

2022

SUSTAINABILITY REPORT



Right Way to Live

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Sustainability Report 2022

ABOUT THE REPORT²⁻³



We are proud to present our second Sustainability Report, following the first edition published last year. In addition to disclosing information on our high sustainability performance transparently through these reports, we also highlight our development areas. As we continue to raise the bar higher, we will be releasing our sustainability reports annually. Accordingly, this report covers the period from 01.01.2022 to 31.12.2022 in parallel with our financial reporting. 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. This report, structured according to Global Reporting Initiative (GRI) Standards, also includes information on how we contribute the UN Sustainable Development Goals. We remain committed to further improving our sustainability performance and continuously creating higher value for our stakeholders.



RIGHT WAY TO LIVE

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.



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 to our customers at accessible prices.



Right Way for Our People



We value occupational health and safety and operate 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 Our All Our Stakeholders



We promote responsible production as a material issue and support local suppliers and products.



We see our suppliers as our partners and monitor and support the development of their sustainability performance.



We communicate with transparency, accountability and engagement in our stakeholder relations.



Right Way for Our 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 regarding the fight against 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.



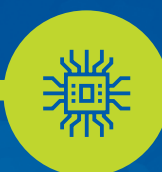
We act diligently about our impact on biodiversity and plan our business models to conserve local fauna and flora.



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 encourage ideas and opinions on this matter.

CEO's Message ²⁻²²



DEAR STAKEHOLDERS,

It is with great pleasure that I present our second sustainability report, building upon the success of our first edition in 2022, which garnered significant attention within our industry.

At CarrefourSA, a Sabancı Group company, we maintain our role as a playmaker and pioneer in the organized food retail sector. Celebrating our 30th anniversary in Türkiye in 2023, we boast an outstanding presence with 1,000 stores across 56 provinces, a workforce of nearly 11 thousand, 14 warehouses and partnerships with 8 thousand farmers and producers.

Guided by the motto of "The Right Ones are at CarrefourSA," we are committed to doing what is right

at every step of our business as we continue to implement sustainable models that are on the rise globally. Our commitment extends beyond environmental considerations to encompass a holistic vision of the "Right Way to Live" for our employees, customers, producers, suppliers and Earth.

This report provides a comprehensive overview of our sustainability initiatives aimed at realizing the "Right Way to Live" ethos. In an era where sustainability is increasingly in the spotlight, CarrefourSA strives to play its part, aiming to reduce the footprint of its operations with sustainable business models. Empowered by Sabancı Holding's sustainability vision and leveraging Carrefour Group's

extensive experience in food retail, we continue our journey towards a more sustainable future.

As we focus on offering healthy and reliable products to our customers, we also continue our endeavors to address food waste. Since starting to donate surplus food in July 2022, we have saved 215 tons of food from going to waste in only six months, creating significant benefit. We also undertake projects in alignment with the "Zero Waste" initiative in our markets and warehouses. As a testament to our efforts in this area, our Head Office building, distribution centers and stores within the scope have all received "Zero Waste" certification.

On the other hand, we recognize that the supply processes of farming, livestock and fishing, which are primary segments in food retail, have significant impact on biodiversity. With this awareness, we promote the use of local seeds in partnership with public institutions. Leveraging our control in livestock supply chain that spans farms to the shelves, we offer veterinarian-controlled, 100% local red meat to our customers. We also engage in awareness activities for seafood to emphasize the importance of responsible farming and fishing.

We support the transition to a lower carbon economy to help combat climate change. Accordingly, we are accelerating our efforts to optimize resource utilization through energy savings projects and digitalized processes. For this purpose, we started to align our work with Sabancı Holding's "2050 Net Zero" target by calculating all greenhouse gas emissions of our operations. In this process, we determined our baseline by calculating our Scope 3 emissions in all categories in preparation for setting our SBTi-approved targets.

In 2022, we responded to CDP for the third time and captured remarkable success, starting with elevating our score to "A" in the climate module. We also earned an "A" score in the water security module, making to the Global Water Security A List along with 103 companies worldwide. Furthermore, we responded to the Forests module for the first time and earned a "B" score in each of the four commodities (cattle products, soy, timber and palm oil) we reported, standing as the only food retailer from Türkiye reporting in this category.

Additionally, we declared our commitment to 100% cage-free eggs by 2030 for all eggs used in private label and national brand products sold at CarrefourSA stores.

In energy efficiency, our investments have exceeded TL 100 million to date as they continue to increase. We have implemented a full automation system in our stores and reinforced our digital infrastructure. These endeavors have resulted in substantial energy savings, including 3,640,000 kWh in energy automation, 4,200,000 kWh in HVAC automation and 4,500,000 kWh in lighting automation.

At CarrefourSA, we firmly believe that a growth model emphasizing health, safety and environmental responsibility is the most sustainable option. To further contribute to the organized food retail sector's sustainable growth, we are deepening our efforts and supporting entrepreneurs across Türkiye, particularly through our franchise system. Through the franchise system, a first in our sector, we also aim to help next-generation merchants grow and drive their businesses. With our franchisee count surpassing 200 since 2020, we offer a robust investment opportunity to local entrepreneurs, creating employment opportunities in the regions they serve. Our ambitious goal is to reach 1,000 franchisees within the next three years.

Additionally, CarrefourSA is dedicated to advancing gender equality in all facets of life. With 40% of our entire workforce and half of our Head Office and Executive Board comprised of women, we actively promote benefits for women in both human resources areas and commercial collaborations. We sell the products of local producers and entrepreneurial women at our stores. The sales of their products create regular income for female producers, allowing them to contribute to the growth of the ecosystem by bringing in more women. Therefore, supporting their production efforts and offering these products at our stores also contributes to the company through various projects. Through initiatives like "Empowered Women Empower CarrefourSA," we provide on-the-job training in the fresh produce aisles and employment opportunities, having added 121 women to our workforce to date. Notably, 25 of the 200 franchisees within our system have women as founders or leaders.

At CarrefourSA, our commitment to social benefit is at the heart of our sustainability vision, especially in challenging times faced by our country. In particular, the earthquakes on February 6th have reinforced the importance of unity and solidarity in navigating difficult moments.

The earthquake, with its epicenter in Kahramanmaraş and affecting 11 provinces, became one of the most devastating disasters in the history of the Republic of Türkiye. As soon as we found out about the earthquake, we immediately mobilized all available resources in the early hours of the same day.

Our teams, both at the head office and in the field, joined the efforts from the initial hours of the disaster. In a month, 91 thousand "Care Packages", prepared and packaged by Sabancı volunteers, were dispatched to the region by 73 trucks.

As we worked hard to ship much needed emergency supplies to the affected region, Lezzet Arası restaurants in our stores started to provide food assistance. With a mobile kitchen stationed in Kahramanmaraş, we served hot meals at breakfast, lunch and dinner to 12 thousand earthquake victims every day for a month, reaching remote villages and disabled citizens, distributing food for 300 thousand people.

In the aftermath of the earthquake, our focus extended to our producers, critical stakeholders in our supply chain. We launched the "Direct Support for Production" project to sustain production and foster economic recovery in the region, purchasing over 535 tons of products to date. We also provided a purchasing guarantee to earthquake-affected producers in Hatay, aiding them in repairing their facilities and regaining employment.

Empowered by all these endeavors, we look beyond focusing on our financial success and remain dedicated to sustainability to create social benefit, a commitment ingrained in our DNA since the inception of our operations in Türkiye.

In this second report, which reflects our sustainability commitment, I am pleased to share successful results in all focus areas of our narrative at CarrefourSA. In closing, I express gratitude to all our colleagues who contributed to this report and extend my heartfelt thanks to our suppliers and business partners for their support on our sustainability journey.

Sincerely,

Kutay Kartallıoğlu
CEO, CarrefourSA

CARREFOURSA

- › About CarrefourSA
- › Corporate Governance
- › Risk Management



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 in many areas such as human resources, technological infrastructure and market concepts. As a result, four different store concepts were born: Hyper, Super, Gourmet and Mini.

CarrefourSA launched its **e-commerce** operations in 2018 and started to grow in the online market segment. Since the introduction of the **Franchise** system in 2019, the number of stores operated by individual enterprises has reached 200 as of year-end 2022.

As of year-end 2022, CarrefourSA operates with 10,663 employees, 895 stores with a total retail space of 535,659 m² in 45 provinces, 14 warehouses and an online market on carrefoursa.com, delivering 50 thousand types of products to more than 500 thousand customers.

The shareholding structure of CarrefourSA, publicly traded on Borsa Istanbul, as of December 31, 2022 is shown in the table 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 2-28

We partner with various institutions and organizations in line with the material social and environmental topics of CarrefourSA and Türkiye and actively participate in efforts to support 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 used 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 street animals.
Basic Needs Association (TİDER)	We have been a supporter of this association for 11 years, donating various products to Destek (Support) Market.
TOG (Community Volunteer Association)	We sell stationery sets to benefit TOG in the back-to-school periods and also deliver stationery sets to students in need through TOG.
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 2-28

Organization	Member Representing CarrefourSA
Foundation for Environmental Protection and Packaging Waste Recovery (ÇEVKO)	Tayfun Akusta
Turkish Food Safety Association (GGD)	Neşe Şenöz
Food Retailers Association (GPD)	Kutay Kartallıoğlu
Istanbul Chamber of Commerce (ITO)	Kutay Kartallıoğlu
Business Council for Sustainable Development	Bahar Tura
Leading Executives Advancing Diversity (LEAD Network)	Asude Gündoğdu, Bahar Tura, Melis Karatay Ebin, Tuğçe Mert
Association for Empowering and Developing Female Leaders in Retail Through Networking	Bahar Tura
Advertisers Association	Melis Karatay Ebin
Sales Network	Şenol Arpacı
Standard Pallet Association	Burçin Çelik
Sustainability Academy	Tayfun Akusta
Ornamental Plant Growers Union (SÜSBİR)	Bahar Tura
CCI France Turquie	Kutay Kartallıoğlu, Şenol Arpacı
Turkish Ethics and Reputation Society (TEİD)	Tuğçe Mert
Turkish Industry & Business Association (TÜSİAD)	Kutay Kartallıoğlu
Corporate Communication Professionals Association of Türkiye	Melis Karatay Ebin
Corporate Governance Association of Türkiye	Tuğçe Mert
UFRAD	Sebastien Ponce
International Investors Association (YASED)	Bulut Batum, Kutay Kartallıoğlu, Tuğçe Mert

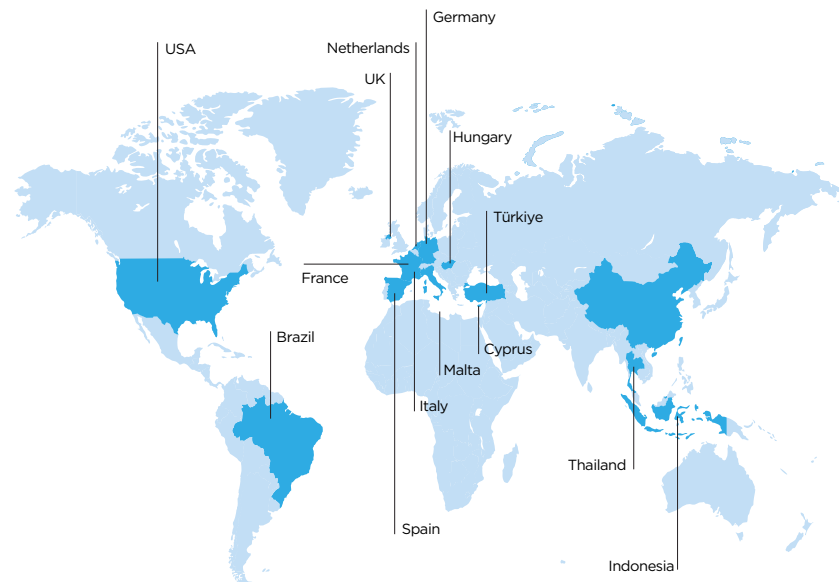
ABOUT H.Ö. SABANCI HOLDING

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

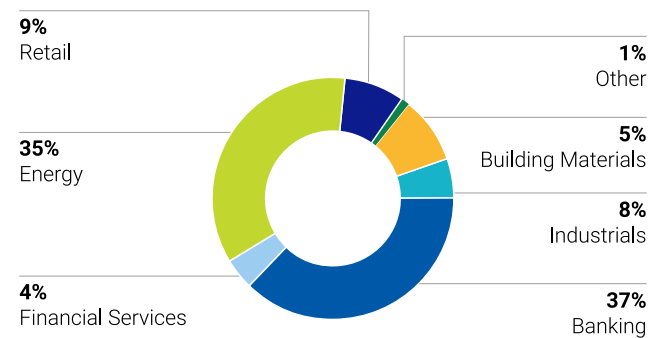
The objective of Sabancı Holding is to coordinate and support the finance, strategy, business development, legal, human resources and sustainability functions of Group companies to ensure that they operate profitably and sustainably with favorable competitive conditions and to set and monitor the corporate governance practices that apply across Sabancı Group.

Sabancı Group companies currently 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.

Sabancı Group continues to grow with its solid global footprint, thousands of employees and prominent global business partners.

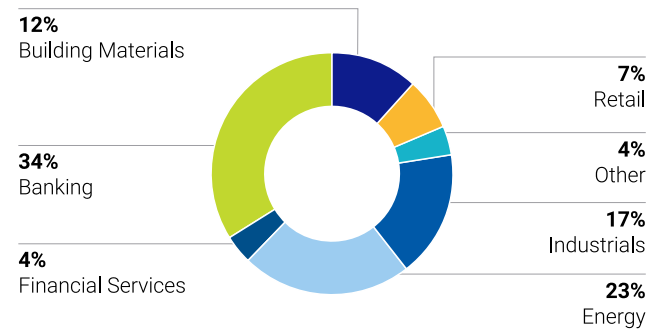


Combined Revenue* Shares



* Excludes Holding dividend income

NAV Shares



* Excludes cash

Sabancı Holding is registered with the Capital Markets Board and its shares have been listed in Borsa Istanbul since 1997. The Sabancı Family is collectively Sabancı Holding's majority shareholder, while 49.61% of the Holding's shares are publicly traded. Sabancı Holding's own shares as well as the shares of its listed 11 subsidiaries constitute 6% of the total market capitalization of the Turkish equity market as of year-end 2022.

Sabancı Group companies, leaders in their respective fields of operation, promote a culture of high performance and collaboration across their organizations and create added stakeholder value by upholding sustainability principles. In 2022, Sabancı Group posted TL 404 billion in combined revenues and TL 44 billion in consolidated net profit.

Banking AKBANK

Digital Customers
8.7 mn

ROA
6.2%

ATMs
+5,900

ROE
54.7%

CAR⁽¹⁾
20.8%

POS Terminali Sayısı
+734K

Active Customer Base (mn)
+3.2 mn active customers since 2020



⁽¹⁾: w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2021YE FX rate

Avg. monthly new customer vs 2020
Customer Acquisition: 3.8x
Customer Activation: 1.6x

Financial Services

AKSigorta

Total Assets
TL 12,8 bn

11.6% Paid-in Capital
TL 1,6 bn

Retention Ratio
51%

Shareholders' Equity
TL 1,9 bn

Premium Production
TL 13,6 bn

Market Share
6.9%

AGE SA

Pension&Auto-Enrolment Market Share
17.5%

Number of Customers
3.3 mn

Assets under Management Growth
79%

Life&Personal Accident Market Share
11.6%

Premium Production Growth
84%

Return on Equity
59%

Industrials

BriSA

Capacity
13.5 mn

Total Sales of Point
8,700

Countries
87

International Revenue
40%

KORD SA

Production Facilities
13

R&D Patents
509

R&D Center
2

International Revenue
100%

TEMSA

Bus Sales Volume
759

Light Commercial Vehicle Sales
1,130

Alternative Fuel Vehicle Sales
61

International Revenue
%56

TEM SA

Autorized dealers
23

Autorized services
31

Energy



Population
22 mn

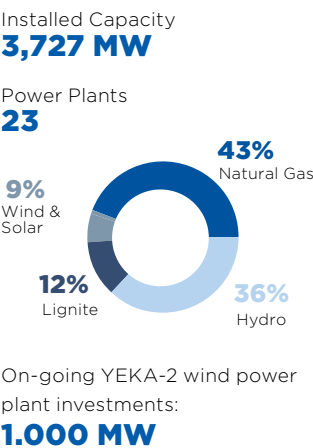
Customers
10,6 mn

Distribution Cities
14

Eşarj Stations
422

Regulated Asset Base
TL 19.9 bn

Network
317,757 km



On-going Solar Power Plant
Investment in US
272 MW

Venture Capital Investments in US
Safar Partners

Start-up investments in US
Commonwealth Fusion System & Quaise Energy

ABOUT CARREFOUR GROUP

With a multi-format global network of 14,438 stores, 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 2022, 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 335,000 employees, accounts for 80% of its consolidated gross revenues. Operations in other regions, including Türkiye, are managed through local partners.

Carrefour Group grew by 8.5% in 2022 and recorded Euro 90.8 billion in gross sales while its operating income increased by 4.6%, reaching Euro 2.4 billion.

Building Materials



Capacity
9.0 mn tons

Production Facilities
3 integrated plants,
4 domestic terminals
2 ports

FX in Revenue
30%

Alternative Fuel Usage
22%



Capacity
6.1 mn tons

Production Facilities
3 integrated plants,
1 international terminals

FX in Revenue
48%

Alternative Fuel Usage
25%



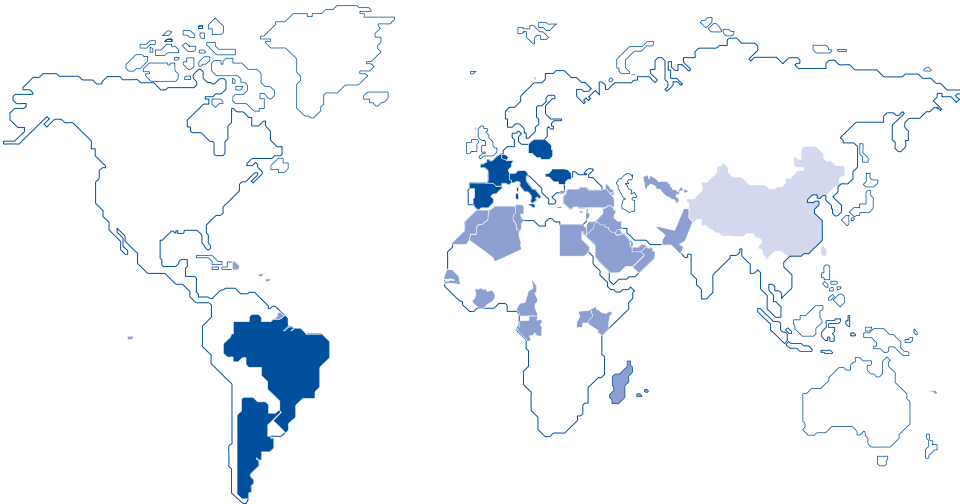
Capacity
850K tons

Production Facilities
1 plant in Spain,
grinding station in the USA,
4 international terminals

FX in Revenue
100%

Global sales network of 14.438 stores

France*	Brazil
5,755	953
Belgium	Spain
794	1,470
Poland	Italy
928	1,517
Romania	Other
403	1,906
Argentina	
622	



● Direct Operations ● Local Partnerships/Franchise ● China** ● Taiwan***

* Major cities
** According to the Carrefour China transfer agreement of 2019, stores will operate under the Carrefour title during the transition period.
*** Carrefour announced on July 19, 2022 an agreement to sell 60% of its shares in Carrefour Taiwan to Uni-President. The company’s Taiwan operations were reported as discontinued activities in 2022 in accordance with the IFRS 5 standards.

The performance of Carrefour Group, a global leader in sustainability, is assessed by various organizations and agencies every year. In 2022, Carrefour Group earned an “A” rating by CDP for its commitment against global warming and ranked among the leaders for the sixth consecutive time. Moody’s (formerly Vigeo Eiris) raised the Group’s score by nine points, elevating it to second place in the retail sector.

Ratings agency/index	2020	2021	2022
CDP Climate	A-	A	A
CDP FOREST			
Palm Oil	B	B	B
Soy	B	B	B
Cattle Products	B	B	B
Paper and Wood	B	B	B
CDP WATER	A-	A-	A-
OEKOM	Prime C+	Prime C+	Prime C+
DJSI – ROBECOSAM	73	71	71
MSCI	AA	A	AA
Moody’s (ex. VIGEO)	67	64	73

Retail



Market Share
3.7%

Sales Area
536K m²

Stores
895

Visitors
164 mn

Online Sales Growth
86%

Franchise
200



Sales Area
100K m²

New Customer Acquisition
2 mn

Stores
189

Online GMV Growth
136%

Increase in online SKU
22 times



Revenue Growth
193% in USD terms

Acquisitions
SEM and Radiflow

Global Footprint
60 countries

Offices Locations
5 countries

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	55	7	2	4

Board of Directors and Committees ²⁻⁹

The Board of Directors, the highest governing body, consists of 12 members as of 31.12.2022 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 - 2023
Laurent Charles René Vallée	Vice Chairman	18.03.2021	Ordinary General Assembly - 2023
Atıl Saryal	Independent Member	18.03.2021	Ordinary General Assembly - 2023
David Murciano	Member	18.03.2021	Ordinary General Assembly - 2023
Guillaume Jacques Edgard Laffont de Colonges	Member	18.03.2021	Ordinary General Assembly - 2023
Haluk Bal	Independent Member	18.03.2021	Ordinary General Assembly - 2023
Mevlüt Aydemir	Independent Member	18.03.2021	Ordinary General Assembly - 2023
Şerafettin Karakiş	Member	18.03.2021	Ordinary General Assembly - 2023
Zeynep Pelin Erkıralp	Member	18.03.2021	Ordinary General Assembly - 2023
Burak Turgut Orhun	Member	12.05.2021	Ordinary General Assembly - 2023
Bülent Bozdoğan	Independent Member	14.09.2021	Ordinary General Assembly - 2023
Sakine Şebnem Önder	Member	14.09.2022	Ordinary General Assembly - 2023

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 our Audit Committee is to oversee the operation and effectiveness of the Company's accounting system, financial reporting, public disclosure of financial statements, independent audit, 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 reviewing 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 ²⁻²⁰

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 committees. 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 Karakiş	Member	19.03.2021

Early Detection of Risk Committee

Early Detection of Risk Committee is formed 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 Önder	Member	14.09.2022

Appointment of the Board of Directors and Committees

Members are elected to the Board of Directors by the General Assembly in accordance with 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 to public. Members of the executive committee and the CEO do not serve on these committees.

Board of Directors – Structure and Duties ^{2-12, 2-15, 2-18, 405-1}

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.

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

Board of Directors – Structure	2020	2021	2022
Members	12	12	12
Independent Members	2	4	4
Female Members	1	2	2
Members with Executive Responsibilities	0	0	0

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.

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 stages:

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

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

<https://yatirimciiliskileri.carrefoursa.com/tr/finansal-bilgiler/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.



Our Corporate Risk Policy lays out the procedures regarding the assessment of the risks we may face due to the nature of our business within the scope of our Corporate Risk Management System, the timely communication of such risks to the company’s senior management, Early Detection of Risk Committee and the Board of Directors. It also includes guidelines 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 settings for adequate execution of 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 executing effective risk management within CarrefourSA and taking

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

the necessary measures (implementing policies, determining a method for measuring and managing risks, establishing 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 in all units, sites and business areas where we operate, to contribute to the growth, development and organization of CarrefourSA.

The **Risk Management Unit**, which has 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 regular audits and controls about reporting issues.

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

And finally, **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 and build an environment of continuous collaboration through effective management of the risk exposure.

Driven 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 complete them together with the control mechanisms and the action plans through surveys and workshops and then create a risk inventory. We review this inventory, which is expanded with the risk factors that the executive committee determines, both dynamically and also systematically once a year.

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 2022, CarrefourSA defined its risks in four main categories: strategic, financial, operational and compliance. Following a simplification of the inventory pursuant to the senior management's decision, 67 risks monitored in 2021 were classified into 20 risk groups under the same four main categories in 2022.

CarrefourSA Risk Inventory – Year-end 2022

CORPORATE RISKS	
Critical Risks	10
High Risks	9
Medium Risks	1
Low Risks	0
Total Risks	20

- In total, 150 KRIs monitored in 2021 were increased to a total of 205 KRIs in 2022 after reviewing the existing ones and adding new KRIs that need to be monitored. Following a simplification of the inventory, these 205 KRIs were categorized into 38 KRI groups.

CARREFOURSA RISK INVENTORY		
	Risk	KRIs
2021	67	150
2022	70	205
	Risk	KRI Groups
2022 New System	20	38

- The Early Detection of Risk Committee also addresses 10 critical risks (2 strategic, 4 financial, 3 operational and 4 compliance risks) through action plans and control mechanisms.

Climate Change Risks 201-2

Since climate change and related risks have a broad economic, social and environmental impact, these are addressed in multiple risk categories in our company.

Climate change has different levels of impact on different parts of the world. Similarly, its effects

will vary by regions in Türkiye. The rise in average temperatures will lead to a decrease in water resources in Türkiye, 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. Disruptions in economy 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.

For all these reasons, climate change has been identified as a material risk for CarrefourSA. We identify the climate change risks with the potential to impact our operations at all levels of the retail

industry and create 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 HVAC system emissions, improve energy efficiency and reduce CO₂ emissions in 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, flash 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 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 ready. 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
- › Material Stakeholders and Issues



SUSTAINABILITY APPROACH 2-9, 2-12, 2-13



We have defined our sustainability approach in line with the vision, strategy and policies of CarrefourSA. 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 reducing carbon emissions, single-use plastics and 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 submitted reports to CDP and also published sustainability newsletters quarterly to raise awareness across the organization. In 2022, we expanded the scope of CDP reporting with the Water and Forest modules, while we continued all activities as planned.

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.

A number of advantages that put us ahead of other companies also help us in shaping our approach:

- We primarily focus on following 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 increasing 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 issues 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.

Sustainability Roadmap



Act on climate emergency



Maximize our positive impact on people and society



Foster sustainable business models

The three Main Pillars of this Roadmap, which informs CarrefourSA's sustainability strategy are:

1) Act on Climate Emergency: In line with the group's 2050 net zero emissions and zero waste targets, we develop actions for energy efficiency, waste prevention and CDP reporting at CarrefourSA. These actions are explained in detail in the 'Environmental Responsibility' section of this report.

2) Maximize our Positive Impact on People and Society: We run various projects and engage in partnerships to create sustainable long-term value for our stakeholders. Our impact on our stakeholders, starting with our employees and customers, is covered in the Economic Contribution, Civic Investments, Employee Development and Customer Satisfaction sections of this report.

3) Foster Sustainable Business Models: The third pillar is about further embedding the responsible investment approach into our business and creating environmental benefit by going beyond the 'do no harm' principle. Therefore, we implement business ethics practices, adopt a private label product approach and develop business models that meet customer expectations, starting with sustainable farming, fishing and livestock.

We address digitalization in a separate category because we believe that it will facilitate our efforts to reach the targets in this focus area. We also implement innovative practices that contribute to improving customer satisfaction. Furthermore, we disclose our activities related to our human resource and corporate governance practices, which ensure that we maintain and strengthen our performance, transparently in this report.

STAKEHOLDER OPINION



As of today, the world is on track in only fifteen percent of the Sustainable Development Goals (SDGs), of which we are halfway through. For the third year in a row, global progress on the SDGs has been static. As Sabancı Holding, we are well aware that private sector investment and collaboration are essential to closing this gap throughout the remaining seven years until 2030.

In 2022, CarrefourSA again has done its share and put tremendous efforts to contribute as much as 13 SDGs. They orchestrated the relevant stakeholders to work together at the right time and place to solve complex sustainability problems such as the food waste. Their actions on nature varied from circular economy to decarbonization, while contributing the chronic and acute societal challenges, such as the devastating earthquake that hit Southern Türkiye in the early hours of 6 February, 2023. CarrefourSA leads its sector on sustainability with robust actions, making everyone keep hopes high toward a net zero world, and helps us to achieve our Group Purpose.

Derya ÖZET YALGI
Sustainability Director
H.Ö. Sabancı Holding

Carrefour Group's Sustainability Approach

Carrefour Group, a global leader in sustainability, has built its strategy (<https://www.carrefour.com/en/group/strategy>) on four pillars, one of which has the goal of making 'eating better' accessible to everyone. Accordingly, the group has defined its key performance indicators 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.

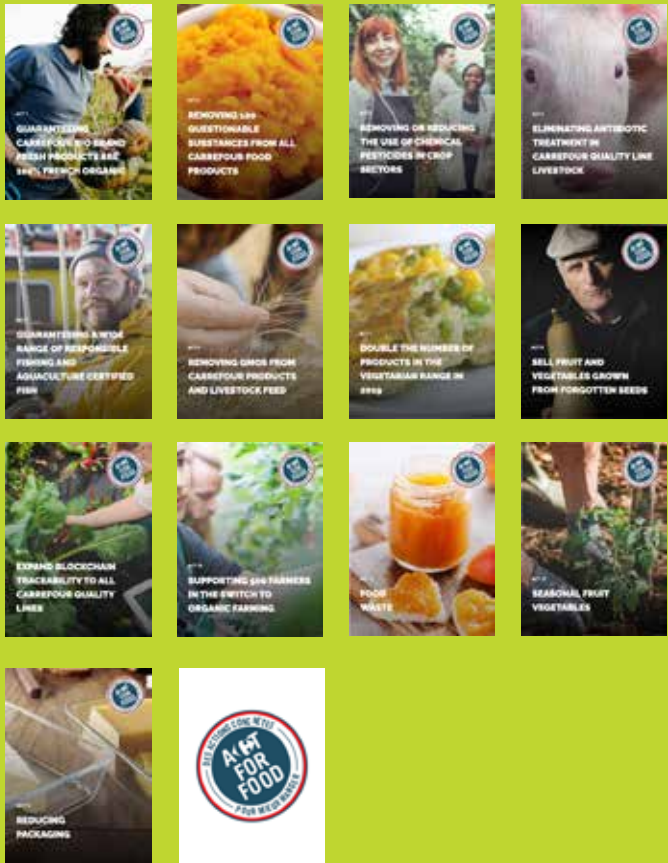
The Food Transition Index, which is disclosed transparently, is structured in four categories and the indicators and targets are reviewed annually. In 2022, 15 targets were met with an average of 109%, particularly as a result of reducing greenhouse gas emissions and packaging, employee engagement practices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

Carrefour Group Food Transition Index 2022

No	Category	Objective	2021	2022	2022 Score
PRODUCTS					103%
1	Sustainable Farming	Organic or agroecological products should account for 15% of fresh food product sales by 2025	4.6%	4.8%	91%
2	Raw Materials	100% of sensitive raw materials must be covered by a risk reduction plan by 2025	55%	61%	96%
3	Packaging	Packaging material consumption should be reduced by 20,000 tons by 2025 (total since 2017)	10,906	16,309	114%
		100% of packaging materials should be reusable, recyclable or compostable by 2025	46%	56%	
4	Animal Welfare	100% of the key objectives of our animal welfare policy should be implemented in all countries by 2025	54%	59%	101%
5	Supplier Commitment	300 suppliers should commit to the Food Transition Pact by 2025	114	204	113%
STORES					110%
6	Food Waste	Food waste should be reduced by 50% (vs. 2016)	-28%	40%	108%
7	Waste	100% of waste should be recovered by 2025	68%	75%	99%
8	CO2 Emissions	50% reduction in GHG emissions (scopes 1 and 2) by 2030 and 70% reduction by 2040 (vs. 2019)	-25%	-29%	138%
9	Partner Producers	45,000 local Partner Producers by 2025	38,359	37,758	97%
CUSTOMERS					103%
10	Food Transition program in stores	30-point improvement in the in-store customer survey on organic and local products, packaging and food waste reduction, health and nutrition by 2025	+9	+11	110%
11	Act for Food Programme	80% of our customers should believe that Carrefour helps them eat healthier and more responsible food at affordable prices by 2022	75%	74%	96%
EMPLOYEES					118%
12	Employee Engagement	Carrefour should achieve a minimum employee promoter score of 7.5/10 annually	8.3	8.2	128%
13	Gender Equality	35% of executives should be female (top 200) by 2025	24%	26%	99%
14	Training	At least 50% of employees should take training every year	81%	73%	146%
15	Employees with Disabilities	Employees with a disability to represent at least 4% of the total workforce by 2025	3.4%	3.7%	100%

Carrefour Group 'Act for Food' Programme

Carrefour Group launched the 'Act for Food' programme in 2018 to respond to the latest global developments and achieve its respective goals. The group focuses on developing practices targeting customer health and satisfaction, especially through fresh food and private label products and applications for suppliers.



At CarrefourSA, we use Carrefour Group's key performance indicators and programs and align them with the dynamics in Türkiye and stakeholder expectations.



STAKEHOLDER OPINION



'L'ambition du groupe Carrefour de devenir le leader de la transition alimentaire se traduit par des actions concrètes dans tous nos formats et tous les pays du groupe. Les challenges sociétaux de notre secteur que nous relevons avec CarrefourSA pour réduire notre empreinte sur la biodiversité, suivre une trajectoire de décarbonation de nos activités, être inclusif ou contribuer à la santé de nos clients par l'alimentation sont des priorités. Les résultats et l'engagement des équipes en Turquie sont une force pour Carrefour et pour notre performance extrafinancière globale.'

The Carrefour Group's ambition to spearhead the food transition is demonstrated through tangible actions across all store formats and countries. The societal challenges within our sector, addressed collectively by both the Carrefour Group and CarrefourSA, stand as top priorities. These encompass minimizing our impact on biodiversity, following the decarbonization path, fostering inclusivity and enhancing the well-being of our customers through food. The remarkable results achieved and the commitment of the teams in Türkiye serve as an impressive asset for Carrefour Group and our overall extra-financial performance.

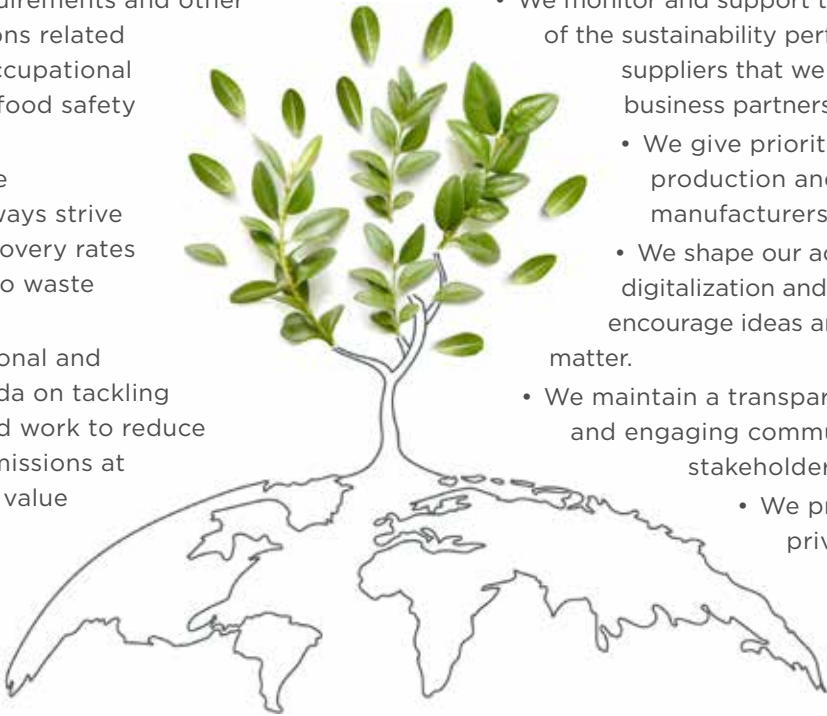
Bertrand SWIDERSKI
Chief Sustainability Officer
Carrefour Group

CARREFOURSA 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 food waste as 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 a transparent, accountable and engaging communication in our stakeholder relations.
- We protect the privacy, integrity and accessibility features of our information assets.

Sustainable Business Models

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



- We engage in **Private Label** efforts to create economic value and also address it from a social and environmental perspective. We run various programs to implement best practices in our industry by prioritizing customer satisfaction and health.



- Regarding **Sustainable Farming** practices, we monitor the production process in place by encouraging producers to use local seeds and share product information with our customers through the Traceable Safe Food Platform and the QR code 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 a business for local producers, ensure animal welfare, improve quality and efficiency and sell at accessible prices.



- Regarding **Sustainable Fishing**, we monitor the supply chain from production to the aisle and work with approved farms. The audits and practices carried out 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 the activities and under the umbrella of Sabancı Holding, we have ensured compliance to a significant extent. We plan to continue our work on enhancing compliance with these principles in 2023 by considering the benefit of all stakeholders, starting with the shareholders.

In 2022, CarrefourSA fully complied with 51 of the non-mandatory 56 principles and partially complied with two of these principles. This performance is a concrete 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 2022 is summarized in the table below:

Type	Full Compliance	Partial Compliance	Non-compliance	Not Applicable
General	12	-	-	-
Environmental	21	-	-	3
Social	15	2	-	-
Corporate Governance	2	-	-	-
Total	50	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 maximize the efficiency within our 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, Quality Assurance, Environment 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 developing and implementing projects. The committee may also form subcommittees when a specific focus is needed.

In addition to heading the committee, by 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, which is the senior governing body regarding sustainability topics, consists of the CEO and deputy general managers. The executive committee convenes

every week to address strategic and tactical issues, set targets and make high level decisions. Sustainability goals are among the individual performance goals of our senior executives, including the CEO.

This report has been prepared by the sustainability committee with external strategic consultancy and taken its final form based on feedback and approval by the executive committee and board of directors.

CarrefourSA Sustainability Committee

Member	Title
Ali Can Ertem	Head of E-Commerce
Asude Gündoğdu	Head of HR HQ Operations, Training and Organizational Development
Elif Keskin	Risk Management Manager
Ertan Nağış	Head of Private Label Category
Gamze Mengüç Sunel	Head of Field HR, Personnel Affairs, Payroll and Labor Relations
Gökhan Çakmak	Head of Customer Experience
Gürol Sungun	Head of Corporate Systems
Halit Nadir Gül	Head of Logistics
Hatice Kösalı	CMB, Investor Relations and Financial Services Manager
Kerem Daşdelen	Head of Technical Procurement and Maintenance
Melis Bozkurt	Head of Sales Coordination
Melis Karatay Ebin	Head of Marketing and Corporate Communications
Naime Bahar Tura	Chief HR and Sustainability Officer
Neşe Şenöz	Quality Assurance Manager
Nihal Yaman	Internal Purchasing Manager
Nur Sibel Öztürk	Head of CRM
Siyne Arslandök	Head of Internal Audit
Tayfun Akusta	Head of H&S, Quality Assurance, Environment and Sustainability
Tuncay Odabaş	Head of Fresh Food Category
Turgut Körtemur	Senior Sustainability Specialist
Vahit Onur Bayhan	Head of Non-Food Category
Vehbi Kerem Anlagan	Head of Dry Food and Beverage Category

KEY STAKEHOLDERS AND MATERIAL ISSUES

Stakeholders and Engagement Platforms 2-29

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

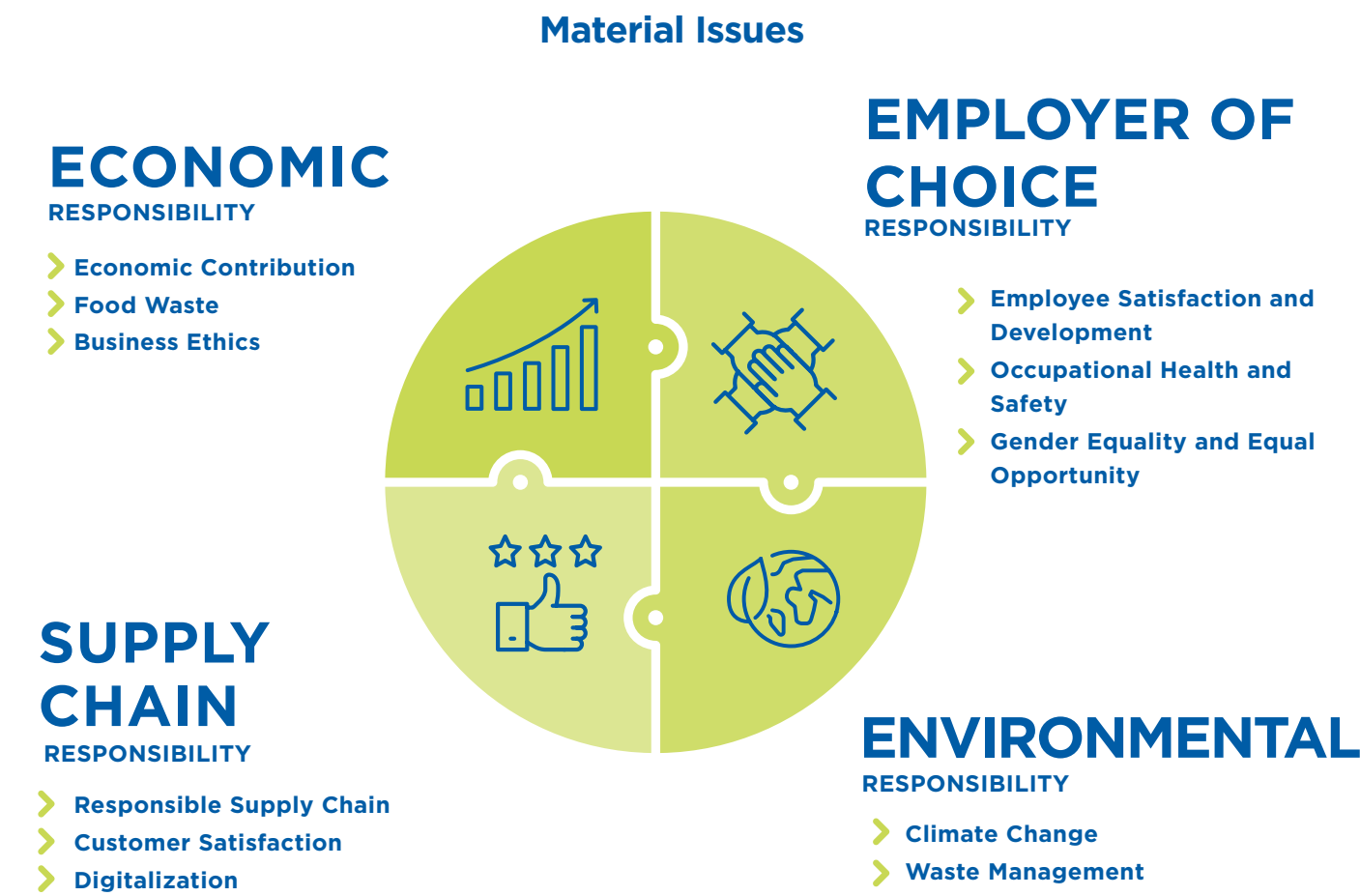
those of our subcontractors, our customers, our suppliers and our main shareholders - Sabancı Holding and Carrefour Group - and respond accordingly. The stakeholder groups identified through our work with sustainability committee members and our engagement platforms are listed below:

Stakeholder	Engagement Platform
Carrefour Group	Senior Management Meetings (regular), Project-based Meetings (as needed)
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 Meetings (annual), Meetings (regular), Regional Manager Visits (continuous), Satisfaction Surveys (every year)
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.)
Customers	Call Center and WhatsApp line (continuous), Social Media (continuous), carrefoursa.com (continuous), Assessments Surveys (continuous, with customers who opted in for communications), Net Promoter Score Survey (annual), Brand Health and Recognition Survey (continuous), Customer Reporting Line (continuous)
Public Institutions	Meetings with Ministries and Public Institutions (as needed for projects and specific topics)
Sabancı Holding	Sabancı Holding Audit Group Meetings (quarterly), Theme-based Task Force Activities (continuous)
Labor Union	OHS Committees (continuous), Meetings (continuous), Union and Employer Meetings (quarterly)
NGOs (General)	Meetings with NGOs and Partnerships for Different Projects (continuous)
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, Media Planning and Procurement Agency, PR Agency, Survey and Data Providers (continuous)

Material Topics 2-14, 3-1, 3-2

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 and referred to studies by global organizations such as SASB. In the end, we identified 11 corporate material issues, which aligned with the material issues of our brand partner Carrefour Group and the material sustainability issues of Sabancı Group, our parent company. These 11 material issues reflect our own strategies and policies and also include the targets set by the board of directors.

Our material issues make up the backbone of this report and consist of topics that cover our activities, working groups and key performance indicators. To ensure consistency, we explained our performance in each issue with relevant indicators. In this process, we referenced to 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 and share what measures we will take or we will revise our targets.



OUR CONTRIBUTION TO UN GLOBAL SUSTAINABLE DEVELOPMENT GOALS

Material Topic	Targets	Relevant SDG
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 working environment.	
Gender Equality and Equal Opportunity	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 in 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.	 

ECONOMIC RESPONSIBILITY

- › Economic Contribution
- › Food Waste
- › Business Ethics



ECONOMIC RESPONSIBILITY

We are a publicly traded company, hence our sustainability relies on economic success. Considering our shareholders, investors, employees, suppliers and other business partners, we have a 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 issues. 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, in alignment 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.



ECONOMIC CONTRIBUTION

ECONOMIC CONTRIBUTION APPROACH ³⁻³

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 equitable earnings and opportunities for its franchisees,
- Implement a fair pricing policy for its suppliers,
- Contribute to the economic growth of its partners,
- Fulfill its legal financial obligations, including taxes, completely and on time,
- Make a meaningful contribution to the social needs of the country especially in its impact.

ECONOMIC VALUE CREATION ²⁰¹⁻¹

We focus on growth and efficiency to create sustainable value and economy of scale. Our successful 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 PERFORMANCE INDICATORS		2020	2021	2022
Economic Contribution	Revenues (TL million)	7,915	9,368	19,198
	Loss Before Tax (%)	-3.4	-4.8	-1
	Retail Space (000 m ²)	525	508	536
	Sales per m ² (000 TL/m ²)	15.5	18.4	35.8
	Employees (Total)	12,980	12,274	13,717
	Direct Employment	11,032	10,174	10,663
	Indirect Employment	2,016	2,283	3,054
	Local Sourcing Ratio (%)	100	100	100
	Exports (TL million)	3	8	53
	Number of Stores	699	754	895
Ethics	Number of Franchises	24	72	200
	Number of Warehouses	10	12	14
	Ethics Training Completion Rate (%)	63	61	56
	Number of Ethics Investigations	231	462	205
Food Waste	Number of Employee Contract Terminations as a result of Ethics Investigations	149	174	131
	Ratio of Employees Covered by Collective Labor Agreement (%)	69	69	69
	Food Waste (tons)	6,116	7,952	15,062
	Ratio of the Economic Value of Food Waste to Revenues (%)	1.0	1.1	1.1
	Preserve Your Food Campaign	-	Launched	Ongoing
	WRI 10x20x30 Project	-	Launched	Ongoing
	Food Recovered for Resale (tons)	-	1	107

Key Financial Indicators	2020	2021	2022
Revenues (TL million)	7,915	9,368	19,198
Gross Profit (TL million)	2,113	2,577	4,800
Gross Profit Margin (%)	26.7	27.5	25.0
Loss Before Tax (TL million)	-272	-447	-210
Loss Before Tax Margin (%)	-3.4	-4.8	-1.0
Current Ratio	0.56	0.59	0.68
Liquidity Ratio	0.28	0.25	0.27

Key Operational Indicators	2020	2021	2022
Number of Stores (total)	699	754	895
Mini	228	256	259
Super	389	367	381
Hyper	30	28	23
Gourmet	28	31	32
Franchise	24	72	200
Number of Stores offering E-commerce	54	57	58
Retail Space (000 m ²)	525	508	536
Sales per m ² (000 TL/m ²)	15.5	18.4	35.8

CONTRIBUTION TO EMPLOYMENT ²⁻⁸

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 partners.

CarrefourSA Employees

Direct Employment	2020	2021	2022
Number of Employees	11,032	10,174	10,663

Employees of Subcontractors and Business Partners

Service	2020	2021	2022
Cleaning	718	513	626
Security	348	254	232
Service-Valet	40	29	38
Employee Meals	96	92	92
Logistics Warehouses	600	738	785
E-commerce Warehouse	13	34	60
E-commerce Shipping	68	183	141
Franchisees (*)	133	440	1,080
Total	2,016	2,283	3,054

(*): Franchise employee figures for 2021 are as of month-end January, 2022. The employees have increased in number in relation to the growth in franchise numbers.

We receive SSI (Social Security Institution) incentives for the jobs we create. ²⁰¹⁻⁴

Incentive	2020	2021	2022
SSI Incentive (TL m)	52.7	57.4	79.8

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

Region	2020	2021	2022
Istanbul	5,312	4,989	5,105
Aegean – Mediterranean	2,995	3,004	3,267
Central Anatolia, Black Sea, Eastern and Southeastern Anatolia	1,719	1,223	1,271
Marmara	1,007	959	1,020
Total	11,032	10,174	10,663

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 addition, we continue to hire employees through the apprenticeship program carried out in cooperation with the Ministry of National Education. As of year-end 2022, 33 people have been recruited through this program.



LOCAL SOURCING ²⁰⁴⁻¹

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 when purchasing from producers.

Purchasing	2020	2021	2022
Number of suppliers	4,208	4,137	3,583
Local Supplier Ratio (%)	99.7	99.7	99.9
Payments to Suppliers (cost of sales) (TL million)	5,802	6,788	18,605
Local Sourcing Rate (%)	100	100	100

INDIRECT ECONOMIC CONTRIBUTIONS ²⁰³⁻²

At CarrefourSA, we contribute indirectly to the national economy as well. Some examples of this indirect contribution include supporting local small businesses with the additional customer potential that our stores create in their locations, helping suppliers grow, 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 Constructors/Suppliers:** When we open new stores and renovate existing stores, we prefer to work with local suppliers, manufacturers and constructors in the respective cities and districts and select them from among teams with previous experience in the social

conditions of the location. With 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, farmers 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 with 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 ²⁰¹⁻¹

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	2020	2021	2022
TL million	434	563	736

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 TRNC, Poland, Georgia and France. We anticipate that Jordan, Uzbekistan and Italy will soon be added to our export markets. As a result, we indirectly support our local producers in their contribution to exports and national economy.

Export Revenues	2020	2021	2022
TL million	3	8	53

SUPPORTING WOMEN ENTREPRENEURS

As of year-end 2022, our franchise system has 25 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' with partnering businesses founded by female producers on March 8 at our hypermarket in İstinye, Istanbul. 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.
- **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 ^{201-1, 203-1}

- CarrefourSA, a supporter of **UNICEF** since 2015, continued this support in 2022 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.

- We have partnered with **Basic Needs Association (TİDER)**, an NGO that works for fairness and equality in people's access to basic needs, for 11 years. In 2022, CarrefourSA supplied 46 tons of products to Destek (Support) Market, which delivered these to 22 thousand people in need.
- We donate edible post-consumer food waste for stray animals as part of the Friends Movement project, made possible in cooperation with **HayKonFed**. With this partnership, 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.

- We signed an agreement to support **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. We donated the proceeds from recycling nearly 13 tons of waste oil collected in 2022 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 because we believe that a welfare society can only be possible with educated individuals.
- During the **Sabancı Republic Campaign**, organized by Sabancı Holding with the participation of volunteers from its subsidiaries, CarrefourSA partnered with Çevko Foundation for an environmental clean-up event in Aydos Forests and collected one ton of waste for recycling. During the Saving Food Harvests in partnership with the Food Recovery Association in Dikili and Gemlik, Sabancı volunteers harvested two tons of olives and eight tons of tomatoes. In total, ten tons of food was donated to the Food Recovery Association to be delivered to people in need.
- Our employees raised funds for various NGOs by running in the **Istanbul Marathon**.
- We hosted a webinar in partnership with **Fazla Gıda** (Surplus Food) and shared information about preventing food waste and loss.
- The **donations** made in 2022 amounted to TL 1,381,864.



ACTIVITIES CREATING ECONOMIC VALUE



We engage in various activities such as the franchising system, e-commerce, operator model and lean 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. We aim to expand our franchise network, which consists of 200 stores as of year-end 2022, by adding 200 more in 2023.

Franchisees	2020	2021	2022
Stores	24	72	200

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 2023.

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 2022, we launched a web-based portal for online tracking of orders, current accounts and payments. In 2023, plans and schedules have been prepared to migrate to a more efficient system with a change in ERP systems.

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 2022, we operate with 307 employees in 59 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 221 operators in 696 stores as of year-end 2022. 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 Management

Lean Management refers to an approach developed to prevent all kinds of waste and loss in the operational processes, accelerate the 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.

In order 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 introduced these practices in 700 stores by providing training for 8,309 employees. We 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 environment 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 documents 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 (full-time 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.

In 2022:

- 8,309 employees received lean training, consisting of 59 online sessions, 213 classroom sessions and on-the-job training in 84 stores.
- 1,858 assessments were conducted in 700 stores:
 - 377 stores improved their results above the Success Level (80 points and above).
 - 300 stores scored on the Development Level (60-79 points).
 - 23 stores remained below the Development Level (below 60 points).
 - The average of 68 points based on 512 assessments in 2021 rose to 80 points based on 1,858 assessments in 2022.
- Enhancement projects were prioritized:
 - Single POS use,
 - Improving the standard operating procedures and processes,
 - Standardizing the morning pre-opening tasks at the stores,
 - Improving price tag applications,
 - Improvements in store warehouses,

- C-Mobile regional manager control form,
- C-Mobile sales group head visit control form,
- C-Mobile store manager daily, weekly, monthly checkpoints,
- Employee suggestion system application,
- Expiration tracking reports,
- Store cockpit application.

2023 goals:

- Creating usable data,
- Bringing visibility for the results of the store assessments,
- Aligning objectives and results, using a single template for sharing and using them,
- Creating lean leader development programs,
- Improving the goods acceptance processes (shift from manual to digital),
- Improving the accounting processes (digitalizing the advance delivery receipts),
- Digitalizing the store shift schedules (assigning tasks and shifts to the store employees will be automated based on flexible work schedules, reducing the number of manual processes).

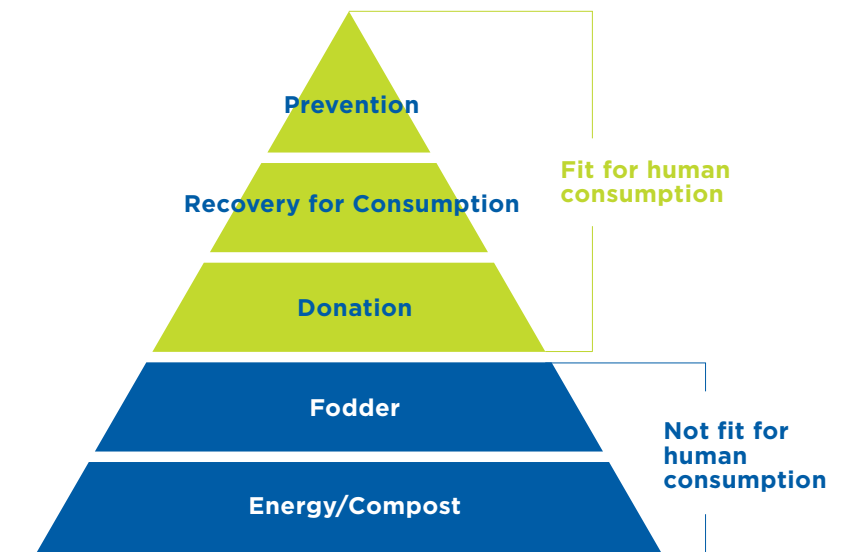
FOOD WASTE

FOOD WASTE APPROACH ³⁻³

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	2020	2021	2022
Food Waste (tons)	6,116	7,952	15,062
Revenue Loss (TL million)	80.9	105.0	200.5
Waste/Revenue Ratio (%)	1,0	1,1	1,0

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 for a longer period. 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.



the products that are past their expiry date but are still fit for human consumption to the economy.

In 2022, we made more than 5,000 donations to food banks, saving over 250 tons of food and non-food products. Our donations include packaged food, charcuterie, cleaning materials and hygiene products, legumes, essential food and cosmetics.

Food Waste	Waste (tons)	Food Donations (tons)	Conversion Rate (%)
Total (2022)	15.062	3,674	24,4

Too Good To Waste

We have been working on the ‘Too Good To Waste’ concept for a while. The objective of this project is to present a selection of pastry and bread group

products (such as bagels, pastries, croissants, etc.) that remain at the end of the day, food products nearing their expiration date, fresh produce fit for consumption and charcuterie group products in a box and sell them to customers at a discount. The project is inspired by Too Good To Go, an innovative business to consumer platform and mobile application for food retailers to sell unsold excess food. The project will prevent food from going to waste while it is consumable and offer our customers more affordable options.

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, which was 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. In terms of the total quantity of fruit and vegetable waste, nearly 5% was recovered.

10x20x30 Project

We have joined the “10x20x30” initiative introduced by the World Resources Institute (WRI) and committed to engaging with 20 of our priority suppliers to halve rates of food loss and waste by

2030. For this purpose, we set targets, measure and act on food waste. Our goal is to promote the reduction of food loss and waste by serving as a catalyst across the entire chain with this call-to-action to mobilize our suppliers and our customers.

Accordingly, we are taking actions to fulfill this commitment and managing food waste at the source, during production or in the stores by providing training and raising awareness among the employees. Furthermore, we are partnering with various companies to redesign the problematic processes we identify through technology and innovations.

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

BUSINESS ETHICS2-23, 2-24

BUSINESS ETHICS APPROACH3-3

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 PRACTICES2-25, 2-26

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	2020	2021	2022
Training Time (hours)	602	502	867
Completion Rate (Assignment/ Completion) (%)	63	61	56

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)
- Mail (to CarrefourSA Head Office Internal Audit Department)
- C-Mobil (app dedicated to CarrefourSA employees)
- Sabancı Holding Ethics Line (0212 385 85 85),
- Call Center (444 10 00)
- Sabancı Ethics Email (etik@sabanci.com)
- Direct Reporting by the Employees (to the Head Office Internal Audit and HR Departments)

More than half of the notifications on ethical issues are communicated via our ethics line. We review the notifications carefully and launch an investigation on the reported incidents if we identify an ethical violation. The relevant figures are disclosed transparently in this report to demonstrate our unwavering ethics commitment to all our stakeholders. Based on the reviews of the reported incidents, 691 investigations were launched in 2020, 1,036 in 2021 and 1,030 in 2022 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	2020	2021	2022
Reported Ethics Violations + Head Office-initiated Investigations	691	1,036	1,030
Number of Investigations Initiated	231	462	205
Number of Disciplinary Actions Imposed	863	1,012	934
Number of Employee Contracts Terminated	149	174	131

ANTI-BRIBERY AND ANTI-CORRUPTION 205-1, 205-2

We do not tolerate bribery and corruption under any circumstances. In line with the Sabancı Group anti-bribery and anti-corruption policy, 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 all our stakeholders to view. <https://kurumsal.carrefoursa.com/tr/hakimizda/politikalarimiz/rusvet-ve-yolsuzlukla-mucadele-politikasi>

The annual ethics training programs provided to the executives and employees include the topics specified in the anti-bribery and anti-corruption policy. 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 anti-bribery and anti-corruption policy is binding for 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 2-23, 2-24

In line with 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' Rights to Collective Bargaining 2-30

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 benefits, which are guaranteed in written terms. The ratio of employees covered by the collective bargaining agreement is 69%.

Employees Covered by Collective Agreement	2020	2021	2022
Employees Covered by Collective Agreement (%)	69	69	69

Human Rights Provisions in the Investment Agreements

The investment agreements covering new store openings and renovations, etc. 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 50 new store openings and renovations in different scales in 2022. 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 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.⁴¹³⁻¹

- 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 that may occur ⁴¹³⁻² 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 ^{408-1, 409-1, 414-1, 414-2}

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 behavior, 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 looking at wages and benefits, labor rights, discrimination against gender or vulnerable groups, health and emergency planning. 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 issues 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 subsequent years.

STAKEHOLDER OPINION



At Özay Law Office, where our dedicated team of nearly 70 professionals provides top-notch legal assistance, with a particular focus on compliance with both national and international regulations, we have had the privilege of serving as legal counsel for CarrefourSA. Our primary commitment is to approach legal matters from a commercial standpoint, ensuring swift action and tailored solutions that align seamlessly with our clients' company policies.

Having previously held the role of Legal Director for CarrefourSA and now serving as legal counsel through Özay Law Office as its founder, we have a long standing relationship with CarrefourSA.

Witnessing CarrefourSA's rapid growth to become an industry leader has been a source of great satisfaction. We eagerly anticipate many more years of collaboration, working in harmony to navigate legal complexities and contribute to CarrefourSA's continued success.

Being a part of CarrefourSA's sustainability endeavors aligns perfectly with our shared values. We commend CarrefourSA for its dedication to meeting customer needs and expectations while promoting sustainability initiatives.

We extend our best wishes for the ongoing success of CarrefourSA's environmental and sustainability awareness initiatives and express our gratitude for the significant steps taken toward minimizing negative impacts on such critical social and global issues.

Merter Özay
Özay Law Office



EMPLOYER OF CHOICE RESPONSIBILITY

- › Employee Satisfaction and Development
- › Occupational Health and Safety
- › Gender Equality and Equal Opportunity



EMPLOYER OF CHOICE RESPONSIBILITY

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

- Attract 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.

Accordingly, we aim to focus on young talents and create more 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 against 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.



EMPLOYEE SATISFACTION AND DEVELOPMENT

EMPLOYEE SATISFACTION AND DEVELOPMENT APPROACH 3-3

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 the 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.



KEY PERFORMANCE INDICATORS		2020	2021	2022
Employee Satisfaction and Development	Number of Employees	11,032	10,174	10,663
	Ratio of Employees on Permanent Contracts (%)	93	94	93
	Ratio of Full-time Employees (%)	99.7	99.9	99.9
	Ratio of Newly Hired Employees (%)	28	30	41
	Employee Turnover Rate	24	38	36
	Ratio of Employees Under 30 (%)	32	30	29
	Ratio of Newly Hired Employees Under 30 (%)	68	71	67
	Employee Loyalty Rate (*)	-	-	52
	Average Training Hours	7.5	14.1	14.3
	Graduates of the MAYA Program	89	208	18
Occupational Health and Safety	Number of OHS Committees	39	39	39
	Number of Workplace Accidents	235	312	316
	Ratio of Workplace Accidents	4.51	5.73	4.63
	Number of Fatal Workplace Accidents	0	0	0
	Number of Workplace Accidents with Serious Injury	0	0	0
Gender Equality and Equal Opportunity	Occupational Disease Ratio	0	0	0
	Female Employment Ratio (%)	35	37	39
	Ratio of Female Executives (%)	29	26	27
	Women's Representation on the Board (%)	8	17	17
	Ratio of Women in Promotions (%)	27	40	43
	Ratio of Women in New Recruitments (%)	39	46	51
	Ratio of Women in Employee Turnover	40	40	47
	Gender Pay Gap (%)	97	96	96
	Number of Franchisees Founded and Managed by Women	7	13	25
	Completion Rate of Gender Equality Training (%)	81	74	80
	Rate of Return to Work After Maternity Leave (%)	96	80	90
	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 (%)	74	85	72
	Ratio of Employees Staying on the Job for Minimum 12 Months After Paternity Leave (%)	88	82	89
	Ratio of Employees with Disabilities (%)	2.4	2.5	2.6

(*) White-Collar

EMPLOYMENT ²⁻⁷

We provide direct employment for more than 10,000 people. In 2023, we aim to create additional 3,000 jobs.

Employee statistics as of year-end 2022:

- 76% are blue-collar,
- 93% are on permanent employment contracts,
- 99.9% work full time,
- 29% are under 30,
- 48% are based in Istanbul.

Employees by Position (%)	2020	2021	2022
Executive Committee	0.1	0.1	0.1
Department Heads	0.3	0.3	0.3
Managers	0.9	0.9	1.1
Supervisors	0.8	0.9	0.9
Senior Specialists	0.8	1.0	1.5
Specialists	1.8	2.1	2.1
Junior Specialists	0.6	0.4	0.3
Store & Warehouse Managers	5.8	5.8	5.9
Store & Warehouse Supervisors	11.7	12.5	11.8
Blue-collar Workers	77.2	76.0	76.1
Total	11,032	10,174	10,663

Employees by Type of Employment Contract (%)	2020	2021	2022
Employees on Temporary Employment Contracts (%)	7	6	7
Employees on Permanent Employment Contracts (%)	93	94	93
Total	11,032	10,174	10,663

Employees by Types of Employment Contract and Regions

Region	2020			2021			2022		
	Total	Temporary (%)	Permanent (%)	Total	Temporary (%)	Permanent (%)	Total	Temporary (%)	Permanent (%)
Istanbul	5,312	8.3	91.7	4,989	5.7	94.3	5,105	3.3	44.5
Aegean – Mediterranean	2,995	5.7	94.3	3,004	7.8	92.2	3,267	2.2	28.5
Central Anatolia, Black Sea, Eastern and Southeastern Anatolia	1,719	5.7	94.3	1,223	4.0	96.0	1,271	0.5	11.5
Marmara	1,007	7.5	92.5	959	6.0	94.0	1,020	0.5	9.0
Total	11,032	7.1	92.9	10,174	6.2	93.8	10,663	6.5	93.5

Full-time and Part-time Employees (%)	2020	2021	2022
Part-time	0.3	0.1	0.1
Full-time	99.7	99.9	99.9
Total	11,032	10,174	10,663

Employees by Age Groups and Positions

Position	2020				2021				2022			
	Total	30- (%)	30-50 (%)	50+ (%)	Total	30- (%)	30-50 (%)	50+ (%)	Total	30- (%)	30-50 (%)	50+ (%)
Executive Committee	9	0	89	11	8	0	63	38	8	0	63	38
Department Heads	35	0	80	20	32	0	81	19	33	0	85	15
Managers	97	0	95	5	93	0	92	8	113	0	90	10
Supervisors	85	4	87	9	87	6	88	7	94	3	90	6
Senior Specialists	91	3	92	4	100	6	90	4	159	13	84	3
Specialists	202	22	76	2	213	31	68	1	224	36	63	1
Junior Specialists	69	48	49	3	42	64	31	5	32	63	34	3
Field White-collar Store - Warehouse Manager	635	5	93	2	591	4	93	3	630	4	93	3
Field White Collar Store - Warehouse Supervisor	1,295	19	80	1	1,273	21	78	1	1,254	18	79	3
Blue-collar Workers	8,515	38	58	4	7,736	35	60	5	8,116	33	61	6
Total	11,032	32	64	4	10,174	30	65	4	10,663	29	66	5

New Recruitment and Employee Turnover ⁴⁰¹⁻¹

In 2022, new recruitment reached approximately 41% with a year on year increase of 35%. Cities other than Istanbul accounted for 55% of new recruitment. Meanwhile, employee turnover rate was 36% in 2022. The high rate of turnover in the Aegean and Mediterranean regions is mostly due to seasonal or temporary employees. Nearly 750 people are employed during the high season of stores in holiday destinations.

New Recruitment and Employee Turnover Rates (%)	2020	2021	2022
New Recruitment	3,046	3,146	4,256
New Recruitment Ratio (to Average Number of Employees) - %	28	30	41
Employee Turnover	2,579	4,045	3,723
Employee Turnover Ratio (to Average Number of Employees) - %	24	38	36

New Recruitment by Regions

New Recruitment	Total	Istanbul (%)	Aegean – Mediterranean (%)	Marmara (%)	Central Anatolia, Black Sea, Eastern - Southeastern Anatolia (%)
2020	3,046	47	34	10	9
2021	3,146	43	42	10	5
2022	4,256	45	39	11	5

Employee Turnover by Regions	Total	Istanbul (%)	Aegean – Mediterranean (%)	Marmara (%)	Central Anatolia, Black Sea, Eastern - Southeastern Anatolia (%)
2020	2,579	47	32	13	9
2021	4,045	40	34	9	16
2022	3,723	47	38	11	4



Young Talents ⁴⁰¹⁻¹

In 2022, 16 new university graduates were hired for store management positions after completing the Field-MT program. Furthermore, 13 young talents joined our company in 2022 as part of the Career Log-In Management Trainee project, which was first launched in 2019 in the head office business units to attract young talent to the company with the “Sabancı of New Generation” vision and culture. With the selection and evaluation process ongoing, we plan to bring in even more young talents to our company through this program. As of year-end 2022, 73% of our employees are Gen Y, with an average age of 35.7.

As of year-end 2022, employees under 30 constitute:

- 29% of the total workforce,
- 67% of new recruitments,
- 64% of employee turnover.

Employee Ratios by Generation (%)	2020	2021	2022
BB	0.4	0.3	0.2
X	22.2	21.6	20.7
Y	74.8	74.6	73.3
Z	2.5	3.5	5.8

New Recruitment by Age Groups

New Recruits by Age Groups	Total	30- (%)	30-50 (%)	50+ (%)
2020	3,046	68	31	1
2021	3,146	71	27	1
2022	4,256	66.6	31.7	1.8

Employee Turnover by Age Groups

Employee Turnover	Total	30- (%)	30-50 (%)	50+ (%)
2020	2,579	64	33	3
2021	4,045	57	40	3
2022	3,723	64	33	3



EMPLOYEE SATISFACTION

Ensuring the satisfaction and loyalty of our employees, our key stakeholders, is among our material issues. 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 2022, we conducted an employee engagement and satisfaction survey among our white-collar employees. The survey results showed an engagement rate of 52% and a satisfaction rate of 89%.

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 ones to help them adapt to our company and their respective departments.

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.

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 Activities

- We publish periodic **CarrefourSA Well-being Newsletters** and **CarrefourSA Monthly Newsletters** for our employees to share mobile content on various areas of interest. Since the early days of the pandemic, we emailed nearly 50 editions of the CarrefourSA Well-being Newsletter to all employees. The content of the newsletter focuses on all internal communication activities organized in the previous month and the current month, as well as event and workshop suggestions for special days.
- We reopened our **C4Fit Gym**, which was temporarily closed during the pandemic. We also organize a **Wellness and Sports Festival** every year to raise awareness on May 19, Commemoration of Atatürk, Youth and Sports Day.
- We also offered training programs on **food literacy** to support people in making the right choices for healthy eating. The training topics included 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 the projects we organize as part of the **Sabancı Republic Campaign** on sustainability topics that concern the whole country.

EMPLOYEE BENEFITS

Remuneration and Other Benefits 2-19, 2-20, 201-3

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, the 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 managed by using remuneration policies, which are set 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 workers are organized with the Tez-Koop-İş labor union. Salaries and benefits are managed according to the three-year agreements with the labor union. The current collective bargaining agreement covering the 2021-23 period was signed on May 21, 2021. 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 payment in addition to the salary. 401-2.

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 DEVELOPMENT

Training Programs

We recognize that our human resources are 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 core training categories offered to the employees on general and need-based topics at **CarrefourSA Academy** include the following:

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

Annual Average Training Hours 404-1 by Positions

Position	2020	2021	2022
Executive Committee	-	5.6	0.4
Department Heads	0.8	29.8	35.1
Managers	0.9	31.9	29.5
Supervisors	1.2	27.8	33.9
Senior Specialists	1.1	13.9	26.0
Specialists	4.5	15.7	20.7
Junior Specialists	1.6	9.6	32.6
Store & Warehouse Managers	6.4	28.5	27.7
Store & Warehouse Supervisors	35.3	60.5	43.4
Blue-collar Workers	3.5	5.3	7.6
Total	7.5	14.1	14.3

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 trainings to their employees.

Talent Management Programs 404-2

In order 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 Sabanci University – EDU. The program includes classroom trainings as well as CarrefourSA applications and projects.

Performance and Career Assessments 404-3

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 shaped for this purpose, employees work on their personal career goals associated with the company targets and develop competencies in their focus areas. At the end of the year, together with their superiors they evaluate their performance in these areas through mutual feedback.

All white-collar employees undergo an annual performance appraisal. As part of the Organizational Success Planning (OSP), an average of 1,200 employees are assessed every year and their career paths are defined. Nearly 50% of our white-collar employees (store and warehouse managers and the specialists and higher positions in the head office) are included within this appraisal process. Blue-collar workers are not part of the performance appraisal process.

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 participating in the MAYA program receive classroom trainings 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.

MAYA Program	2020	2021	2022
Participants	98	234	93
Graduates	89	208	18
Appointments	40	99	61

- **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. 67 assistant managers were included in this program in 2020, 45 in 2021 and 145 in 2022.

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY APPROACH 3-3

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 complying 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, 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 is based on Law No. 6331 on occupational health and safety and relevant regulations and applies to all employees. 403-1

OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

Pursuant to our legal obligations, we directly employ workplace physicians and occupational safety specialists in 10 of our logistics warehouses, classified as 'dangerous' workplaces and in 28 stores, classified as 'less dangerous' workplaces with more than 50 employees. Regarding 650 workplaces, 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 required intervals determined according to the number of employees.



- As of year-end 2022, there are OHS committees at 28 stores, classified as less dangerous workplaces with more than 50 employees and 10 warehouses, classified as dangerous workplaces. We support all related processes at other stores with fewer than 50 employees through head office.
- 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 the discussions. All employees report the hazards or risks they detect to the employee representative to facilitate action. ⁴⁰³⁻⁴

Risk Management ⁴⁰³⁻²

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.

In this context, occupational safety experts 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 identifying, assessing and checking 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 10 warehouses and 28 stores to meet our legal obligations. We outsource this service to specialists from organizations 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.



The OHS measures and practices, which the suppliers providing services as part of renovations and new store openings are required to implement, are covered by provisions in the agreements. ⁴⁰³⁻⁷

All employees or employees of our subcontractors ⁴⁰³⁻⁵ receive OHS training directly or via subcontractors. This training consists of face-to-face and online sessions. 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 training they receive before starting work.

Our occupational health services ⁴⁰³⁻³ 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.

Specific OHS manuals have been created for each 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 the 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 403-2, 403-9, 403-10

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 workplace 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. All employees, subcontractors and customers are covered by these procedures.

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.

Workplace Accidents	2020	2021	2022
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	141	182	145
Total Number of Accidents	235	312	316
Workplace Accident Rate (based on Injuries with Lost Days)	4.51	5.73	4.63

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	2020	2021	2022
Number of Fatal Occupational Diseases	0	0	0
Number of Occupational Diseases Resulting in Serious Injury	0	0	0
Total Number of Occupational Diseases	0	1	0
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

GENDER EQUALITY AND EQUAL OPPORTUNITY

GENDER EQUALITY AND EQUAL OPPORTUNITY APPROACH 3-3

At CarrefourSA, we do not tolerate any kind of gender discrimination. 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, etc.
- 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, etc.
- 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 differences will not be tolerated.

VALUING OUR FEMALE EMPLOYEES 2-7, 401-1, 404-1, 405-1, 405-2

Gender equality is a cornerstone of development and a critical step that must be taken for the national and global economy to develop. As a company, we appreciate the value of women's labor and contribution to employment. 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 2022:

- 39% of all employees, 38% of the Executive Committee and 27% of the managers and higher positions are women.
- 43% of the employees who received a promotion and 51% of the new recruits are women, who also account for 47% of employee turnover.
- Average gender pay gap (salaries of female employees to males) is 96% 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 14.3 hours, which rises to 15.1 hours among female employees.
- 25 of our franchisees have female managers.



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.

Employees by Gender									
Position	2020			2021			2022		
	Total	Female (%)	Male (%)	Total	Female (%)	Male (%)	Total	Female (%)	Male (%)
Executive Committee	9	22	78	8	38	63	8	38	63
Department Heads	35	17	83	32	22	78	33	27	73
Managers	97	34	66	93	27	73	113	35	65
Supervisors	85	34	66	87	48	52	94	46	54
Senior Specialists	91	58	42	100	57	43	159	55	45
Specialists	202	50	50	213	51	49	224	53	47
Junior Specialists	69	55	45	42	50	50	32	28	72
Field White-collar Store & Warehouse Managers	635	14	86	591	17	83	630	20	80
Field White-collar Store & Warehouse Supervisors	1,295	24	76	1,273	26	74	1,254	27	73
Blue-collar Workers	8,515	38	62	7,736	40	60	8,116	42	58
Total	11,032	35	65	10,174	37	63	10,663	39	61

Promotions by Gender									
New Position	2020			2021			2022		
	Number of Promotions	Female (%)	Male (%)	Number of Promotions	Female (%)	Male (%)	Number of Promotions	Female (%)	Male (%)
Executive Committee	0	-	-	0	-	-	-	-	-
Department Heads	0	-	-	4	75	25	5	60	40
Managers	4	25	75	12	8	92	14	50	50
Supervisors	1	0	100	20	60	40	18	50	50
Senior Specialists	0	-	-	32	50	50	51	55	45
Specialists	6	0	100	51	49	51	22	64	36
Junior Specialists	0	-	-	5	0	100	3	33	67
Field White-collar Store & Warehouse Managers	70	26	74	35	29	71	74	34	66
Field White-collar Store & Warehouse Supervisors	76	30	70	172	39	61	130	38	62
Total	157	27	73	331	40	60	317	43	57

New Recruitment by Gender

Gender	2020	2021	2022
Female	39	46	51
Male	61	54	49
Total	3,046	3,146	4,256

Employee Turnover by Gender

Gender	2020	2021	2022
Female (%)	40	40	47
Male (%)	60	60	53
Total	2,579	4,045	3,723

Average Salaries of Female Employees by Position

Position	Average Salaries of Women/ Average Salaries of Men (%)		
	2020	2021	2022
Executive Committee	87	91	90
Department Heads	102	86	95
Managers	114	115	112
Supervisors	93	96	111
Senior Specialists	88	88	87
Specialists	96	94	92
Junior Specialists	99	99	95
Field White-collar Store & Warehouse Managers	100	100	101
Field White-collar Store & Warehouse Supervisors	92	95	87
Blue-collar Workers	95	95	94
Total Employees	97	96	96

Employees on Permanent and Temporary Contracts by Gender

Gender	2020			2021			2022		
	Total	Temporary (%)	Permanent (%)	Total	Temporary (%)	Permanent (%)	Total	Temporary (%)	Permanent (%)
Female	3,908	9	91	3,760	9	91	4,161	11	89
Male	7,124	6	94	6,414	5	95	6,502	4	96
Total	11,032	7	93	10,174	6	94	10,663	7	93

Part-time and Full-time Employees by Gender

Gender	2020			2021			2022		
	Total	Full-time (%)	Part-time (%)	Total	Full-time (%)	Part-time (%)	Total	Full-time (%)	Part-time (%)
Female	3,908	99.7	0.3	3,760	99.8	0.2	4,161	99.8	0.2
Male	7,124	99.6	0.4	6,414	100.0	0.0	6,502	100.0	0.0
Total	11,032	99.7	0.3	10,174	99.9	0.1	10,663	99.9	0.1

Annual Training Time by Gender

Gender	2020	2021	2022
Female	6.3	14.1	15.1
Male	8.1	14.2	13.7
Total	7.5	14.1	14.3

Franchise Ownership/Management by Gender

Gender	2020	2021	2022
Franchisees with Female Investors and Managers	7	13	25
Total Franchisees	24	72	200



PRACTICES EMPOWERING WOMEN

Gender Equality Training

All our employees take the annual gender equality training. As of year-end 2022, 81% of our employees have received this training (in or before 2022).

Gender Equality Training	2020	2021	2022
Training Time (hours)	1,220	1,355	2,231
Completion Rate (Completion/Assignment) (%)	81	74	80

Practices for Mothers and Parental Leaves ⁴⁰¹⁻³

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 a nursery for 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	2020	2021	2022
Employees Eligible for Maternity Leave	209	199	236
Employees Taking Maternity Leave (%)	100	100	100
Employees Eligible for Paternity Leave	303	283	283
Employees Taking Paternity Leave (%)	100	100	100
Employees Eligible for Parental Leave - Total	512	482	519
Employees Taking Parental Leave (%)	100	100	100
Employees Returning to Work after Parental Leave	2020	2021	2022
Female Employees	206	204	212
Ratio of Female Employees (%)	96	80	90
Male Employees	303	283	283
Ratio of Male Employees (%)	100	100	100
Total Employees	509	487	495
Ratio of Total Employees (%)	98	90	95
Employees Staying on the Job after Parental Leave	2020	2021	2022
Female Employees	150	176	169
Ratio of Female Employees (%)	74	85	72
Male Employees	258	249	253
Ratio of Male Employees (%)	88	82	89
Total Employees	408	425	422
Ratio of Total Employees (%)	82	83	85

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 UN Global Compact, demonstrating our commitment to promoting gender equality globally. We also report our performance in this area to the WEPs platform. 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 2.6% of our total workforce.

- Shifts end at 8.00 p.m. 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.
- To improve the efficiency of OHS training programs, we provide them in sign language for our speech- and hearing-impaired employees.

Employees with Disabilities	2020	2021	2022
Number of Employees	268	259	280
Ratio of Employees (%)	2.4	2.5	2.6

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 they want 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 offerings.

Low Cash Registers

Some of our stores feature low cash registers to assist our disabled customers in 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, conference halls, 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.

Stores with IL systems: Marmara Park Beylikdüzü, İstanbul Forum Bayrampaşa, Marmara Forum Merter, Acıbadem, Maltepe Park, İzmir Balçova, Marmaris, İstinye, Adana, İçerenköy, Avcılar, Sefaköy, Pendik, Mersin, Fulya



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

KEY PERFORMANCE INDICATORS		2020	2021	2022
Responsible Supply Chain Practices	Number of Private Label Products	483	483	510
	Number of Organic Private Label Products	49	44	42
	Organic Private Label Product Sales (TL million)	22.5	27.5	55
	Sustainable Livestock – Animal Welfare Audits (in Suppliers)	1	4	8
Customer Satisfaction	Hygiene and Food Safety Audits (in Stores and Warehouses)	1.286	1.283	1.517
	Quality Audits (in Suppliers)	284	317	273
	Number of Products Analyzed	2.221	2.037	1.845
	Ratio of Products Withdrawn from Aisles after Product Analyses (%)	3	2	1
	Number of Private Label Dried Food and Charcuterie Items Checked for Quality (in Warehouses)	23.064	25.780	14.904
	E-commerce Assistance Request Rate (%) – (Note: the lower, the better)*	43,2	24,6	17,7
	Complaint Rate for E-Commerce (%)*	11,1	6,1	3,8
	Net Promoter Score *	44,4	50,8	48,8
	Customer Satisfaction Rate *	-	35,3	34,2
	Average Customer Problem Resolution Time (Hours)*	108	65,5	8,6
	Active Loyalty Program Members	5 m	6,5 m	8,7 m
	Product Shelf Availability (%)	96	95	94
	Gourmet Stores	28	31	32
	'Lezzet Arası' Restaurants	13	14	14
	Number of Sensory Analyses	75	167	228
Digitalization	Number of Stores Offering E-commerce	54	57	58
	E-commerce Orders (million)	1.4	3.5	3.0
	Number of Processes with Robotic Optimization	18	33	38

(*): Calculated as year-end values.

RESPONSIBLE SUPPLY CHAIN PRACTICES

RESPONSIBLE SOURCING APPROACH ³⁻³

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 business continuity, we have been developing inclusive approaches to different food sectors. In this process, we partner 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.

Our responsible sourcing policy defines the core principles below:

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 the same sensitivity toward our suppliers.
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 are considered 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.

From 2022 onward, we will also monitor our suppliers' impact on people and the environment and their approach to ethical and social issues across their operations through social audits, starting with private label product suppliers.

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. 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 2023.

SUSTAINABLE BUSINESS MODELS

PRIVATE LABEL

Our approach to the development of private label products is informed by 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, echoing CarrefourSA's sustainability focus.

As of year-end 2022, we offer 510 private label products, consisting mostly of food items. This broad product range 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.

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. These practices are addressed under three headings: 'Right Product', 'Right Supplier' and 'Right Quality'.

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 review their ingredients and make sure that the recipes 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 initiatives such as CDP Forest (Carbon Disclosure Project Forest) 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, 76 types of packaging have been analyzed with 1,048 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 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	2020		2021		2022	
	Number of Products	Sales (TL million)	Number of Products	Sales (TL million)	Number of Products	Sales (TL million)
Türkiye	49	21,2	44	26	42	52
Exports	25	1,3	24	1,5	31	3
Total		22.5		27.5		55

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 and Halloumi 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.

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

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 production 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 veterinary-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.

Supplier Audits	2020	2021	2022
Audited Suppliers	25	22	22
GFSI (Global Food Safety Initiative) Approved Suppliers	22	22	23

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. We conduct 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 internally 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 including shelter and a comfortable resting area,
- Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment,
- Freedom to express normal behavior by providing sufficient space, proper facilities and company of the animal's own kind,
- Freedom from fear and distress by ensuring conditions and treatment that avoid mental suffering.

Animal Welfare Audits	2022	2021	2022
Livestock Suppliers	-	2	4
Private Label Organic and Free-range Egg Suppliers	1	2	4
Total	1	4	8

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.

46% of the Carrefour branded eggs and 45% of the national branded eggs we sold in 2022 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 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.

Fish Sales	2020	2021	2022
Total Sales (tons)	12,000	11,000	13,000
Caught fish (%)	13.5	9.9	32.2
Farmed fish (%)	65.0	56.6	36.7
Imported fish (%)	13.0	21.3	18.5
Other fish (%)	8.6	12.2	12.6
Ratio of Caught Fish/ Farmed Fish (%)	20.7	17.4	87.6

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 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, İzmir 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 2022, we sell fish in 405 stores and actively work with 92 aquaculture companies. Farmed fish accounts for the majority of our seafood sales revenues.

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

304-2

Biodiversity refers to the diversity of life forms found within an ecosystem or around the world. It is crucial for a healthy planet and human well-being. 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 locations 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. They function as our planet's lungs and help regulate climate. Forests are the second largest body that sequesters carbon dioxide after the oceans. In addition to being home to wildlife on land, they offer livelihood to more than a billion people.

The growing need for agricultural land and daily consumed products such as packaging, paper, etc. are among the main reasons for deforestation and the loss of forest areas. Fauna and flora lose their natural habitats due to deforestation as greenhouse gases increase. People who depend on forests for their livelihood are also impacted negatively from deforestation.

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.

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

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.

Our dependence on forest risk commodities (% of total annual expenditure):

- Timber and Paper/Pulp: 6%
- Palm oil and derivatives: 0.01%
- Cattle Products: 6%
- Soy and soy derivatives (operation): 0.004%
- Soy and soy derivatives (animal fodder): 3%
- Coffee and coffee products: 0.08%
- Cocoa and cocoa products: 0.07%
- Rubber and rubber products: 0.001%

CarrefourSA and private label products transparently. The information we share includes the suppliers' use of products containing forest risk commodities, country and region of production, the quantities used and related certification, etc.

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 wood 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 forest module for the first time. Having earned a score of B (Management) in all forest modules based on the evaluation results, we aim to rank as a leader and be a pioneer in area 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 2022, our certified palm oil and derivatives accounted for 5.5% 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 2022, our certified soy and derivatives accounted for 88% 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 2022, our certified timber and paper/pulp accounted for 33% 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 2022, our certified coffee and coffee products accounted for 86.5% 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 ³⁻³

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.

Cocoa and Cocoa Products: In 2022, we did not source any certified cocoa and cocoa products. Our goal is to increase this rate to 100% by year-end 2025 and for all procured commodity to have RA (Rainforest Alliance) certification.

Rubber and Rubber Products: In 2022, we did not source any certified rubber and rubber products. 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) certifications.

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 four groups:

- 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 ⁴¹⁶⁻¹

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 around the store.
- 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 infirmary 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, flash 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 416-1

We conduct hygiene and food safety audits at our warehouses, stores and integrated facilities 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 whole process is managed by the quality assurance team 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 at 110 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

Hygiene and Food Safety Audits at the Stores and Warehouses	2020	2021	2022
Audits (Total)	1,286	1,283	1,517
Stores	1,277	1,272	1,507
Warehouses	9	9	8
Integrated Meat Processors	-	2	2
Number of Samples Analyzed During Audits	11,840	10,632	16,723
Number of Parameters Analyzed During Audits	27,559	27,055	40,354

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.

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. By reducing the use of chemicals in our pest control activities, we also aim to minimize our environmental impact and preserve a natural balance. In managing our pest control activities, we diversify and increase the control methods we employ instead of the conventional options.

We monitor our stores for compliance with the hygiene and food safety standards we impose through independent audits and inspections by a

team of expert auditors. The outputs of these audits guide us in taking the actions in our stores and processes to ensure continuous development, legal compliance and continued compliance with our own standards.

We use CarrefourSA’s proprietary software to systematically audit and report all hygiene and food safety processes and activities. This software allows us to perform the store hygiene and food safety audits, take samples, follow the audit results through and report effectively, while increasing time-task efficiency and eliminating paper use in the operations.



PRODUCT SAFETY AND QUALITY 416-1

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 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

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 56% 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 we appoint 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.

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.

Quality Audits at Suppliers	2020			2021			2022		
	Number of Audits	Fully Successful Audits	Failed Audits	Number of Audits	Fully Successful Audits	Failed Audits	Number of Audits	Fully Successful Audits	Failed Audits
Existing National Brand Suppliers	64	47	17	113	78	35	95	73	22
Prospective National Brand Suppliers	23	11	12	20	8	12	10	5	5
Bakeries	100	30	70	71	28	43	73	34	39
Existing Private Label Suppliers	55	41	14	72	50	22	56	48	8
Prospective Private Label Suppliers	42	20	22	41	21	20	39	20	19
Total	284	52%	48%	317	58%	42%	273	66%	34%

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

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 key 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.



Product Safety and Quality Analyses	2020		2021		2022	
	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	840	18	733	17	564	27
Private Label Products	1,381	55	1,304	24	1,281	8
Total	2,221	3%	2,037	2%	1,845	1%

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.

STAKEHOLDER OPINION



As a long-time partner of CarrefourSA, a leader in the retail industry, we at SGS Türkiye are honored to collaborate on innovative projects related to food safety and sustainable sourcing. Being selected as a partner in CarrefourSA's projects, driven by the common goals of product traceability, sustainable production, supporting farming and fostering a sustainable supply chain, is a testament to the global experience, ethical business conduct, diverse expertise and mutual commitment to sustainability that both companies share.

CarrefourSA's decision to entrust SGS Türkiye with critical responsibilities, including the management of vital issues such as food safety and product safety, reflects a milestone, particularly as it coincides with the celebration of our company's 90th anniversary in Türkiye. We take pride in contributing independently to CarrefourSA's commitment to responsible sourcing policies and sustainability across the entire value chain, prioritizing the health and safety of consumers.

We both share a commitment and passion for responsible approaches and hope our partnership will continue through sustainability projects and contribute positively to our world for many years to come.

Nadin Haçerestunç
General Manager
SGS Türkiye

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 207 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 2022, quality controls were performed in 208,191 parameters on 14,904 private label dry food and charcuterie products arriving at our warehouses. Furthermore, 82 thousand tons of fresh food and produce were controlled in 2022.

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.

OTHER PRODUCT HEALTH AND SAFETY PRACTICES

ORGANIC BREAD

As of year-end 2022, 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. 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 PLACE FOR 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:

- **Customer Experience Pulse** collects and analyzes customer feedback with agility and effectiveness to suggest actionable insights. With CX Pulse, we are able to measure customer satisfaction and solution performance instantly, intervene in development areas quickly and maximize operational efficiency through effective workforce management.
- The **No-Ship Dashboard** allows us to identify the most popular products and the regions where they are sold out rapidly. This information helps us identify alternatives swiftly, resulting in improved customer satisfaction, which in turn prevents loss of sales for our company.
- We monitor and analyze operational data with the **Histogramic Dashboard** to make sure that customer orders are delivered on time without any missing items. This dashboard allows us to proactively inform the customers in case of delays, enhancing their satisfaction and ensuring effective use of the workforce.
- **Customer Echoes** is an application that enables the customers to easily create and track their own feedback. This application not only encourages our customers to actively participate in the feedback process, but also reduces the call center’s workload and saves on resources.

- The **Insight Tracker** is an integrated tool that helps us learn our customers’ expectations and enriches our data pool with their feedback. We use this tool to measure metrics such as net promoter score (NPS), customer satisfaction score (CSAT) and customer effort score (CES)

On the path toward agentless customer service design, **ProAct Insight CX Tracking System** provides the foundation for a service that enables the customers to monitor their feedback and communicate without going through the call center, social media, email, chatbot and other virtual interactions. The system also processes all feedback end to end and generates solution options.

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 24.2% in 2021 to 17.7% in 2022, demonstrating a significant improvement.
- **Net Promoter and Customer Satisfaction Scores:** Net promoter score dropped from 50.8 in 2021 to 48.8 in 2022 according to survey results. On the other hand, our customer satisfaction score dropped from 35.3 in 2021 to 34.2 in 2022. (An inflationist market outlook has contributed to heightened sensitivity to price changes among the customers.)
- **E-Commerce Complaint Rate:** Our complaint rate related to e-commerce fell from 6.1% in 2021 to 3.8% in 2022. Thanks to the progress we captured in this area, we were recognized with 18 awards, including two international titles, in 2022.
- **Resolution Times:** We improved the average resolution time for customer problems from 65.5 hours in 2021 to 8.6 hours in 2022.

CarrefourSA Loyalty Program

As of year-end 2022, the number of active customers registered in the CarrefourSA loyalty program increased by 2.1 million year on year and reached 8.7 million. Every month, an average of 2.1 million loyalty customers visit our markets, including 8.1 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.

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 are seeking 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	2020	2021	2022
%	96	95	94





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 bringing together exclusive gourmet flavors from Turkish and world cuisine. As of yearend 2022, we operate with 32 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 sections dedicated to vegan, gluten-free, diabetic or organic products.

In 2023, we will start 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.

Investments in the Lezzet Arası restaurants continued in 2021 and 2022. With the opening of the Ankara Çayyolu branch in 2021, the number of 'Lezzet Arası' restaurants in the CarrefourSA market chains reached 14. The dining experience gains depth with the introduction of new menus and the premise of "gastronomic freedom." 'Lezzet Arası' restaurants currently cater to 320 thousand people per month.

TAKE-AWAY SERVICE AND READY-TO-EAT MEALS

In 2022, we started to offer take away service at our stores in hygienic conditions. Also in 2022, ready-to-eat meals were offered at 50 stores in total. Delicious ready-to-eat meals are offered in the best hygienic conditions at the gourmet, super and mini markets.

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. Since 2021, we have partnered 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	2020	2021	2022
Number	75	167	228

ACCURATE PRODUCT INFORMATION AND LABELING 417-1

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 information enables 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.

In order 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 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 ³⁻³

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 sustainability topic for Sabancı Group, we also report our performance to the Group at regular intervals.

DIGITAL ACTIVITIES

E-Commerce

The e-commerce operations at CarrefourSA started in 2005 and gained momentum, particularly after the improvement efforts 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 2022, we provide this service out of 58 stores in 18 provinces, catering to customers with 141 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 the following results:

- 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 allow 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 continue.
- 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 trend:

E-Ticaret	2020	2021	2022
Number of Stores (year-end)	54	57	58
Number of Orders (million)	1.4	3.5	3.0

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 2022, 9 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,
- Ticket and order approval,
- 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).

Digital CRM and 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.



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 (KVKK, communication consent, etc.) that the customer provided is stored in the same database in detail. Our CRM, internal audit and customer experience teams have access to these databases. 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 subtypes such as commercial cards, yacht cards and apartment cards.

Our digital retail applications include standard cash registers, express cash registers and mobile POS devices. We offer multiple payment method options, 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 redemption of loyalty points and selection of fast payment options.

The mobile POS devices and handheld terminals enable us perform cash register transactions anywhere without relying on a physical cash register location.

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 2022, 38 processes and 8,349 tasks per month are performed by robots (RPA). The processes performed by the robots have delivered an efficiency equivalent to an annual workforce of 77 people.

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 monitor logs proactively 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 internally and externally accessible systems for vulnerabilities.
- We implement improvements by checking our footprint in the external world through continuous scoring and reporting obtained from independent scoring platforms.

Training	Time (Minutes)		Participants (2020)		Participants (2021)		Participants (2022)	
	Online	Class-room	Online	Class-room	Online	Class-room	Online	Class-room
Information Security Awareness	12	-	2,965	-	2,533	-	2,505	13
Information Security	25	120	183	203	247	338	164	160
Orientation	2	40	2,381	975	2,461	959	2,585	2,012

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 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
- We aim to continuously improve our recycling/recovery rates by adopting the zero waste approach.
- 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.

KEY PERFORMANCE INDICATORS		2020	2021	
Climate Change	Energy Consumption (MWh)	222,838	211,191	206,220
	Ratio of Fuel from Different Sources (Direct Energy Consumption) (%)	11	10	8
	Ratio of Electricity Consumption (Indirect Energy Consumption) (%)	89	90	92
	Energy Intensity (Energy Consumption per m ² - kWh/m ²)	424	417	385
	Emissions (tons CO ₂) - Total	2,194,128	1,935,358	2,019,218
	Emissions (tons CO ₂) - Scope I	170,170	150,700	131,323
	Emissions (tons CO ₂) - Scope II	95,106	87,287	83,500
	Emissions (tons CO ₂) - Scope III	1,928,852	1,697,371	1,804,395
	Emission Reduction as a Result of Projects (tons CO ₂)	4,939	12,879	15,324
	Emission Intensity (Emission rate per m ² for Scope I & II - tons CO ₂)	505	468	401
	Water Consumption (m ³)	317,667	326,243	385,490
	CDP Climate Change Score (based on previous year data)	-	C	A
	CDP Forest Score (based on previous year data)	-	-	B
	CDP Water Safety Score (based on previous year data)	-	C	A
	Number of Sustainability Newsletters Released	-	3	1
Waste Management	Number of Stores with Zero Waste Certificate - Basic	69	180	535
	Quantity of Recycled Non-hazardous Waste (Packaging, Paper-Cardboard, Plastic, Glass) - tons	741	645	7,343
	Quantity of Recycled Hazardous Waste (Plant-based Oil Waste, Hazardous Liquid Waste, Batteries) - tons	14	11	13
	Proceeds from the Sales of Electronic Equipment Waste with Economic Value (TL million)	2.7	5.8	11.1

CLIMATE CHANGE

CLIMATE CHANGE APPROACH ³⁻³

CarrefourSA, a leader 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 believe that industry actors play a key role in finding sustainable solutions to the current climate challenges. Through our climate change policy, we aim to achieve economically sustainable emission reductions with maximum efficiency and effectiveness. Therefore, we support well-designed climate policies and work to reduce our 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 increasing 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. Working to reduce the energy consumed 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 impact of our private label products.

Carrefour SA

Yaşanabilir
Bir Çevre için
Doğru CarrefourSA'da

Toprakımıza sahip çıkıyor
sağlık için "Doğru" yapıyoruz.

Sıfır Atık prensibinde
"Doğru" uygulamaları gerçekleştiriyoruz.

Doğru Carrefour Bio

Doğru Carrefour Bio

Doğru Carrefour Bio

Denizlerimizde yaşamın sürdürülebilirliği için
"Doğru" balıkleri destekliyoruz.

Temiz enerji için "Doğru" iş birlikleri ile depolarımızda
yeni nesil şarj istasyonlarına resmi destekliyoruz.

CarrefourSA olarak çocuklarımıza temiz ve sağlıklı bir gelecek bırakmak için
"Doğru"nu yapmaya devam edeceğiz. **Dünya Çevre Günü'müz Kutlu Olsun...**



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 2023, 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 2022, we launched a large-scale study to calculate our Scope 3 emissions along with our Scope 1 and 2 emissions. As part of these activities, we calculated all Scope 3 emissions for 2021 in 2022. We aim to determine our actions to reduce these emissions starting from 2023. 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.

- Engaging with stakeholders to tackle climate change.
- Following the latest technologies developed for mitigation and adaptation of climate change effects and applying them to operations.
- 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.
- Transparently reporting our GHG emissions, climate change targets, results and activities through sustainability reports and platforms like CDP.

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:

- Fulfilling all legal requirements and contractual obligations.
- Implementation of effective energy management.
- Determining measurable targets to increase energy efficiency for our activities.
- Developing energy efficiency projects and improving systems to reduce greenhouse gas emissions.
- Continuous monitoring of energy performance and sharing it with stakeholders periodically.

- Taking energy efficiency into account when purchasing products, designs and services.
- Periodically reviewing the policy and updating it with technological developments.

Energy Consumption 302-1, 302-2, 302-3

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)	2020	2021	2022
Fuel from Different Sources (Direct Energy Consumption)	23,437	20,151	16,448
Electricity Consumption (Indirect Energy Consumption)	199,401	191,040	189,772
Total Energy Consumption	222,838	211,191	206,220

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	2020	2021	2022
Energy Consumption per m ² (kWh/m ²)	424	417	385
Energy Consumption by Revenues (kWh/TL million)	28,154	22,544	10,741

Energy Efficiency Activities 302-4

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 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/m² values are provided in the table below.

The most important efficiency improvement project we executed in 2020 and 2021 involved the replacement of the low-efficiency equipment with high energy-efficient equipment in all HVAC systems and lighting systems, making necessary

Store Format	kWh/m ²			
	2021 Realized Electricity Consumption	2022 Electricity Consumption Target	2022 Realized Electricity Consumption	2023 Electricity Consumption Target
Mini	569	550	536	530
Super	397	370	365	360
Gourmet	481	475	474	470
Hyper	357	355	353	352

enhancements in mechanical and electrical installations during equipment replacement and upgrading the system design to ensure optimal consumption. To meet our 2022 targets, we also continued to run many efficiency improvement projects (EIP) for recovering waste heat, using frequency drives in pump-motor groups and compressors and solar energy for hot water.

In 2022, the digitalization in energy project, which we planned already in 2021, became our most significant undertaking. Through this project, we are able to access the energy automation systems of all our stores directly and remotely via our computers in the project center. In addition, we can measure multiple metrics from in-store humidity levels to refrigerator temperatures and if we detect excess energy use beyond anticipated values in or outside the store such as the cafeteria or warehouse, we can intervene quickly and easily, thanks to access via computers, tablets or phones anywhere anytime.

Project scope:

- Managing the air conditioners remotely by accessing the HVAC system and measuring ambient-outdoor temperature, store occupancy rate and air quality, etc.
- Managing the devices within the cooling system remotely by measuring the interior temperatures of coolers and monitoring the operating hours.
- Managing the lighting systems remotely based on energy load through in-store brightness measurements and by considering the natural light effect and store working hours.
- Managing the electrical system by monitoring all sockets in the store remotely and disabling the sockets that the store may not need. Electrical

system management involves monitoring the main consumption and major energy users, forecasting future consumption of the store with analyses in accordance with the IPMVP protocol and instantly interpreting inefficient consumption through comparisons with actual consumption.

As of year-end 2022, some of our gains were as listed below:

- End-to-end energy automation in 100 stores delivered 8,760,300 kWh in savings, corresponding to savings of 17% compared to the reference consumption of 100 stores.
- The ongoing HVAC equipment improvements and EIPs delivered 5,840,000 kWh in energy savings.

Through energy management, we aim to prevent potential losses by monitoring the implemented EIPs and develop new EIPs in 2023.

GREENHOUSE GAS EMISSIONS

305-1, 305-2, 305-3, 305-4, 305-5

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, 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.

Greenhouse Gas Emissions (tons CO ₂)	2020	2021	2022
Scope I (direct emissions)	170,170	150,700	131,323
Scope II (indirect energy-related)	95,106	87,287	83,500
Scope III (indirect other)	1,928,852	1,697,371	1,804,395
Total	2,194,128	1,935,358	2,019,218

Scope I – Direct Emissions (tons CO ₂)	2020	2021	2022
Fuel (diesel) consumption – company vehicles	1,169	1,279	1,394
Fuel (gasoline) consumption – company vehicles	15	6	70
Fuel (natural gas)	3,463	2,738	3,028
LNG	3	3	0
LPG	2	1	0.01
Fuel Oil	32	32	18
R22	5,013	2,684	1,976
R410A	2,170	2,018	2,667
R404A	157,190	140,703	121,000
R407C	270	344	53
R134A	382	290	158
HFC 227	0	161	512
CO2 Fire Extinguisher System	2	2	1.8
Emergency Power Generators (Diesel)	459	439	402
Emergency Power Generators (Gasoline)	0	0	0
Total	170,170	150,700	131,323

Scope II – Indirect Energy-related Emissions (tons CO ₂)	2020	2021	2022
Electricity Consumption	95,106	87,287	83,500
Total	95,106	87,287	83,500

Scope III – Other Indirect Emissions (tons CO ₂)	2020	2021	2022
Category 1-Purchased Goods and Services	1,348,155	1,091,223	1,198,429
Category 2-Capital Goods	-	-	-
Category 3 - Fuel and Energy Related Activities Not Included in Scope 1 and 2	-	-	-
Category 4-Upstream Transportation and Distribution	18,560	15,901	16,714
Category 5-Waste Generated in Operations	69,414	55,583	74,715
Category 6-Business Travel	103	66	266
Category 7-Employee Commuting	387	335	371
Category 8-Upstream Leased Assets	-	-	-
Category 9-Downstream Transportation and Distribution	270	674	1,085
Category 10-Processing of Sold Products	-	-	-
Category 11-Use of Sold Products	491,410	531,931	498,594
Category 12-End-of-Life Treatment of Sold Products	-	-	-
Category 13 – Downstream Leased Assets	-	-	-
Category 14-Franchisees	553	1,659	14,221
Category 15-Investments	-	-	-
Total	1,928,852	1,697,371	1,804,395

Note: Our emission values for 2020, 2021 and 2022 have been assured within the scope of 'Limited Assurance' by an independent auditor.

Emission Intensity	2020	2021	2022
Scope I & II Emissions / Revenues (tons CO ₂ /TL million)	33.5	25.4	11.3
Emission rate per m ² for Scope I & II (tons CO ₂)	505	468	401

Emission Reduction Efforts (tons CO ₂)	2020	2021	2022
Energy Efficiency in Buildings and Lighting	119	4,298	5,716
Reducing Single-use Plastics in Packaging	1,047	1,174	1,486
Labeling Applications	1	1	1
Route Optimization	3,772	3,552	2,993
Replacing Industrial Cooling Systems	-	1,096	1,457
Replacing HVAC Systems	-	712	947
HVAC Automation	-	934	1,242
Secondary Savings Projects	-	1,113	1,479
Total	4,939	12,879	15,324

WATER CONSUMPTION ³⁰³⁻¹

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 CDP in 2020 and earned a score of “A” (Leadership) in our water security reporting, making to the Global Water Security A List, a testament to our position among industry leaders.

In our stores, water is consumed for cleaning, hygiene, bakery production and ice making. Water can 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 development 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^{303-4, 303-5} 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.

Water Consumption Values ³⁰³⁻³

	2020	2021	2022
Water Consumption – Municipal Water (m ³)	315,148	323,870	383,000
Water Consumption – Carboys (m ³)	2,519	2,373	2,490
Total	317,667	326,243	385,490

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

ENVIRONMENTAL AWARENESS ACTIVITIES

To mark June 5 World Environment Day

- We organized a competition on environment for the children of our employees. We gifted paint sets, books, coloring books, etc. as a gesture to contribute to the education and development of all the children who submitted their drawings.
- We partnered with WWF Türkiye and organized the “Saving Water at Home” and “Composting with Organic Waste” seminars for all our employees.
- We had all our executive committee members record videos about the environmental contributions of their respective functions and shared them with all employees.

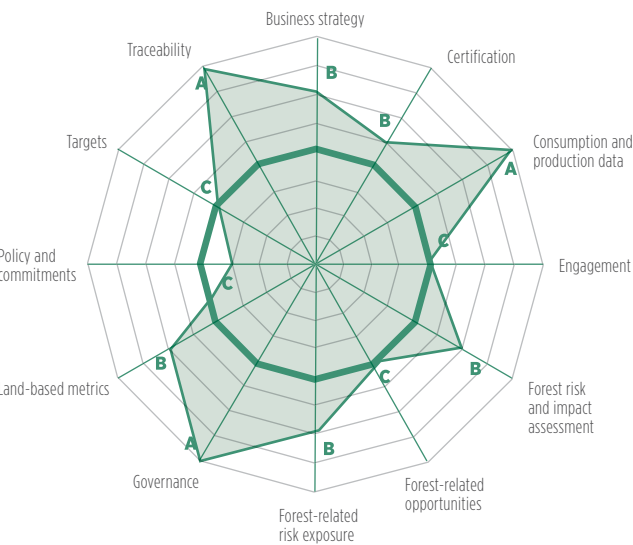
CDP Reporting

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 CDP, the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. We also disclose a summary of our results with full transparency as shown below.

In this year's reporting, building on 2020 and 2021, we also included our performance related to forests. Addressing our activities comprehensively and transparently in four topics (palm oil, timber, soy, cattle products), we monitored the forest risk commodities used directly or indirectly in the products we source in a more sustainable manner. In our first reporting in 2022, we earned a score of “B” (Management) in all these categories, becoming one of the few companies in our sector to reach this level. We are also the only retailer worldwide that reports to the forests module in all four categories. We aim to further improve our score with the targets we will set and the initiatives we will introduce in the coming years.

Forests Performance

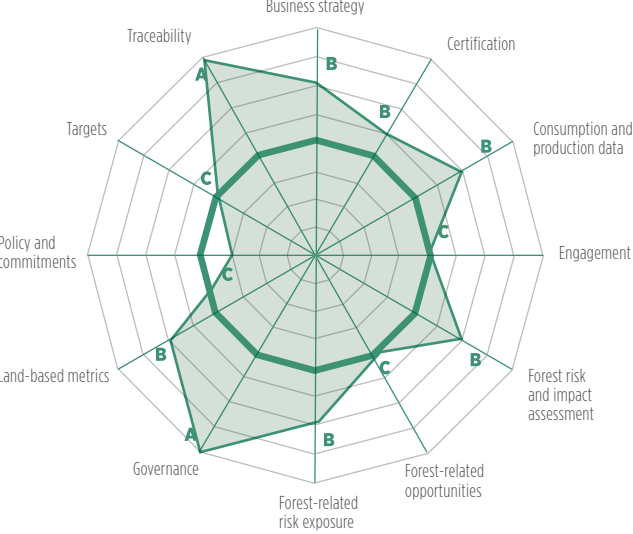
Forests – Palm Oil – Score: B
(Management)



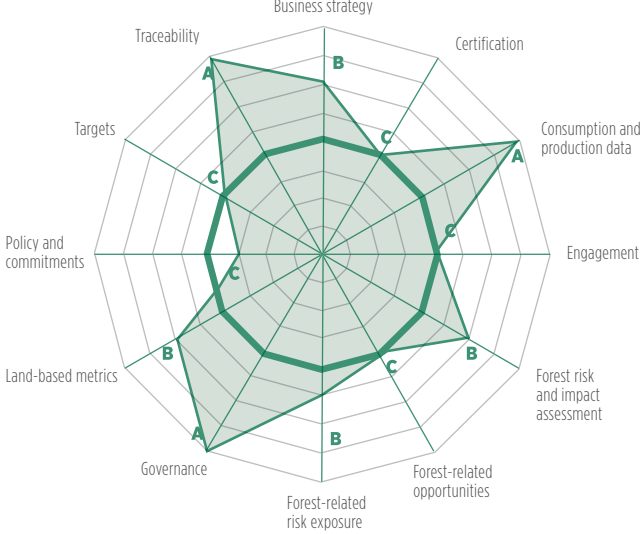
Forests – Timber – Score: B
(Management)



Forests – Soy – Score: B
(Management)

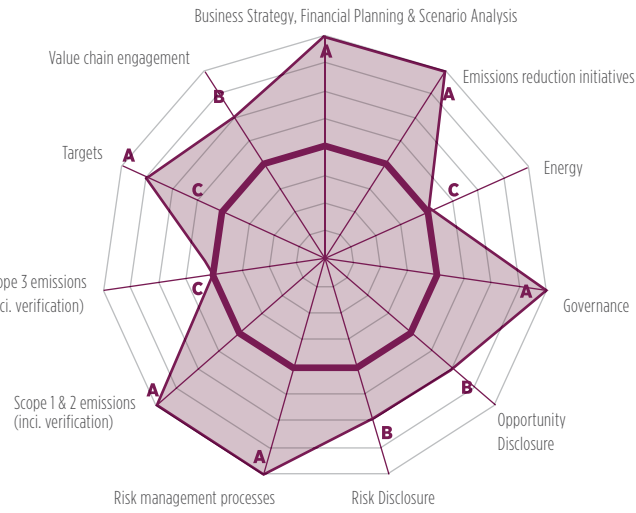


Forests – Cattle Products – Score: B
(Management)



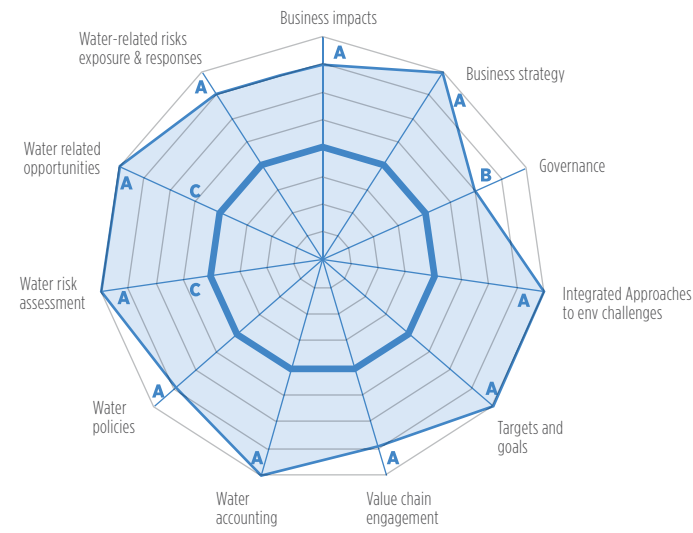
Improving our performance in the climate change module in 2022, we earned a score of “A-” (Leadership), clearly demonstrating the great progress we have made after 2020 and 2021 and our position among the leading companies.

Climate Change Performance –
Score: A- (Leadership)



In 2022, our performance in the Water Security module was crowned with “A” (Leadership), the highest score, clearly demonstrating the great progress we have made after 2020 and 2021 and our position among the leading companies.

Water Security Performance
Skor: A (Leadership)



We take our work on CDP reporting very seriously and aim to continue our endeavors in 2023 by maintaining and building on our successful results of the previous year.

Sustainability Newsletters

We publish newsletters containing 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 3-3

Through waste management, we primarily aim to minimize waste across CarrefourSA's operations and to mitigate its negative impact on the environment and thereby on life in general. Two of our main goals are taking actions to minimize waste generation in all stores and warehouses and continuously improving our recycling/recovery rates by adopting the zero waste approach. 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 laws, while continuously working to improve our environmental performance with the help of volunteering activities.

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 a "Zero Waste Certificate – Basic Level" for all stores and received zero waste certificates for 535 of them by the end of 2022.

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, steam 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!'

Materials Used in Production and Packaging 301-1

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 Consumables Materials (Packaging) - tons	2020	2021	2022
Metal	0.6	1.3	3.9
Paper	343.3	395.1	394
Composite	1,475.0	502.9	248
Plastics	845.1	1,213.8	812.6
Total	2,664.0	2,113.0	1,458.5

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

Recyclable Materials - tons	2020	2021	2022
Metal	124.1	150.6	124.0
Composite	184.1	224.2	247.3
Glass	450.7	653.1	528.0
Paper	1,158.8	1,714.9	9,767.5
Plastics	1,131.9	1,021.6	2,261.5
Total	3,049.6	3,764.3	12,928.6

Bring Your Own Cup

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 Cup" initiative represents a step forward for protecting nature. The initiative, which started as a pilot project by setting up refill stations at our Selamışme 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 cups.



Waste and Disposal Methods

306-1, 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 issue 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 all 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 household waste generated by the customers in stores,
- Products rendered unusable due to expiration, breaking or damaged packaging in our warehouses and stores.

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

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

Category	Type of Waste	Quantity (Tons) - 2020	Quantity (Tons) - 2021	Quantity (Tons) - 2022	Disposal Method
Recyclable Waste (*)	Mixed Packaging Waste	709	617	6,681	Licensed Recycling Firms
	Paper-Cardboard	29	25	647	Licensed Recycling Firms
	Plastics	3	3	15	Licensed Recycling Firms
	Glass	0.42	0.36	0.22	Licensed Recycling Firms
Food Waste		6,116	7,952	15,062	Municipalities/Private Businesses
Waste with Potential Negative Environmental Impact	Waste Plant Oils	14	10	13	Licensed Recycling Firms
	Hazardous Liquid	0	0.37	0	Licensed Disposal Firms
	Batteries	0.10	0.24	0.44	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 Cases	3,260	2,891	2,494	Licensed Recycling Firms

(*): Figures for only to private label products.

Linerless Labels

We switched 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 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. In 2022, we delivered 7,343 tons of waste collected from our stores and warehouses for recycling/recovery.

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

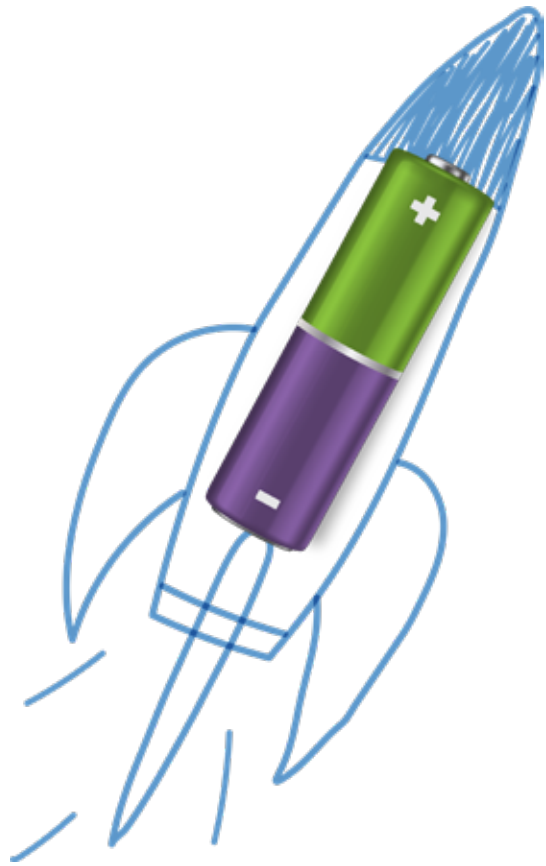
We collect and dispose of vegetable oils using three different methods since they may potentially have a

significant impact on the environment.

- In the stores with 'Lezzet Arasi' restaurants, we collect vegetable oils used in cooking, in separate sealed drums when they can no longer be used.
- We place collection containers in certain stores to collect waste oil from 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 13 tons of waste oil in 2022 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.

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 collect waste batteries separately without mixing them with other waste sent to landfills. We deliver the collected waste batteries to TAP (Association Portable Battery Manufacturers and Importers). We have also launched a joint project with AÇEV (Mother 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. This type of waste material is managed under the control of CarrefourSA for purposes such as recycling and reuse. The main purpose here 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.
- Other equipment: Economic revenue is generated from the second-hand sales of technical equipment and store equipment such as cabinets and shelves, which no longer fit the current concept, consume energy inefficiently, become dysfunctional, 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 to proactively prevent waste generation.
- As a result of the second-hand sales of electronic waste, other equipment and wooden pallets, we generated TL 2.7 million in revenues in 2020, TL 5.8 million in 2021 and TL 11.1 million in 2022.

What is Next?

As part of our efforts to further improve the effectiveness of waste management, we started in 2022 to work on systems that will allow us to manage all our waste in our logistics warehouses. 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.

GRI CONTENT INDEX



CONTENT INDEX ESSENTIALS SERVICE

2023

CarrefourSA's Sustainability Report for the period from January 1, 2022 to December 31, 2022 was prepared in accordance with the GRI Standards. For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is presented clearly and in a manner consistent with the standards and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections of the report. No industry standard was utilized. This service was received for the Turkish version of the report.

GRI Standard	Disclosure	Page/URL/Direct Answer	
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021	1) The organization and its reporting practices		
	2-1	Organizational details	8, 134
	2-2	Entities included in the organization's sustainability reporting	8, Adana Real Estate Development and Management Inc., in which CarrefourSA holds 100% shares, was established on October 15, 2014 and was fully transferred with the share transfer agreement signed on September 3, 2021. Apart from this, CarrefourSA's consolidated financial information includes only CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.
	2-3	Reporting period, frequency and contact point	1, 134
	2-4	Restatements of information	We have fully aligned our renewable energy data with the definitions in our CDP reporting and declared the previous year's data accordingly.
	2-5	External assurance	28, We receive audits from KPMG for our financial data. (https://yatirimciiliskileri.carrefoursa.com/tr/finansal-bilgiler/finansal-raporlar), We have a partial assurance report from PWC for our environmental and social data. (s.114)
	2) Activities and workers		
	2-6	Activities, value chain and other bussines relationships	8, There were no significant changes in our company's organizational structure, shareholding structure or supply chain during the reporting period.
	2-7	Employees	56, 67
	2-8	Workers who are not employees	38
	3) Governance		
	2-9	Governance structure and composition	14, 22, 28, https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/genel-kurul/2022/4edb371b-835d-43ff-b3a3-836726bab090CarrefourSA-Faaliyet-Raporu2022.pdf s.100
	2-10	Nomination and selection of the highest governance body	https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/genel-kurul/2022/4edb371b-835d-43ff-b3a3-836726bab090CarrefourSA-Faaliyet-Raporu2022.pdf s.119
	2-11	Chair of the highest governance body	The Chairman of the Board of Directors does not have an executive role in CarrefourSA. He is also the Finance Group President of Sabancı Holding.
	2-12	Role of the highest governance body in overseeing the management of impacts	15, 22, 28
	2-13	Delegation of responsibility of managing impacts	22, 28

GRI Standard	Disclosure	Page/URL/Direct Answer
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting 28, 31
	2-15	Conflicts of interest 15, https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/genel-kurul/2022/4edb371b-835d-43ff-b3a3-836726bab090CarrefourSA-Faaliyet-Raporu2022.pdf s.119
	2-16	Communication of critical concerns There is no issue defined as critical concerns the items discussed, https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/genel-kurul/2022/4edb371b-835d-43ff-b3a3-836726bab090CarrefourSA-Faaliyet-Raporu2022.pdf s.117, 119
	2-17	Collective knowledge of the highest governance body Relevant information is provided when necessary, https://yatirimciiliskileri.carrefoursa.com/uploads/pdf/genel-kurul/2022/4edb371b-835d-43ff-b3a3-836726bab090CarrefourSA-Faaliyet-Raporu2022.pdf s.117, 119
	2-18	Evaluation of the performance of the highest governance body 15
	2-19	Remuneration policies 59, For the Executive Board Members, the TOPEX market research used by KornFerry Hay Consulting for the Senior Manager level is used.
	2-20	Process to determine remuneration 15, 28, 60
	2-21	Annual total compensation ratio No declaration is made on this subject within the scope of KVKK.
	4) Strategy, policies and practices	
	2-22	Statement on sustainable development strategy 4
	2-23	Policy commitments 47, 48
	2-24	Embedding policy commitments 47, 48
	2-25	Processes to remediate negative impacts 47
	2-26	Mechanism for seeking advice and raising concerns 47
	2-27	Compliance with laws and regulations In 2022, there were no penalties for cases where significant cash and non-monetary sanctions were imposed against our company.
	2-28	Membership associations 9, 9
	5) Stakeholder engagement	
	2-29	Approach to stakeholder engagement 30
	2-30	Collective bargaining agreements 49
Material Topics		
GRI 3: Material Topics 2021	3-1	Process to determine material topics 31
	3-2	List of material topics 31, There were no changes in the reporting period.
Economic Contribution		
GRI 3: Material Topics 2021	3-3	Management of material topics 37
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed 37, 40, 40
	201-2	Financial implications and other risks and opportunities due to climate change 18
	201-4	Financial assistance received from government 38
GRI 202: Market Presence 2016	202-1	Financial implications and other risks and opportunities due to climate change As of the end of 2022, the rate of employees earning minimum wage is 41%. However, when we add bonuses and other fringe benefits, we do not have employees who earn only minimum wage. The average employment wage for male and female employees, without discrimination, is 58% above the minimum wage.

GRI Standard	Disclosure	Page/URL/Direct Answer
	202-2	Proportion of senior management hired from the local community 100% of the General Manager and Deputy General Managers are citizens of the Republic of Turkey.
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported 40
	203-2	Significant indirect economic impacts 39
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers 39
GRI 415: Public Policy 2016	415-1	Political contributions We did not receive any politically motivated donations or support during the reporting period.
Food Waste		
GRI 3: Material Topics 2021	3-3	Management of material topics 45
Business Ethics		
GRI 3: Material Topics 2021	3-3	Management of material topics 47
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption 48
	205-2	Communication and training about anti-corruption policies and procedures 48, Members of the Board of Directors 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 2022, there were no penalties for non-competitive behavior. However, pursuant to the decision of the Competition Board dated 28.10.2021 and numbered 21-53/747-360, a judicial remedy was applied against the administrative fine of TL 142,469,772.07 imposed on our Company, and as a result of the application made within the scope of the Law No. 7440 on the Restructuring of Certain Receivables and the Amendment of Certain Laws, which was published in the Official Gazette dated 12.03.2023 and numbered 32130, the amount of the administrative fine paid was reinstated by 50% Our Company was notified on 06.06.2023 that it was decided to return 53.426.164.52.-TL to our Company. The lawsuit for the cancellation of the administrative fine filed by our company at the relevant Administrative Court in Ankara has been waived. Thus, the amount paid within the scope of the Competition Authority's decision dated 28.10.2021 and numbered 21-53/747-360 has been finalized as 53.426.164.53.-TL.
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 50, The audits initiated at Öz Marka suppliers that are determined to be high-risk as a result of the risk assessment will be expanded in 2023.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor 50, The audits initiated at Öz Marka suppliers that are determined to be high-risk as a result of the risk assessment will be expanded in 2023.

GRI Standard	Disclosure	Page/URL/Direct Answer
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs
	413-2	Operations with significant actual and potential negative impacts on local communities
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria
	414-2	Negative social impacts in the supply chain and actions taken
Employee Satisfaction and Development		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans
GRI 401: Employment 2016	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health

GRI Standard	Disclosure	Page/URL/Direct Answer
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
Gender Equality and Equal Opportunity		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 401: Employment 2016	401-1	New employee hires and employee turnover
	401-3	Parental leave
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
	405-2	Ratio of basic salary and remuneration of women to men
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
Responsible Supply Chain		
GRI 3: Material Topics 2021	3-3	Management of material topics
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
	304-2	Significant impacts of activities, products and services on biodiversity
	304-3	Habitats protected or restored
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations
Customer Satisfaction		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling
	417-2	Incidents of non-compliance concerning product and service information and labeling
	417-3	Incidents of non-compliance concerning marketing communications

GRI Standard	Disclosure	Page/URL/Direct Answer
Digitalization		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data In 2022, there is a complaint made to the Personal Data Protection Authority by a natural person against our company alleging a breach of data security. The defense regarding the complaint was forwarded to the institution by our Company.
Climate Change		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 302: Energy 2016	302-1	Energy consumption within the organization
	302-2	Organizasyon dışındaki enerji tüketimi
	302-3	Energy intensity
	302-4	Reduction of energy consumption
	302-5	Reductions in energy requirements of products and services We do not have a study on the energy consumption of the products we sell.
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource 113, Due to the water we use in our operations, there is no water source that is significantly affected.
	303-2	Management of water discharge- related impacts Wastewater is discharged directly into the sewage system.
	303-3	Water withdrawal 113, All of the water we use in our stores and distribution centers comes 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 113
	303-5	Water consumption 113
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions 110
	305-2	Energy indirect (Scope 2) GHG emissions 110
	305-3	Other indirect (Scope 3) GHG emissions 110
	305-4	GHG emissions intensity 110
	305-5	Reduction of GHG emissions 110
	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 do not have combustion systems, we do not have measurements of gases such as NOx and SOx.
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria The number of supplier social and environmental audits initiated in 2022 will be increased in 2023.
	308-2	Negative environmental impacts in the supply chain and actions taken There have been no significant environmental incidents in the Öz Marka supply chain.
Waste Management		
GRI 3: Material Topics 2021	3-3	Management of material topics
GRI 301: Materials 2016	301-1	Materials used by weight or volume 117
	301-2	Recycled input materials used There is no recycled material.
	301-3	Reclaimed products and their packaging materials There is no product or packaging that can be taken back and used.
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts 118
	306-2	Management of significant waste- related impacts 118
	306-3	Waste generated 118
	306-4	Waste diverted from disposal 118
	306-5	Waste directed to disposal 118, The amount of our household waste is not measured.

LIMITED ASSURANCE REPORT



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 2022 Data Table (“Data Table”) for the year ended 31 December 2022 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2022, 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 (#)
 - Total working hours (h)
 - Lost Day Rate (LDR) (%)
 - OHS Training Hours (h)
- Total number of employees (#)
- Distribution of Female Employees
 - Female employees’ rate (%)
 - Distribution of Female 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 (#)
 - Total Number of Employees Returned to Work After on Paternity Leave (#)
 - Ratio of the Employees who Returned to Work After Maternal Leave (%)
- Trainings
 - Total Hours of Trainings by Gender (h)
 - Total Hours of Trainings by Age (h)
 - Total Hours of Trainings by Managerial Level (h)
 - Total Hours of Trainings by training types (h)
 - Total Training Cost (TL)
 - Average Training Costs per Person (TL)



- Total Number of Employees Hired
 - Number of Employees Hired by Gender, Age, Managerial Level (#)
- Total Number of Employees Left
 - Number of the Employees Left by Gender, Age, Managerial Level (#)
- Turnover Rates
 - Turnover Rates by Gender, Age, Managerial Level (%)
- People Reached Through Inclusion Programs in Reporting Period (#)

Environmental Performance Indicators

- Energy Consumption by Fuel Type
 - Total energy consumption (MWh)
 - Purchased heat/steam/cooling (kg)
 - Sold heat/steam/cooling (kg)
- Share of Renewable Energy Consumption in Total Energy Consumption
 - Renewable Energy Generation (MWh)
 - Renewable Energy Consumption (MWh)
 - Purchased Renewable Energy (MWh)
- Intensity Indicators
 - Energy intensity (MWh/ million TL)
 - Greenhouse gas emission intensity (ton CO₂e/ million TL)
- Total Yearly Business Air Travel in Kilometers (km)
- Total Yearly Employee Commuting in Kilometers (km)
- Greenhouse Gas Emissions (ton CO₂e)
 - Scope 1
 - Scope 2 (Market Based & Location Based)
 - Scope 3
- Water Consumption
 - Water Consumption (m³)
 - Total Amount of Discharged Water (m³)
 - Water Recycled & Reused (m³)
- Waste
 - Percentage of waste reused and recycled (%)
 - Percentage of waste reused and recycled including ash (%)
 - Hazardous Waste (ton)
 - Non-Hazardous Waste (ton)
 - Non-Hazardous Waste including ash waste (ton)
 - Total waste without ash waste (ton)
 - Total waste with ash waste (ton)
 - Plastic consumption (ton)

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Economic Performance Indicators

- Sustainable Business Model
 - Number of SDG-linked Products and Services (#)
 - SDG-linked Product and Service Revenue (TL)
 - R&D and Innovation Investments (TL)
 - SDG Linked R&D and Innovation Investments (TL)
 - Ratio of SDG Linked R&D and Innovation Activities (%)
- Environmental Investments and Expenditures
 - Environmental Investments by Type (TL)
 - Savings and Reduction Based on Environmental Investments (TL)
 - Environmental Expenditures by Type (TL)

Our limited assurance work was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements, 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 2022 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 has 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 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 2022 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 2022, 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.

Mehmet Cenk Uslu, SMMM
Partner

Istanbul, 25 July 2023

CONTACTS

CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş. ²⁻¹

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