



Inaugural Sustainability-Linked Bond Offering Investor Presentation

September, 2023

THIS PRESENTATION CONTAINS FORECASTING INFORMATION

This information, which expresses **objectives established on the basis of the current assessments and estimates** of ELO's general management, remains subject to numerous factors and uncertainties, which could lead to the observed figures **differing significantly** from those presented as a forecast.

ELO **makes no commitment** to update or revise the forecasting information presented here.

Agenda

1

Sustainability Strategy

2

Sustainable Finance
Framework

3

Transaction Overview





SUSTAINABILITY STRATEGY

Auchan 2032 : Eating well & living better, while protecting the earth



Overview of Auchan Retail's CSR Roadmap : 3 pillars

Eating well...

Food

- Quality Commitments
- Products Commitments
- Customers empowerment

& living better...

People

- Social Objectives
- Employees' Commitment
- The Auchan Foundation

while preserving the earth

Planet

- Climate
- Fight against Plastics Pollution
- Biodiversity
- Fight against Food waste

Commitment built on a reinforced ethical and compliance basis (Duty of care, business ethic, governance)

Reinforced control of our extra-financial performance

Communication on our commitments to our stakeholders

Auchan Retail's CSR ambition: our actions in numbers



Promoting healthy eating



1,176

responsible agricultural chains by end-22 in all countries (+204 yoy)

45%

of private label and international private label products with a nutritional label on the packaging



Fighting food waste



After its initial implementation in France and Romania, gradual rolling out of Smartway (digitised, AI-based food waste management technology) in all countries in which Auchan operates



Too Good To Go

1.8 million baskets saved in France, Spain, Portugal and Poland since 2020



660,000

tonnes of products saved in 2022



Fighting plastic pollution

64%

Of the packaging of Auchan products is made from recycled, recyclable or compostable material

Goal: 100% by 2025

- In France, 100% vegetable fibre entirely home-compostable trays used in butchers and fishmongers (-1,100 tonnes of plastic per year over time)
- In Spain, PET blisters of pastries are being replaced by FSC certified cardboard trays (-151 tonnes of plastic per year)

Auchan Retail's 2030 climate plan, with climate targets approved by the Science-Based Targets Initiative (SBTi) in April 2023

Scopes 1 and 2



GHG emissions related to **store operations**

1

Refrigeration equipment

2

Energy consumption

Global warming limited to

1.5°C

2019-2030

-46% GHG emissions by 2030



Energy efficiency: -40% of store energy consumption between 2014 and 2030 (-26% in 2022)

Renewable energies: 100% renewable electricity by 2030 (26% at end-22)

Scope 3



GHG emissions **upstream and downstream of the stores**

3

Life cycle of products*

4

Transport of goods

Global warming limited to

Well below 2°C

2020-2030

-25% GHG emissions by 2030



Products: Involvement with national brands, working with our food private label suppliers, eco-design of our non-food private labels

Transport: Optimisation of goods transport, Renewable energy distribution among our suppliers, Development of electric mobility for our customers



**Stores' scope 1 and 2
GHG emissions**

-9%

H1 2023 vs. H1 2022

In 2022, Auchan Retail already reduced the direct emissions of its stores by 9% compared with **2019** (Scopes 1 +2 in location based)

Trend in line with the annual reduction target in the Climate plan

Partners for decarbonation 2030

- **Climate roadmaps** (scopes 1, 2 and 3) for all EU countries + Senegal planned for H2 2024
- **Launch of the *Supplier engagement* programme** with suppliers representing 30% of scope 3 emissions and with product teams.
In France: responsible sectors commitment for the farming carbon footprint (Farmterix)
- **Development of a carbon tracking tool for scopes 1, 2 and 3:**
commissioning scheduled for 2025



Partners for decarbonation 2030



SUSTAINABLE FINANCE FRAMEWORK

ELO Sustainable Finance Framework overview

The Framework has been developed in accordance with the **ICMA Green Bond Principles 2021** (GBP), including the updated appendix I of June 2022, **ICMA Social Bond Principles 2023** (SBP), and the **ICMA Sustainability Bond Guidelines 2021** (SBG). This Framework is also aligned with the five core components of the **Sustainability-Linked Bond Principles** (SLBP) 2023 published by ICMA



Green & Social Use-of-Proceeds Financing:

Green categories:



Social category:



The eligibility criteria for the green categories reflect the EU taxonomy's substantial contribution criteria.

Process for project evaluation and selection:

A **Sustainable Finance Working Group** has been established within the ELO group to oversee the process of evaluating and selecting Eligible Projects under the Framework. It will meet on an annual basis,

Management of proceeds:

- **Look-back period:** Eligible expenditures and COGS must have been incurred **more recently than 3 years prior to the issuance**
- **Maximum time to allocation:** 24 months
- Projects financed under this framework may take the form of **assets, expenditures or cost of goods sold (COGS)**.

Reporting:

In accordance with the Principles, ELO will keep investors and other stakeholders updated on the **allocation of proceeds** and communicate on the **expected impacts** of the Eligible Projects.

Sustainability-Linked Financing:

Key Performance Indicators (KPIs) and Sustainability Performance Targets* (SPTs):

		Baseline		2026	2027	2028	2029	2030
		2019	2020					
KPI 1	Absolute Scope 1&2 GHG emissions** (tCO2e)	1,266,746	-	837 852	798 766	759 680	720 595	681 509
	Reduction vs 2019 (in %)	-	-	-34%	-37%	-40%	-43%	-46%
KPI 2	Absolute Scope 3 GHG emissions (tCO2e)	-	40,891,282	34 757 594	33 735 311	32 713 028	31 690 745	30 668 462
	Reduction vs 2020 (in %)	-	-	-15%	-18%	-20%	-23%	-25%

The **selected KPIs** are related to **Auchan Retail**, which represents **more than 98% of ELO activity** in revenue, as well as 90% of ELO scope 1 & 2 GHG emissions and the **vast majority of ELO' scope 3 emissions**.

Bond's characteristics:

SLBs issued under the Framework will feature a **step-up of the coupon** if KPI-performance does not meet the specified sustainability-performance target ("SPT") at a certain date.






Reporting:

ELO will report annually (starting from 31 December 2024 for KPI 2) on its performance related to the KPIs included in the Framework in its annual report or a separate KPI-performance report, available on its website and benefiting from auditor limited assurance.

Second Party Opinion: Moody's provided an SPO on the Framework, assessing its alignment to the ICMA GBP, SBP, SLB Principles and SBG



Green & Social Use of Proceeds financing

Eligible Green Categories	Eligibility Criteria	Contribution to UN SDGs	Contribution to EU Environmental Objectives	EU Economic Activities
Green Buildings	<p>Acquisition, ownership, and renovation of stores, offices, or warehouses</p> <ul style="list-style-type: none"> Buildings built before 31st December 2020 with an EPC label \geq "A" Buildings built before 31st December 2020 belonging to the top 15% of the national building stock based on primary energy demand (PED) Buildings built after 31st December 2020 with energy performance at least 10% better than the threshold for Nearly Zero-Energy Building ("NZE") in the local market 	 	<p>Substantial Contribution to Climate Change Mitigation (Article 10)</p>	7.7 Acquisition and ownership of buildings
Energy Efficiency	Projects that substantially contribute to EU Economic Activity 7.3 or 7.5 in the Climate Delegated Act (in line with ELO Taxonomy reporting)			<p>7.3 Installation, maintenance, and repair of energy efficiency equipment</p> <p>7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</p>
Clean Transportation	<p>Projects associated with establishment, acquisition, expansion, upgrades, maintenance, and operation of zero emissions vehicles and/or related infrastructures:</p> <ul style="list-style-type: none"> Zero-emissions vehicles: battery electric vehicles (BEV), hydrogen or otherwise zero-emission passenger and/or light/heavy-duty vehicles Infrastructure to support zero-emissions vehicles: EV charging stations and hydrogen fueling stations <p><i>Exclusion criteria: transport or storage of fossil fuels</i></p>			<p>6.5 Transport by motorbikes, passenger cars and light commercial vehicles</p> <p>6.6 Freight transport services by road</p> <p>6.15 Infrastructure enabling low-carbon road transport and public transport</p> <p>7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</p>
Renewable Energy	<p>Projects related to the construction, development, acquisition, maintenance, and operation of renewable energy (including PPAs where reported as EU taxonomy-aligned expenditures)</p> <ul style="list-style-type: none"> Solar power: Photovoltaics (PV); Wind power: onshore and offshore wind energy generation facilities 			<p>4.1 Electricity generation using solar photovoltaic technology</p> <p>4.3 Electricity generation using wind power</p>

Eligible Social Categories	Eligibility Criteria	Contribution to UN SDGs	Target Population	Contribution to EU Social Objectives
Socioeconomic Advancement and Empowerment	<p>Procurement of sustainably produced products directly from the producers including :</p> <ul style="list-style-type: none"> Agricultural raw materials, meat, seafood, and other products that comply with the quality requirements for the development of <i>Responsible Filières</i> products and that fulfil the following conditions: <ul style="list-style-type: none"> ✓ Purchased from an agricultural cooperative, or ✓ Purchased from a company fulfilling the EU Commission definition of an SME ✓ And for which the purchase price exceeds the purchase price of a comparable <i>non-Filière</i> product by at least 10% where a benchmark is available 	   	Producers, livestock farmers and processors of the food chain, including in emerging markets	Decent work

Sustainability-Linked financing: **KPI 1: Absolute Scope 1 and 2 GHG emissions**

KPI definition

KPI 1 covers **Auchan Retail's stores GHG emissions**, including gas consumption, refrigerant leaks, electricity, and heat consumption

Methodology

Baseline 2019: 1,266,746 tCO₂e

Methodology: The GHG footprint methodology follows the guidelines of the World Business Council for Sustainable Development (WBCSD) / World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol regarding corporate greenhouse gas accounting and reporting

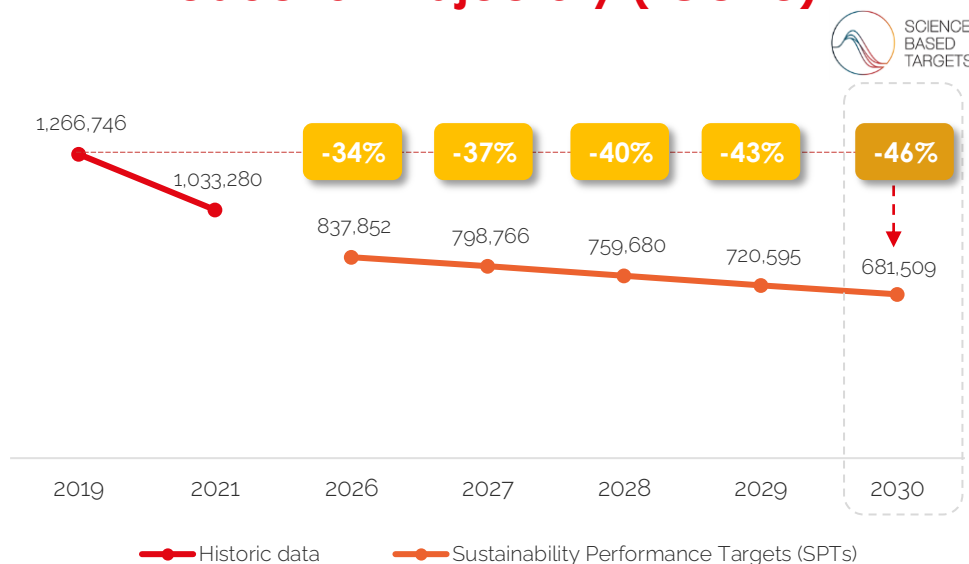
Sustainability Performance Targets (SPTs)

- Reduce **Scope 1 and 2 GHG emissions of Auchan Retail by 46% in 2030** from a 2019 baseline.
- The target is in line with a 1.5°C scenario as certified by the SBTi in April 2023
- Based on **a linear interpolation** between the 2021 historic performance and the 2030 target, intermediary annual targets have been defined for 2026 through 2029

Action plan to reach SPTs

- **Reduction of energy consumption:** replacement of refrigeration equipment with less energy-consuming systems, installation of closed doors on positive refrigeration units, use of divisional meters, change of heating and ventilation equipment, low-energy LED lighting, etc.
- **Objective of 100% renewable energy by 2030** through **three main levers**: the deployment of solar panels on stores and car parks for self-production and self-consumption of solar energy; the roll-out of corporate power purchase agreements ("PPAs"); the purchase of green energy through guarantee-of-origin contracts
- **Investments in refrigeration equipment:** significant investments to renew equipment with refrigeration units that consume less energy and install smart level detectors to limit refrigerant leaks. The objective is to totally renew the fleet within five years

Scopes 1 and 2 GHG emissions reduction trajectory (tCO₂e)



Sustainability-Linked financing: **KPI 2: Absolute Scope 3 GHG emissions**

KPI definition

Absolute Scope 3 GHG emissions from **purchased goods and services, upstream transportation & distribution, use of sold products, end-of-life treatment of sold products**

Methodology

A detailed definition of the KPI including scope, assumptions and measurement is available in a Scope 3 Methodological Note on ELO's website [link].

Sustainability Performance Targets (SPTs)

- Reduce absolute scope 3 GHG emissions from purchased goods and services, upstream & downstream transportation, and use of sold products of Auchan Retail **by 25% by 2030 from a 2020 baseline**
- **Based on a linear interpolation** between the baseline and the 2030 target, annual targets have been defined for 2026 through 2029.

Action plan to reach SPTs

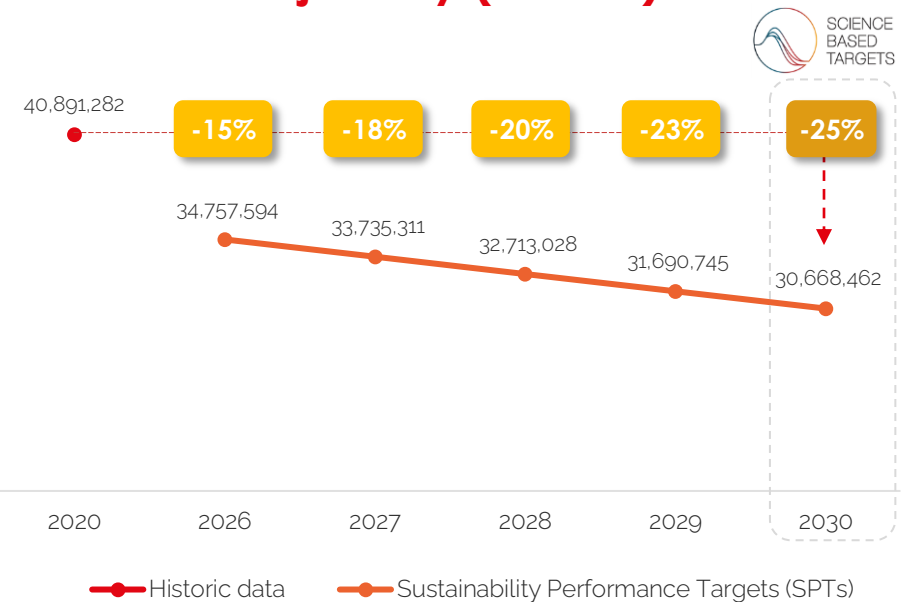
The action plan to reduce emissions related to the **purchased and sold products** by Auchan Retail (Auchan-brand products and products from other brands) includes **several actions**:

- **Supplier engagement program called “Partner for decarbonation”**: engaging its suppliers on a decarbonation pathway, driven by Auchan Retail's purchasing departments;
- **Food products actions**: fight against deforestation, increase flexitarian diet, improve farming and livestock practices, reduce food loss, etc.;
- **Non-food products actions**: increasing decarbonized energy at suppliers, developing new business models, implementing eco-design projects, increasing responsible sourcing, etc.

Auchan Retail's action plan to reduce the emissions from **its logistics activities** also includes:

- **Optimization of truck filling and routes**, supported by digital solutions, to reduce the tonne-kilometres travelled;
- **Changes in supply master plans** (product sourcing, definition of logistics networks)
- Development of **new alternative fuels to diesel** (biofuel, hydrogen, etc.)

Scope 3 GHG emissions reduction trajectory (tCO₂e)



Scope 3 KPI - Measurement methodology for Auchan Retail's Scope 3 CO2 emissions and baseline (re)calculation principles

- To comply with the new SBTi FLAG methodology, Auchan Retail will likely have to recalculate its scope 1, scope 2 and scope 3 emissions and set new targets. The FLAG study is expected to be conducted by the end of 2024 and is expected to result in updated scope 1, scope 2 and scope 3 emissions baselines. Scope 3 GHG emissions baseline will be expressed as two indicators: a scope 3 FLAG emissions baseline and a scope 3 non-FLAG emissions baseline. The Sustainability-Linked Financing framework therefore includes a substitution clause.
- Auchan Retail will also define new scope 1, scope 2 targets and scope 3 FLAG and non-FLAG targets, all of which are expected to be aligned with a 1.5°C scenario under the SBTi's FLAG methodology. The baselines and targets will be established by Auchan Retail, with the help of an external consultant, and submitted to the SBTi for validation. Once Auchan Retail has published its new baselines and targets, the existing KPI 2 (scope 3 GHG emissions) will be replaced by a KPI 2a (FLAG GHG emissions) and a KPI 2b (non-FLAG GHG emissions), and the existing SPT 2 (reduction of scope 3 GHG emissions) will be substituted by a new SPT 2a (reduction of FLAG GHG emissions) and a new SPT 2b (reduction of non-FLAG GHG emissions).
- These substitutions may be performed on the condition that an external verifier has independently confirmed that the new KPIs, KPI baselines and SPTs are consistent with, or more ambitious and material than, the initial KPIs, KPI baselines and SPTs.

Initial baseline

The initial baseline calculation for the Scope 3 GHG Emissions was approved by the SBTi in April 2023

3.1 Purchased goods and services

Includes own-brand products (private labels), national brand products and locally purchased products

• **Food:** catering trades, consumer goods and fresh industrial products

• **Non-Food:** textile, household appliances and consumer electronics, home decoration, outdoor leisure, auto, DIY, stationery, toys, health

It is estimated by extrapolating key products of each country on a quantity-based approach

3.1 category will be estimated via a dual approach

Products from suppliers participating to the "Partner for Decarbonation 2030" (PfD) programme

Products from other suppliers:

3.4 Upstream transportation & distribution

3.11 Use of sold products

3.11 End of life treatments of sold products

The methodology baseline calculation has been validated by the SBTi. It is calculated based on the "GHG protocol scope 3 calculation guidance"

Scope 3 emissions will be based on the latest GHG protocol guidelines, in particular the "Land Sector and Removals Guidance" published in 2023. Calculation will be made by a GHG protocol compliant software, developed by an accredited third-party verifier

Updated baseline

An updated baseline is expected to be calculated in the 2nd half of 2024 or 1st half of 2025, based on the SBTi FLAG methodology, and will be submitted to the SBTi for approval (as part of submission of new FLAG and non-FLAG targets)

As part of the programme, buyers will collect from their suppliers several information on their climate commitments. The following information will be used to calculate the supplier carbon impact related to Auchan revenues:

Weight of Auchan Retail in your revenue (in %)		
Have you already carried out a calculation of your carbon footprint?		
If yes, do you have an official calculation of your carbon footprint based on international reporting standards (GHG protocol/Bilan Carbone®/ISO 14064)?		
Year 2022 Absolute Scope 1	FLAG	Non-FLAG
Year 2022 Absolute Scope 2 (location-based / market-based)	FLAG	Non-FLAG
Year 2022 Absolute Scope 3 – 3.1 / 3.4 / 3.9 / 3.10 / 3.11 / 3.12	FLAG	Non-FLAG

FLAG and non-FLAG emissions will be separated. We will calculate Land Management (LM) emissions and Land Use Change (LUC) emissions in our value chain. It is anticipated that LM and LUC emissions will mostly occur on food and non-food products in 3.1 category (beef, soy, cocoa, coffee, cotton, rice...)

Calculated on a weight or volume base with an appropriate emission factor (from internationally recognized databases or LCAs), through our carbon tracking tool yet to be developed

If the supplier does not use any official calculation standard (Q3.5), the CO2 value will be excluded and estimated with the alternative approach.

The approach for measuring emissions in the categories 3.4, 3.11 and 3.12 will remain the same but may be adjusted due to a better accessibility of the data.

~70% of Auchan Retail Scope 3 emissions

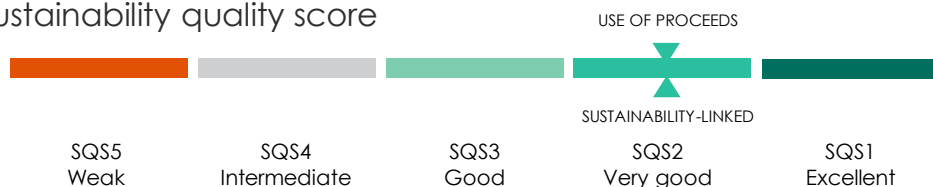
Second Party Opinion

Assessment summary

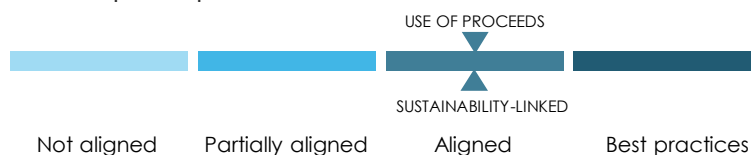
We have assigned an **SQS2 sustainability quality score (very good)** to the use of proceeds portion and an **SQS2 sustainability quality score (very good)** to the sustainability-linked portion of ELO's sustainable finance framework dated 4 August 2023.

The framework covers **five eligible use of proceeds categories** and **two key performance indicators**. For the use of proceeds portion, the framework is **aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1) and Social Bond Principles (SBP) 2023** and demonstrates a significant contribution to sustainability. For the sustainability-linked portion, the framework is **aligned with the five core components of the ICMA's Sustainability-Linked Bond Principles (SLBP) 2023**, and demonstrates a significant contribution to sustainability.

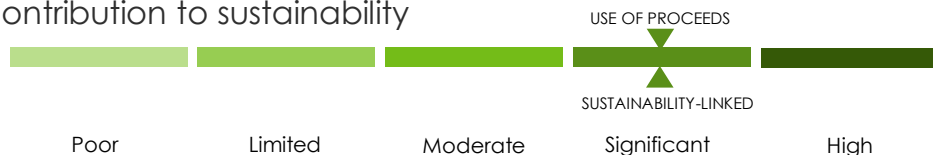
Sustainability quality score



Alignment with principles



Contribution to sustainability



Alignment with Principles

Use of Proceeds	Use of Proceeds	Not Aligned	Partially Aligned	Aligned	Best Practices
	Process for Project Evaluation and Selection	Not Aligned	Partially Aligned	Aligned	Best Practices
	Management of Proceeds	Not Aligned	Partially Aligned	Aligned	Best Practices
	Reporting	Not Aligned	Partially Aligned	Aligned	Best Practices
Sustainability -Linked	Selection of KPIs	Not Aligned	Partially Aligned	Aligned	Best Practices
	Calibration of SPTs	Not Aligned	Partially Aligned	Aligned	Best Practices
	Instrument characteristics & Reporting	Not Aligned	Partially Aligned	Aligned	
	Verification	Not Aligned	Partially Aligned	Aligned	Best Practices



Transaction Overview

Sustainability-Linked Bond Indicative Term-Sheet

ISSUER	ELO SACA	
ISSUER RATINGS	BBB- (stable) by S&P	
EXPECTED ISSUE RATINGS	BBB- by S&P	
RANKING AND FORMAT	Senior unsecured, Reg S dematerialised bearer	
USE OF PROCEEDS	General Corporate Purposes	
TENOR	5.5-year (March 2029)	
CURRENCY / AMOUNT	EUR Benchmark	
COUPON	[•]%, Fixed, Annual	
KEY PERFORMANCE INDICATORS	Absolute Scope 1 and 2 GHG emissions	Absolute Scope 3 GHG emissions from purchased goods and services, upstream & downstream transportation, and use of sold products of Auchan Retail
SUSTAINABILITY PERFORMANCE TARGETS (SPTS)	SPT for KPI 1: Reduce absolute Scope 1 and 2 GHG emissions of Auchan Retail by 34% by 2026 from a 2019 baseline	SPT for KPI 2: Reduce absolute scope 3 GHG emissions from purchased goods and services, upstream & downstream transportation, and use of sold products of Auchan Retail by 15% by 2026 from a 2020 baseline
TARGET OBSERVATION DATE	31 December 2026	
BASELINE DATES	2019	2020
STEP-UP OPTION	If SPT 1 not met: +12.5bp per annum (2 coupons impacted)	If SPT 2 not met: +25bp per annum (2 coupons impacted)
MAXIMUM CUMULATIVE STEP-UP	If both SPTs not met : +75bp	
DOCUMENTATION	EMTN Programme / Luxembourg Stock Exchange / CoC / 3m par call / Clean-Up Call 75% / MWC	
CONVENTION	Following ACT/ACT (ICMA)	
GOVERNING LAW	French Law	
DENOMINATION	€100,000 + €100,000	
ESG STRUCTURING AGENTS	ING, Société Générale	
GLOBAL COORDINATORS	ING (B&D), Société Générale	
ACTIVE BOOKRUNNERS	Crédit Agricole CIB, Deutsche Bank, HSBC, Santander	