72   |
| Z                                 | 3.5  | 5.8  | 9    |

#### New Recruitment by Age Groups

| İşe Alımlar | 2021  | 2022  | 2023  |
|-------------|-------|-------|-------|
| 30- (%)     | 71    | 67    | 64    |
| 30-50 (%)   | 27    | 32    | 33    |
| 50+ (%)     | 1     | 2     | 3     |
| Total       | 3,146 | 4,256 | 4,375 |

#### Employee Turnover by Age Groups

| Employee Turnover | 2021  | 2022  | 2023  |
|-------------------|-------|-------|-------|
| 30- (%)           | 57    | 64    | 48    |
| 30-50 (%)         | 40    | 33    | 47    |
| 50+ (%)           | 3     | 3     | 5     |
| Total             | 4,045 | 3,723 | 3,009 |

## EMPLOYEE SATISFACTION



Ensuring the satisfaction and loyalty of our employees, who are our key stakeholders, is among our material topics. Accordingly, we engage in various activities to measure and improve satisfaction levels.

**Employee Satisfaction Survey**  
We conduct satisfaction surveys to measure the level of commitment of our employees and their satisfaction with our practices, to make business processes more efficient by taking into account their demands and suggestions and thereby to elevate their satisfaction. The satisfaction level of our subcontractors' employees is measured by their own companies.

In 2023, we conducted an employee loyalty and satisfaction survey

among our white-collar employees. The survey results showed a loyalty rate of 47% and a satisfaction rate of 86%.

We take firm steps and make improvements based on the survey results. After analyzing the latest survey findings, we:

- Made it possible for the existing employees to apply for vacant positions.
- Improved the physical conditions in the stores for employees.
- Took additional measures in stores with low survey results.

**Coaching and Mentoring Programs**  
The newly hired head office employees are guided by more experienced coworkers to help them adapt to our company and

their respective departments. This guidance takes place in the form of a personal learning and development relationship, in which an experienced or specialized employee (mentor) passes on her/his knowledge and experience to another employee (mentee) and serves as a role model. Similarly, we assign a mentor store manager to our employees during their onboarding process to increase the efficiency of on-the-job training in the field.

**Other Practices**

- We publish periodic **CarrefourSA Wellbeing Newsletters** for our employees with mobile content on various areas of interest. We also send out **CarrefourSA Monthly Newsletters** to all employees with

content related to all internal communication activities in the previous month and the current month, as well as event and workshop suggestions for special days.

- We organize a **Wellness and Sports Festival** every year to raise awareness on May 19, Commemoration of Atatürk, Youth and Sports Day.
- We offer **food literacy training** to support people in making the right choices for healthy eating. The training topics include the importance of labels, nutritional values and food safety.
- We provide free **dietitian** support two days a week to foster our employees' interest in healthy nutrition and raise awareness.
- Twice a year, we station Turkish Red Crescent **blood drive** vehicles at the company and encourage employees to volunteer for blood donation.
- As part of our **social responsibility**, we make **donations** to NGOs and associations such as TOG, AÇEV and LÖSEV on special days on behalf of all employees.
- Many of our employees actively participate in projects we organize as part of the **Sabancı Republic Campaign** on sustainability topics that concern the whole country.
- The Bowling Club, Running Club, Basketball Club, Rowing Club, and Drama Club, which were on a hiatus during the pandemic, resumed their activities. The Bowling and Running Clubs brought home prizes from corporate races and tournaments. The Drama Club staged a play at Sabancı Center and İstanbul Türkan Saylan Cultural Center. Sailing training was organized for our employees.
- We also host webinars on special days on various topics such as Earthquake Awareness, Prenatal Training for Prospective Parents and Atatürk Stories.

## EMPLOYEE BENEFITS

### Remuneration and Other Benefits 2018-2020-2023

The scale of each job at CarrefourSA is determined by using an objective method that considers the specific role's key responsibilities, its relative contribution to the organization and the knowledge/skills/experience and competencies required for the respective position. After this analysis, a relative value is assigned to each role and a job level structure is built to serve as basis for salary and benefits management. Compensation is guided by remuneration policies, which are defined by considering macroeconomic data, widely offered remunerations in the market and the company's scale and long-term goals. In this process, an individual's job scale, performance and the balance of internal and external salaries are also taken into account while ensuring compliance with legal obligations. To support compensation management with additional benefits, we consider "benefits" as a key part of rewards management.

We manage the compensation of our white-collar employees according to the competitive SAPEER salary database, built on KornFerry Hay Market Research and created by Sabancı Holding. Macroeconomic data, market research and the views of all our stakeholders, including the trade union, are also included in the process.

Our blue-collar employees are organized with the Tez-Koop-İş labor

union. Salaries and benefits are managed according to three-year agreements with the labor union. The latest collective bargaining agreement covering the 2021-23 period was signed on May 21, 2021, with the next one due in 2024. New blue-collar workers start at the minimum base wage until the end of their probation period and then they become a union member and benefit from their union rights.

In addition to the salaries and bonuses offered to the employees depending on their roles in the overall organizational structure, certain employees at or above specific levels may be eligible for company cars, shuttles, education support and social assistance payments on special days such as birth or marriage. Payments to part-time employees are calculated by dividing the total monthly wage by the number of days in a month and multiplying this figure by the number of their actual working days, while temporary employees only receive public transportation allowance in addition to the salary.

Regarding pension plans, the CEO and deputy general managers benefit from the private pension system (BES) with a 3% premium over their monthly salaries covered by the employer. There is no employer contribution for other positions.



## Employee Support Program (Avita)

We offer the Avita support program to all our employees free of charge. All employees and their **family members within the same household** can benefit from this 24/7 consultancy and advice service, which is provided by experts in the fields of concern and need for the respective individuals. The program also includes support for pedagogical, medical, psychological and other needs.

EMPLOYEE DEVELOPMENT



Training Programs

We recognize that our human resource is our key asset for maintaining our success in a constantly changing and evolving world and value the importance of fostering the development of our employees. We carry out training and development activities under the umbrella of **CarrefourSA Academy**, which promotes continuous development to support company strategies in line with the vision of 'Sabancı of New Generation' and prepares our employees for the future by building on their knowledge, skills and competencies.

The main training categories offered to the employees on general and need-based topics at CarrefourSA Academy include the following:

- Orientation
- Professional and Technical Training
  - Fresh Food School Training
  - Hygiene and Food Safety Training
  - System Training
  - Product Training
- Legally Required Training
- Personal Development Training
  - Management Development Programs
  - Management Training Programs
  - Leadership Programs
  - Competency Development Training

We welcome all new employees to CarrefourSA with an onboarding program, designed in a hybrid format, and ensure that they are accompanied by their peers throughout the orientation period to facilitate their adaptation to our company and their new duties. Our subcontractors provide the relevant training to their employees.

Talent Development Programs

To attract, retain and develop talents, we design talent development programs for the needs of our employees and also engage in activities to improve their loyalty. Such training programs not only build on the employees' knowledge and skills but also help them gain experience in their development areas by taking additional responsibilities and participating in projects. The management trainee programs we offer within this scope last a minimum of two months.

Management Trainee and Leadership Programs

- **Store Management Trainee Program:** This is a training program designed to prepare high performing store employees with high potential for managerial positions.
- **Management Trainee Program (External Candidates):** A training program for newly hired managers with external retail experience.
- **Management Trainee Program (New Graduates):** A training program for manager candidates who have recently graduated from universities and wish to pursue a career in the retail sector.
- **Management Trainee Academy:** A training program for supervisors promoted to store manager positions.
- **CarrefourSA Leadership Academy:** The development program we offer to high performing managers with

high potential to prepare them for senior management positions in the future as part of our succession plans. We carry out this year-long program in partnership with Sabancı University – EDU. The program includes classroom training as well as CarrefourSA applications and projects.

Performance Appraisals and Career Assessments

Performance Management is a process that aims to identify employees' successful work results, behaviors that align with corporate culture and values, and high performance. Following a process designed and structured for this purpose, employees work for a year on their personal career goals that align with the company targets and develop competencies in their focus areas. At the end of the year, the employees work with their superiors to evaluate their performance in these areas through mutual feedback.

All white-collar employees undergo an annual performance appraisal. As part of Organizational Success Planning (OSP), an average of 1,200 employees are assessed every year and their career paths are defined. Additionally, succession plans are created for all executive roles and critical positions. Nearly 50% of our white-collar employees (store and warehouse managers and the specialists and higher positions in the head office) are included within the performance appraisal process, which does not apply to blue-collar workers. In 2023, nearly 10% of the employees received performance appraisal.

Blue-collar workers, who have served at CarrefourSA for at least a year and demonstrated a good command of the business, high performance and a potential based on the observations of their superiors may be included in the

path to promotion. We run two programs for this purpose:

- **MAYA Program:** High performing employees with promising potential may be included in the promotion process after working at our stores for at least a year. Candidates who receive positive results in their personality inventories and one-to-one interviews are eligible to participate in the MAYA training program. The employees in this program receive classroom training plus on-the- job training, designed according to their needs, at a different store, working with the mentor store manager assigned to them. After two months of classroom and on-the-job training, those employees may be appointed to positions such as assistant store manager, department supervisor, administrative supervisor or head cashier.
- **MYA Program:** High performing employees with promising potential who have worked at managerial positions at our stores for at least two years may be included in the promotion process as part of the Manager Placement Academy. The promotion process follows stages of the assessment center. Group case studies, adapted to the competencies expected from a position, presentations and role plays constitute the assessment center stages to observe the behaviors on the job. 45 assistant managers were included in this program in 2021, 145 in 2022 and 66 in 2023.

Annual Average Training Hours – by Positions

| Position                                         | 2021 | 2022 | 2023 |
|--------------------------------------------------|------|------|------|
| Executive Committee                              | 5.6  | 0.4  | 0.3  |
| Department Heads                                 | 29.8 | 35.1 | 15.7 |
| Managers                                         | 31.9 | 29.5 | 22.6 |
| Supervisors                                      | 27.8 | 33.9 | 11.0 |
| Senior Specialists                               | 13.9 | 26.0 | 16.7 |
| Specialists                                      | 15.7 | 20.7 | 12.9 |
| Junior Specialists                               | 9.6  | 32.6 | 19.9 |
| Field White-collar Store & Warehouse Managers    | 28.5 | 27.7 | 17.4 |
| Field White-collar Store & Warehouse Supervisors | 60.5 | 43.4 | 25.4 |
| Blue-collar Employees                            | 5.3  | 7.6  | 6.2  |
| Total                                            | 14.1 | 14.3 | 9.7  |

| MAYA Program | 2021 | 2022 | 2023 |
|--------------|------|------|------|
| Participants | 234  | 93   | 122  |
| Graduates    | 208  | 18   | 115  |
| Appointments | 99   | 61   | 94   |

## OCCUPATIONAL HEALTH AND SAFETY



### OCCUPATIONAL HEALTH AND SAFETY APPROACH <sup>403.2</sup>

As the CarrefourSA family, we try our utmost to provide quality and safe service with a friendly attitude for our customers. Therefore, we shape our occupational health and safety policy around the latest developments and current conditions to satisfy our employees and to create a safe work environment. Accordingly, we adopt the following approaches for continuous improvement of the policy.

- All employees, suppliers and customers are our key stakeholders.
- We commit to comply with applicable OHS laws, regulations and best practices.
- We aim to create a healthy and safe work environment as a core principle.
- We develop methods and set targets to build an OHS system and continuously improve its performance.
- We identify and assess risks to prevent workplace accidents and occupational diseases and implement mitigating measures.
- We work to build and maintain a

safe working culture with elevated awareness.

- We strive to become an exemplary organization in these areas.

This approach, which applies to all employees, is based on Law No. 6331 on occupational health and safety and relevant regulations. <sup>403.2</sup>

### OCCUPATIONAL HEALTH AND SAFETY <sup>403.2</sup>

As required by our legal obligations, we directly employ workplace physicians and occupational safety specialists in 11 logistics warehouses, classified as 'dangerous' workplaces and in 28 stores, classified as 'less dangerous' workplaces, with more than 50 employees. For 650 locations, classified as 'less dangerous' workplaces with fewer than 50 employees, we receive services from occupational safety specialists of authorized Joint Health and Safety Unit companies at legally mandated intervals determined according to the number of employees

- As of year-end 2023, there are OHS committees at 28 stores, classified as less dangerous workplaces

with more than 50 employees, and 11 warehouses, classified as dangerous workplaces. We support all related processes at other stores with fewer than 50 employees through head office.

- 100% of our workplaces are included in our OHS system, which has been internally audited. To date, 55% of our stores have been externally audited; new stores and those not externally audited yet will be covered in 2024.
- The OHS committee members include the workplace manager, occupational safety specialist, workplace physician, assistant manager, employee representative (union representative), security manager, maintenance officer, human resources officer and support staff. Each member brings topics in their own purview to the agenda of the monthly or quarterly meetings and submits them for discussion. The committee decides on the actions after deliberations. All employees report the hazards or risks they detect to the employee representative to facilitate action. <sup>403.2</sup>
- In 2023, we provided 6,534 hours of classroom training and 817 hours

of online training on Occupational Health and Safety.

### Risk Management <sup>403.2</sup>

When assessing the risks in our workplaces, we consider the following factors:

- Type, duration and frequency of the tasks performed in the workplace.
- Location of the workplace.
- Person/people involved in the operations.
- Person/people who may be affected by the type of operation.
- Training programs delivered.
- Machinery and equipment used to execute the job and user instructions.
- Materials lifted or transported during operations and their specifications.
- Chemicals used in the operations and their properties.
- Available protective measures.
- Previous workplace accidents or occupational diseases.

After identifying the risks, we start by eliminating the risk at its source. If this is not possible, we try to substitute the risk with a less risky one. Furthermore, we provide personal protective equipment for our employees to eliminate the risk and if that is not possible, we try to mitigate it to acceptable levels.

Accordingly, occupational safety specialists visit all workplaces and inspect all technical locations, production areas, warehouses, sales floors and social and administrative areas.

OHS risk management provides a disciplined approach to identify, assess and check the dangers in our workplaces. These inspections ensure a safe and healthy work environment for both the company and the employees

### OCCUPATIONAL HEALTH AND SAFETY PRACTICES

We employ occupational safety specialists and workplace physicians in 11 warehouses and 28 stores to meet our legal obligations.

We outsource this service to specialists from firms authorized by the Ministry of Labor and Social Security. These appointed specialists perform their work by visiting the respective workplaces at intervals (4, 6, 8, 16, 24 or 32 hours per month), calculated according to the number of employees at the relevant warehouse or store. They are tasked with performing workplace risk assessments in accordance with applicable legislation, preparing emergency action plans, providing OHS training to employees, inspecting the site, forming an OHS committee, drafting instructions and relevant documentation, informing the employer and listening to the employees.

Pursuant to article 13 of Law No. 6311 on occupational health and safety, all employees may put in requests to the employee representative (union representative) and workplace manager using available communication channels to assess incidents and take the necessary measures when they encounter a serious and imminent danger. The workplace manager addresses the situation with the regional manager, reaches a decision and informs the employee. If a serious and imminent danger is unavoidable, the employee is free to leave the workplace or the danger zone without having to comply with this decision and go to a designated safe place. The employees will not be sanctioned due to exercising their rights.

Service providers working in renovations and new store openings are required to implement OHS measures and practices, and these are covered by provisions in the agreements. <sup>403.2</sup>

All our employees or those of our subcontractors <sup>403.2</sup> receive OHS training directly or via their employers. 16,238 hours of face-to-face and online sessions were provided in 2023. Furthermore, employees, whose jobs require professional qualification such as meat processing, baking, storage and receiving goods are provided with OHS training in their respective fields. On the other hand, all employees gain basic OHS knowledge during the orientation they receive before starting work.

Our occupational health services <sup>403.2</sup> include proactively protecting the health of all company employees as well as the subcontractor employees working at the high risk warehouses and responding to workplace accidents. We provide comprehensive health screening for our employees, employ a workplace physician as part of our legal obligations and form occupational health committees. The health records of our employees are kept in their digital personnel files accessible only by authorized people.

We are currently working on further increasing the protection levels of the machinery and equipment used in our workplaces based on the data collected from the field to ensure that they are selected and positioned in a way to avoid any additional risks to our employees.

In the process of opening new workplaces, we regularly inspect the construction work and the construction companies to detect risks in advance. After the inspections, we inform relevant departments and follow through their actions to rectify the nonconformities.

OHS manuals have been created for each specific operation and disseminated digitally via the mobile app to raise awareness in our workplaces and keep the employees up-to-date about the latest practices. Furthermore, an OHS manager guide was created for workplace managers and also shared digitally. This guide ensures that the workplace managers are informed about OHS guidelines and the documents required by legislation.

A digital OHS assistant has been integrated into the internal mobile app to assist the employees about their questions regarding OHS practices. With 75 questions on 10 different topics asked and answered in 397 different ways, employees may quickly access the information they seek in the digital environment.

### WORKPLACE ACCIDENTS AND OCCUPATIONAL DISEASES <sup>403.2, 403.3</sup>

Despite all risk assessments, training programs and precautions taken, workplace accidents may

still occur. In the event of a possible workplace accident or occupational disease, the site manager immediately prepares a report and communicates the incident to the relevant head office department. These reports are regularly filed. The actions to take for such incidents or the situations that may affect the reports are defined in the operating procedures. This allows the individuals reporting the incidents to be protected against retaliation and enables all incidents to be reported and recorded. These procedures apply to all employees, subcontractors and customers. We categorize workplace accidents as near-miss, simple injury, serious injury and loss of limb. We investigate workplace accidents by conducting root cause analyses using specific forms. This allows us to identify the causes and determine the precautions. The main causes of workplace accidents in our company have been identified as slips, falls, cuts and equipment jamming. To mitigate such incidents, we provide training, introduce technical enhancements and create short informative animations for the employees to view. We have not had any workplace accidents resulting in death or serious injury in the last three years, and our goal is to maintain this level of safety in the coming years. We also aim for the number of lost-day incidents to remain below 140 and the workplace accident rate to be less than 5 by 2026.

| Workplace Accidents                                        | 2021 | 2022 | 2023 |
|------------------------------------------------------------|------|------|------|
| Number of Fatal Workplace Accidents                        | 0    | 0    | 0    |
| Number of Workplace Accidents Resulting in Serious Injury  | 0    | 0    | 0    |
| Number of Injuries with Lost Days                          | 182  | 145  | 155  |
| Total Number of Accidents                                  | 312  | 316  | 363  |
| Workplace Accident Rate (based on Injuries with Lost Days) | 5.73 | 4.63 | 5.33 |

Workplace Accident Rate = Number of injuries with lost days / (total number of employees x 1 year x daily hours worked) x 1,000,000 hours

| Occupational Diseases                                       | 2021 | 2022 | 2023 |
|-------------------------------------------------------------|------|------|------|
| Number of Fatal Occupational Diseases                       | 0    | 0    | 0    |
| Number of Occupational Diseases Resulting in Serious Injury | 0    | 0    | 0    |
| Total Number of Occupational Diseases                       | 1    | 0    | 1    |
| Occupational Disease Rate                                   | 0    | 0    | 0    |

Occupational Disease Rate = Number of occupational diseases with lost days / (total number of employees x 1 year x daily hours worked) x 1,000,000 hours



## INCLUSIVENESS AND EQUALITY



### INCLUSIVENESS AND EQUALITY APPROACH

At CarrefourSA, we do not tolerate any kind of discrimination, respect all differences and encourage free expression within the framework of our code of ethics. We exercise fairness in all processes and practices, including recruitment, career development, personal development and remuneration policy for our existing and prospective employees and offer equal opportunities. Our approach to this matter is clearly defined in our code of ethics:

- Sabancı Group's human resources policies and practices ensure fairness in recruitment, promotions, transfers, rotations, remuneration, rewards, social benefits and all other applications.
- We do not tolerate any discrimination against the employees because of their language, race, skin color, gender, political view, faith, religion, sect, age, physical disability or similar reasons.
- No employee may request privileges, extend any privileges to others or be subjected to special treatment because of differences in their gender, religion, language

or race. Accepting or making concessions based on gender, religion, language, race or other differences will not be tolerated.

### VALUING OUR FEMALE EMPLOYEES

Gender equality is a cornerstone of development and a critical step that must be taken for the advancement of national and global economies. As a company, we appreciate the value of women's labor and contribution to the workforce. Therefore, we take firm steps to increase female employment, recognizing the value of having a balanced distribution of male and female employees. As of year-end 2023:



- 38% of the employees who received a promotion and 51% of the new recruits are women, who also account for 42% of employee turnover.
- Average ratio of salaries of female employees to males is 97% with some variations depending on position.
- There is no notable difference in terms of gender among the full/part-time or permanent/temporary employees. The average training time is 9.7 hours, which rises to 10.9 hours among female employees.
- As of year-end 2023, 77 (23%) of our franchisees have female managers or investors. We expect this ratio to remain stable in the 18%-20% levels for the next three years.

Even though we perform quite well in several categories, there are still many areas where we need to achieve progress. Therefore, we will continue to develop projects for gender equality and create more jobs for women.

| Female Employment Targets (%)     | 2024 | 2025 | 2026 |
|-----------------------------------|------|------|------|
| Female Employment Ratio           | 43   | 45   | 48   |
| Female Manager Ratio              | 30   | 32   | 34   |
| Female Ratio in New Hires         | 50   | 50   | 50   |
| Female Ratio in Employee Turnover | <50  | <50  | <50  |

| Employees by Gender                              |        |            |          |        |            |          |        |            |          |
|--------------------------------------------------|--------|------------|----------|--------|------------|----------|--------|------------|----------|
| Position                                         | 2021   |            |          | 2022   |            |          | 2023   |            |          |
|                                                  | Total  | Female (%) | Male (%) | Total  | Female (%) | Male (%) | Total  | Female (%) | Male (%) |
| Executive Committee                              | 8      | 38         | 63       | 8      | 38         | 63       | 8      | 38         | 63       |
| Group Heads                                      | 32     | 22         | 78       | 33     | 27         | 73       | 35     | 26         | 74       |
| Managers                                         | 93     | 27         | 73       | 113    | 35         | 65       | 123    | 36         | 64       |
| Supervisors                                      | 87     | 48         | 52       | 94     | 46         | 54       | 121    | 38         | 62       |
| Senior Specialists                               | 100    | 57         | 43       | 159    | 55         | 45       | 196    | 53         | 47       |
| Specialists                                      | 213    | 51         | 49       | 224    | 53         | 47       | 224    | 53         | 47       |
| Junior Specialists                               | 42     | 50         | 50       | 32     | 28         | 72       | 32     | 41         | 59       |
| Field White-collar Store & Warehouse Managers    | 591    | 17         | 83       | 630    | 20         | 80       | 646    | 22         | 78       |
| Field White-collar Store & Warehouse Supervisors | 1,273  | 26         | 74       | 1,254  | 27         | 73       | 1,203  | 26         | 74       |
| Blue-collar Workers                              | 7,736  | 40         | 60       | 8,116  | 42         | 58       | 7,932  | 43         | 57       |
| Total                                            | 10,174 | 37         | 63       | 10,663 | 39         | 61       | 10,520 | 40         | 60       |

| Promotions by Gender                             |                   |            |          |                   |            |          |                   |            |          |
|--------------------------------------------------|-------------------|------------|----------|-------------------|------------|----------|-------------------|------------|----------|
| New Position                                     | 2021              |            |          | 2022              |            |          | 2023              |            |          |
|                                                  | No. of Promotions | Female (%) | Male (%) | No. of Promotions | Female (%) | Male (%) | No. of Promotions | Female (%) | Male (%) |
| Executive Committee                              | 0                 | -          | -        | -                 | -          | -        | 0                 | -          | -        |
| Group Heads                                      | 4                 | 75         | 25       | 5                 | 60         | 40       | 2                 | 0          | 100      |
| Managers                                         | 12                | 8          | 92       | 14                | 50         | 50       | 14                | 36         | 64       |
| Supervisors                                      | 20                | 60         | 40       | 18                | 50         | 50       | 21                | 38         | 62       |
| Senior Specialists                               | 32                | 50         | 50       | 51                | 55         | 45       | 45                | 58         | 42       |
| Specialists                                      | 51                | 49         | 51       | 22                | 64         | 36       | 25                | 28         | 72       |
| Junior Specialists                               | 5                 | 0          | 100      | 3                 | 33         | 67       | 3                 | 33         | 67       |
| Field White-collar Store & Warehouse Managers    | 35                | 29         | 71       | 74                | 34         | 66       | 91                | 36         | 64       |
| Field White-collar Store & Warehouse Supervisors | 172               | 39         | 61       | 130               | 38         | 62       | 131               | 36         | 64       |
| Total                                            | 331               | 40         | 60       | 317               | 43         | 57       | 332               | 38         | 62       |

| New Recruitment by Gender |       |       |       |
|---------------------------|-------|-------|-------|
| Gender                    | 2021  | 2022  | 2023  |
| Female (%)                | 46    | 51    | 51    |
| Male (%)                  | 54    | 49    | 49    |
| Total                     | 3,146 | 4,256 | 4,375 |

| Turnover by Gender |       |       |       |
|--------------------|-------|-------|-------|
| Gender             | 2021  | 2022  | 2023  |
| Female (%)         | 40    | 47    | 42    |
| Male (%)           | 60    | 53    | 58    |
| Total              | 4,045 | 3,723 | 3,009 |

| Female Employee Salary Ratio by Position         |                                          |      |      |
|--------------------------------------------------|------------------------------------------|------|------|
| Position                                         | Average Female / Average Male Salary (%) |      |      |
|                                                  | 2021                                     | 2022 | 2023 |
| Executive Committee                              | 91                                       | 90   | 87   |
| Group Heads                                      | 86                                       | 95   | 98   |
| Managers                                         | 115                                      | 112  | 109  |
| Supervisors                                      | 96                                       | 111  | 108  |
| Senior Specialists                               | 88                                       | 87   | 89   |
| Specialists                                      | 94                                       | 92   | 92   |
| Junior Specialists                               | 99                                       | 95   | 100  |
| Field White-collar Store & Warehouse Managers    | 100                                      | 101  | 102  |
| Field White-collar Store & Warehouse Supervisors | 95                                       | 87   | 91   |
| Blue-collar Workers                              | 95                                       | 94   | 94   |
| All Employees                                    | 96                                       | 96   | 97   |

| Starting Salaries by Gender                |      |      |      |
|--------------------------------------------|------|------|------|
| Ratio of Starting Salaries to Minimum Wage | 2021 | 2022 | 2023 |
| Female (%)                                 | 150  | 158  | 150  |
| Male (%)                                   | 150  | 158  | 150  |

| Employees on Permanent and Temporary Contracts by Gender |        |               |               |        |               |               |        |               |               |
|----------------------------------------------------------|--------|---------------|---------------|--------|---------------|---------------|--------|---------------|---------------|
| Gender                                                   | 2021   |               |               | 2022   |               |               | 2023   |               |               |
|                                                          | Total  | Temporary (%) | Permanent (%) | Total  | Temporary (%) | Permanent (%) | Total  | Temporary (%) | Permanent (%) |
| Female                                                   | 3,760  | 9             | 91            | 4,161  | 11            | 89            | 4,234  | 6             | 94            |
| Male                                                     | 6,414  | 5             | 95            | 6,502  | 4             | 96            | 6,286  | 3             | 97            |
| Total                                                    | 10,174 | 6             | 94            | 10,663 | 7             | 93            | 10,520 | 4             | 96            |

| Part-time and Full-time Employees by Gender |        |               |               |        |               |               |        |               |               |
|---------------------------------------------|--------|---------------|---------------|--------|---------------|---------------|--------|---------------|---------------|
| Gender                                      | 2021   |               |               | 2022   |               |               | 2023   |               |               |
|                                             | Total  | Full-time (%) | Part-time (%) | Total  | Full-time (%) | Part-time (%) | Total  | Full-time (%) | Part-time (%) |
| Female                                      | 3,760  | 99.8          | 0.2           | 4,161  | 99.8          | 0.2           | 4,234  | 99.5          | 0.5           |
| Male                                        | 6,414  | 100.0         | 0.0           | 6,502  | 100.0         | 0.0           | 6,286  | 99.9          | 0.1           |
| Total                                       | 10,174 | 99.9          | 0.1           | 10,663 | 99.9          | 0.1           | 10,520 | 99.7          | 0.3           |

| Annual Training Hours by Gender |      |      |      |
|---------------------------------|------|------|------|
| Gender                          | 2021 | 2022 | 2023 |
| Female                          | 14.1 | 15.1 | 10.9 |
| Male                            | 14.2 | 13.7 | 8.9  |
| Total                           | 14.1 | 14.3 | 9.7  |

| Franchisees by Gender                                |      |      |      |
|------------------------------------------------------|------|------|------|
| Gender                                               | 2021 | 2022 | 2023 |
| No of Franchisees with Female Investors and Managers | 13   | 25   | 77   |
| Total No of Franchisees                              | 72   | 200  | 341  |
| Franchisees with Female Investors and Managers (%)   | 18   | 13   | 23   |

PRACTICES EMPOWERING WOMEN

Gender Equality Training

All our employees take the annual gender equality training. As of year-end 2023, 78% of our employees have received this training (in or before 2023). Our target for the annual completion rate is to exceed 80%.

| Gender Equality Training                    | 2021  | 2022  | 2023  |
|---------------------------------------------|-------|-------|-------|
| Training Time (hours)                       | 1,355 | 2,231 | 2,187 |
| Completion Rate (Completion/Assignment) (%) | 74    | 80    | 62    |

Practices for Mothers and Parental Leaves <sup>2018</sup>

We offer the Avita employee support service to all employees, including the mothers in our workforce. This service includes pedagogical, medical, psychological, etc. support. The employees who return from maternity leave are offered two hours of nursing leave every day. Furthermore, a nursing room is allocated in the head office building and hypermarkets, while the head office employees also benefit from daycare.

All employees who are entitled to parental leave have used their rights. More than 80% of the employees, who returned after their parental leaves, have continued to work at CarrefourSA one year later. The fact that the employee turnover is lower among new parents compared to the overall rate is a key indicator that we follow the right approaches for our parents to achieve work-home balance beyond economic considerations.

| Parental Leaves                               | 2021 | 2022 | 2023 |
|-----------------------------------------------|------|------|------|
| Employees Eligible for Maternity Leave        | 199  | 236  | 235  |
| Employees Taking Maternity Leave (%)          | 100  | 100  | 100  |
| Employees Eligible for Paternity Leave        | 283  | 283  | 263  |
| Employees Taking Paternity Leave (%)          | 100  | 100  | 100  |
| Employees Eligible for Parental Leave – Total | 482  | 519  | 498  |
| Employees Taking Parental Leave (%)           | 100  | 100  | 100  |

| Employees Returning to Work after Parental Leave | 2021 | 2022 | 2023 |
|--------------------------------------------------|------|------|------|
| Female Employees                                 | 204  | 212  | 196  |
| Ratio of Female Employees (%)                    | 80   | 90   | 83   |
| Male Employees                                   | 283  | 283  | 263  |
| Ratio of Male Employees (%)                      | 100  | 100  | 100  |
| Total Employees                                  | 487  | 495  | 432  |
| Ratio of Total Employees (%)                     | 90   | 95   | 92   |

| Employees Staying on the Job after Parental Leave | 2021 | 2022 | 2023 |
|---------------------------------------------------|------|------|------|
| Female Employees                                  | 176  | 169  | 133  |
| Ratio of Female Employees (%)                     | 85   | 72   | 69   |
| Male Employees                                    | 249  | 253  | 230  |
| Ratio of Male Employees (%)                       | 82   | 89   | 87   |
| Total Employees                                   | 425  | 422  | 363  |
| Ratio of Total Employees (%)                      | 83   | 85   | 78   |

| Targets for Returning to Work After Parental Leave                   | 2024 | 2025 | 2026 |
|----------------------------------------------------------------------|------|------|------|
| Total Ratio of Employees Returning to Work After Parental Leave (%)  | 94   | 95   | 96   |
| Total Ratio of Employees Staying on the Job After Parental Leave (%) | 85   | 87   | 89   |

WEPs Membership

We are a signatory of Women's Empowerment Principles (WEPs), a joint initiative of the United Nations entity dedicated to gender equality and the empowerment of women (UN Women) and the UN Global Compact, demonstrating our commitment to promoting gender equality globally. CarrefourSA is the first food retailer in Türkiye to declare its commitment.

EQUAL OPPORTUNITY FOR EMPLOYEES WITH DISABILITIES

We protect the rights of our disabled employees and support the steps they take to become active members of society. For this purpose, we strive to provide equal opportunity by prohibiting discrimination against disabilities in all recruitment and employment processes and ensure that they are offered fair and disability-friendly working conditions on an equal footing with other employees. We have also introduced some practices specifically for our disabled employees, who make up approximately 2.8% of our total workforce.

- Shifts end at 20:00 at the latest for the disabled employees working in the field.

- The hearing-impaired employees may request badges that they can wear to show their disability, raise awareness among our customers and communicate better. We also provide fleece jackets indicating their disability that they can wear over their work uniforms.

- To improve the efficiency of OHS training programs, we provide them in sign language for our speech- and hearing-impaired employees.

- We employ individuals with Down's syndrome at the Lezzet Arası restaurants, enabling their inclusion in society and raising awareness.

| Employees with Disabilities     | 2021 | 2022 | 2023 |
|---------------------------------|------|------|------|
| No of Disabled Employees        | 259  | 282  | 292  |
| Ratio of Disabled Employees (%) | 2.5  | 2.6  | 2.8  |

SERVING OUR DISABLED CUSTOMERS

Phone Order Service

Our visually impaired customers can use the '**Phone Order**' service to place their orders securely and have them delivered to their address. With this service, our customers can call the phone order lines and specify the name of the store where they want to shop in the interactive voice response system, which then connects them to the requested store to place their order. If the store line is busy or does not respond, the customer can be diverted to trained call center representatives to place their orders. These call center representatives are trained in communication and speech standards as well as phone communication techniques. The orders are then communicated to the specified store, where they are carefully prepared and delivered free of charge in the time period requested by the customers. The list of stores accepting phone orders is provided on the website.

Chat-Chatbot Applications

We have prioritized chat-chatbot applications to stay abreast of the latest technologies and customer needs.

Digital Screens

The digital screens in our stores enable us to communicate with our hearing impaired customers and provide information about the current in-store activities.

Low-rise Cash Registers

Some of our stores feature low cash registers to assist our disabled customers in wheelchairs during their payment transactions.

Accessibility Services in Hypermarkets

We provide **wheelchairs** for customers with disabilities or chronic illnesses upon request to help them shop more comfortably.

We also offer **specifically designed trolleys** that our orthopedically disabled customers can use with their wheelchairs.

Furthermore, we provide a **dedicated cash register** for our disabled, pregnant and elderly customers.

Induction Loop for Better Communication

Even though many hearing-impaired people use hearing aids, they may have difficulty understanding speech due to background noises indoors, in crowded areas or at service locations in daily life. Induction loop (IL) systems have become a global standard in addressing this challenge experienced in meeting rooms, auditoriums, cinemas, theaters, concert halls, mosques, hotel receptions, bank counters, supermarket checkouts, other kinds of service locations and information desks. IL systems use a specifically developed amplifier to convert ambient sounds into magnetic waves.



People wearing hearing aids perceive these magnetic waves without the need for any additional devices, thanks to the 'telecoil' mechanism in their aids. Some of the dedicated cash registers in our hypermarkets are equipped with the induction loop system. These dedicated cash registers enable customers to turn on their hearing aids and hear the cashiers to communicate more easily without the distraction of external noises. The image below is placed above the dedicated cash registers next to the numerators to show that the system is available.

# VALUE CHAIN RESPONSIBILITY

*Responsible Supply Chain  
Practices*

*Customer Satisfaction*

*Digitalization*



# Value Chain Responsibility

We strive to achieve the highest standards in all processes that we impact across the food value chain, especially in health and safety. We have various responsibilities in each link of this chain, starting from sourcing our products and services extending to CarrefourSA processes and ultimately to our customers. Therefore, we develop and implement sustainable business models and sourcing policies to maintain and increase the economic, social and environmental performance of our entire supply chain. For this

purpose, we regularly measure satisfaction along the customer journey from the first touchpoint to the shopping experience and then the consumption and use of the products to eventual waste disposal. We develop different approaches and practices to improve their experience as well and prioritize health and safety across all stages. Our digitalization approach involves transforming the way we operate completely for improved effectiveness, efficiency, speed, affordability and most importantly, customer-focus

instead of simply enhancing the existing processes with the same methods. In other words, we aim for the transformation of the entire value chain.

| KEY PERFORMANCE INDICATORS         |                                                                                              | 2021   | 2022   | 2023    |
|------------------------------------|----------------------------------------------------------------------------------------------|--------|--------|---------|
| Responsible Supply Chain Practices | Number of Private Label Products                                                             | 483    | 510    | 533     |
|                                    | Number of Organic Private Label Products                                                     | 44     | 42     | 43      |
|                                    | Organic Private Label Product Sales (TL million)                                             |        |        | 89      |
|                                    | Sustainable Livestock – Animal Welfare Audits (in Suppliers)                                 | 4      | 8      | 11      |
| Customer Satisfaction              | Hygiene and Food Safety Audits (in Stores and Warehouses)                                    | 1,283  | 1,517  | 762     |
|                                    | Quality Audits (in Suppliers)                                                                | 317    | 273    | 259     |
|                                    | Number of Products Analyzed                                                                  | 2,037  | 1,845  | 1,850   |
|                                    | Ratio of Products Withdrawn from Aisles after Product Analyses (%)                           | 2      | 1      | 3       |
|                                    | Number of Private Label Dried Food and Charcuterie Items Checked for Quality (in Warehouses) | 25,780 | 14,904 | 106,239 |
|                                    | E-commerce Assistance Request Rate (%)**                                                     | 24.6   | 17.7   | 15.7    |
|                                    | Net Promoter Score *                                                                         | 50.8   | 48.8   | 54.2    |
|                                    | Customer Satisfaction Rate *                                                                 | 35.3   | 34.2   | 39.7    |
|                                    | Average Customer Problem Resolution Time (Hours)*                                            | 65.5   | 8.6    | 6.8     |
|                                    | Active Loyalty Program Members                                                               | 6.5 m  | 8.7 m  | 10.5    |
|                                    | Product Shelf Availability (%)                                                               | 95     | 94     | 94      |
|                                    | Number of Gourmet Stores                                                                     | 31     | 32     | 36      |
|                                    | Number of Lezzet Arası Restaurants                                                           | 14     | 14     | 14      |
|                                    | Number of Sensory Analyses                                                                   | 167    | 228    | 271     |
| Digitalization                     | Number of Stores Offering E-commerce                                                         | 57     | 58     | 75      |
|                                    | Ecommerce Orders (million)                                                                   | 3.5    | 3.0    | 2.9     |
|                                    | Number of Processes with Robotic Optimization                                                | 33     | 38     | 92      |

(\*): Calculated as year-end values.  
(\*\*): The lower, the better.

## DOUBLE MATERIALITY – IMPACTS, RISKS, OPPORTUNITIES

### IMPACT MATERIALITY

| Topic                          | Subtopic                                   | Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Actual / Potential | Negative / Positive | Term                | Related to Human Rights |
|--------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|---------------------|-------------------------|
| E4 - Biodiversity & Ecosystems | Direct impact drivers of biodiversity loss | Both direct (energy use in stores) and indirect (supply chain activities) operations cause greenhouse gas emissions, which negatively impact biodiversity by exacerbating climate change, habitat loss, species migration and extinction.                                                                                                                                                                                                                                                                                               | Actual             | Negative            | Medium, Long        | Yes                     |
|                                |                                            | Unsustainably sourced raw materials such as timber products, palm oil, cattle products, soy, cocoa and coffee used in CarrefourSA operations impact biodiversity negatively by causing deforestation and habitat loss.                                                                                                                                                                                                                                                                                                                  | Actual             | Negative            | Short, Medium, Long | Yes                     |
|                                |                                            | CarrefourSA's supplier audits and traceability processes, combined with its targets to achieve 100% third-party certifications such as FSC, RSPO, RTRS and Rainforest Alliance for forest-risk products in its supply chain by 2025, have the potential to prevent deforestation and habitat loss.                                                                                                                                                                                                                                      | Potential          | Positive            | Medium, Long        | Yes                     |
|                                |                                            | Excessive water use by suppliers in the production of agricultural products in CarrefourSA's product range can exacerbate water scarcity, especially in regions with high water stress, negatively impacting local freshwater ecosystems around agricultural lands and harming biodiversity of ecosystems.                                                                                                                                                                                                                              | Potential          | Negative            | Medium, Long        | Yes                     |
|                                |                                            | CarrefourSA's operations in water-stressed areas may negatively impact local freshwater ecosystems due to the intensive use of water resources, leading to water scarcity, disruptions in ecosystems and preventing locals' access to water.                                                                                                                                                                                                                                                                                            | Potential          | Positive            | Long                | Yes                     |
|                                |                                            | CarrefourSA sources various types of fish and seafood and supports sustainable fishing with the Aquaculture Platforms it has established in Izmir and Antalya. With oversight from 30 veterinarians and 25 aquaculture engineers, fish are sourced by respecting the fishing bans and size restrictions and through freshness checks. Suppliers are inspected according to international standards and products are regularly analyzed by accredited laboratories. Such practices support biodiversity by conserving marine ecosystems. | Actual             | Positive            | Short, Medium, Long | Yes                     |

|                                |                                            |                                                                                                                                                                                                                                                                                                                                                                                                   |                              |                            |                                      |                               |                                 |         |
|--------------------------------|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|--------------------------------------|-------------------------------|---------------------------------|---------|
| 80                             |                                            | CARREFOURSA                                                                                                                                                                                                                                                                                                                                                                                       | SUSTAINABILITY<br>MANAGEMENT | ECONOMIC<br>RESPONSIBILITY | EMPLOYER OF CHOICE<br>RESPONSIBILITY | VALUE CHAIN<br>RESPONSIBILITY | ENVIRONMENTAL<br>RESPONSIBILITY | INDICES |
| E4 - Biodiversity & Ecosystems | Direct impact drivers of biodiversity loss | CarrefourSA's operations involve several risks that could facilitate the spread of invasive species, which most commonly occurs through the transport of ballast water, live plant material or agricultural products. CarrefourSA's supply chain is at risk of being infected by invasive species such as zebra mussels, citrus long-horned beetles and red imported fire ants.                   | Potential                    | Negative                   | Medium, Long                         | No                            |                                 |         |
|                                | Impacts on the state of species            | CarrefourSA supports geographically marked and registered products with the aim of transferring the tastes of Anatolia to future generations. In this context, it places registered and geographically marked products on its shelves under different brands every day. CarrefourSA has also started to develop its technological infrastructure for traceability to conserve local biodiversity. | Actual                       | Positive                   | Short, Medium, Long                  | No                            |                                 |         |
|                                |                                            | Pesticides used within CarrefourSA's supply chain can alter the behavior, development and reproduction of aquatic animals. These chemicals can reduce species populations and increase the risk of global extinction for some species.                                                                                                                                                            | Potential                    | Negative                   | Medium, Long                         | No                            |                                 |         |
| S4 - Consumers and End-users   | Data Privacy                               | The ever-increasing threat of data breaches or cyberattacks has the potential to directly impact CarrefourSA customers, despite security measures in place. Theft or misuse of customer data can lead to identity theft, financial losses and unauthorized disclosure of personal information.                                                                                                    | Potential                    | Negative                   | Short, Medium                        | Yes                           |                                 |         |
|                                | Personal health and safety                 | Organic products offered under the Carrefour Bio brand stand out as less harmful to consumer health because they are free of chemical content. The higher nutritional value of organic products compared to conventional products contributes to a healthier and more balanced diet for consumers.                                                                                                | Actual                       | Positive                   | Short, Medium                        | Yes                           |                                 |         |
|                                |                                            | Violation of hygiene and quality standards in stores, warehouses or logistics, failure to remove contaminated or unsafe products from shelves in a timely manner and failure to properly manage the cold chain process and expiration dates may expose consumers to foodborne illnesses.                                                                                                          | Potential                    | Negative                   | Short, Medium                        | Yes                           |                                 |         |
|                                |                                            | CarrefourSA's private label cleaning products contain strong chemicals like ammonia and bleach, which can cause skin irritation, respiratory problems or burning of the eyes. If cleaning products are not labeled with proper instructions and warnings, consumers may use these products incorrectly.                                                                                           | Potential                    | Negative                   | Short, Medium                        | Yes                           |                                 |         |
|                                | Social inclusion                           | Options such as gluten-free products, organic foods and sweeteners provide significant accessibility benefits for customers with special dietary needs.                                                                                                                                                                                                                                           | Actual                       | Positive                   | Short, Medium                        | Yes                           |                                 |         |

### FINANCIAL MATERIALITY

| Topic                            | Subtopic                                       | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Opportunity                                            | Term                |
|----------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------|
| E4 - Biodiversity and Ecosystems | Direct impact drivers of biodiversity loss     | CarrefourSA may be subject to fines and sanctions if it falls within a legal framework such as the EU Deforestation Regulation.                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                        | Short, Medium, Long |
|                                  |                                                | The depletion of water resources may require investing in more costly water management technologies to use water efficiently in agricultural activities. Additionally, agricultural production costs in water-scarce regions may increase due to rising water prices. All of these may increase CarrefourSA's overall operational costs and negatively impact profitability.                                                                                                                                                                                |                                                        | Short, Medium, Long |
|                                  |                                                | Agricultural pollution can damage water and soil ecosystems, causing loss of biodiversity and reducing agricultural production capacity, thus disrupting CarrefourSA's fresh food supply chain and increasing product costs.                                                                                                                                                                                                                                                                                                                                |                                                        | Long                |
|                                  |                                                | Water pollution can negatively impact the quality of fish and other aquaculture products, leading to poor product quality and higher food safety risks in CarrefourSA's aquaculture supply chain. If food safety is compromised due to water pollution, CarrefourSA may face legal sanctions. Failure to comply with food safety regulations can lead to fines and customer compensation claims. Food safety risks can also damage CarrefourSA's brand reputation, resulting in loss of customer trust and thus in lower sales and weaker customer loyalty. |                                                        |                     |
| S4 - Consumers and End-users     | Impacts and dependencies on ecosystem services |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Insurance products may be considered to minimize loss. | Medium, Long        |
|                                  | Data Privacy                                   | A data breach can result in costly legal liability, regulatory penalties and fines under regulations such as the KVKK. Loss of customer trust can lead to lower sales and customer churn, negatively impacting CarrefourSA's revenues. Additionally, investments in cybersecurity upgrades may be required to mitigate future risks, leading to higher operational costs.                                                                                                                                                                                   |                                                        | Short, Medium       |

## RESPONSIBLE SUPPLY CHAIN PRACTICES

### RESPONSIBLE SUPPLY CHAIN APPROACH

Supply chain forms the starting point and therefore the most important stage of our value chain. Since a sustainable supply chain is crucial for our sustainability, we have been developing several approaches partnering with suppliers, NGOs and regulatory institutions. Armed with the responsibility of serving nearly 500,000 people every day, we embrace an approach that does not involve a competitive perspective.

We follow and draw from the best innovative practices in our field, operate with environmental sensibilities toward resources and biodiversity and encourage all our stakeholders to do the same. Carrefour Group's global policies guide us in our responsible sourcing approach.

As a company that works with thousands of local and international suppliers, CarrefourSA is committed to assessing the risks in its supply

chain, monitoring the social and environmental compliance of its suppliers and promoting responsible practices across the value chain. As part of our responsible sourcing approach, we inform our suppliers about the rules and principles they are required to follow through the commercial agreements and CarrefourSA quality protocols.

# RESPONSIBLE PROCUREMENT POLICY TARGETS:



1. Shaping our relationship with our suppliers around environmental, social and economic values.
2. Building strong relationships with our suppliers that comply with laws and obligations, prioritize customer needs and expectations, have quality management systems in place or make improvements in these matters.
3. Working with suppliers that avoid any type of illegal activity.
4. Respecting all stakeholders across the value chain.
5. Working with suppliers that recognize the importance of privacy and diligently protect personal data and showing them the same sensitivity.
6. Working with suppliers that prioritize the protection of fundamental human rights, business ethics, occupational health and safety, employee rights and the environment in all their operations and that establish systems to ensure fair business practices.
7. Working with suppliers that recognize climate change and carry out their operations
- and practices with this awareness, respect society and the environment, focus on conserving resources, waste reduction, reuse and recovery etc. within the scope of energy efficiency and manage emissions from released gases and toxic substances.
8. Working with suppliers that do not discriminate based on language, race, gender, political opinions, philosophical views, religion, sect and similar reasons by creating a fair work environment for their employees; promote gender equality and equal opportunity; regulate working conditions of pregnant or nursing women in accordance with the law; value the ideas of its employees and include them in continuous improvement efforts; protect the immunity and unionization rights of their employees; do not engage in forced or compulsory labor; do not employ child labor and comply with all applicable laws and regulations regarding employment and work life.
9. Working with suppliers that adhere to the occupational health and safety laws and regulations and the
- requirements determined by CarrefourSA; continuously improve their processes with preventive and corrective approaches; regularly share roles and responsibilities with their employees; have made occupational health and safety an integral part of the company culture and strive to surpass regulatory requirements by complying with all laws, regulations and standards.
10. Working with suppliers that base their management approach on providing the right goods and services at the right time and quantity by continuously maintaining competitive costs.
11. Working with suppliers that identify and manage their financial, strategic and operational risks.
12. Providing training, as needed, to increase sustainability management awareness among the stakeholders and help them improve their resource utilization.

As defined in the procurement guidelines, CarrefourSA conducts product safety audits at the prospective suppliers before starting a business relationship. One of the best ways of proving our responsible sourcing approach is to require internationally accepted certificates to confirm that raw materials with the potential for deforestation and considered as risk commodities, such as cattle products, palm oil, soy, timber and paper/pulp, cocoa, coffee and rubber, are obtained from sustainable sources. We periodically carry out inspections, product quality controls and product analyses at our new suppliers. We also organize animal welfare inspections in the coops, farms and slaughterhouses of our animal product suppliers.

Starting from 2023, we are mapping suppliers by reaching out to our suppliers that take up

the most space in our emission profile with a detailed question set to identify their deforestation risks. As a result of this mapping, we plan to better identify our deforestation risks and set targets accordingly.

Since the first social compliance audit in 2022, we have assessed the environmental impact of our private label suppliers' operations, the working conditions of their employees and the employees in their supply chains as well as the adequacy of the social rights provided within the framework of the applicable laws, regulations and international conventions. Through social compliance audits, we aim to ensure that our suppliers provide a safe workplace where the fundamental rights of the employees are respected and the environment is protected in accordance with fair trade principles. We also expect

our suppliers to establish and maintain trust-based relationships with their stakeholders and to assume responsibility for their actions or inactions. We will continue to assess the social compliance performance of our private label suppliers in 2024.



SUSTAINABLE BUSINESS MODELS

PRIVATE LABEL FBPR200a7

Our approach to the development of private label products is echoing our sustainability principles based on "Right Product, Right Supplier, Right Quality." Even though the idea of selling private label products is generally driven by financial reasons, we also aim for our products to reflect the best social and environmental practices.

As of year-end 2023, we offer 533 private label products, consisting mostly of food items. This broad product range, which we intend to expand further, allows us to offer quality and affordable products to our customers. We also aim to contribute to the future by considering the social and environmental impacts of these products.

| Private Label Targets            | 2024 | 2025 | 2026 |
|----------------------------------|------|------|------|
| Number of Private Label Products | 590  | 670  | 735  |

We employ various processes to select and develop Carrefour-branded products and their suppliers. During the development of these products, we consider several parameters in accordance with the applicable laws and regulations, Carrefour Group criteria and CarrefourSA requirements.

We develop private label products with our 'Right Product' approach, shaped around the sustainability principles, by considering several critical criteria. As part of our partnership with the suppliers, we conduct in-depth assessments and inspections to ensure that their production processes comply with the environmental sustainability principles, ethical values and quality standards.

During the development of all our private label products, we determine their ingredients to contain less salt, sugar and oil.

With this approach, we promote a more balanced diet by offering our customers options that suit their dietary preferences and using organic ingredients as much as possible for natural and healthy alternatives.

We support our customers in making healthy choices and consider their allergen sensitivities by openly declaring the allergen contents and nutritional values of our products. Furthermore, we minimize the use of preservatives and additives in our private label products. Wherever possible, we choose not to use additives or we ask the supplier to adapt the production accordingly. In products that require colorants, we prefer natural food dyes that can be used without limitation.

The raw materials used in our private label products and their packaging are traced to the source. Therefore, we prioritize procuring them from sustainable sources. We also associate these activities with sustainability disclosure initiatives such as CDP Forests to ensure that forest resources are conserved and natural life is sustained.

When determining the shelf life of our products, we adopt an accuracy approach based on data supported with microbial, chemical and sensory tests and analyses. Additionally, we assess the sales conditions of our products carefully, considering several factors such as ambient temperature in the stores, product specifications and packaging conditions. This approach allows us to offer the right products to our customers, while ensuring that they remain safe, delicious and fresh until the end of their shelf life.

In our private label cosmetics and detergent products, we avoid the use of animal-based raw materials, contributing to the conservation of natural resources and animal welfare. Similarly, we uphold our ethical values by not testing

our products on animals. Using alternative testing methods enables us to respect animal life, while ensuring the safety and quality of our products.

The users' safety and skin health is especially important in cosmetics and other products that come into contact with the skin. Therefore, we perform dermatological tests with volunteers having sensitive skin. These extensive tests ensure that the products are safe, effective and user-friendly.

At CarrefourSA, we determine the ratio of fragrances used in our cosmetics and detergent products in accordance with the International Fragrance Association (IFRA) classification. We also review the recipes of our private label products carefully to ensure that they do not contain banned ingredients and allergens.

In product development, making sure that the packaging is as safe as the product itself is a key consideration. Therefore, we also conduct migration tests on all packages to ensure food compatibility. Since 2020, 90 types of packaging have been analyzed using 1,252 parameters and assessed as suitable.

The products we develop go through taste tests by 60 specialized consumers/users before they reach the shelves. These tests allow us to assess various aspects of our products such as taste, texture, aroma and user experience. We offer our products to our customers only after they pass the consumer/user tests. This process ensures that our products meet the expectations and deliver high quality, while also reflecting our customer-centric approach through the best experience.

To fulfill our product and food safety commitments, we conduct quality audits across our supply chain in line with applicable legislation and international standards. We manage the process with independent accredited third-

party auditors to ensure that accurate and reliable results are obtained in the audits and that the processes are carried out properly. These audits not only assure the quality and safety of our suppliers and products, but also help us identify their strengths and weaknesses. Based on this information, we work with our suppliers to create development plans to suit their needs.

Carrefour BIO Organic Products

Farming practices that involve the use of pesticides are known to be harmful to health and biodiversity. Therefore, we embrace the ecological and healthy approaches of organic farming and continuously expand our organic product offering.

All our organic private label products are sold under the Carrefour BIO brand. Our organic products hold Ecocert certification, which is recognized in Türkiye and the European Union. Our BIO products include milk, eggs, nuts, dried fruits, pulses, fruit juice, jams and cotton product groups. As the share of these products increases on our shelves, we grow our revenues through communication activities.



| Organic Private Label Products - Actual | 2021               | 2022               | 2023               |                    |
|-----------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                         | Number of Products | Number of Products | Number of Products | Sales (TL million) |
| Türkiye                                 | 44                 | 42                 | 43                 | 79                 |
| Exports                                 | 24                 | 31                 | 34                 | 10                 |
| Total                                   | 44                 | 42                 | 43                 | 89                 |

| Organic Private Label Products - Targets | 2024               |                    | 2025               |                    | 2026               |                    |
|------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                          | Number of Products | Sales (TL million) | Number of Products | Sales (TL million) | Number of Products | Sales (TL million) |
| Total                                    | 50                 | 115                | 58                 | 130                | 70                 | 145                |

Products with Geographical Marking

Products with geographical marking are regarded by the consumers as symbols of quality and genuineness because they contain properties specific to a region. These products are recognized and protected because of their production methods specific to the geographical region, high quality standards or characteristics. At CarrefourSA, we promote these products and their producers to highlight the value of geographically marked products. We allocate a dedicated section to Aegean sultana raisins, Edremit Bay scratched green olives, Aegean figs, Halloumi cheese and Ezine cheese, products known for their outstanding flavors and unique production methods and offered with the assurance of the Carrefour brand.

- **Aegean sultana raisins** are renowned worldwide for their unique taste. These particular raisins are obtained from the juicy, fleshy, long and round grapes grown in the Aegean region. Sold under the Carrefour Bio Organic Dried Sultaniye raisins brand since 2017, they are both organic and also bear geographical marking.
- The uniquely delicious **Aegean dried figs** are large in size, with a light color close to white, small seed and a thin skin. Sold under the Carrefour Bio brand since 2018, the Aegean dried figs are both organic and also bear geographical marking.
- **Edremit Bay scratched green olives** are particularly preferred for their delicious taste. They are naturally fermented and have been offered at our stores since 2018 under the Carrefour Bio brand in geographically marked packages.

- **Halloumi** is a cheese variety produced in the Güzeyurt region of TRNC as a geographically marked product. Made from the milk of grass-fed dairy animals in TRNC, halloumi has been included in our offering in 2022.
- **Full Fat Aged Ezine Cheese** is a geographically marked cheese produced in the Ezine district of Çanakkale under the Carrefour brand and has been sold in our stores as of 2023. Made from a mixture of sheep, goat and cow milks, no food additives other than natural yeast and sea salt are used in this cheese.

At CarrefourSA, we aim to feature more private label products with geographical marking in our shelves to ensure their continuity, while protecting this rich legacy

Sustainable Products

CarrefourSA is committed to offering its customers environmentally friendly and responsible products through its commitment to sustainability principles. Sustainable products provide environmental, social and economic benefits while protecting public health and the environment throughout their entire life cycle, from the extraction of raw materials to their final disposal. CarrefourSA adopts the EU Taxonomy principles in developing and delivering these products and follows developments with the KPIs determined by the Board every year.

The EU Taxonomy is a system for defining and promoting sustainable investments. Six key criteria are:

- Combating Climate Change: Activities should mitigate climate change.
- Adapting to Climate Change:

Activities should be adapted to climate change effects.

- Sustainable Use of Water and Marine Resources: Activities should conserve water and marine resources.
- Circular Economy: Activities should comply with the principles of waste reduction, reuse and recycling.
- Preventing and Controlling Pollution: Activities should contribute to the prevention and control of environmental pollution.
- Conserving Biodiversity and Ecosystems: Activities should conserve biodiversity and ecosystems.

Through this process, we aim to ensure that products are environmentally friendly, positively impacting public health and supporting economic sustainability.

Some of Our Sustainable Products

Carrefour Eco Planet Barbecue Charcoal

Carrefour Eco Planet Barbecue Charcoal is produced without felling any trees, using hazelnut shells, which are agricultural waste. From an environmental perspective, Carrefour Eco Planet Charcoal helps to reduce the amount of trees used in charcoal production and thus prevent the destruction of forests, while reducing the gases and carbon emissions released during charcoal production. From a social perspective, agricultural waste is utilized, creating economic gain. Encouraging the consumption of nature-friendly products raises environmental awareness in society and promotes sustainable consumption habits.

Carrefour Eco Planet Paper Towels

Carrefour Eco Planet Paper Towel is produced using completely recycled paper without felling any trees, and helps protect forests while reducing carbon footprint. Using recycled materials reduces the amount of waste and ensures more efficient utilization of natural resources. Produced with Carrefour's environmentally friendly approach, this paper towel offers consumers both a quality product and the opportunity to make a nature-friendly choice. As a result, it promotes sustainable consumption habits by demonstrating its positive environmental impact in every use.

SUSTAINABLE FARMING

Thanks to our partnerships with cooperatives in vegetable and fruit projects, we are able to offer fresh produce to our customers throughout the year based on our quality, trust and accessible pricing policy. Through these projects, we also aim to promote the use of local seeds and local production. As part of our local seed and local product project, we created fresh food platforms in Bursa and Antalya to bring a rich variety of fresh produce we buy directly from the producers to our stores.

Aiming to preserve and leave a legacy of Anatolian flavors for future generations, we offer various 'brands' products with geographical marks in our aisles every day.

In 2020, we partnered with a number of public institutions and supported contracted farmers, who work with guaranteed purchasing, with training on all topics from seeds and planting to harvesting and delivering the products to the

stores and prevented yield losses with these efforts. Furthermore, encouraging local seeds and controlling the production process in place have enabled us to offer safe fruits and vegetables in our stores.

SUSTAINABLE LIVESTOCK

We work on sustainable livestock to support the local livestock and animal husbandry sectors to achieve sustainability and rise to the levels of civilized countries and thereby ensure supply continuity in the desired quality and hygiene standards. As a result of these efforts, we offer our customers veterinarian-controlled, 100% local red meat from proven sources. The project, which primarily aims to support local producers, delivers many benefits, including creating jobs in the villages, utilizing and expanding pastures, ensuring animal welfare, supporting the healthy development of domestic breeds, offering economic and profitable production opportunities, working with local breeders to earn higher value from local sheep and cattle, improving quality and efficiency and selling the product at the right price to the customer.

We conduct regular site inspections and periodic product analyses at all livestock suppliers. When needed, we provide on-site training for our suppliers and also work in close coordination with the veterinarians in the production facilities. To prevent unauthorized slaughter of young animals, we only allow the slaughtering of animals with ear tag numbers registered in the Ministry of Agriculture and Forestry system and assure



the process by checking the veterinary health reports when taking delivery.

| Sustainable Products                                                  | 2022  | 2023  |
|-----------------------------------------------------------------------|-------|-------|
| Number of Sustainable Products                                        | 72    | 87    |
| Revenues from Sustainable Products (TL million )                      | 231   | 223   |
| Ratio of Sustainable Product Revenues to Total Private Label Revenues | 9%    | 10%   |
| Ratio of Sustainable Product Revenues to Total Revenues               | 0.64% | 0.50% |

| Supplier Audits                                         | 2021 | 2022 | 2023 |
|---------------------------------------------------------|------|------|------|
| Audited Suppliers                                       | 22   | 22   | 26   |
| GFSI (Global Food Safety Initiative) Approved Suppliers | 22   | 23   | 21   |

Animal Welfare

Our animal welfare policy demonstrates our belief that proper animal care practices are based on both science and ethical obligations and values to ensure that every animal in the CarrefourSA supply chain lives a good life. Since 2019, we have been conducting animal welfare inspections in the farms and slaughterhouses of our red meat suppliers and in the coops of our private label organic and free range chicken egg suppliers.

Our inspections are centered on the internationally accepted five freedoms of animal welfare, proposed by the Farm Animals Welfare Committee (FAWC):

- Freedom from hunger or thirst by access to fresh water and a diet to maintain full health and vigor.
- Freedom from discomfort by providing an appropriate environment.
- Freedom from pain, injury or

disease by prevention or rapid diagnosis and treatment.

- Freedom to express normal behavior by providing sufficient space and proper facilities.
- Freedom from fear and distress.

| Animal Welfare Audits – Actual                     | 2021 | 2022 | 2023 |
|----------------------------------------------------|------|------|------|
| Red Meat Suppliers                                 | 2    | 4    | 6    |
| Private Label Organic and Free-range Egg Suppliers | 2    | 4    | 5    |
| Total                                              | 4    | 8    | 11   |
| Animal Welfare Audits – Targets                    | 2024 | 2025 | 2026 |
| Red Meat Suppliers                                 | 8    | 10   | 12   |
| Private Label Organic and Free-range Egg Suppliers | 7    | 9    | 11   |
| Total                                              | 15   | 19   | 23   |

Cage-free Egg Commitment

At CarrefourSA, recognizing the rising customer demand and sustainability consciousness, we set a target to transition to 100% cage-free egg supply chains by 2030, demonstrating our commitment to ensuring animal welfare. Accordingly, we aim the following:

- Informing and Supporting Suppliers: During the transition to cage-free egg production, we educate our egg suppliers about production requirements and extend support when necessary. We also provide guidance regarding the system investments that the suppliers need to make for adapting and meeting the growing demand for cage-free eggs.
- Animal Welfare Approach: We take various measures to ensure the animal welfare of the chickens in the farms that supply our eggs. This approach ensures that chickens are given space and opportunity to roam, rest comfortably on perches, sleep and lay eggs away from stress. With this approach, we foster animals to exhibit their natural behavior.
- Animal Welfare Inspections and Cooperation: To ensure animal welfare and ascertain that the right practices are implemented, we conduct regular inspections at the farms and work in cooperation with our suppliers, providing a good quality of life for the animals.

36% of the Carrefour-brand eggs and 48% of the national brand eggs we sold in 2023 were sourced from cage-free layer systems.



SUSTAINABLE FISHING

We believe that fish is a healthy and functional food source and should be consumed more. Therefore, we support sustainable fishing for both its economic and also ecological and social benefits. To implement this approach, which involves appropriately managing caught fish, we take various actions to ensure the sustainability of fishing.

We only work with fish farms inspected by the Ministry of Agriculture and Forestry of the Turkish Republic at every stage from production to store delivery. Only 5-10% of fish survive in nature, while this rate may go up to 90- 95% in farmed fish. Very few of the approximately 1 million fish eggs reach the desired size in nature whereas this figure is nearly 250,000-300,000 in farmed fish. This is because the fish produced in farms are kept as far away as possible from predators or other natural factors such as diseases as they develop from an egg.

We fully comply with the aquaculture legislation and carefully monitor the seafood varieties subject to fishing and catching bans. In line with our sustainability approach, we prioritize cultured and farmed fish and work with farms, where all stages from production to the shelf are strictly controlled.

We perform regulatory controls on the farmed and caught aquaculture products in our warehouses and stores. To offer these products in their freshest state to the customers, we ensure the continuity of the cold chain from the warehouses to the store aisles by following the specified processes. We also provide informative documents and newsletters to raise awareness among our store employees. Similarly, we inform our customers via social media and in-store communications.

Our seafood quality assurance experts conduct regular audits on the seafood varieties using the

seafood platforms for compliance with the Ministry of Agriculture and Forestry of the Turkish Republic regulations. All imported and local seafood, both caught and farmed, purchased by CarrefourSA, are collected at seafood platforms before they are shipped to our stores. We currently operate three seafood platforms (in Gebze, Izmir and Antalya). The products are particularly inspected for freshness criteria and for potential bans on fishing and catching, length and species limitations before they are accepted to ensure that only compliant products are delivered to our stores.

As of year-end 2023, we sell fish in 576 stores and actively work with 63 aquaculture companies.

| Fish Sales                           | 2021   | 2022   | 2023   |
|--------------------------------------|--------|--------|--------|
| Total Sales (tons)                   | 11,000 | 13,000 | 13,000 |
| Caught Fish Ratio (%)                | 9.9    | 32.2   | 16.3   |
| Farmed Fish Ratio (%)                | 56.6   | 36.7   | 41.8   |
| Imported Fish Ratio (%)              | 21.3   | 18.5   | 19.8   |
| Other Fish Ratio (%)                 | 12.2   | 12.6   | 22.1   |
| Ratio of Caught Fish/Farmed Fish (%) | 17.4   | 87.6   | 38.9   |

SUSTAINABLE SOURCING  
POLICIES

We have additional responsibilities on certain sensitive issues that we impact as a food retailer with potential effects on the ecological environment. These sensitivities are in the impact area of many organizations including CarrefourSA and they are created by the products we sell to our customers, i.e. affected by and have an impact on our supply chain. At CarrefourSA, we regard it as our responsibility to develop inclusive approaches, implement practices to raise awareness and promote these topics, starting with our supply chain.

BIODIVERSITY 80%

Biodiversity refers to the diversity of life forms in terms of genetics and species found within an ecosystem around the world. It is crucial for the survival of species, healthy generations and a sustainable ecological cycle. However, loss of biodiversity continues at a faster rate with many species facing the risk of extinction. To put this fact into context, the population of living organisms has seen a 68% decline in the last 50 years. Pandemics and natural disasters, as well as deforestation, traditional farming methods and illegal hunting and fishing, etc. along with human activity are among the factors that contribute to the loss of diversity worldwide. The estimated annual cost of loss of biodiversity and ecosystem functions to the global economy is estimated to reach Euro 14 trillion by 2050.

We take the United Nations Convention on Biological Diversity (CBD) as reference to develop our approach to the conservation of biodiversity. Regarding biodiversity, which also falls within the scope of our environmental approach, we avoid all kinds of activities that might threaten natural habitats and living organisms and work for a more livable world.

Our biodiversity objectives are:

- Monitoring and preventing potential direct and indirect impact, if any, on biodiversity.
- Contributing to the conservation of biodiversity in the regions where we operate.
- Working with producers who are sensitive to both people and the environment to source healthier products instead of those grown with traditional agricultural methods that involve extensive use of fertilizers and pesticides and building a responsible and sustainable supply chain.
- Partnering with relevant NGOs and organizations for joint projects to protect natural resources and life.
- Preventing or mitigating factors that cause deforestation.
- Identifying endangered species and inspecting activities close to their biosystems.

Even though we do not have significant direct impact on biodiversity, we aim to limit our environmental impact to the extent possible in the locations where we operate. Therefore, each store, warehouse or logistics platform monitors and optimizes water and energy consumption, manages its waste and thereby mitigates its impact on ecosystems and biodiversity. Additionally, we comply with technical specifications that respect the environment and biodiversity when investing in new stores. Contributing to forestation efforts and projects for conservation of biodiversity is also among our future plans.

COMBATING DEFORESTATION

Forests are vital to life on earth, functioning as our planet's lungs and helping to regulate climate. As the second largest body that sequesters carbon dioxide after the oceans, forests are not only home to wildlife on land but they also offer livelihood to more than a billion people.

The growing need for agricultural land and daily consumption of products such as packaging, paper, etc. are among the main reasons for deforestation and the loss of forest areas. Flora and fauna lose their natural habitats due to deforestation, which leads to an increase in greenhouse gases. Another reason for this increase is that forests release the greenhouse gases they have sequestered back into the atmosphere.

Deforestation also has a negative impact on the people who depend on forests for their livelihood.

What are forest risk commodities? Where is CarrefourSA positioned in this value chain?

- Timber and paper/pulp, palm oil and derivatives, soy and derivatives, cattle products, coffee and coffee products, cocoa and cocoa products, rubber and rubber products.
- CarrefourSA does not directly process, produce and sell these commodities. CarrefourSA is positioned as an intermediary that outsources the production of private label products, which contain these commodities, to other suppliers and delivers them to the end user.

The impact of CarrefourSA's operations on deforestation is quite insignificant. Even though we operate in Türkiye, which is not considered a risky region in terms of producing forest commodities and despite the fact that the country has yet to introduce any regulations specific to forest risk commodities, we aim to work in compliance with the regulations followed by the global best practices. At CarrefourSA, we also conduct supply chain audits to ensure that the risk commodities used in private label products are produced in accordance with the regulations in the countries of origin.

We remain committed to disclosing information about CarrefourSA and private label products transparently. The information we

Our Dependency on Forest Risk  
Commodities\*

\* % of total annual expenditure

- Timber and Paper/Pulp: 4%
- Palm oil and derivatives: 0.07%
- Cattle Products: 6%
- Soy and soy derivatives (operation): 0.02%
- Soy and soy derivatives (animal fodder): 4%
- Coffee and coffee products: 0.07%
- Cocoa and cocoa products: 0.08%

share includes the suppliers' use of products containing forest risk commodities, country and region of production, the quantities used, the certification status and other related information.

Through efforts to combat deforestation, we aim:

- Not to engage in or support activities that cause deforestation.
- To follow and comply with applicable local legislations.
- To sort and recycle packaging and paper waste separately, reduce resource utilization and use FSC-certified paper and timber products obtained from legal and sustainable sources.
- To work with producers and suppliers to tackle deforestation.
- To improve product transparency and traceability.
- To expand our scope in private label supply chain audits to trace risk commodities to the country and region where they are produced.

In 2022, the anticipated risks and consumption values of CarrefourSA related to forest risk commodities were submitted transparently through the CDP Forests module for the first time. Having earned a score of B (Management) in all forests modules based on the evaluation results the first year, we increased our scores in the following year and aim to rank as a leader and be a pioneer in the

sector with our work and actions in the coming years.

In line with its target of sourcing the forest risk commodities used in its private label products from 100% sustainable sources by 2025, CarrefourSA plans to have only businesses with certified products as its suppliers. Examples of certification and sourcing terms and conditions specifically requested for each forest risk commodity are summarized below:

**Palm Oil and Derivatives:** In 2023, our certified palm oil and derivatives accounted for 11% of the sourced commodities. Our goal is to increase this rate to 100% by year-end 2025 and for all procured commodity to have RSPO (Roundtable on Sustainable Palm Oil) certification.

**Soy and Derivatives:** In 2023, our certified soy and derivatives accounted for 94% of the sourced commodities. CarrefourSA aims to maintain this rate in the coming years and for all procured commodity to have RTRS (Round Table on Responsible Soy Association) or ProTerra certification.

**Timber and Paper/Pulp:** In 2023, our certified timber and paper/pulp accounted for 18% of the sourced commodities. Our goal is to increase this rate to 100% by year-end 2025 and for all procured commodity to have FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) certification.

**Cattle Products:** CarrefourSA sources 100% of cattle products from local suppliers. We commit to not sourcing from risky regions (currently countries like Brazil and Bolivia).

**Coffee and Coffee Products:** In 2023, our certified coffee and coffee products accounted for 87% of the sourced commodities. Our goal is to increase this rate to 100% by year-end 2025 and for all procured commodity to have RA (Rainforest Alliance) certification.

**Cocoa and Cocoa Products:** In 2023, our certified cocoa and cocoa products accounted for 73% of the sourced commodities. Our goal is to increase this rate to 100% by year-end 2025 and for all procured commodity to have RA (Rainforest Alliance) certification.

# CUSTOMER SATISFACTION

## CUSTOMER SATISFACTION APPROACH

Customer satisfaction lies at the heart of CarrefourSA's vision and mission.

### Our Vision

- To be the leading trusted and preferred food retailer that sources the right products from the right producers and sells them with the right pricing policy to its customers.

### Our Mission

- To understand the needs and expectations of our customers with the 'Next-generation Market' approach; to offer the right products sourced from the right producer and sell them at the right price with the right service approach.

As a food retailer, we recognize that customer satisfaction can only be achieved through the products and services we offer. We need to manage the customer journey from the first touchpoint, whether they enter a store or visit our website or contact our call center, to the shopping experience, along the consumption process and use of the products they buy and eventually to the disposal of the waste generated. Food is a major factor that affects well-being; therefore we always keep health and safety at the forefront across all stages.

We address our activities in the following headings:

- Health and Safety (in the stores)
- Hygiene and Food Safety (in the stores and warehouses)
- Product Safety (in our products and suppliers)
- Customer Experience



## HEALTH AND SAFETY

We fully comply with all guidelines, procedures and instructions that the relevant head office departments publish on the health and safety of our customers. Furthermore, official institutions' audits and customer feedback contribute to our continuous improvement.

### Customer Health Practices in Stores

We implement a number of practices at our stores to ensure the health and safety of our customers. These include:

- We make sure that all aisles and shelves are ready by store opening and that no boxes or equipment, etc. are left in the aisles or trolleys.
- To ensure the safety of our employees and customers, we regularly salt the store entrances on snowy and icy days.
- We use slippery surface warning signs during and after cleaning the store floors.
- We always keep our aisles and shopping baskets in order so that our customers can shop comfortably in our stores.

### Potential Store Accidents

We apply a standard operating procedure for accidents that customers may experience in our stores. Accordingly, the infirmity healthcare provider, if present, or a trained employee performs first aid after the accident. Then, depending on the severity of the injury, the emergency services (112 in Türkiye) are contacted or the customer is taken to the nearest healthcare institution by car, accompanied by the workplace manager or a designated companion. The emergency contact of the affected customer is called to explain the incident and then accompanied at the hospital. Contact details are also provided in case the customer needs to reach out to us later.

## Emergencies

We have also developed a standard operating procedure for potential emergencies in our stores. This procedure applies to all customers as well as all temporary and permanent employees, subcontractors, visitors, business representatives and interns. The procedure covers incidents such as fires, earthquakes, floods, storms and hurricanes, building collapses and landslides, explosions, workplace accidents, bomb alerts, violence in the workplace, armed robberies, hostage taking situations, strikes, water pollution, suicide attempts, chemical spills/leakage and traffic accidents. In addition to preventive measures for such emergencies, we also define the actions to conduct after an incident and manage potential risks.

## HYGIENE AND FOOD SAFETY

To provide the best service and ensure food safety along the entire chain from sourcing the food to delivering it to the end consumer, the quality assurance team manages the whole in accordance with the CarrefourSA Quality Management System, designed in alignment with the applicable regulations and global best practices.

The safety and quality of the products in the butcher departments, where we process and package meat, are assured by our veterinarians. Similarly, food engineers are employed in the patisserie and bakery departments. Moreover, teams of specialized veterinarians and aquacultural engineers control the processes at our integrated facilities and platforms.

We recognize that our store teams play a critical role in our field operations. Therefore, we maintain close contact with our teams and provide on-the-job training to transform the CarrefourSA quality management system into a corporate culture. We also deliver face-to-face training for our teams with the aim of integrating

our internal culture into this important system. As part of our franchise operations, we organized face-to-face and on-the-job training sessions in 2023 at the stores to ensure their compliance with the CarrefourSA quality management system.

We use area- and application-specific cleaning chemicals in our stores, integrated facilities and warehouses and verify their properties through effectiveness tests. In line with our environmental awareness and sustainability approach, we strive to minimize the use of chemicals required to achieve hygiene. Furthermore, we prefer innovative chemicals that are easy to use with minimal effort. This approach helps to reduce the workload of our employees, while improving the efficiency of cleaning processes.

As part of the environmental tracking plans, designed to monitor our hygiene standards, we work with accredited laboratories to test the suitability of production and processing through microbiological and chemical analyses on samples of food, water, ambient air and surfaces in contact with the products. We implement the necessary measures based on the analysis results.

In CarrefourSA stores with central HACCP management system, we ensure compliance with CarrefourSA Quality Assurance standards and legal requirements by adding CarrefourSA Professional HACCP plans to our new initiative in the HoReCa channel. We check the accuracy of shelf life analyses of fresh produce sold in bulk in the stores. We also partner with accredited laboratories to conduct shelf life studies for every product we produce and process in our stores, verify the shelf lives by comparing them to the analyses throughout the year and offer safe products on the shelves.

In addition to the products we



sell, the safety of the equipment and surfaces used for preparing and packaging the products in our fresh produce aisles is also very important for us. Therefore, we check the effectiveness of cleaning by regularly analyzing such equipment and areas.

We perform in-depth risk analyses on key parameters such as infrastructure, building age, city and seasonal changes for effective management of pest control activities and mitigating the risks in our integrated facilities, warehouses and stores. These analyses allow us to identify pest control needs by considering each store's specific characteristics and environmental factors. In 2023, we visited 92 stores in various regions with a pest control company at regular intervals. By reducing the use of chemicals in our pest control activities, we also aim to minimize our environmental

impact and preserve a natural balance. To ensure compliance with general food hygiene rules from sourcing food to selling to the end-consumer in our stores, we also conduct impromptu hygiene and food safety inspections organized by the Internal Audit Department in warehouses, stores, integrated and e-commerce locations. These inspections are conducted by teams from third-party independent companies. Based on the inspection results, we ensure continuous development and compliance with legal requirements and CarrefourSA standards by implementing the necessary measures in our stores and processes.

We plan food safety culture initiatives and make process improvements based on the nonconformities detected before and after hygiene and food safety

inspections. As part of these efforts, we perform site checks on basic requirements such as cleaning and sanitation practices, cold chain storage conditions, traceability, product safety, pest control practices, infrastructure and equipment in the stages of goods acceptance, storage, production, logistics and sales.

**PRODUCT SAFETY AND QUALITY**   
In line with our "Right Way to Live" ethos, we regard ensuring the safety of our products and the well-being of our customers as our primary responsibility. On the other hand, "The Right Ones are at CarrefourSA" approach underlines our commitment to offering the right products and the right services to our customers at every step. We have defined CarrefourSA quality standards, which guarantee the safety and quality of our products, by carefully considering Carrefour

| Hygiene and Food Safety Audits at the Stores and Warehouses | 2021   | 2022   | 2023   |
|-------------------------------------------------------------|--------|--------|--------|
| Audits (Total)                                              | 1,283  | 1,517  | 762    |
| Stores                                                      | 1,272  | 1,507  | 762    |
| Warehouses                                                  | 9      | 8      | -      |
| Integrated Meat Processors                                  | 2      | 2      | -      |
| Number of Samples Analyzed During Audits                    | 10,632 | 16,723 | 7,605  |
| Number of Parameters Analyzed During Audits                 | 27,055 | 40,354 | 13,155 |

Note: Inspections of warehouse and integrated meat processors were rescheduled from 2023 to 2024

Group's criteria and adhering to the applicable laws and regulations. As we strive to fulfill the requirements of these standards, we also work to understand and meet our customers' demands and expectations, while maximizing their satisfaction.

We make sure that our stakeholders across all stages of our business processes are informed and up-to-date about CarrefourSA quality standards. Furthermore, we communicate our quality standards in an easy-to-understand manner to earn the trust of our customers by offering the right quality. We also support our business partners in their efforts to comply with CarrefourSA Quality Standards. By working together, we try our best to attain the production, transportation, processing and presentation standards regarding our products. Together with our business partners who adopt and implement these standards, we aim to contribute to both our own business and also the stakeholders within our wide impact.

We diligently execute all quality processes across all stages at our production facilities, in the fresh

produce aisles in our stores and in our 'Lezzet Arası' restaurants to bring safe food produced in hygienic conditions. The CarrefourSA assurance logo on our private label products represents our confidence in the quality of our products. This approach is founded on the principle of 'Right Product, Right Supplier, Right Quality' and reflects our mission of providing a great shopping experience.

The 3 Rs in Carrefour's Quality Assurance logo:

**Right Product, Right Supplier, Right Quality**

Carrefour  SA 

**Quality Audits at Suppliers**

We conduct audits prior to starting to source products from national brand and private label suppliers and at regular intervals based on their risks during the selling process. Depending on the audit results, we may choose to terminate the commercial relationship or give our suppliers time to take action by providing support as needed. Through continuous audits, we ensure that our suppliers fulfill

their commitments to improve their processes and guarantee food safety. We monitor supplier performance continuously to ensure the continuity of our cooperation, while improving customer satisfaction.

Regarding our private label products, we sign quality agreements with our suppliers to ensure product quality and customer safety. Even though 51% of our suppliers hold GFSI (Global Food Safety Initiative) certification, we require all of them to undergo CarrefourSA audits. We regularly inspect production conditions on site with an audit team and the CarrefourSA quality assurance team. Moreover, we perform supplier risk assessments and repeat the inspections during the year depending on the assessment results to monitor the continuity of the quality and product safety processes.

|                                      | 2021             |                         |                                       | 2022             |                         |                                       | 2023             |                         |                                       |
|--------------------------------------|------------------|-------------------------|---------------------------------------|------------------|-------------------------|---------------------------------------|------------------|-------------------------|---------------------------------------|
| Quality Audits at Suppliers          | Number of Audits | Fully Successful Audits | Audits that were not Fully Successful | Number of Audits | Fully Successful Audits | Audits that were not Fully Successful | Number of Audits | Fully Successful Audits | Audits that were not Fully Successful |
| Existing National Brand Suppliers    | 113              | 78                      | 35                                    | 95               | 73                      | 22                                    | 98               | 47                      | 51                                    |
| Prospective National Brand Suppliers | 20               | 8                       | 12                                    | 10               | 5                       | 5                                     | 12               | 6                       | 6                                     |
| Bakeries                             | 71               | 28                      | 43                                    | 73               | 34                      | 39                                    | 76               | 43                      | 33                                    |
| Existing Private Label Suppliers     | 72               | 50                      | 22                                    | 56               | 48                      | 8                                     | 56               | 42                      | 14                                    |
| Prospective Private Label Suppliers  | 41               | 21                      | 20                                    | 39               | 20                      | 19                                    | 17               | 9                       | 8                                     |
| Total                                | 317              | 58%                     | 42%                                   | 273              | 66%                     | 34%                                   | 259              | 56%                     | 44%                                   |

Note: Follow-up audits are not included in the number of audits.

| Quality Audits at Suppliers - Targets | 2024 | 2025 | 2026 |
|---------------------------------------|------|------|------|
| Existing National Brand Suppliers     | 102  | 106  | 110  |
| Prospective National Brand Suppliers  | 14   | 17   | 20   |
| Bakeries                              | 80   | 83   | 85   |
| Existing Private Label Suppliers      | 58   | 61   | 64   |
| Prospective Private Label Suppliers   | 20   | 22   | 25   |
| Total                                 | 274  | 289  | 304  |

In inspections, we prioritize the availability of an established food safety culture at our suppliers. Therefore, we carefully assess the compliance of the supplier teams with the food safety culture. We ensure that the food safety culture is adopted and implemented at all levels by observing and analyzing the food safety awareness and practices of the teams.

Questions regarding issues that directly impact product safety and quality, as well as adherence to the product recipes we provide are included within the scope of our inspections. In this context, we carefully assess all production stages of our products to ensure compliance with our standards. The purpose of these practices is to offer consistently high quality products for our customers.

Traceability is a key aspect considered during the inspections and audits. The supplier is required to have its own traceability process for all stages from receiving the packaging material that comes into direct contact with the raw ingredients and the product to the delivery of the end-product to CarrefourSA warehouses/stores. This approach allows us to manage non-conforming products according to the targeted standards. During the audits, we perform checks to ascertain that our suppliers conduct their internal process controls, both operationally and on paper, from raw materials to the end product.

Managing the allergens is another relevant aspect. Best manufacturing practices are monitored to eliminate the risk of adding any allergens and contaminating the end product. If contamination with allergens cannot be avoided despite best manufacturing practices, the contaminant allergen must be declared on the labels.

Food defense is among our primary focus areas in supplier audits. Food defense involves measures taken to protect the safety and integrity

of products throughout the supply chain. To make sure that our suppliers anticipate any risks that may threaten the reliability of our products and take the necessary steps to mitigate these risks, we leverage advanced audit processes.

Regarding our private label products, we thoroughly check the products with the geographical mark registration certificates for compliance, maintaining product quality and production in known specifications during supplier inspections. Furthermore, we verify the authenticity of the raw materials used in the products and whether they are supplied from the right geography on site. This approach enables us to offer our consumers trusted products with the right geographical qualities.

**Product Safety and Quality Analyses**  
Offering our customers quality and reliable products that comply with applicable regulations is essential for us. Therefore, we define and continuously improve the relevant processes. In addition to performing supplier audits, we also create detailed plans, which include documentation checks and product analyses for the products of national brands and private label suppliers, to ensure compliance with legal requirements and meet customer expectations.

We digitally manage all stages, including our quality plans, panel processes, analysis parameters and methods and evaluation of analysis results, through the SAP QM module, which covers the management processes of non-conforming products as well. This digital process also involves the management of non-conforming products identified in the analysis results and the follow-up of the relevant actions.

**National Brand Products**  
We check national brand products according to CarrefourSA criteria, which include supplier audits prior to sourcing and selling along with analysis reports, legal

permits and certificate controls. We do not sell products that fail to meet the relevant criteria. Additionally, products selected due to risk assessments of branded and local products are analyzed physically, chemically and microbiologically in accredited laboratories for compliance with applicable regulations and product safety.

**Private Label Products**  
We define the analysis criteria for our private label products according to applicable legislation and CarrefourSA quality criteria determined for sustainable quality. In addition to the analyses performed during product development by ministry-approved accredited laboratories, we also analyze randomly selected products from the aisles at regular intervals. In conducting risk analyses for Carrefour-branded products, we refer to information available on web portals such as Rapex and Gübis for lists of national and international unsafe products, consider fake and counterfeit product criteria and use a digital system that scans data from around the world and reports product-related risks.

**Product Quality Controls in Our Warehouses**  
Central warehouses are areas where products are stored and transferred to all our stores. Quality controls of the products arriving at our central warehouses are managed by warehouse quality assurance experts at the goods acceptance stage. Using product-specific control plans, we perform checks in 217 parameters, including the entire private label range and national brands. These controls allow us to ensure that the products comply with the standards, are fresh, safe and of high quality. We manage our quality control processes in our central warehouses with a team of experts, consisting of agricultural engineers, food engineers, chemists and food technicians.

In 2023, quality controls were performed in 250,310 parameters

| Product Safety and Quality Analyses | 2021                        |                                                      | 2022                        |                                                      | 2023                        |                                                      |
|-------------------------------------|-----------------------------|------------------------------------------------------|-----------------------------|------------------------------------------------------|-----------------------------|------------------------------------------------------|
|                                     | Number of Products Analyzed | Number of Products Removed from Shelf After Analyses | Number of Products Analyzed | Number of Products Removed from Shelf After Analyses | Number of Products Analyzed | Number of Products Removed from Shelf After Analyses |
| National Brand Products             | 773                         | 17                                                   | 564                         | 27                                                   | 396                         | 32                                                   |
| Private Label Products              | 1,304                       | 24                                                   | 1,281                       | 8                                                    | 1,454                       | 20                                                   |
| Total                               | 2,037                       | 2%                                                   | 1,845                       | 2%                                                   | 1,850                       | 3%                                                   |

| Product Safety and Quality Analyses Targets – Number of Products to be Analyzed | 2024  | 2025  | 2026  |
|---------------------------------------------------------------------------------|-------|-------|-------|
| National Brand Products                                                         | 400   | 405   | 410   |
| Private Label Products                                                          | 1,600 | 1,680 | 1,710 |
| Total                                                                           | 2,000 | 2,085 | 2,110 |

on 106,239 private label dry food and charcuterie products arriving at our warehouses. Furthermore, 105 thousand tons of fresh food fruits and vegetables produce were controlled in 2023.

In addition to the checks we perform during acceptance at the warehouse, we also check the cleanliness of the vehicles delivering to the stores, their

suitability for shipment and temperature requirements. Since 2018, we have performed the temperature checks of the delivery vehicles using remote monitoring systems with alarms and cameras.

We provide regular hygiene and food safety training, designed specifically to address warehouse activities, to ensure that the products are stored properly in

our central warehouses, product safety is maintained and goods are shipped to the stores under the right conditions.

*At Çevre Food and Industrial Analysis Laboratories, we provide accredited laboratory analysis services to CarrefourSA, a leading retailer in the sector, with the support of our experienced team of approximately 145 professionals. Our laboratory plays a vital role in ensuring the delivery of safe products to consumers through comprehensive quality control analyses, leveraging advanced technological infrastructure both domestically and internationally. It is a privilege to collaborate with CarrefourSA, a company that prioritizes transparency in stakeholder communication and continually strives for improvement.*

*The operational, analysis, and reporting processes involving samples from CarrefourSA stores also contribute significantly to our growth and development. Our aim is to advance our laboratory with a balanced approach by adopting innovative sustainability practices. We value the mutual exchange of knowledge and learning from our stakeholders, which are essential to our progress.*

*We extend our best wishes to CarrefourSA for continued success in its sustainability journey. Your efforts on this critical issue, which have a direct impact on our country and the world, are deeply appreciated.*

**Tugay Tekin**  
Çevre Food Analysis Laboratories  
General Manager



OTHER PRODUCT HEALTH AND  
SAFETY PRACTICES

ORGANIC BREAD

As of year-end 2023, we are the only retailer in the industry to make organic bread. We sell the organic bread made in our hypermarkets under the "Doğa Tat Carrefour" brand. Our breads hold an organic product certification and they are certified annually by Ecocert. We follow the framework of applicable laws and regulations in production, while our food engineers at the stores monitor the packaging, labeling and other control stages.

We provide regular training for our store teams on production-related procedures, instructions and regulations to ensure Carrefour quality assurance. We also trace and record the whole organic bread making process in our stores in accordance with food safety rules and ensure their controls.

No synthetic fertilizers, pesticides or any chemicals are used in the cultivation of raw materials for organic bread. Furthermore, we verify that our products do not contain pesticides and GMOs through accredited laboratory analyses.

To offer delicious food to our customers, we use organically produced and organic certified

ingredients in making organic bread with traditional methods. Organic bread made from organic sourdough has a unique flavor and preserves its freshness for a long time. We make our organic sourdough yeast from organic Carrefour brand raisins and organic honey and use Carrefour Discount brand natural spring water in production. This practice allows us to use ingredients controlled with frequent analyses and audits throughout the year to make our Carrefour-brand products and to standardize quality.

Our organic bread is sold with the plain, bran, whole wheat and Kavılca, Karakılçık and Siyez wheat options. We also contribute to the cultivation of a thousand-year-old endemic wheat variety by making bread from Kavılca, Siyez and Karakılçık wheat varieties. Kavılca wheat, dating back 13 thousand years, is one of the oldest wheat varieties in Anatolia and endemic to Kars region. Siyez wheat, grown in Kastamonu, has a low glycemic index and high protein content. On the other hand, Karakılçık wheat is a variety endemic to Göbeklitepe, Şanlıurfa and has preserved its unique flavor for 12 thousand years without genetic modification throughout countless agricultural reforms in Anatolia. Our master bakers turn the unique flavors of all wheat varieties into delicious breads.

Since the wheat varieties we use are high in fiber and low in gluten, the customers find the right options for their nutritional needs.

THE RIGHT HONEY

The history of beekeeping, which has been essential for sustaining human life on earth, dates back thousands of years. It is a scientifically proven fact that life on earth would not be possible without bees. Much more than just making honey, bees are vital for the continuity of the entire ecosystem.

Since 2017, we have adopted a special approach to honey and beekeeping. In this context, we delivered training to beekeepers, especially those located in Ardahan, Kars and Adana regions that account for a significant part of honey production in Türkiye. The training programs focused on various topics, including how to produce honey the right way and what to do for bee nutrition and health. We partner with our suppliers and sign special quality agreements to ensure product safety, hygienic production and quality.

Since the industry has a high risk of 'counterfeit' products, we conduct audits through third parties based on extremely strict criteria and make sure that all batches of honey sold in our stores are analyzed by

independent accredited laboratories to ensure quality. In addition to performing regular inspections, analyses and consumer tests, we also foster the development of our suppliers by sharing the results, making sure that we offer healthy, high quality and reliable honey products to our customers.

CUSTOMER EXPERIENCE

CUSTOMER EXPERIENCE  
APPROACH AND MEASUREMENT

In order to create the ultimate CarrefourSA experience, we shape all customer processes around the motto "Be available where the customer wants to communicate." This approach emphasizes the importance of adapting to evolving customer expectations and behaviors, constantly improving product and service quality and driving digitalization, while always focusing on sustainability.

This vision inspired us to create **ProAct Insight CX Tracking System** as an innovative application, designed to elevate customer experience with a proactive approach and consisting of a set of tools and modules, which are briefly explained below:

- We ensure a seamless customer interaction by identifying critical touchpoints.
- Using data analytics and predictive modeling techniques, we identify customers who are likely to churn.
- Taking proactive steps to retain customers, we significantly reduce customer churn and promote long-term customer loyalty.
- We predict the resolution time of any issue that may arise and inform our customers.
- By closely tracking social media platforms, we monitor trends in customer sentiment.

With the ProAct Insight CX Tracking System, we also aim to maximize operational efficiency through effective workforce management in addition to collecting and analyzing customer feedback.



The ProAct Insight model won 16 awards in 2023, including 14 global recognitions.

As a result of these developments, we achieved the following:

- **E-Commerce Assistance Request Rate:** A customer's ability to complete the shopping alone without requesting any assistance is an important criterion of a seamless online shopping experience. The assistance request rate dropped from 17.7% in 2022 to 15.7% in 2023, demonstrating a significant improvement.
- **Net Promoter and Customer Satisfaction Scores:** Net promoter score rose from 48.8 in 2022 to 54.2 in 2023 according to survey results. On the other hand, our customer satisfaction score

increased from 34.2 in 2022 to 39.7 in 2023.

- **Resolution Times:** The average resolution time for customer problems was 8.6 hours in 2022 and 8.8 hours in 2023.

CarrefourSA Loyalty Program

As of year-end 2023, the number of active customers registered in the CarrefourSA loyalty program increased by 1.8 million year on year and reached 10.5 million. Every month, an average of 2.4 million loyalty customers visit our markets, including 6.9% online. Throughout the year, the customers benefit from special offers created with advanced statistical models, as well as promotions such as point campaigns and discounts.

| Customer Satisfaction Targets          | 2024  | 2025  | 2026  |
|----------------------------------------|-------|-------|-------|
| E-Commerce Assistance Request Rate (%) | <15,4 | <12,6 | <10,0 |
| Net Promoter Score                     | >55   | >57   | >60   |
| Customer Satisfaction Score            | >40   | >42   | >45   |
| Resolution Times (hours)               | <6,8  | <6,4  | <6    |





Ensuring Customer Comfort in Stores

To ensure that our customers can enjoy a comfortable shopping experience in our stores, we communicate store guidelines to our employees in writing as part of the procedure. As a result of these efforts, we aim to meet the standards we have long targeted across all customer touchpoints to create a seamless shopping experience.

PRODUCT AVAILABILITY

We engage in various activities to make sure that our customers can always find the products they seek on the shelves. Achieving this requires increasing stock levels while managing the expiration dates and inventory costs accurately. We also need to aim for keeping waste and financing costs under control. Looking at the results of the last five years, we have improved product availability significantly, increasing it from seventy to ninety percent levels.

| Shelf Product Availability         | 2021 | 2022 | 2023 |
|------------------------------------|------|------|------|
| %                                  | 95   | 94   | 94   |
| Shelf Product Availability Targets | 2024 | 2025 | 2026 |
| %                                  | 94   | 95   | 95   |

CARREFOURSA GOURMET

In our gourmet stores with a retail space between 163 m² and 2,200 m², we offer our customers a different shopping experience in terms of store layout, product variety and shopping in a spacious setting by curating exclusive gourmet flavors from Turkish and world cuisine. As of year-end 2023, we operate with 36 gourmet stores, which carry a wide range including fish and seafood, meat varieties, local and imported cheeses and charcuterie, fresh produce and bakery products. We also have aisles dedicated to vegan, gluten-free, diabetic or organic products.

In 2023, we started to offer the Bring Your Own Container and Ready-to-Eat Meal options.

LEZZET ARASI RESTAURANTS

Our in-store restaurants, called 'Lezzet Arası', stand out among other similar restaurants for a number of reasons. For instance, because of their location inside the store, any product purchased from the meat, fish or chicken aisles can be cooked immediately for free, eaten at market prices in the restaurant, or purchased to go. In addition to doing their shopping, customers have started to dine at the 'Lezzet Arası' restaurants, which serve quality and reliable meals and beverages at accessible prices. All restaurants serve meals from different regions with monthly updated menus and

also offer vegetarian menu options. As of year-end 2023, we have 14 Lezzet Arası restaurants, which we aim to increase to 24 by the end of 2026.

LEZZET ARASI KITCHEN

Lezzet Arası Kitchen is designed as an online operation model in the cloud kitchen concept, involving a delivery service with the gastronomic experience offered regionally at our Lezzet Arası restaurants. While meals are delivered to the customer's address, we maintain a similar price balance and product variety.

We launched the Lezzet Arası Kitchen project in 2023 with a closed-circuit cloud kitchen system. We bring eight virtual brands we have created in various culinary styles to the customers through Türkiye's most preferred food delivery platforms. Our cloud kitchen project, combining the technological data revolution with the food sector, enables us to quickly measure the reactions of our customers to our brands and products. Learning from customer reactions, we take actions such as commercializing the brand, creating an alternative brand/product or discontinuing the brand/product. Moreover, we can manage the problems encountered in our Lezzet Arası restaurants such as high operating costs, seasonal and regional changes in demand, stock and inventory management with

more technology-driven solutions with a flexible, efficient and sustainable approach in our cloud kitchen project.

SENSORY ANALYSIS PROCESSES

We work with trained panelists to perform sensory analyses on our private label products to offer products in a quality that meets our standards and aligns with the taste of our customers. We partner with third-party experts and institutions to perform our sensory analyses independently and objectively.

Before our food products are placed on the shelves, they are subjected to sensory analyses by a team expert panelists who have passed taste threshold tests. On the other hand, our cleaning and cosmetic products first undergo efficacy tests in specialized laboratories and then sensory analyses and/or performance analyses. Sensory analyses are repeated on our private label products, which are only placed on the shelves after passing all the tests. Sensory analyses are repeated routinely, ensuring the continuity of products that meet our customers' tastes.

| Sensory Analyses – Actual | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|
| Number                    | 167  | 228  | 271  |

ACCURATE PRODUCT INFORMATION AND LABELING

Turkish food codex on food labeling and informing the consumer specifies the information, legally required on the labels of food products. This information includes product name, ingredients or contents, allergens, name and address of the manufacturer, origin of the product, net quantity, use by or sell by dates, batch number, specific storage conditions, business registration/approval number, consumption/use instructions, energy and nutritional values. Such details enable consumers to make informed decisions and consume the products safely. At CarrefourSA, we control the products for compliance Turkish food codex on food labeling and informing the consumer, ensuring that the consumers are provided with accurate and reliable information.

To provide the most accurate and complete information to our customers, we prepare the labels of our private label products with great care. The process starts with our team of experts working diligently to ensure that product information complies with applicable regulations and is up to date. The energy and

nutritional values declared on the labels of our private label products are based on accredited analysis reports. Nutritional values of ingredients such as fat, saturated fat, carbohydrates, sugar, protein, salt and fiber are stated clearly on the labels. If our products contain a significant amount of vitamins or minerals, such information is included on the label as well. We also provide guidance for healthy nutrition by clearly stating the amount of energy and nutrients in each serving and the daily recommended quantity on the label to inform the consumer. This approach demonstrates our commitment to supporting our consumers in making healthy choices.

Our private label cosmetics and detergents feature key information along with detailed instructions, warnings and storage conditions to ensure that our products are used safely and effectively. With this approach, we aim to provide accurate guidance for our customers about our products, their use and safety. Our labeling process reflects our approach to prioritizing customer satisfaction and safety.

We monitor the contents of every product on our shelves closely to inform our customers accurately. In addition to making sure that the label of every product we sell





complies with the legislation, we also check the labels at multiple points. This practice allows us to ensure that the products of different brands we sell in our stores meet our legal and regulatory obligations.

Our e-commerce platforms feature a 'product information' button, which the customers may use to view the labels of the products transparently. This application allows the customers to access all available information about the product before purchasing it.

At CarrefourSA, we aim to use social media platforms as an effective communication tool to provide our customers with accurate and reliable information on product quality, product preservation and product safety features. Our goal is to earn the trust of our customers by emphasizing the quality and safety of the products we offer on these platforms.

## DIGITALIZATION

### DIGITALIZATION APPROACH

Through CarrefourSA's digitalization approach, we aim to transform the way we operate completely for improved effectiveness, efficiency, speed, affordability and most

importantly, customer-focus instead of simply developing the existing process with the same methods.

With our digitalization approach, we aim:

- To reach wider audiences and increase business volume by leveraging the latest technologies and offering innovative solutions to the customers.
- To elevate the customer experience by integrating digital tools into the processes and raising technological awareness at all customer touchpoints.
- To address issues faster through practical means by improving the employees' productivity, thus optimizing the balance between effort and cost.
- To enrich and analyze the available data by determining a data strategy and to define scenarios to create value from this data.
- To create an agile working environment by keeping up with the developing and changing workforce skills and new technologies.
- To ensure that all business processes are traceable, measurable and can be reported.

- To integrate technology into all possible processes to mitigate negative environmental impact.

Since digitalization is a material topic for Sabancı Group, we also report them our performance at regular intervals.

### DIGITAL ACTIVITIES

#### E-Commerce

The e-commerce operations at CarrefourSA started in 2005 and gained momentum, particularly after the enhancements in 2018. As the structuring in the stores continue, we maintain a separate warehouse in Gebze for distribution across Türkiye. In addition to home delivery by vehicles, we offer other delivery options such as store pick-up and drop shipment (direct delivery by suppliers to our customers). We also leverage business models like marketplaces (such as Hepsiburada, Trendyol, Amazon) and market applications (such as Hepsixpress, Trendyolgo). As of year-end 2023, we provide this service out of 75 stores in 20 provinces, catering to customers with 162 delivery vehicles.

Our e-commerce volume increasingly accounts for a larger share in all CarrefourSA sales, especially due

to the wide product range and our variety and quality on the ultra-fresh side, which are key factors in grocery shopping, combined with the strength of our brand. We aim to expand the scope of this service across more regions in the years to come.

In e-commerce, timely and complete order delivery and price advantages are the top considerations of our customers. To address and reduce the problems, we work on availability tracking and take actions to improve it, keep inventory specific to e-commerce and launch campaigns that will stand out among the competition. We also develop various applications to digitalize and improve our processes. As of year-end 2023, we have enhanced the system with the following developments:

- As part of the **Route Optimization** project, the delivery addresses are sorted automatically for our drivers to follow, ensuring faster delivery and minimizing carbon emissions.
- We completed and deployed the **In-Store Routing** project, which will enable pickers to collect customer orders in the order that matches the store map and product layout, enabling faster order picking.
- The **Aisle-Based Picking** project, which aims to improve efficiency by sorting the orders into aisles for simultaneous picking and accelerating the picking process, was launched.
- The integration of various payment systems such as **Tosla, Juzdan and GarantiPay** was completed, offering more payment options to customers.
- **Turkish Red Crescent Donation Project** was developed to enable the customers to donate any amount to the Turkish Red Crescent.
- The **Guest Checkout Project** offers customers who do not want to sign up via the website the option to place their orders as guests.
- The accuracy of customer addresses is critical for correct delivery. Therefore the methods

for entering the addresses had to be updated. Accordingly, a project was implemented to enable **pinning the addresses** on the map or completing the entered address with valid information.

- Our web and mobile app designs were refreshed to provide a more user-friendly, more convenient and easier interface.
- A project was launched to enable sign up using a foreign phone number.
- Developments such as Google Analytics, CPASS and TikTok integrations are ongoing to support marketing activities.
- Various **marketplace integrations** such as Teknosa and Amazon FBA are ongoing.
- Through the **Omnichannel** project, we aim to combine the physical store and online shopping processes and to provide the same level of customer experience across all channels. Accordingly, we are currently working on CRM – Cash Register and E-Commerce integration projects.

As a result of all these efforts, we aim to maintain our growth trajectory:

| E-Commerce                  | 2021 | 2022 | 2023 |
|-----------------------------|------|------|------|
| Number of Stores (year-end) | 57   | 58   | 75   |
| Number of Orders (million)  | 3.5  | 3.0  | 2.9  |

#### C-MOBILE

C-Mobile is a mobile application available to all CarrefourSA employees. It features content such as human resources applications, store applications, reporting, newsletter and ticket creation and approval processes. With digitalization leading to rapid transformation in the current landscape, the app was born to respond to the fast life cycle of the retail industry and to improve internal communication.

In 2023, five new modules were added to C-Mobile, which now includes the following applications:

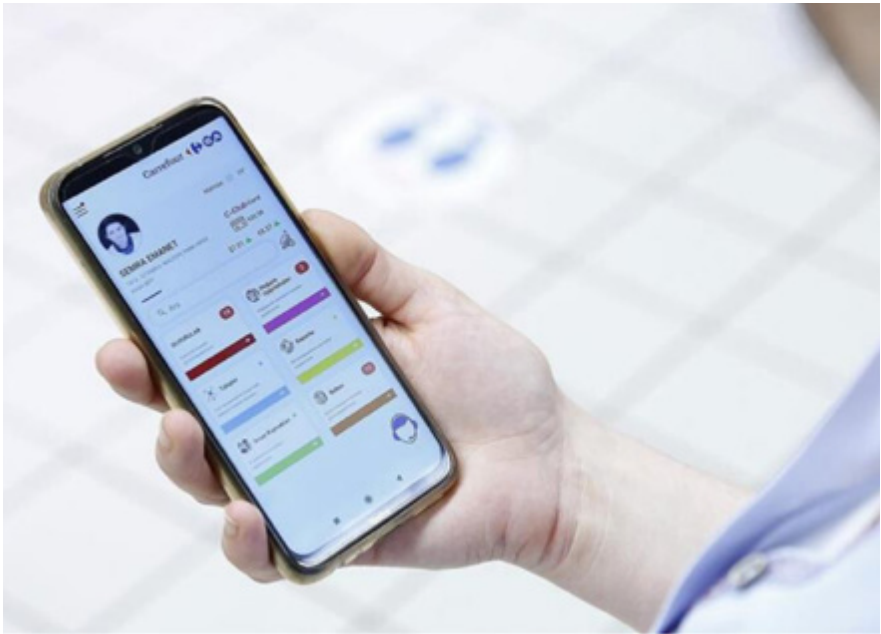
- Various human resources processes.
- ERP transactions at the stores.
- Price tag checks using the camera.
- Tracking screens.
- Campaigns and announcements.
- Performance tracking applications.
- Instant messaging with selected people/groups.
- All ticket and order approvals.
- Occupational safety announcements.
- Contact list.
- C-Assistant, an application that automatically answers all user questions with the integrated Chatbot (this function delivered practicality and time saving in FAQs).

New modules added in 2023:

- Employee Suggestion System.
- The ability to track BBD (Best Before Date) in a practical way via the app.
- Applying Tübitak Time Stamp on employee payrolls.
- Carbon Footprint module (calculating carbon footprint based on daily routines, recommendations and tips for reducing carbon emissions).
- Expense module (a practical app for entering expenses related to business processes and sending them to accounting for approval).

#### Digital Retailing Applications

With CRM applications, we aim to learn more about our customers and thereby use predictive models and customer segmentation to offer them personalized general product and service recommendations with various benefits. These provide competitive advantages in terms of customer retention and improving loyalty while also reducing our churn rate.



We typically perform customer analyses based on their CarrefourSA cards. We analyze the purchases to segment our customers by various criteria (life cycle, lifestyle, value segment, etc.) and to learn more about them from different angles. Furthermore, we aim to leverage advanced analytics to predict the future shopping behaviors of customers in different categories.

We export personal data of our customers to a database if they give their express consent per KVKK (law on personal data protection) during the sign up process. We do not store any personal data of customers who do not declare their consent. Information such as the channel the customer used to sign up, date and consent status that the customer provided is stored in the same database in detail, accessible by the CRM teams, internal audit teams and the customer experience teams. The CRM team may use this data for analysis, the internal audit team for tracking fraudulent activities and the customer experience team to support customers.

Even though our CRM system includes high-income cards such as corporate cards and gift cards, we also perform customer segmentation based on subtypes such as commercial cards, yacht cards, apartment cards and university

cards. In 2023, we added the flexible card to the corporate cards product family, with set limits for shopping only in designated aisles. This card type, which has been especially requested by companies, offers an option for companies that want to restrict their shopping aisles.

Our digital retail applications include standard cash registers, express cash registers and mobile POS devices. We offer multiple payment methods, including the widely used Chippin, Sodexo QR, Metropol, Iwallet and Fastpay applications, at our standard cash registers.

Furthermore, we have equipped our express cash registers with the key features of standard cash registers, upgrading them to cash registers that also allow for redemption of loyalty points and fast registration of cards.

Once the mobile cash register enhancements were completed, these devices take up little space and process payments anywhere connected to the internet, allowing customers to finish their shopping without having to wait in queues. As a result, in-store traffic is reduced, especially during busy hours. Mobile cash registers can be moved to different locations within the store and used in different areas

at different times. In some stores, they can be positioned as a backup cash register. This flexibility helps optimize store layout. Mobile cash registers can also be integrated with store management systems and inventory management, helping to track stock more effectively and improving supply chain management.

In 2023, we implemented a project to trim printed cash register receipts and not to print credit card slips as merchant copies. During the design phase, we found out that this project was a great necessity based on the interviews with the relevant departments, customers and field employees. With the project, we aimed to offer our customers a simpler receipt by trimming the length of the cash register receipts by 30% to 40%. The project also reduced paper waste by completely eliminating the merchant copies of the slips printed by the POS device in every credit card purchase.

The Store Portal is an application developed entirely with internal resources, providing access to all applications needed by the stores via a single platform. The stores can directly raise tickets with the IT department via the Store Portal and quickly complete their processes. Additionally, all announcements and notifications are communicated through this platform, eliminating the need for additional communication channels such as email and WhatsApp groups.

We also integrated Salesforce Marketing Cloud with our own data and started to create target audience-based communication strategies based on customer behaviors, habits and spending history. As a result, we developed efficient campaigns that support revenue growth by driving customer loyalty. With Salesforce Marketing Cloud, we transformed all our email, push notification and SMS communications into an intelligent and plannable structure by considering customer journeys. This platform provides the

capability to create personalized and effective communication, allowing processes to be managed with a more strategic and targeted approach.

**ROBOTIC PROCESS OPTIMIZATION**  
Robotic process automation (RPA) is a technology that automates large volumes of highly repetitive, routine and manual tasks by imitating humans. Many human resources, IT, legal, sales, finance, customer experience, treasury and internal audit processes actively make use of RPA technology 24/7, allowing us to improve efficiency, minimize errors and complete tasks faster.

As of 2023, 92 processes and 13,954 tasks per month are performed by robots (RPA). The processes performed by the robots have delivered an efficiency equivalent to an annual workforce of 183 people. Our plan is to expand the RPA system with 6-10 processes every year.

**PRIVACY AND DATA SECURITY**  
We try our utmost to ensure the privacy and security of all company data as well as personal data available to us, including the data of our customers, teams, suppliers and business partners. Beyond all necessary technical measures, ensuring data privacy and security also requires team effort that all employees, consultants, external resources and processes should support.

To ensure data privacy and security, we introduce various technical measures and increase awareness among users against the ever-present and evolving cyberattacks. Considering that we are targeted by more and more attacks every year, implementing the most advanced measures becomes even more

important. Our measures include the following:

- A double-layered control mechanism is implemented for email security. Phishing attacks and emails with harmful content are blocked and quarantined.
- We send out informative emails and notifications to increase awareness among the users.
- We deploy security applications against potentially harmful software and viruses in user computers and develop projects for instant detection and action.
- We monitor our systems 24/7 for potential anomalies with the help of tracking software.
- We continuously perform compressions and enhancements in user computers while ensuring that their daily work is not interrupted.
- We use web security products and software to prevent users from accessing harmful external and internal sites.
- We perform regular checks to manage user and authorized user accounts and access authorizations.
- We use data leak prevention software against intentional or unintentional data leaks.
- We proactively monitor logs to detect potential cyber security attacks in advance, set alerts based on certain rules and take the necessary actions.
- We collect cyber intelligence data and track domain names, certificates and digital traces.
- We perform regular leak tests and code analyses on our proprietary applications.

- We continuously scan all systems and networks for vulnerabilities.
- We implement improvements by checking our footprint in the external world through continuous scoring and reporting obtained from independent scoring platforms.
- In 2023, we did not encounter any data security breaches.

| Training                       | Participants (2021) |           | Participants (2022) |           | Participants (2023) |           |
|--------------------------------|---------------------|-----------|---------------------|-----------|---------------------|-----------|
|                                | Online              | Classroom | Online              | Classroom | Online              | Classroom |
| Information Security Awareness | 2,533               | -         | 2,505               | 13        | 2,160               | -         |
| Information Security           | 247                 | 338       | 164                 | 160       | 83                  | 199       |
| Orientation                    | 2,461               | 959       | 2,585               | 2,012     | 1,187               | 3,715     |

# ENVIRONMENTAL RESPONSIBILITY

*Climate Change*

*Waste Management*



# Environmental Responsibility

- In line with the sustainable development and circular economy principles, we shape our activities around continuously enhancing our environmental performance and protecting the environment.

  - As the CarrefourSA family, we primarily aim to encourage all our customers and employees to embrace our environmental approach and share this sensibility.
  - We aim for continuous improvement in our environmental performance by achieving 100% compliance with environmental legislation and fostering volunteering efforts.
- We take measures to minimize waste generation in all our stores and warehouses, embracing the Zero Waste approach to continuously improve our recycling/recovery rates.
  - We follow the accurate inventory management principle to minimize food waste and aim to reintroduce food waste into production. We contribute to the national economy by donating edible food waste to various NGOs and work with our stakeholders to ensure that they reach people in need.
  - We consume all natural resources, starting with water,
- efficiently in our production sites and prioritize procuring energy from renewable resources.

  - We follow the latest national and international developments regarding "Climate Change and Environmental Legislation". As a part of this process, we lead in best practices.
  - We volunteer to make environmentally-friendly products and support and guide our suppliers to do the same.

We address the issues within the scope of our environmental responsibility under Climate Change and Waste Management topics.

We address the issues within the scope of our environmental responsibility under **Climate Change and Waste Management topics**.

| KEY PERFORMANCE INDICATORS |                                                                                                        | 2021      | 2022      | 2023      |
|----------------------------|--------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|
| Climate Change             | Energy Consumption (MWh)                                                                               | 211,191   | 206,220   | 197,386   |
|                            | Ratio of Fuel from Different Sources (%)                                                               | 10        | 8         | 11        |
|                            | Ratio of Electricity Consumption (%)                                                                   | 90        | 92        | 89        |
|                            | Energy Intensity* (kWh/m²)                                                                             | 416       | 385       | 350       |
|                            | Emissions (tons CO <sub>2</sub> ) – Total                                                              | 1,308,822 | 2,019,218 | 2,648,429 |
|                            | Emissions (tons CO <sub>2</sub> ) – Scope I                                                            | 150,700   | 131,323   | 114,211   |
|                            | Emissions (tons CO <sub>2</sub> ) – Scope II                                                           | 87,287    | 83,500    | 77,733    |
|                            | Emissions (tons CO <sub>2</sub> ) – Scope III                                                          | 1,070,135 | 1,804,395 | 2,456,485 |
|                            | Emission Reduction as a Result of Projects (tons CO <sub>2</sub> )                                     | 12,879    | 15,324    | 8,561     |
|                            | Emission Intensity ** (tons CO <sub>2</sub> )                                                          | 0.47      | 0.40      | 0.34      |
|                            | Water Consumption (m³)                                                                                 | 326,243   | 385,490   | 372,409   |
|                            | CDP Climate Change Score                                                                               | C         | A         | A-        |
|                            | CDP Forests Score ***                                                                                  |           |           |           |
|                            | Palm Oil                                                                                               |           | B         | A-        |
|                            | Soy                                                                                                    |           | B         | A-        |
|                            | Timber                                                                                                 |           | B         | A-        |
|                            | Cattle Products                                                                                        |           | B         | B         |
| Waste Management           | CDP Water Security Score                                                                               | C         | A         | A         |
|                            | Number of Sustainability Newsletter                                                                    | 3         | 1         | 1         |
|                            | Number of Stores with Zero Waste Certificate – Basic Level                                             | 180       | 535       | 691       |
|                            | Quantity of Recycled Non-hazardous Waste (Packaging, Paper-Cardboard, Plastic, Glass) - tons           | 645       | 7,343     | 1,741     |
|                            | Quantity of Recycled Hazardous Waste (Plant-based Oil Waste, Hazardous Liquid Waste, Batteries) – tons | 11        | 13        | 10        |
|                            | Proceeds from the Sales of Equipment Waste with Economic Value (TL million)                            | 5.8       | 11.1      | 16.5      |

(\*) : Energy consumption per m²  
(\*\*) : Emission rate per m² for Scopes I & II  
(\*\*\*) : Reporting to CDP Forests module started in 2022.

## DOUBLE MATERIALITY – IMPACTS, RISKS, OPPORTUNITIES

### IMPACT MATERIALITY

| Topic                           | Subtopic                                         | Impacts                                                                                                                                                                                                                                                            | Actual / Potential | Negative / Positive | Term                | Related to Human Rights |
|---------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|---------------------|-------------------------|
| E1 - Climate Change             | Climate change mitigation                        | Scope 3 emissions caused by the production, transportation and sales of products sourced by CarrefourSA.                                                                                                                                                           | Actual             | Negative            | Short, Medium, Long | Yes                     |
|                                 |                                                  | Scope 1 emissions caused by energy, fossil fuels and refrigerants used by CarrefourSA to run its operations.                                                                                                                                                       | Actual             | Positive            | Short, Medium, Long | Yes                     |
|                                 | Climate change adaptation                        | CarrefourSA aims to reduce its negative impact on climate change across its supply chain by sourcing organic, eco-certified, additive-free, recycled materials and packaging that support climate-friendly and low-carbon economy for a sustainable product range. | Potential          | Positive            | Short, Medium, Long | Yes                     |
|                                 |                                                  | Climate-focused products: Choosing these products reduces the negative impact on the environment and human health during product use.                                                                                                                              | Potential          | Positive            | Short, Medium, Long | Yes                     |
|                                 | Energy                                           | Use of fossil-based energy in retail operations.                                                                                                                                                                                                                   | Actual             | Negative            | Short, Medium, Long | Yes                     |
| E2 – Pollution                  | Pollution of air                                 | Air emissions generated during the production of raw materials sourced by CarrefourSA.                                                                                                                                                                             | Actual             | Negative            | Short, Medium, Long | Yes                     |
|                                 | Pollution of water                               | Water emissions generated during the production of raw materials sourced by CarrefourSA.                                                                                                                                                                           | Actual             | Negative            | Short               | Yes                     |
|                                 | Pollution of soil                                | Soil emissions generated during the production of raw materials sourced by CarrefourSA.                                                                                                                                                                            | Actual             | Negative            | Short               | Yes                     |
|                                 |                                                  | Pollution caused by microplastics and packaging materials during CarrefourSA's use of products and at their end-of-life.                                                                                                                                           | Actual             | Negative            | Short, Medium, Long | Yes                     |
|                                 | Pollution of living organisms and food resources | Considering CarrefourSA's supply chain, pesticides and herbicides used in agricultural processes may leave residues on crops, which may be harmful.                                                                                                                | Actual             | Negative            | Short, Medium, Long | Yes                     |
|                                 |                                                  |                                                                                                                                                                                                                                                                    |                    |                     |                     |                         |
| E3 - Water and Marine Resources | Water withdrawals                                | Water withdrawals at CarrefourSA stores and distribution centers deplete fresh water in the local environment, which could impact local water resources and the wildlife habitats that depend on these resources.                                                  | Actual             | Negative            | Short, Medium       | Yes                     |

FINANCIAL MATERIALITY

| Topic                           | Subtopic                        | Risk <div>⊖</div>                                                                                                                                                                                                                             | Opportunity <div>⊕</div>                                                                                                                                                                                                                                                  | Term                |
|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| E1 - Climate Change             | Climate change mitigation       | Investors and lenders may charge higher interest rates or refuse financing to companies that fail to develop emission reduction strategies or have climate change policies and targets.                                                       |                                                                                                                                                                                                                                                                           | Medium, Long        |
|                                 |                                 | If CarrefourSA fails to comply with the local and global emission reduction strategies and cannot manage its supply chain for emission reduction in the short term, supply may be negatively affected.                                        |                                                                                                                                                                                                                                                                           | Medium, Long        |
|                                 |                                 | There is a draft regulation on fluorinated greenhouse gases (F-gases) in Türkiye pending enactment. Since F-gases are used in cooling processes that are critical to CarrefourSA's operations, the regulation may result in additional costs. |                                                                                                                                                                                                                                                                           | Short, Medium, Long |
|                                 | Climate change adaptation       | Temperature changes due to climate change affect the efficiency of the products and/or raw materials that CarrefourSA sells or sources, negatively impacting supply and prices.                                                               | -                                                                                                                                                                                                                                                                         | Medium, Long        |
|                                 | Energy                          | Increase in global energy prices. A 100% increase in energy prices in Türkiye could create an indirect cost of 2%, based on 2023 revenues.                                                                                                    | -                                                                                                                                                                                                                                                                         | Short, Medium       |
| E2 - Pollution                  | Pollution of air                | CarrefourSA may be imposed fines and face increased compliance costs due to the requirement for stricter compliance with air quality regulations related to energy use, fossil fuels and emissions from refrigerants.                         | -                                                                                                                                                                                                                                                                         | Medium, Long        |
|                                 | Substances of concern           | The use of substances of concern (SoC) in CarrefourSA's products or supply chain could lead to regulatory investigations, which could lead to supply chain disruptions and increased compliance costs.                                        | -                                                                                                                                                                                                                                                                         | Medium, Long        |
|                                 | Substances of very high concern | The presence of SVHCs in CarrefourSA's products could lead to consumer backlash, loss of market share and possible regulatory penalties.                                                                                                      | -                                                                                                                                                                                                                                                                         | Short, Medium       |
| E3 - Water and Marine Resources | Water consumption               | High water consumption puts pressure on local water resources, especially in water-scarce regions, which can lead to regulatory and reputational risks.                                                                                       | CarrefourSA can develop projects to reduce water consumption and be eligible for financing compatible with the Green Bond Principles determined by ICMA (International Capital Market Association) or the Green Loan Principles published by the Loan Market Association. | Short, Medium       |
|                                 |                                 | Contaminants entering water because of inadequate treatment can deteriorate local water quality and cause health problems, leading to legal sanctions and environmental damage.                                                               | CarrefourSA can secure financing to develop wastewater management and treatment projects in line with ICMA's Green Bond Principles or the Loan Market Association's Green Loan Principles.                                                                                | Short, Medium       |

CLIMATE CHANGE



CLIMATE CHANGE APPROACH

CarrefourSA, a pioneer in the Turkish retail sector, follows the vision of its main shareholders, H. Ö. Sabancı Holding and Carrefour Group and is committed to taking responsibility for tackling climate change.

CarrefourSA strives to limit its impact on climate change and to conduct all commercial activities in a sustainable manner. We recognize that industry actors play a key role in finding sustainable solutions to the current climate challenges. We also believe that building stronger relationships with our stakeholders facilitates effective and long-term actions. Guided by our Right Way to Live vision, we embed sustainability into all our business processes for a better future. We develop projects for energy efficiency, preventing waste at source and reducing impacts on natural resources, and act to reduce our greenhouse gas emissions.

The majority of the direct greenhouse gas emissions from CarrefourSA's operations stem from store activities, while indirect emissions are generally related to raw materials (ingredients and packaging), energy consumption and fleets.

CarrefourSA's "Right Way to Live" umbrella strategy addresses topics such as implementing a responsible sourcing policy for our suppliers, reducing energy consumption and improving efficiency in stores and warehouses, decreasing refrigerant gas emissions and CO2 emissions in logistics activities as part of our efforts to tackle climate change. We commit to do the following through CarrefourSA's climate change policy:

1. Measuring the company's carbon emissions (Scopes 1, 2 and 3) every year and setting achievable targets.
2. Improving the efficiency of energy use in our operations.

3. Implementing alternative or renewable energy technologies, such as solar panels, where possible, to provide additional sustainable energy to our stores.
4. Working with our suppliers to mitigate the carbon footprint of our private label products.
5. Engaging with stakeholders to tackle climate change.
6. Following the latest technologies developed for mitigation and adaptation of climate change effects and applying them to operations.
7. Actively participating in working groups formed by the government, NGOs or other industry stakeholders that seek solutions to mitigate and reduce the effects of climate change.
8. Transparently disclosing our GHG emissions, climate change targets, results and activities through sustainability reports and platforms like CDP.

## Net Zero Target

Sabancı Holding, our parent company, has announced its "2020 Net Zero" ambition for neutralizing its greenhouse gas emissions, identified as the leading cause of climate change. In line with this goal, we are planning and accelerating our actions in detail in working groups of our sustainability committee. In 2024, we aim to reduce our greenhouse gas emissions per unit sales area by 5% year on year. Our emission data, which we calculate according to international standards, is assured by independent external institutions. Since 2018, we have been regularly monitoring our Scope 1 and 2 emissions. In 2023, we calculated our Scope 3 emissions from 2017 through 2023. We continuously on our actions to reduce these emissions. We also plan to calculate Scope 3 emissions annually, to set an example for our country and the sector and to work toward net zero at CarrefourSA.



### ENERGY USE

#### Energy Management Approach

As part of energy management at CarrefourSA, while we offer innovative products and services that benefit society, we aim to reduce our environmental impact and prioritize the environment. Therefore, we run various projects to reduce our environmental impact and steadily improve our energy performance and efficiency. Our energy policy provides a framework for contributing to a clean environment and energy efficiency, and includes the following commitments:

1. Fulfilling all legal requirements and contractual obligations.
2. Implementation of effective energy management.
3. Determining measurable targets to increase energy efficiency for our activities.
4. Developing energy efficiency projects and improving systems to reduce greenhouse gas emissions.
5. Continuous monitoring of energy performance and sharing it with stakeholders periodically.
6. Taking energy efficiency into account when purchasing products, designs and services.
7. Periodically reviewing the policy and updating it with technological developments.

#### Energy Consumption 2021, 2022, 2023, FBTR 2024

A significant portion of our energy consumption is based on electricity use. The major contributors to this consumption are the HVAC and lighting systems in our offices and stores. Other fuels we consume include natural gas, gasoline and diesel for company vehicles and power generators and LPG/Propane for ovens in the stores.

| Energy Consumption (MWh)                                | 2021    | 2022    | 2023    |
|---------------------------------------------------------|---------|---------|---------|
| Fuel from Different Sources (Direct Energy Consumption) | 20,151  | 16,448  | 20,720  |
| Electricity Consumption (Indirect Energy Consumption)   | 191,040 | 189,772 | 176,666 |
| Total Energy Consumption                                | 211,191 | 206,220 | 197,386 |

Note: We do not procure energy from renewable sources. All figures in our energy usage tables have been calculated retrospectively in accordance with the definitions in our CDP reporting.

| Energy Intensity                                            | 2021 | 2022  | 2023  |
|-------------------------------------------------------------|------|-------|-------|
| Energy Consumption per m <sup>2</sup> (kWh/m <sup>2</sup> ) | 416  | 385   | 350   |
| Energy Consumption by Revenues (kWh/TL million)             |      | 5.685 | 4.452 |

#### Energy Efficiency Activities 2024

CarrefourSA employs an energy management team for effectively managing energy use and consumption. The energy management activities follow the plan - execute - check - prevent cycle. We follow all developments regarding energy efficiency, including the energy efficiency law, related releases and publications, starting with the regulation on improving efficiency in the use of energy resources and energy under this law. Even though we do not operate any obligated facilities subject to the applicable law, our energy management team employs engineers certified by the Ministry of Energy and Natural Resources of the Turkish Republic as building control - energy manager - measurement and verification experts.

We operate stores in four different formats across the country: hyper, super, gourmet and mini. Our major energy users are monitored in four key categories: cooling system, HVAC system, lighting system and electrical system. Even though the major energy users may vary in figures due to respective store formats, they perform at similar levels proportionally. Typically, 40% of a store's total energy is consumed by the cooling system, 25% by HVAC, 20% by lighting and 15% by electrical systems.

Energy management involves determining the reference energy levels and energy performance indicators for each store. Furthermore, we perform analyses and forecast consumption specifically for each store, based on the International Measurement



and Verification Protocol (IPMVP). We set our energy saving targets based on in-depth studies and implement efficiency improvement projects. Additionally, we declare our savings forecast in our stores by adjusting the values per square meter of sales space. The targeted kWh/m<sup>2</sup> values are provided in the table below.

As the digitalization in energy project for the stores, launched in 2022, continued in 2023, so did the EIP (Efficiency Improvement

Project) investments, enabling us to maintain savings and improve efficiency. Some of these projects include:

- Capacity optimization in industrial cooling devices and inverter conversion.
- Replacement and optimization of old air conditioners with inverter types.
- Reducing air conditioning demand by applying black folio to facades exposed to strong sunlight.

|         | kWh/m <sup>2</sup>              |                                 |                                 |                                                  |                                 |
|---------|---------------------------------|---------------------------------|---------------------------------|--------------------------------------------------|---------------------------------|
| Format  | 2022<br>Consumption –<br>Target | 2022<br>Consumption –<br>Actual | 2023<br>Consumption –<br>Target | 2023<br>Consumption –<br>Consumption –<br>Actual | 2024<br>Consumption –<br>Target |
| Mini    | 570                             | 536                             | 530                             | 505                                              | 500                             |
| Super   | 370                             | 365                             | 360                             | 326                                              | 315                             |
| Gourmet | 475                             | 474                             | 470                             | 490                                              | 470                             |
| Hyper   | 355                             | 353                             | 352                             | 330                                              | 310                             |

- Preventing losses and leaks by repairing and maintaining cabinets with missing/damaged doors.
- With the ceiling heights of the stores adjusted to reduce the spaces that need to be air conditioned, 10.6 million kWh of energy was saved.

According to a like-for-like comparison since we started investing, our energy savings reached close to 40 million kWh. In 2024, we aim to increase our clean energy use rate by accelerating our Roof Solar Power Plant projects to generate electricity on-site and continue our EIP projects.

GREENHOUSE GAS EMISSIONS 2021 2022 2023 2024

In line with the 2050 net zero commitment of Sabancı Holding,

our parent company, we continue to make strides in our emission reduction endeavors. Accordingly, we periodically calculate Scope 1-2-3 emissions, seeking answers to support efficiency and circularity across the entire value chain.

More than 100 action plans and initiatives that Sabancı Holding has determined for the short, medium and long term serve as a guide for CarrefourSA. Accordingly, Scope 3 emissions, measured since 2021 up to the year 2017, will remain a part of the calculations in the future. Furthermore, reduction targets have been set by considering baseline comparisons and specific activities.

For our greenhouse gas emission calculations, we procure services from locally and internationally

recognized consultancy firms, which assure the reliability and transparency of our data.

The cooling gases (HFCs) we use in our HVAC devices and our electricity consumption are two of the major sources of our greenhouse gas emissions. We continuously work to reduce our emissions through efforts to improve energy efficiency and route optimizations.

| GHG Emissions (tons CO <sub>2</sub> ) | 2021      | 2022      | 2023      |
|---------------------------------------|-----------|-----------|-----------|
| Scope I                               | 150,700   | 131,323   | 114,211   |
| Scope II                              | 87,287    | 83,500    | 77,733    |
| Scope III                             | 1,697,371 | 1,804,308 | 2,456,485 |
| Total                                 | 1,935,360 | 2,019,407 | 2,648,429 |

| Scope I – Direct Emissions (tons CO <sub>2</sub> ) | 2021    | 2022    | 2023    |
|----------------------------------------------------|---------|---------|---------|
| Fuel (diesel) consumption – company vehicles       | 1,279   | 1,394   | 555     |
| Fuel (gasoline) consumption – company vehicles     | 6       | 70      | 1,169   |
| Fuel (natural gas)                                 | 2,738   | 3,028   | 2,305   |
| LNG                                                | 3       | 0       | 0       |
| LPG                                                | 1       | 0.01    | 7       |
| Fuel Oil                                           | 32      | 18      | 20      |
| R22                                                | 2,684   | 1,976   | 933     |
| R410A                                              | 2,018   | 2,667   | 4,549   |
| R404A                                              | 140,703 | 121,000 | 103,396 |
| R407C                                              | 344     | 53      | 474     |
| R134A                                              | 290     | 158     | 7       |
| HFC 227                                            | 161     | 512     | 774     |
| CO <sub>2</sub> Fire Extinguisher System           | 2       | 1.8     | 2       |
| Emergency Power Generators (Diesel)                | 439     | 402     | 330     |
| Emergency Power Generators (Gasoline)              | 0       | 0       | -       |
| Total                                              | 150,700 | 131,323 | 114,615 |

| Scope II – Indirect Energy-related Emissions (tons CO <sub>2</sub> ) | 2021   | 2022   | 2023   |
|----------------------------------------------------------------------|--------|--------|--------|
| Electricity Consumption                                              | 87,287 | 83,500 | 77,733 |
| Total                                                                | 87,287 | 83,500 | 77,733 |

| Scope III – Other Indirect Emissions (tons CO <sub>2</sub> )                  | 2021      | 2022      | 2023      |
|-------------------------------------------------------------------------------|-----------|-----------|-----------|
| Category 1-Purchased Goods and Services                                       | 1,091,223 | 1,198,429 | 1,755,695 |
| Category 2-Capital Goods                                                      | -         | -         | -         |
| Category 3 - Fuel and Energy Related Activities Not Included in Scope 1 and 2 | -         | -         | -         |
| Category 4-Upstream Transportation and Distribution                           | 15,900    | 16,714    | 17,992    |
| Category 5-Waste Generated in Operations                                      | 55,583    | 74,715    | 89,182    |
| Category 6-Business Travel                                                    | 55        | 266       | 447       |
| Category 7-Personnel Shuttles                                                 | 903       | 371       | 520       |
| Category 8-Upstream Leased Assets                                             | -         | -         | -         |
| Category 9-Downstream Transportation and Distribution                         | 463       | 1,085     | 1,023     |
| Category 10-Processing of Sold Products                                       | -         | -         | -         |
| Category 11-Use of Sold Products                                              | 531,931   | 498,594   | 566,909   |
| Category 12-End-of-Life Treatment of Sold Products                            | -         | -         | -         |
| Category 13-Downstream Leased Assets                                          | -         | -         | -         |
| Category 14-Franchisees                                                       | 1,659     | 14,221    | 24,717    |
| Category 15-Investments                                                       | -         | -         | -         |
| Total                                                                         | 1,697,371 | 1,804,308 | 2,456,485 |

Note: The emission values for 2021, 2022 and 2023 have been assured within the scope of "Limited Assurance" by an independent audit firm.

| Emission Intensity                                                        | 2021 | 2022 | 2023 |
|---------------------------------------------------------------------------|------|------|------|
| Scope I & II Emissions / Revenues (tons CO <sub>2</sub> /TL million)      |      | 5.9  | 4.3  |
| Emission rate per m <sup>2</sup> for Scope I & II (tons CO <sub>2</sub> ) | 0.47 | 0.40 | 0.34 |

| Emission Reduction Activities (tons CO <sub>2</sub> ) | 2021   | 2022   | 2023  |
|-------------------------------------------------------|--------|--------|-------|
| Energy Efficiency in Buildings and Lighting           | 4,298  | 5,716  | 1,289 |
| Reducing Single-use Plastics in Packaging             | 1,174  | 1,486  | -     |
| Route Optimization                                    | 3,552  | 2,993  | 3,719 |
| Replacing Industrial Cooling Systems                  | 1,096  | 1,457  | 1,518 |
| Replacing HVAC Systems                                | 712    | 947    | 956   |
| HVAC Automation                                       | 934    | 1,242  | 483   |
| Secondary Saving Projects                             | 1,113  | 1,479  | 594   |
| Urban Farming                                         | -      | -      | 24    |
| Total                                                 | 12,879 | 15,324 | 8,561 |

## Urban Farming

Our Urban Agriculture project was developed to facilitate access to fresh produce, contribute to the sustainability of small and local farmers' production, enhance biodiversity and reduces our carbon footprint, offering our consumers the right food with high nutritional value. We also play a key role in economic development and creating jobs for small producers in rural areas.

We offer farmers purchasing guarantee for their products that meet the right standards. This assurance eliminates the farmers' search for markets and concerns about selling their products, enabling them to continue production with peace of mind. As part of our Urban Farming project, we currently work with 20 farmers on a total of 380 thousand m2 of land in Istanbul. In this context, Urban Farming has created indirect economic impact on approximately one thousand people and improved their living standards. This interaction also contributes to responsible production and consumption habits in alignment with sustainable development goals.

As a result of the activities initiated in 2023 as part of the Urban Farming project, a total of 490 thousand bunches of greens were produced and sold directly to consumers in CarrefourSA stores. Thereby, potential carbon emissions of intercity transportation were also reduced by nearly 94%.

Our project promotes sustainable food production by supporting local producers and preserving agricultural diversity. This aligns with CarrefourSA's goal of reducing its environmental footprint and conserving biodiversity. Moreover, the purchasing guarantees extended as part of the project and direct collaborations with producers contribute to CarrefourSA's carbon emission reduction targets by reducing food waste and shortening the journey from farm to table. As we continue to work toward our 2050 Net Zero target, we support economic and environmental sustainability by ensuring the efficient use of resources.

### Carbon Disclosure Project (CDP) Reporting

Due to the nature of our industry, we monitor our performance on Climate Change, Water Security and Forests in line with global standards. We report all these activities, metrics, goals and strategy to Carbon Disclosure Project (CDP), one of the most prestigious environmental initiatives globally. The summary of results are shared with the public transparently. Our goal for 2024 is to maintain and build on our successful results of the previous year.



### Forests Performance

In this year's report, we addressed our activities under four sub-topics - Palm Oil, Timber, Soy, Cattle Products – in reference to Forests. We calculated the traceability of risk commodities used directly or indirectly in the production stages of the materials or products we source in more detail. In the first reporting submitted in 2022, we were among the few companies in our industry to receive a B (Management) score in all modules. As a result of our work in 2023, we improved our score from B to A- (Leadership) in the Palm Oil, Soy and Timber categories. Accordingly, we maintained our place as one of the few retail companies globally reporting the Forests module and the only retailer reporting on all four types in 2023. We aim to improve our score further based on the targets we will set and the strategies we will implement in the coming years.

### Forests – Palm Oil: A- (Leadership)



### Forests – Timber: A- (Leadership)



### Forests – Soy: A- (Leadership)



### Forests – Cattle Products: B (Management)



### Climate Change Performance

In 2023, we maintained our high performance and confirmed it with a score of A- (Leadership) in the Climate Change module. Last year, we had made significant progress and clearly demonstrated that we are among the leading companies worldwide in this ranking. The A- (Leadership) score is a testament to our high standards and consistent success in sustainability.

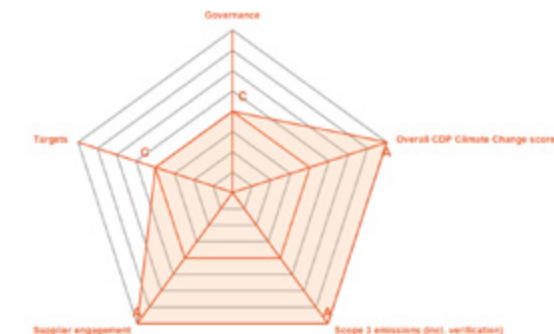
### Climate Change: A- (Leadership)



### Supplier Engagement Performance

CDP assesses organizations' engagement with their suppliers on climate change. Purchasing organizations have the potential to drive significant environmental change through their engagement with suppliers. CDP aims to accelerate global action on supply chain emissions by assessing supplier engagement and recognizing best practices. As a result of these assessments, CarrefourSA has received a score of A- (Leadership).

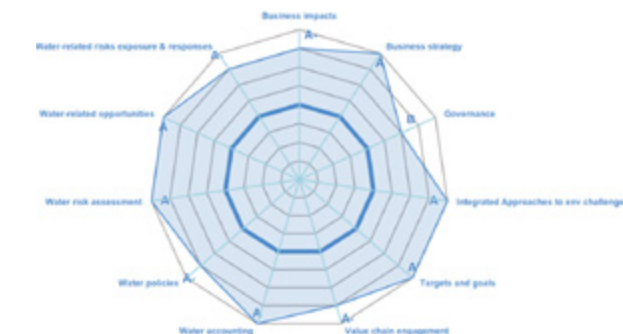
### Supplier Engagement: A- (Leadership)



### Water Security Performance

In 2023, our performance in the Water Security module was once again crowned with "A" (Leadership), the highest score, clearly demonstrating that we maintained our own standards. Our efforts also showed that we set an example for our industry and all the other industries assessed.

### Water Security: A (Leadership)



Since 2020, CarrefourSA has been consistently reporting its environmental data to CDP, demonstrating its transparent approach and commitment to sustainability. In 2023, CarrefourSA distinguished itself as one of only three companies from Türkiye to respond to all three of CDP's programs: Climate Change, Water Security, and Forests. Moreover, these responses were evaluated by CDP using the world's most renowned environmental rating methodology, and CarrefourSA achieved an exceptional score within the A rating-level across all categories. This remarkable accomplishment underscores CarrefourSA's position among the global leaders in environmental stewardship.

**Mirhan Köroğlu**  
CDP Türkiye  
Country Manager





**WATER CONSUMPTION** 2021-2023

We recognize that climate change will have a significant impact on water resources and we appreciate the value of water, taking precautions to reduce water consumption in all our operations.

We started to respond to Carbon Disclosure Project (CDP) in 2020 and earned a score of "A" (Leadership) in our water security reporting in 2023, maintaining our place among sector leaders.

In our stores, water is consumed for cleaning, hygiene, bakery production and ice making. Water can also be used in the production of our private label products as a process requirement as well. We address water-related issues during the audits at our private label product suppliers to foster improvements and increase awareness.

In our operations, water is primarily used for hygiene and

cleaning, presenting products to the customer and meeting employee and customer needs; wastewater is discharged directly 2021-2023 to the sewage system. Our overarching goal regarding water consumption is to ensure that our water use does not increase, while following our hygiene principles. The technical efforts to reduce water consumption will involve simplifying the functions, especially in new stores. As an additional measure to limit consumption, we do not design projects that would require extra watering of the natural landscaping. We also do not install systems that would use water for purposes other than business, employee and customer needs.

During the social compliance audits at our private label suppliers, we regularly monitor their annual water consumption as well as the quantity used up for CarrefourSA-related operations.

**Discharging Wastewater**

CarrefourSA discharges the water used in its operations into the sewage systems of the municipalities where its branches and warehouses are located. Before discharge, measurements are performed to confirm that the pollutant parameters specified by the regulations remain below the limit values. Since wastewater treatment is carried out at municipal wastewater treatment plants, CarrefourSA does not engage in any treatment activities. However, waste oil and sand traps are placed at all discharge points.

| Water Use (m³) <small>2021-2023</small> | 2021    | 2022    | 2023    |
|-----------------------------------------|---------|---------|---------|
| Water Withdrawal – Municipal Water      | 323,870 | 383,000 | 371,096 |
| Water Consumption – Carboys             | 2,373   | 2,490   | 1,312   |
| Total                                   | 326,243 | 385,490 | 372,409 |

Note: Consumption values include the head office, stores (excluding franchisees) and warehouses.

**ENVIRONMENTAL AWARENESS ACTIVITIES**

**Store Announcements**

To mark June 5 World Environment Day, we called for action to raise environmental awareness and to take steps for a more sustainable future. We made a collective commitment to protect our environment, emphasizing the importance of recycling our waste and using energy and water efficiently. We also encouraged our customers to shop with reusable bags to reduce plastic use.

**Cloth Bag Give Away**

On June 5, we gave away free cloth bags to all our customers as part of the Zero Waste project led

by the Ministry of Environment, Urbanization and Climate Change.

**Internal Screensavers**

We promoted the environment, sustainability projects and updates on screensavers as part of internal communications.

**Creative Children's Festival**

CarrefourSA hosted a workshop titled "The Right Way is Urban Farming" during the Creative Children's Festival. In the workshop, 780 children learned about the sustainability of Urban Farming and discovered the cycle of nature from seed to vegetable.

**Sustainability Newsletters**

We publish newsletters featuring

content on current topics from our country and the world to raise awareness and to inform our employees and all other stakeholders publicly on our website.



## WASTE MANAGEMENT

### WASTE MANAGEMENT APPROACH <sup>28</sup>

Through waste management, we primarily aim to minimize waste across CarrefourSA's operations and to mitigate our negative impact on the environment and thereby on life in general. Taking actions to minimize waste generation in all stores and warehouses and continuously improving our recycling/recovery rates by adopting the zero waste approach are among our key goals. On the same note, we aspire for our supply chain to be equally sensitive.

We adopt a top-to-bottom approach with the **'Waste Management Pyramid'** to manage the entire process. The first stage is about

preventing waste generation, implementing preventive actions and making adjustments. If this cannot be achieved, we work to minimize the generated waste. For this purpose, we use various methods from changing consumption habits to reducing the materials used in production. Next, we aim to reuse the waste or to recycle it, if reusing is not an option.

In all our operations, we sort recyclable waste. We also fully comply with the environmental and waste management legislation, while continuously working to improve our environmental performance with the help of volunteering activities.

### Materials Used in Production and Packaging <sup>3011, BBFR43024</sup>

As a food retailer, we use various materials for products and packaging, including mostly product packages, packaging materials for shipping and consumable materials in the offices and stores. Due to the nature of certain products or for hygiene purposes, package fillers, adhesive labels, styrofoam trays, disposable cups and plastic shopping bags sold at the cash registers are among the single-use materials. The consumption quantities of these single-use materials are shown in the table below.

| Single-use Materials (Packaging) – tons | 2021    | 2022    | 2023    |
|-----------------------------------------|---------|---------|---------|
| Metal                                   | 1.3     | 3.9     | 1.2     |
| Paper                                   | 395.1   | 394     | 2.5     |
| Composite                               | 502.9   | 248     | 784.3   |
| Plastics                                | 1,213.8 | 812.6   | 2,148.2 |
| Total                                   | 2,113.0 | 1,458.5 | 2,936.2 |

Recyclable materials include materials such as packaging of private label products (boxes, cling film, glass, PVC, aluminum lids, etc.).

| Recyclable Materials – tons | 2021    | 2022     | 2023    |
|-----------------------------|---------|----------|---------|
| Metal                       | 150.6   | 124.0    | 142.3   |
| Composite                   | 224.2   | 247.3    | 326.6   |
| Glass                       | 653.1   | 528.0    | 666.6   |
| Paper                       | 1,714.9 | 9,767.5  | 1,374   |
| Plastics                    | 1,021.6 | 2,261.5  | 1,803   |
| Total                       | 3,764.3 | 12,928.6 | 4,313.3 |

## Zero Waste Approach

After establishing a waste management system and placing waste collection bins, informative posters, etc. as part of the Zero Waste initiative, we applied for "Zero Waste Certification – Basic Level" for all stores. As of year-end 2023, almost all of our stores have received their zero waste certificates. We also provided a total of 1,489 hours of Zero Waste training and Zero Waste and Waste Management training for our employees.

Additionally, we have started to collect textile and electronic waste in our stores as we inform our customers via in-store announcements. At CarrefourSA, we raise awareness among our customers with our mission of creating a cleaner future with zero waste and our motto of the Right Way to Live.

'Dear customers, please be advised that the purple recycling bins in our stores are here for you to dispose of your electronic waste such as watches, phones, irons and food processors at the end of their life. You may use the pink bins to dispose of unwanted clothes and other textile products. Let's recycle and avoid waste!'

## Bring Your Own Container

In line with our sustainability policy, we consider the environmental impact of our products and services across their life cycles during the development stage. Doing what's right is a key part of our strategy for a sustainable future and a cleaner environment.

Adding another one to the projects we develop based on our "Right Way to Live" ethos, which provides a framework for our sustainability approach, we launched the "Bring Your Own Cup" initiative with the aim of reducing packaging and preventing waste. Through this sustainable service model, we reduce disposable materials such as styrofoam trays, cling film and plastic containers for cheese and olive used in the fresh produce departments.



The customers bring their own containers to shop meat, fish, cake-bread, pulses, nuts and charcuterie in the quantities they need, preventing waste and eliminating single-use plastic waste. This project allows us to create change in consumer habits toward sustainability, while offering an exemplary circular economy model by leading the industry. This is the "right way" toward a sustainable future and a cleaner environment.

Considering that 40% of the plastics consumed worldwide is used for packaging, our "Bring Your Own Container" initiative represents a right step forward for protecting nature. The initiative, which started as a pilot project by setting up refill stations at our Selamiçeşme gourmet store, is currently deployed in the fresh produce aisles of 36 stores in total, including İstinye hyper, Fulya hyper, Metropol hyper and 33 gourmet stores.

As an encouragement to raise awareness, the customers receive a 10% discount on the products they purchase with their own containers.

### Waste and Disposal Methods <sup>306-1</sup>

306.2, 306.3, 306.4, 306.5

A significant part of our waste consists of packaging materials, food and domestic/office waste. On the other hand, we generate only a very limited quantity of hazardous waste (such as batteries and cleaning chemicals) with significant negative impact on the environment and we sort them at the source to be delivered to licensed companies for disposal/recycling. Food waste is a material topic for us and our industry and represents an important economic value for all players in our value chain. Therefore, we have dedicated a separate section of this

report to disclosing our related performance. The domestic waste that we are unable to sort is collected directly by the relevant municipalities.

Our operations may generate several kinds of waste, which are summarized below:

- Cardboard boxes, cling film, plastic packaging and straps created upon opening of packaged products at the stores after delivery from the warehouses.
- Single-use plastic and paper cups and plates used by our store employees.
- Paper, batteries, electronic

waste, technical devices used up in the offices.

- Plastic packaging, paper-cardboard packaging, organic waste and domestic waste generated in store restaurants and cafeterias.
- Mixed packaging waste and domestic waste generated by the customers in stores.
- Products rendered unusable due to expiration, breaking or damaged packaging in our warehouses and stores.

Distribution and disposal methods of wastes excluding domestic wastes by their types are listed below:

| Category                                           | Type of Waste             | Quantity (Tons)<br>– 2021 | Quantity (Tons)<br>– 2022 | Quantity (Tons)<br>- 2023 | Disposal Method                       |
|----------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------------|
| Recyclable Waste (*)                               | Mixed Packaging Waste     | 617                       | 6.681                     | 290                       | Licensed Recycling Firms              |
|                                                    | Paper-Cardboard           | 25                        | 647                       | 1,089.3                   | Licensed Recycling Firms              |
|                                                    | Plastics                  | 3                         | 15                        | 361.5                     | Licensed Recycling Firms              |
|                                                    | Glass                     | 0.36                      | 0.22                      | 0.3                       | Licensed Recycling Firms              |
| Food Waste                                         |                           | 7,952                     | 15,062                    | 15,396                    | Municipalities/<br>Private Businesses |
| Waste with Potential Negative Environmental Impact | Waste Plant Oils          | 10                        | 13                        | 10                        | Licensed Recycling Firms              |
|                                                    | Hazardous Liquids         | 0.37                      | 0                         | 0                         | Licensed Disposal Firms               |
|                                                    | Batteries                 | 0.24                      | 0. 44                     | 0.25                      | Licensed Recycling Firms              |
| Waste with Economic Value                          | Electronic Waste          | Listed for sale           |                           |                           | Licensed Recycling Firms              |
|                                                    | Equipment Waste           | Listed for sale           |                           |                           | Licensed Recycling Firms              |
|                                                    | Wooden Pallets and Crates | 2.891                     | 2.494                     | 2.262                     | Licensed Recycling Firms              |

(\*): Figures refer only to private label products.

Recyclable Waste

Most of the products are delivered to our stores in packaging such as cardboard boxes; therefore, one of the most common types of waste is 'mixed packaging waste'. We sort these wastes, as well as our paper-cardboard, plastic and glass-metal wastes in all our offices, stores and warehouses and collect them in recycling areas. Since plastics waste can be recycled up to 70% due to its nature and others by 100%, we ensure that all of the recyclable waste is collected by authorized licensed companies. Thanks to improvements in sorting packaging waste, we

delivered 1,741 tons of waste collected from our stores and warehouses for recycling/recovery in 2023.

Food Waste

We address the management of food waste, which has a significant economic value, in detail in the "Food Waste" chapter of this report. In short, we donate the food products from our stores and warehouses fit for human consumption, which we are unable to return to the suppliers, have lost some of their quality or lack their selling features. If they are not fit for human consumption, we

deliver them to partnering local administrations and companies for proper disposal.

Waste with Potential Negative Environmental Impact

We collect and dispose of vegetable oils using three different methods since they may potentially have a significant impact on the environment.

- In the stores with 'Lezzet Arası' restaurants, we collect vegetable oils used in cooking in separate sealed drums when they can no longer be used.
- We place containers in certain stores to collect waste oil from

Trimming Cash Register Receipts

Cash register receipts, which are mandatory by law, are documents that customers request to be informed. CarrefourSA generates over 500 thousand cash register receipts daily. Since the launch of the Receipt Trimming project, more than 130 million cash register receipts have been printed and over 90 million credit card transactions have been processed.

By trimming the cash register receipts and not printing the merchant copies of the credit card slips, we aim to provide our customers simpler receipts and reduce our carbon footprint with environmental awareness. The interviews with all relevant departments and customers, their feedback and the suggestions of our field employees confirmed that our project was a great necessity and we proceeded with implementation.

We trimmed the cash register receipts by an average of 30% to 40% for each receipt and completely eliminated the merchant copies printed by the POS devices in each credit card transaction. In the eight months since implementation, our project contributed to conscious use of natural resources and renewable energy sources, waste management and finding solutions. The material benefits include:

- We prevented the felling of more trees and created less waste by saving paper.
- Every year, CarrefourSA prints out more than 130 million cash register receipts. Before the receipt trimming project, 27,740 receipts were obtained from one tree; thanks to this project, we increased this number to 41,500 receipts, saving 1,599 trees annually.
- 83,000 credit card slips correspond to one tree. Since credit cards are used in 70% of shopping, we saved 1,096 trees by eliminating the merchant copies of the slips.
- The total number of trees we saved through this project is 2,695. We are happy to successfully implement our project with an environmentally sensitive approach while providing savings for our company.

Additionally:

- We achieved economic savings by reducing the cost of the receipt rolls.
- We reduced unnecessary storage costs.
- We created a simpler and more understandable receipt for our customers.
- We contributed to a faster checkout experience with a shorter receipt.

our customers and prevent these wastes from going to landfills or polluting water. As part of our efforts to raise awareness through volunteering, we encourage our customers to bring waste oil from their homes and dispose of it in these containers.

- We also collect oils past their expiration date, in damaged packaging or unusable separately in our warehouses.

Thanks to these efforts, we collected 10 tons of waste oil in 2023 for conversion into biodiesel. We donated all the proceeds from

the collected waste oil to Tohum Türkiye Autism Early Diagnosis and Education Foundation to raise awareness about autism.

The hazardous waste, which is generated after materials such as paints, solvents, cleaning chemicals and lubricants used in maintenance operations in our warehouses are past their useful life, is collected separately from other waste, entered into the waste portal of the ministry and sent to licensed disposal companies.

Due to their nature and content, batteries should be stored in

enclosed areas, each isolated from the environment, by means of a special engineering method. At the offices, stores and warehouses, we generate battery waste. In addition to our own discarded batteries, we also collect the waste batteries of our customers in the dedicated battery collection bins in all our stores. This practice enables us to collect waste batteries separately without mixing them with other waste sent to landfills. We deliver the collected waste batteries to TAP (Association of Portable Battery Manufacturers and Importers). We have also launched a joint project with AÇEV (Mother

Linerless Labels

We transitioned to linerless (without back carrier paper) labels in 40 scales in our hypermarket. As a result of the paper savings achieved with this practice, we save 62 trees per year.

and Child Education Foundation) and TAP to donate books to children in need in exchange for every one ton of waste batteries we collect.

Waste with Economic Value

The disposal, second-hand sales and repurposing of all technical devices, including electronic waste and vehicles of the company, are subject to a procedure. No third party, subcontractor or contractor can take these products out of the store or dispose of them without the knowledge of the authorized people at CarrefourSA. Such waste materials are processed under the control of CarrefourSA for purposes such as recycling and reuse. Our goal is to ensure that the products are reused or sorted based on their value, rather than making money from the waste.

- We deliver electronic waste to licensed recycling/ recovery facilities, which separate them as repairable products and parts for use in other electronic devices. The remaining scrap parts that cannot be used are recycled.
- Economic revenue is generated from the second-hand sales of technical equipment and store fixtures such as cabinets and shelves, which no longer fit the current concept, consume energy inefficiently, become dysfunctional, are damaged, or otherwise lose their useful properties.
- Wooden pallets and crates, which are no longer used, damaged or scrapped in our stores and warehouses are recycled through second-hand sales, generating economic income. We also prefer reusable boxes and crates during transportation to proactively prevent waste generation.
- As a result of the second-hand sales of electronic waste, other equipment and wooden pallets, we generated an income of TL 5.8 million in 2021, TL 11.1 million in 2022 and TL 16.5 million in 2023.



What's Next?

As part of our efforts to further improve the effectiveness of waste management, we started to build systems to manage all our waste in our logistics warehouses in 2022. Through these systems, we aim to prevent losses due to working with different local companies in every region. Our goal is to accurately sort our recyclable wastes such as paper, cardboard and plastics and collect them in our distribution warehouses based on their types, preserve the value of such waste and ensure that they can be reintroduced into the economy.

We completed our permit processes in more than half of our distribution warehouses in 2023

and started to collect store waste mixed with trash and therefore could not be delivered to recycling. With this project, we apply reverse logistics to collect waste that had to be collected individually from our stores by local municipalities or licensed recycling companies, completely eliminating the need for additional transportation. As a result, we contribute to reduction of carbon emissions caused by transportation.

# INDICES

TSRS Index

Food Retailers and  
Distributors SASB Metrics

GRI Content Index

# THE TÜRKİYE SUSTAINABILITY REPORTING STANDARDS (TSRS) COMPLIANCE TABLE

## TSRS 1: General Provisions Regarding Disclosure of Sustainability-Related Financial Information

|                                                        |                      |                 |
|--------------------------------------------------------|----------------------|-----------------|
| •Governance .....                                      | 26-35                |                 |
| •Strategy .....                                        | 36-37                |                 |
| > Sustainability-related Risks and Opportunities ..... | 41, 60, 79, 109      | 41, 60, 79, 109 |
| > Business Model and Value Chain .....                 | 41, 60, 79, 109      |                 |
| > Strategy and Decision-making .....                   | 40, 58, 78, 108      |                 |
| > Resilience .....                                     | 36                   |                 |
| •Risk Management .....                                 | 20-23, 36-37         |                 |
| •Metrics and Targets .....                             | 40, 58, 78, 108, 127 |                 |

## TSRS 2: Climate-Related Disclosure

|                                                 |              |
|-------------------------------------------------|--------------|
| • Governance .....                              | 26-35        |
| • Strategy .....                                | 36-37        |
| > Climate-related Risks and Opportunities ..... | 109          |
| > Business Model and Value Chain .....          | 22, 111      |
| > Strategy and Decision-making .....            | 111          |
| > Climate Resilience .....                      | 36           |
| • Risk Management .....                         | 20-23, 36-37 |
| • Metrics and Targets .....                     | 108, 127     |

# FOOD RETAILERS AND DISTRIBUTORS SASB METRICS

Our relevant data for 2023 is presented below. Our locations include our own stores and warehouses, but exclude franchisee stores. Unless otherwise stated, our product and related revenues are calculated for our private label products.

| TOPIC                            | METRIC                                                                                                                               | CATEGORY                | UNIT OF MEASURE                | CODE         | ANSWER/PAGE                                                                                                                                                 |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fleet Fuel Management            | Fleet fuel consumed, percentage renewable                                                                                            | Quantitative            | Gigajoule (GJ), Percentage (%) | FB-FR-110a.1 | 0, - (no own fleet)                                                                                                                                         |
| Air Emissions from Refrigeration | Gross global Scope 1 emissions from refrigerants                                                                                     | Quantitative            | Ton (t) CO-e                   | FB-FR-110b.1 | 109,068                                                                                                                                                     |
|                                  | Percentage of refrigerants consumed with zero ozone-depleting potential                                                              | Quantitative            | Percentage (%)                 | FB-FR-110b.2 | 98,8%                                                                                                                                                       |
|                                  | Average refrigerant emissions rate                                                                                                   | Quantitative            | Percentage (%)                 | FB-FR-110b.3 | 56,8%                                                                                                                                                       |
| Energy Management                | (1) Operational energy consumed, (2) percentage grid electricity and (3) percentage renewable                                        | Quantitative            | Gigajoule (GJ), Percentage (%) | FB-FR-130a.1 | (1) 636 million GJ (2) 100% (3) 0%                                                                                                                          |
| Food Waste Management            | (1) Amount of food waste generated, (2) percentage diverted from the waste stream                                                    | Quantitative            | Ton (t), Percentage (%)        | FB-FR-150a.1 | (1) 15,396 t (2) 11,4%                                                                                                                                      |
| Data Security                    | (1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected                        | Quantitative            | Number, Percentage (%)         | FB-FR-230a.1 | (1) p.106 (2) p.106 (3) p.106                                                                                                                               |
|                                  | Description of approach to identifying and addressing data security risks                                                            | Discussion and Analysis | n/a                            | FB-FR-230a.2 | p.106                                                                                                                                                       |
| Food Safety                      | High-risk food safety violation rate                                                                                                 | Quantitative            | Rate                           | FB-FR-250a.1 | A 0.38% analytical non-conformity was found with a high food safety risk in private label food products. (27 parameters out of a total of 6,978 parameters) |
|                                  | (1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products                | Quantitative            | Number, Percentage (%)         | FB-FR-250a.2 | (1)14 private label products (1)14 private label products 2) 17,379 3) 100%                                                                                 |
| Product Health & Nutrition       | Revenue from products labelled or marketed to promote health and nutrition attributes                                                | Quantitative            | TL                             | FB-FR-260a.1 | TL 223 million                                                                                                                                              |
|                                  | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | Discussion and Analysis | n/a                            | FB-FR-260a.2 | p.79                                                                                                                                                        |
| Product Labelling & Marketing    | Number of incidents of non-compliance with industry or regulatory labelling or marketing codes                                       | Quantitative            | Number                         | FB-FR-270a.1 | 1                                                                                                                                                           |

| TOPIC                                                            | METRIC                                                                                                                                       | CATEGORY                | UNIT OF MEASURE    | CODE         | ANSWER/PAGE                                                                                                                                                                                                                                 |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                  | Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices                            | Quantitative            | TL                 | FB-FR-270a.2 | TL 347 thousand                                                                                                                                                                                                                             |
|                                                                  | Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO                                       | Quantitative            | TL                 | FB-FR-270a.3 | (1) 0<br>(2) TL 1,891 million                                                                                                                                                                                                               |
| Labor Practices                                                  | (1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region                     | Quantitative            | TL, Percentage (%) | FB-FR-310a.1 | Not disclosed due to confidentiality of trade secrets.                                                                                                                                                                                      |
|                                                                  | Percentage of active workforce employed under collective agreements                                                                          | Quantitative            | Percentage (%)     | FB-FR-310a.2 | p.51                                                                                                                                                                                                                                        |
|                                                                  | (1) Number of work stoppages and (2) total days idle                                                                                         | Quantitative            | Number, Days idle  | FB-FR-310a.3 | (1) 0 (2) 0                                                                                                                                                                                                                                 |
|                                                                  | Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment discrimination | Quantitative            | TL                 | FB-FR-310a.4 | There are a total of 509 ongoing lawsuits related to these issues.                                                                                                                                                                          |
| Management of Environmental & Social Impacts in the Supply Chain | Revenue from products third-party certified to environmental or social sustainability sourcing standards                                     | Quantitative            | TL                 | FB-FR-430a.1 | TL 645 million (Revenues from our private label products with at least 1 sustainability-related certificate. These certificates may have been obtained for the product, the content of the product or the materials used in its packaging.) |
|                                                                  | Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates   | Quantitative            | Percentage (%)     | FB-FR-430a.2 | For private label, (1) 35%<br>(2) 0%                                                                                                                                                                                                        |
|                                                                  | Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare                            | Discussion and Analysis | n/a                | FB-FR-430a.3 | p.82, p.53                                                                                                                                                                                                                                  |
|                                                                  | Discussion of strategies to reduce the environmental impact of packaging                                                                     | Discussion and Analysis | n/a                | FB-FR-430a.4 | p.122                                                                                                                                                                                                                                       |
|                                                                  |                                                                                                                                              |                         |                    |              |                                                                                                                                                                                                                                             |

| ACTIVITY METRICS                                            | CATEGORY     | UNIT OF MEASURE    | CODE        | ANSWER/PAGE                                |
|-------------------------------------------------------------|--------------|--------------------|-------------|--------------------------------------------|
| Number of (1) retail locations and (2) distribution centers | Quantitative | Number             | FB-FR-000.A | (1) p.38, (2) p.38                         |
| Total area of (1) retail space and (2) distribution centers | Quantitative | Square meters (m²) | FB-FR-000.B | 1) 565k m²<br>(2) 162k m²                  |
| Number of vehicles in commercial fleet                      | Quantitative | Number             | FB-FR-000.C | 0 (no own fleet, served by subcontractors) |
| Ton-kilometers travelled                                    | Quantitative | Ton-kilometers     | FB-FR-000.D | 0 (no own fleet)                           |

# GRI CONTENT INDEX



CONTENT INDEX  
ESSENTIALS SERVICE

2024

CarrefourSA's Sustainability Report for the period from January 1, 2023 to December 31, 2023 was prepared in accordance with the GRI Standards. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. No industry standard was utilized. This service was received for the Turkish version of the report.

| GRI Standard                    | Disclosure                                      | Page/Link/Direct Answer                                                                                                                                                                                                                                |
|---------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 1: Foundation 2021          |                                                 |                                                                                                                                                                                                                                                        |
| GRI 2: General Disclosures 2021 | 1) The organization and its reporting practices |                                                                                                                                                                                                                                                        |
|                                 | 2-1                                             | Organizational details10, 142                                                                                                                                                                                                                          |
|                                 | 2-2                                             | Entities included in the organization's sustainability reporting10, CarrefourSA's consolidated financial information includes only CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.                                                                  |
|                                 | 2-3                                             | Reporting period, frequency and contact point3, 142                                                                                                                                                                                                    |
|                                 | 2-4                                             | Restatements of informationWe restated our 2022 financial data in accordance with inflation accounting.                                                                                                                                                |
|                                 | 2-5                                             | External assurance31, 136, The financial data is audited by KPMG. (https://yatirimciiliskileri.carrefoursa.com/ tr/finansal-bilgiler/finansal-raporlar), We have a limited assurance report from PWC for our environmental and social data. (page 130) |
|                                 | 2) Activities and workers                       |                                                                                                                                                                                                                                                        |
|                                 | 2-6                                             | Activities, value chain and other bussines relationships10, There were no significant changes in our company's organizational structure, shareholding structure or supply chain during the reporting period.                                           |
|                                 | 2-7                                             | Employees61, 71                                                                                                                                                                                                                                        |
|                                 | 2-8                                             | Workers who are not employees44                                                                                                                                                                                                                        |
|                                 | 3) Governance                                   |                                                                                                                                                                                                                                                        |
|                                 | 2-9                                             | Governance structure and composition17, 26, 31, https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/faaliyet-raporlari/e2889978-cdb3-4c30-b05b-bf916a38ea98CSA23Faaliyet TRtek2compressed-1compressed-2.pdf (page 120)                             |
|                                 | 2-10                                            | Nomination and selection of the highest governance bodyhttps://yatirimciiliskileri.carrefoursa.com/uploads/pdf/faaliyet-raporlari/e2889978-cdb3-4c30-b05b-bf916a38ea98CSA23FaaliyetTRtek2compressed-1compressed-2.pdf (page 141)                       |
|                                 | 2-11                                            | Chair of the highest governance bodyThe Chairman of the Board of Directors does not have an executive duty at CarrefourSA. He is also the Group CFO of Sabancı Holding.                                                                                |
|                                 | 2-12                                            | Role of the highest governance body in overseeing the management of impacts18, 26, 31                                                                                                                                                                  |
|                                 | 2-13                                            | Delegation of responsibility of managing impacts26, 31                                                                                                                                                                                                 |

| GRI Standard                            | Disclosure                          |                                                                                | Page/Link/Direct Answer                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------|-------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 2: General Disclosures 2021         | 2-14                                | Role of the highest governance body in sustainability reporting                | 31,33                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                         | 2-15                                | Conflicts of interest                                                          | 18                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 2-16                                | Communication of critical concerns                                             | There were no issues defined as critical among the items considered ( <a href="https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/faaliyet-raporlari/e2889978-cdb3-4c30-b05b-bf916a38ea98CSA23FaaliyetTRtek2compressed-1compressed-2.pdf">https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/faaliyet-raporlari/e2889978-cdb3-4c30-b05b-bf916a38ea98CSA23FaaliyetTRtek2compressed-1compressed-2.pdf</a> (page 141)) |
|                                         | 2-17                                | Collective knowledge of the highest governance body                            | Relevant information is provided when necessary, <a href="https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/faaliyet-raporlari/e2889978-cdb3-4c30-b05b-bf916a38ea98CSA23FaaliyetTRtek2compressed-1compressed-2.pdf">https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/faaliyet-raporlari/e2889978-cdb3-4c30-b05b-bf916a38ea98CSA23FaaliyetTRtek2compressed-1compressed-2.pdf</a> (page 141))                      |
|                                         | 2-18                                | Evaluation of the performance of the highest governance body                   | 18                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 2-19                                | Remuneration policies                                                          | 65                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 2-20                                | Process to determine remuneration                                              | 18, 31, 65                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                         | 2-21                                | Annual total compensation ratio                                                | No declaration is made on this subject due to KVKK.                                                                                                                                                                                                                                                                                                                                                                           |
|                                         | 4) Strategy, policies and practices |                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                         | 2-22                                | Statement on sustainable development strategy                                  | 5                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                         | 2-23                                | Policy commitments                                                             | 53, 54                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                         | 2-24                                | Embedding policy commitments                                                   | 53, 54                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                         | 2-25                                | Processes to remediate negative impacts                                        | 53                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 2-26                                | Mechanism for seeking advice and raising concerns                              | 53                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 2-27                                | Compliance with laws and regulations                                           | As of the end of 2023, there are no lawsuits that may affect CarrefourSA's operations.                                                                                                                                                                                                                                                                                                                                        |
|                                         | 2-28                                | Membership associations                                                        | 11, 12                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                         | 5) Stakeholder engagement           |                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                         | 2-29                                | Approach to stakeholder engagement                                             | 32                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 2-30                                | Collective bargaining agreements                                               | 54                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Material Topics                         |                                     |                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 3: Material Topics 2021             | 3-1                                 | Process to determine material topics                                           | 33                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 3-2                                 | List of material topics                                                        | 33                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Economic Contribution                   |                                     |                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 3: Material Topics 2021             | 3-3                                 | Management of material topics                                                  | 44                                                                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 201: Economic Performance 2016      | 201-1                               | Direct economic value generated and distributed                                | 44, 46, 47                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                         | 201-2                               | Financial implications and other risks and opportunities due to climate change | 21                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 201-4                               | Financial assistance received from government                                  | 45                                                                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 202: Market Presence 2016           | 202-1                               | Financial implications and other risks and opportunities due to climate change | 71                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 202-2                               | Proportion of senior management hired from the local community                 | 100% of the General Manager and Assistant General Managers are citizens of the Republic of Türkiye.                                                                                                                                                                                                                                                                                                                           |
| GRI 203: Indirect Economic Impacts 2016 | 203-1                               | Infrastructure investments and services supported                              | 47                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                         | 203-2                               | Significant indirect economic impacts                                          | 46                                                                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 204: Procurement Practices 2016     | 204-1                               | Political contributions                                                        | 45                                                                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 415: Public Policy 2016             | 415-1                               | Political contributions                                                        | We did not provide any political contributions or donations during the reporting period.                                                                                                                                                                                                                                                                                                                                      |

| GRI Standard                                                   | Disclosure |                                                                                                                | Page/Link/Direct Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------|------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Food Waste                                                     |            |                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| GRI 3: Material Topics 2021                                    | 3-3        | Management of material topics                                                                                  | 51                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Business Ethics                                                |            |                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| GRI 3: Material Topics 2021                                    | 3-3        | Management of material topics                                                                                  | 53                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| GRI 205: Anti-corruption 2016                                  | 205-1      | Operations assessed for risks related to corruption                                                            | 53                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                | 205-2      | Communication and training about anti-corruption policies and procedures                                       | 53, Members of the Board were not provided with Business Ethics Training during the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                | 205-3      | Confirmed incidents of corruption and actions taken                                                            | There were no cases of corruption during the reporting period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| GRI 206: Anti-competitive Behavior 2016                        | 206-1      | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices                                | In accordance with the Competition Authority's decision dated October 28, 2021, numbered 21-53/747-360, an administrative fine of TRY 142,469,772 was imposed on the Company. This amount was paid on February 11, 2022, as TL 106,852,329, benefiting from a 25% early payment discount, and legal proceedings were initiated against the fine. Following the application under Law No. 7440 on the Restructuring of Certain Receivables and Amendments to Certain Laws, which came into effect upon publication in the Official Gazette dated March 12, 2023, numbered 32130, it was decided to restructure 50% of the paid administrative fine, resulting in a refund of TL 53,426,165 to the Company. Consequently, the lawsuit filed by the Company for the annulment of the administrative fine was withdrawn on May 29, 2023. Therefore, the finalized amount paid under the Competition Authority's decision dated October 28, 2021, numbered 21-53/747-360, is TL 53,426,164 (amounts are expressed in terms of purchasing power as of the transaction date). |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1      | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | We do not have any operations or suppliers where the Right to Collective Bargaining is at risk.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| GRI 408: Child Labor 2016                                      | 408-1      | Operations and suppliers at significant risk for incidents of child labor                                      | 55, The audits are conducted at Private Label suppliers determined to be high-risk as a result of the risk assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| GRI 409: Forced or Compulsory Labor 2016                       | 409-1      | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | 55, The audits are conducted at Private Label suppliers determined to be high-risk as a result of the risk assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| GRI 410: Security Practices 2016                               | 410-1      | Security personnel trained in human rights policies or procedures                                              | Security service is carried out by outsourcing. No direct training is provided to the relevant employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 411: Rights of Indigenous Peoples 2016                     | 411-1      | Incidents of violations involving rights of indigenous peoples                                                 | During the reporting period, there were no incidents of violation of the rights of indigenous people.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| GRI Standard                                 | Disclosure |                                                                                                               | Page/Link/Direct Answer                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 413: Local Communities 2016              | 413-1      | Operations with local community engagement, impact assessments, and development programs                      | 54                                                                                                                                                                                                                                                                                                                                                                                               |
|                                              | 413-2      | Operations with significant actual and potential negative impacts on local communities                        | 54                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 414: Supplier Social Assessment 2016     | 414-1      | New suppliers that were screened using social criteria                                                        | 55, In 2023, we started working with 16 new suppliers. Supplier social and environmental audits are carried out according to risk prioritisation.                                                                                                                                                                                                                                                |
|                                              | 414-2      | Negative social impacts in the supply chain and actions taken                                                 | 55, We have not encountered any significant social incidents at the Private Label supply chain .                                                                                                                                                                                                                                                                                                 |
| Employee Satisfaction and Development        |            |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                  |
| GRI 3: Material Topics 2021                  | 3-3        | Management of material topics                                                                                 | 60                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 201: Economic Performance 2016           | 201-3      | Defined benefit plan obligations and other retirement plans                                                   | 65                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 401: Employment 2016                     | 401-1      | New employee hires and employee turnover                                                                      | 63, 63, 71                                                                                                                                                                                                                                                                                                                                                                                       |
|                                              | 401-2      | Benefits provided to full-time employees that are not provided to temporary or part- time employees           | 65                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 402: Labor/ Management Relations 2016    | 402-1      | Minimum notice periods regarding operational changes                                                          | Notice periods are determined according to seniority. Between 0-6 months: 2 weeks, between 6 months and 1.5 years: 4 weeks, between 1.5 years and 3 years: 6 weeks, over 3 years: 8 weeks.                                                                                                                                                                                                       |
| GRI 404: Training and Education 2016         | 404-1      | Average hours of training per year per employee                                                               | 66, 71                                                                                                                                                                                                                                                                                                                                                                                           |
|                                              | 404-2      | Programs for upgrading employee skills and transition assistance programs                                     | 67, We do not have a program for employment termination assistance.                                                                                                                                                                                                                                                                                                                              |
|                                              | 404-3      | Percentage of employees receiving regular performance and career development reviews                          | 67                                                                                                                                                                                                                                                                                                                                                                                               |
| Occupational Health and Safety               |            |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                  |
| GRI 3: Material Topics 2021                  | 3-3        | Management of material topics                                                                                 | 68                                                                                                                                                                                                                                                                                                                                                                                               |
| GRI 403: Occupational Health and Safety 2018 | 403-1      | Occupational health and safety management system                                                              | 68                                                                                                                                                                                                                                                                                                                                                                                               |
|                                              | 403-2      | Hazard identification, risk assessment, and incident investigation                                            | 69, 69                                                                                                                                                                                                                                                                                                                                                                                           |
|                                              | 403-3      | Occupational health services                                                                                  | 69                                                                                                                                                                                                                                                                                                                                                                                               |
|                                              | 403-4      | Worker participation, consultation, and communication on occupational health and safety                       | 68                                                                                                                                                                                                                                                                                                                                                                                               |
|                                              | 403-5      | Worker training on occupational health and safety                                                             | 69, General OHS Training is provided to all of our employees and subcontractor employees. While this training is given by CarrefourSA to CarrefourSA employees and subcontractor employees at warehouses, it is provided to subcontractor employees in our stores by the institution they are affiliated with and it is declared in writing to CarrefourSA that this training has been provided. |
|                                              | 403-6      | Promotion of worker health                                                                                    | Our employees benefit from the services provided by SGK regarding health problems that are not caused by the work.                                                                                                                                                                                                                                                                               |
|                                              | 403-7      | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 69                                                                                                                                                                                                                                                                                                                                                                                               |
|                                              | 403-8      | Workers covered by an occupational health and safety management system                                        | 68                                                                                                                                                                                                                                                                                                                                                                                               |
|                                              | 403-9      | Work-related injuries                                                                                         | 69, Values are calculated only for CarrefourSA employees.                                                                                                                                                                                                                                                                                                                                        |
|                                              | 403-10     | Work-related ill health                                                                                       | 69, Values are calculated only for CarrefourSA employees.                                                                                                                                                                                                                                                                                                                                        |

| GRI Standard                                  | Disclosure |                                                                                                                                           | Page/Link/Direct Answer                                                                                                                                               |
|-----------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inclusiveness and Equality                    |            |                                                                                                                                           |                                                                                                                                                                       |
| GRI 3: Material Topics 2021                   | 3-3        | Management of material topics                                                                                                             | 71                                                                                                                                                                    |
| GRI 401: Employment 2016                      | 401-1      | New employee hires and employee turnover                                                                                                  | 63, 63, 71                                                                                                                                                            |
|                                               | 401-3      | Parental leave                                                                                                                            | 74                                                                                                                                                                    |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1      | Diversity of governance bodies and employees                                                                                              | 18, 71                                                                                                                                                                |
|                                               | 405-2      | Ratio of basic salary and remuneration of women to men                                                                                    | 71                                                                                                                                                                    |
| GRI 406: Non-discrimination 2016              | 406-1      | Incidents of discrimination and corrective actions taken                                                                                  | There were no cases of discrimination during the reporting period.                                                                                                    |
| Responsible Supply Chain                      |            |                                                                                                                                           |                                                                                                                                                                       |
| GRI 3: Material Topics 2021                   | 3-3        | Management of material topics                                                                                                             | 81                                                                                                                                                                    |
| GRI 304: Biodiversity 2016                    | 304-1      | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | We do not operate in protected or highly biodiverse areas, or in close proximity to them.                                                                             |
|                                               | 304-2      | Significant impacts of activities, products and services on biodiversity                                                                  | 90                                                                                                                                                                    |
|                                               | 304-3      | Habitats protected or restored                                                                                                            | There are no habitats protected or reconstructed.                                                                                                                     |
|                                               | 304-4      | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | There are no species on the IUCN Red List or the National Conservation List affected by our operations                                                                |
| Customer Satisfaction                         |            |                                                                                                                                           |                                                                                                                                                                       |
| GRI 3: Material Topics 2021                   | 3-3        | Management of material topics                                                                                                             | 92                                                                                                                                                                    |
| GRI 416: Customer Health and Safety 2016      | 416-1      | Assessment of the health and safety impacts of product and service categories                                                             | 93, 93, 94                                                                                                                                                            |
|                                               | 416-2      | Incidents of non-compliance concerning the health and safety impacts of products and services                                             | There was no case of Private Label products during the reporting period on the subject. In risky situations, the product is withdrawn directly from the aisle.        |
| GRI 417: Marketing and Labeling 2016          | 417-1      | Requirements for product and service information and labeling                                                                             | 101                                                                                                                                                                   |
|                                               | 417-2      | Incidents of non-compliance concerning product and service information and labeling                                                       | There were no incidents for Private Label products during the reporting period on the subject. In risky situations, the product is withdrawn directly from the aisle. |
|                                               | 417-3      | Incidents of non-compliance concerning marketing communications                                                                           | In 2023, there were no significant incidents related to marketing communication.                                                                                      |
| Digitalization                                |            |                                                                                                                                           |                                                                                                                                                                       |
| GRI 3: Material Topics 2021                   | 3-3        | Management of material topics                                                                                                             | 102                                                                                                                                                                   |
| GRI 418: Customer Privacy 2016                | 418-1      | Substantiated complaints concerning breaches of customer privacy and losses of customer data                                              | 105                                                                                                                                                                   |
| Climate Change                                |            |                                                                                                                                           |                                                                                                                                                                       |
| GRI 3: Material Topics 2021                   | 3-3        | Management of material topics                                                                                                             | 111                                                                                                                                                                   |
| GRI 302: Energy 2016                          | 302-1      | Energy consumption within the organization                                                                                                | 112                                                                                                                                                                   |
|                                               | 302-2      | Energy consumption outside of the organization                                                                                            | 112                                                                                                                                                                   |
|                                               | 302-3      | Energy intensity                                                                                                                          | 112                                                                                                                                                                   |
|                                               | 302-4      | Reduction of energy consumption                                                                                                           | 113                                                                                                                                                                   |
|                                               | 302-5      | Reductions in energy requirements of products and services                                                                                | We don't not have a study on the energy consumption of the products we sell.                                                                                          |
|                                               |            |                                                                                                                                           |                                                                                                                                                                       |

| GRI Standard                                    | Disclosure |                                                                                 | Page/Link/Direct Answer                                                                                                                                                                                                |
|-------------------------------------------------|------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 303: Water and Effluents 2018               | 303-1      | Interactions with water as a shared resource                                    | 118, There is no water source significantly affected due to our operations.                                                                                                                                            |
|                                                 | 303-2      | Management of water discharge-related impacts                                   | Wastewater is discharged directly into the sewage system.                                                                                                                                                              |
|                                                 | 303-3      | Water withdrawal                                                                | 119, All of the water we use in our stores and distribution centers stems from local municipalities. According to the provinces where our stores are located, 90% of the usage is from regions with high water stress. |
|                                                 | 303-4      | Water discharge                                                                 | 118                                                                                                                                                                                                                    |
|                                                 | 303-5      | Water consumption                                                               | 118                                                                                                                                                                                                                    |
|                                                 |            |                                                                                 |                                                                                                                                                                                                                        |
| GRI 305: Emissions 2016                         | 305-1      | Direct (Scope 1) GHG emissions                                                  | 114                                                                                                                                                                                                                    |
|                                                 | 305-2      | Energy indirect (Scope 2) GHG emissions                                         | 114                                                                                                                                                                                                                    |
|                                                 | 305-3      | Other indirect (Scope 3) GHG emissions                                          | 114                                                                                                                                                                                                                    |
|                                                 | 305-4      | GHG emissions intensity                                                         | 114                                                                                                                                                                                                                    |
|                                                 | 305-5      | Reduction of GHG emissions                                                      | 114                                                                                                                                                                                                                    |
|                                                 | 305-6      | Emissions of ozone-depleting substances (ODS)                                   | We do not produce, import or export ozone depleting gases.                                                                                                                                                             |
|                                                 | 305-7      | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Since we don't have combustion systems, we don't measure such gases.                                                                                                                                                   |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1      | New suppliers that were screened using environmental criteria                   | In 2023, we started working with 16 new suppliers. Supplier social and environmental audits are carried out according to risk prioritisation.                                                                          |
|                                                 | 308-2      | Negative environmental impacts in the supply chain and actions taken            | There have been no significant environmental impacts in the Private Label supply chain.                                                                                                                                |
| Waste Management                                |            |                                                                                 |                                                                                                                                                                                                                        |
| GRI 3: Material Topics 2021                     | 3-3        | Management of material topics                                                   | 120                                                                                                                                                                                                                    |
| GRI 301: Materials 2016                         | 301-1      | Materials used by weight or volume                                              | 120                                                                                                                                                                                                                    |
|                                                 | 301-2      | Recycled input materials used                                                   | There is no recycled input material.                                                                                                                                                                                   |
|                                                 | 301-3      | Reclaimed products and their packaging materials                                | There is no product or packaging reclaimed.                                                                                                                                                                            |
| GRI 306: Waste 2020                             | 306-1      | Waste generation and significant waste-related impacts                          | 121                                                                                                                                                                                                                    |
|                                                 | 306-2      | Management of significant waste-related impacts                                 | 121                                                                                                                                                                                                                    |
|                                                 | 306-3      | Waste generated                                                                 | 121                                                                                                                                                                                                                    |
|                                                 | 306-4      | Waste diverted from disposal                                                    | 121                                                                                                                                                                                                                    |
|                                                 | 306-5      | Waste directed to disposal                                                      | 121, The amount of our household waste is not measured.                                                                                                                                                                |

LIMITED

ASSURANCE

REPORT<sup>2-5</sup>

**Limited Assurance Report****To the Board of Directors of Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.**

We have been engaged by Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa” or the “Company”) to perform a limited assurance engagement in respect of the Selected Sustainability Information stated in the Appendix 1: Carrefoursa 2023 Data Table (“Data Table”) for the year ended 31 December 2023 and listed below.

**Selected Information**

The scope of the Selected Information for the year ended 31 December 2023, which is subject to our limited assurance work is summarised below:

**Social Performance Indicators**

- Occupational Health and Safety Indicators
  - Number of incidents (#)
  - Number of fatalities (#)
  - Number of occupational diseases (#)
  - Injury-related Absenteeism (#)
  - Lost day rate (%)
  - OHS Training Hours (h)
- Employee
  - Total number of employees (#)
  - Number of Employees by Nationality (#)
  - Women Employees’ Rate (%)
  - Ratio of women managers (%)
  - Share of Women Managers in Revenue-Generating Roles (%)
  - Share of Women Employees in STEM Roles (%)
  - Total Number of Employees on Maternity Leave (#)
  - Total Number of Employees on Paternity Leave (#)
  - Total Number of Employees Returned to Work After Maternity Leave (#)
  - Ratio of the Employees who Returned to Work After Maternal Leave (%)
  - Number of Employees Hired by Age (#)
  - Number of Employees Left by Gender (#)
  - Number of Employees Left by Age (#)
  - Turnover Rates by Gender (%)
  - People Reached Through Inclusion Programs in Reporting Period (#)
  - Total hours of training (h)
  - Average training hours per employee (h)
  - Total Hours of Trainings by training types (h)
  - Total Training Cost (TL)
  - Average Training Costs per Person (TL)

**Environmental Performance Indicators**

- Energy Consumption:
  - Total energy consumption (MWh)
  - Renewable Energy Consumption (MWh)
  - Purchased Heat/Steam/Cooling (kg)
- Intensity Indicators:
  - Energy intensity (MWh/ million TL)
  - Greenhouse gas emission intensity (ton CO2e/ million TL)
- Greenhouse Gas Emissions:
  - The Greenhouse Gas Emissions (GHG) Consolidation Approach
  - Scope 1 (tCO2e)
  - Scope 2 (Location Based) (tCO2e)
  - Scope 2 (Market Based) (tCO2e)
  - Scope 3 (tCO2e)
    - Category 1 - Purchased Goods and Services
    - Category 4 - Upstream Transportation and Distribution
    - Category 5 - Waste Generated in Operations
    - Category 6 - Business Travel
    - Category 7 - Employee Commuting
    - Category 9 - Downstream Transportation and Distribution
    - Category 11 -Use of Products Sold
    - Category 14 -Franchises
- Deforestation (Certified Ratio) (%)
  - Timber Products
  - Palm Oil
  - Soy
  - Cattle Products
  - Cocoa
- Water Consumption
  - Water Consumption (m3)
  - Water Withdrawal by Source (m3)
  - Water Recycled and Reused (%)
  - Total Amount of Discharged Water (m3)
- Waste:
  - Total Hazardous Waste (tonnes)
  - Total Non- hazardous Waste (tonnes)
  - Non- hazardous waste including ash waste (tonnes)
  - Total waste without ash waste (tonnes)
  - Total waste with ash waste (tonnes)
  - Percentage of waste reused and recycled (%)
  - Percentage of waste reused and recycled including ash (%)
  - Plastic consumption (tonnes)



## Economic Performance Indicators

- Sustainable Business Model
  - Number of SDG-linked Products and Services (#)
  - SDG-linked Product and Service Revenue (TL)
  - SDG-Linked R&D and Innovation Investments (TL)
  - Ratio of SDG-Linked R&D and Innovation Activities (%)
  - Savings and Reduction Based on Environmental Investments (MWh - tCO2e)
- Investments and Expenditures
  - Environmental Investments by Type (TL)
  - Environmental expenditures by Type (TL)

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any information other than Selected Information included in the Data Table and, therefore, do not express any conclusion thereon.

## Criteria

The criteria used by the Company to prepare the Selected Information is set out in section Appendix 2: Carrefoursa 2023 Data Table - Reporting Principles” (“Reporting Principles”).

## The Company’s Responsibility

The Company is responsible for the content of Selected Information in the Data Table and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

## Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not included examination of the derivation of those factors and other third-party information.



## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), “*Assurance Engagements other than Audits or Reviews of Historical Financial Information*”, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, “*Assurance Engagements on Greenhouse Gas Statements*”, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company.; and
- undertook analytical procedures over the reported data.



### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Selected Information for the year ended 31 December 2023 is not properly prepared, in all material respects, in accordance with the Reporting Principles.

### Restriction of Use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist them in reporting Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within Company's Data Table for the year ended 31 December 2023, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. as a body and Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ali Yörük, SMMM  
Independent Auditor

Istanbul, 26 September 2024

# CONTACTS

## **CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.** <sup>2-1</sup>

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## **Financial Sustainability Consultancy**

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## **Design**

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